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FEDERAL REALTY INVESTMENT TRUST

2020 Annual Report
Form 10-K & Proxy Statement

Dear Shareholders,

What a punch to the gut 2020 was! In a business where strong contracts (leases), diversification and conservatism are among our most important underlying principles, they were no match for a global pandemic that generated widespread behavioral change and saw sustained state, county and local government shutdowns that took matters out of our (and our tenants') hands. Our total revenue, which had grown at a compound annual growth rate of 6% over the last decade, declined 11% in 2020 or $100 million. A business plan and real estate portfolio that had been built over more than half a century to withstand economic swings, volatile capital market environments and changing consumer preferences, was dealt its biggest challenge ever by an invisible virus that found its way to every nook and cranny of the planet. As I write this letter, retail, restaurant and entertainment commerce in nearly all of the jurisdictions in which we operate remains restricted to some extent. Having said that, optimism is growing as we can begin to see a light at the end of the tunnel that we expect to continue to brighten as we get deeper into 2021 and 2022. We believe the demand for our real estate and our strong liquidity make our prospects once emerging from the pandemic stronger than ever.

Our Tenants

We have always paid particular attention to the relationship between our company and our tenants as it is our lifeblood. When the pandemic hit, we fully understood the importance of a productive partnership with our strongest tenants, particularly those small and medium sized businesses that, through no fault of their own, struggled mightily through the pandemic. Keeping those historically strong tenants open and our centers occupied was, and is, a primary objective. **We are all in this together!** Accordingly, we agreed to modify 1,200 of our leases (roughly 40% of our total) in one way or another. In some cases, we agreed to defer some or all of the rent obligation until some later point when those businesses could reopen and generate meaningful sales. We expect most tenants to be in a position to repay those deferrals over the next couple of years. In other cases, we agreed to abate (permanently forgive) all or part of the rent obligation for a period of time and then often, have that tenant begin to pay rent on a percentage of sales basis as they return to productivity. And in some cases, it was a combination of both deferrals and abatements. Each deal and negotiation was different, as we considered the specific needs of all the surrounding tenants in a particular shopping center as well as their ability to ultimately pay and their prospects for a strong post COVID recovery.

Of course, many businesses were impacted beyond what any help from us could provide to save them and bankruptcies, reorganizations, flat out closures were (and still are to some extent) commonplace. Those spaces need to be backfilled with new tenants, and by most measures, this is the primary source of our optimism for the future. Because even in the second half of 2020, at the height of the pandemic, we executed retail, restaurant, entertainment and office leases for over 400,000 square feet to new tenants (it's over 1 million square feet when considering renewals of existing tenants). Think about that. That represents over 200 organizations with limited visibility to a post COVID environment, that were willing to make multi-year commitments to take space in Federal Realty centers at rents roughly equal to pre-pandemic levels.

Where did that demand come from? Well, in the case of the renewals, certainly from tenants that had previously secured space in our centers who were not going to give it up easily as they saw our real estate as giving them the best chance for a strong recovery. But what about the new tenants? These executives saw the pandemic as a chance to improve the location of their businesses to better real estate for one reason or another. Maybe they were in a downtown location and thought that our first-tier suburban locations made more sense for them as work from home trends took hold. Maybe they were in an enclosed mall and felt that the open-air nature of our centers was more agreeable to their customers now and well into the future. Maybe they were in a less productive open-air center in the market and used the opportunity to upgrade to a Federal Realty center. Or maybe they were a new and expanding tenant like Serena & Lilly or Blue Bottle Coffee, who are carefully selecting the location for the limited rollout of their new concept and demand the best. Whatever the reason(s), we are strongly encouraged by the demand we are seeing for our real estate and, accordingly, are bullish on our post COVID growth prospects.

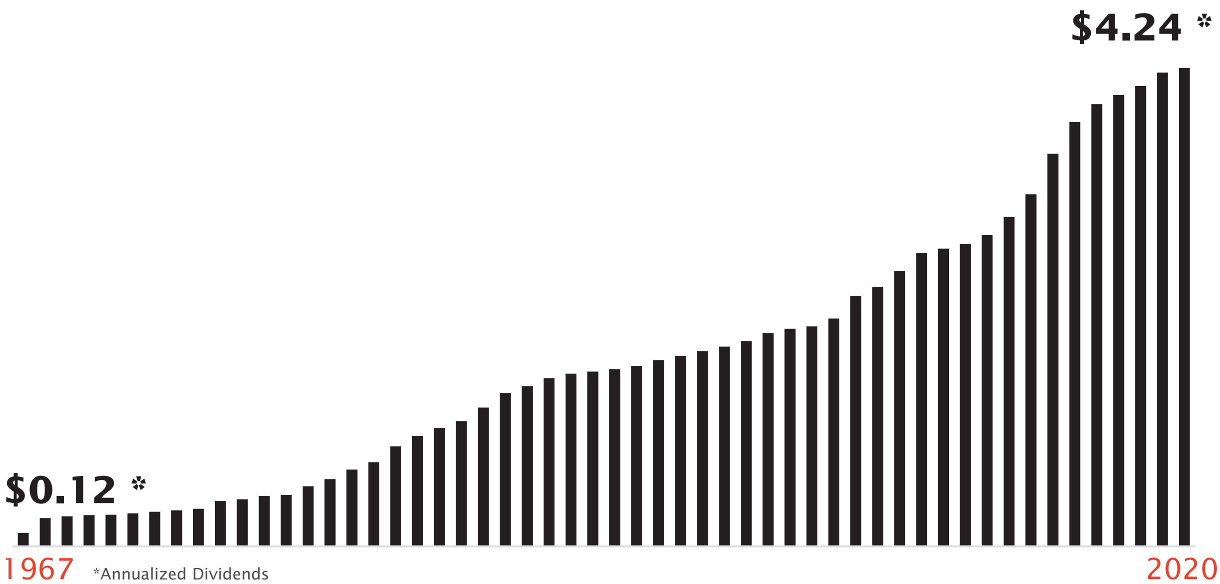
Balance Sheet

We wouldn't have been in a position to be able to share the economic pain of COVID with our tenants, nor would we have been able to retain our entire employee base through this crisis had we not entered into 2020 with arguably the strongest balance sheet among publicly traded shopping centers and the only one "A" rated by both Moody's and Standard & Poor's. We have long recognized the inherent cyclicality of the real estate business and therefore the need for low leverage (particularly relative to the high quality nature of our real estate), a well laddered debt maturity schedule, and the flexibility of a predominantly unsecured debt strategy, is fundamentally critical to our ability to weather those cycles. And while we certainly never planned for a "cycle" as severe and disruptive as COVID, it is precisely that fundamental strategy that we've believed in over many years that allowed us to shore up the balance sheet even further as the shutdowns began.

That began in March when we immediately drew down the entirety of our unutilized billion dollar credit line to insure us against the capital markets unknown. A large, unused credit line is invaluable in times of extreme uncertainty and we weren't afraid to use it. By May, it had become clear that the debt markets would remain open to Federal Realty at very competitive rates and, as such, we raised $1.1 billion in the form of an unsecured term loan and unsecured senior notes that, together, carried an effective interest rate inside 3% and a weighted average term of five and a half years. We paid down our credit line with those borrowings and remain in a very strong liquidity position as of this writing. Later in 2020, we again accessed the debt markets with the issuance of our first "Green Bond," a $400.0 million unsecured note bearing interest at 1.25% due in 2026 that is allocated to current and future LEED silver, gold or platinum buildings that we have and will develop. This and other sustainability initiatives are an important part of our company's culture as we look to the future in everything we do. Late in the year, we sold three of our shopping centers and issued common equity in amounts that combined, generated an additional $270 million of equity capital and debt repayment, assuring us of entering 2021 from a position of strength.

INDUSTRY-LEADING CONSISTENCY

53 consecutive years of increased dividends.



The Dividend

One area where we could have retained more than $50 million of capital in 2020 but chose not to was by cutting our common dividend to shareholders. The argument for doing so is a simple one: retained earnings are the cheapest form of capital and by law, REITS are only obligated to pay out 90% of taxable income. With the reduction of taxable income caused by the pandemic, why not save the money by retaining it in the business and not distributing it to shareholders? Nothing wrong with the short-term logic at all, but our Board and our senior management team found it lacking in long term considerations.

It starts with our strong belief in the "REIT bargain" with its shareholders. We believe that long-term REIT investors (the kind we search out and are managing the company for), expect a total investment return for which a steady, and if possible, growing dividend is a critical component. Currently, our dividend yield is roughly 4%. It's why we think that rather than cutting the dividend at the first available opportunity, the Board and senior management owe it to its investors to try and maintain it. It's why we need to explore the availability and cost of alternative sources of capital and consider the company's future prospects and recovery timeline, among other things, in its assessment of capital allocation and balance sheet management.

Federal has paid, and in fact increased, its cash dividend to common shareholders every year since 1967. That's 53 years in a row. It's one of only a small fraction of all U.S. companies, not just REITS, that can make such a claim. We believe that our long-term investors notice. Indications like rewarding us with a consistently higher earnings multiple, lower borrowing costs, greater access to a wide variety of capital markets in difficult times, and having a long memory, come to mind. We believe that an investment in Federal Realty should include the presumption that there is a buffer that reduces the risk of direct ownership in the real estate. A dependable dividend yield goes a long way in creating that buffer. The capital we could have retained with a dividend cut represents less than 3% of our total debt balance and less than 1% of the total value of the assets we manage. On balance, we decided to declare and pay that dividend and hope to continue to do so as we work our way through this pandemic.

Of course, the pandemic is not your ordinary economic cyclical event, and surely, its duration and ultimate impacts remain a question mark. There may come a time when it isn't prudent to declare the dividend at or above historic levels. The passage of time is the only measure that can provide more clarity there. But knowing that cutting the dividend was not our knee-jerk first move and that maintaining it remains a very high priority, should provide some level of comfort to investors who value that component of total return.

The Team and Our Future

Restaurants, gyms, and theaters, among other categories, have been most obviously impacted by the pandemic and the government restrictions put on them. Federal has a strong preponderance of these tenants, predominantly in our mixed use and lifestyle properties, which make up about a quarter of our company-wide portfolio. Not surprisingly, these properties have been among our worst performers in terms of rent collection and other metrics this past year. To add context, we collected roughly 84% of the retail rent that was due to us in the fourth quarter of 2020 at these properties, yet we collected 92% of the retail rent that was due to us at the other three quarters of our properties. Those retail centers are far more necessity based with a tenant mix more likely to include grocers, drug stores, banks, large well capitalized national tenants and the like.

Interestingly, it is precisely the strategy to have acquired and built such a wide variety of shopping center types, along with their locations in the first ring suburbs of major metropolitan cities, that has long been one of the primary strengths of our Company. While the necessity based centers provide the stability of our cash flows, the mixed use and lifestyle centers and communities (including our development pipeline), have provided the extra juice that investors have appreciated for their outsized growth and opportunity. It took a global pandemic and government mandated shutdowns to throw those properties off track. We believe their future looks brighter than ever.

The deep bench of professionals and support staff on the Federal team along with the camaraderie and efficiency with which they go about their business is something that takes years to develop and, like the dividend, should be protected and nurtured. The temptation to cut staff as a short-term cash conservation measure was very real in the early days of the pandemic and was happening at companies everywhere we looked. Thank goodness we resisted. The workload associated with negotiating, renegotiating and documenting leases, maintaining our properties to a high standard, continuing our development that is underway, managing our many constituencies and supporting all of these functions has been staggering and the continuing activity necessary to regain our position in the marketplace will be equally daunting. The Federal team performed at a level at which I remain in awe. We put our heads down, attacked the myriad of issues a pandemic creates, and worked tirelessly to find creative solutions. Such a work ethic is an integrated part of our culture of which I am immensely proud. It's an impressive group of real estate professionals.

We continue to build that team for the future and announced the promotion of Jeff Berkes to the newly formed position of President and Chief Operating Officer. One of the most respected real estate professionals in the business, Jeff has been with Federal for over 20 years and, with the east and west coast support of equally impressive professionals Wendy Seher and Jan Sweetnam, assure that our Company is in good hands as we fight our way through the other side of the global pandemic.

A Final Word…

Strong governance and awareness of our role in the future of our society is a responsibility that we take with the utmost of care and seriousness. Our published positions on all matters environmental, social, and governance related can be found on our website and act as a formal accounting of our progress on these issues. But that ESG report is not where the rubber meets the road. It is in the day to day actions, attitudes, and decisions that each of the Federal team members make in the ordinary course of their professional and personal lives that really make the difference. From designing and building the most efficient and sustainable environments throughout the country, to continued improvement in the long term efficient operation of our properties, to the exercise of tolerance and understanding, equal opportunity, diversity and fairness with respect to our fellow human beings with whom we both work and serve as customers, to the honest and forthright dealing with inequities head on, we are committed to practicing what we preach. It's that important to all of our futures.

Further, it is with immense gratitude and respect that I offer my heartfelt thanks to Joe Vassalluzzo, Federal's Board member since 2002 and Non Executive Chairman since 2006 and Jon Bortz, Federal's Board member since 2005, both of whom will be retiring from the Board effective this May. Their experience and counsel have proven invaluable to me personally and, by extension, to Federal's shareholders over a significant part of the last two decades. Thanks to both of you, not only as my mentors, but as my friends. As time marches forward and our Company continues to evolve, I would also like to welcome Ms. Nicole Y. Lamb-Hale and Mr. Anthony Nader to our Board and look forward to working closely with them and the rest of this dedicated Board as we endeavor to lead Federal to new heights in the months and years to come.

Respectfully,

Donald C. Wood

Chief Executive Officer

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

☒ **ANNUAL REPORT PURSUANT TO THE SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2020
OR

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

For the transition period from to
Commission file number: 1-07533

FEDERAL REALTY INVESTMENT TRUST

(Exact Name of Registrant as Specified in its Declaration of Trust)

Maryland	**52-0782497**
(State of Organization)	**(IRS Employer Identification No.)**

909 Rose Avenue, Suite 200, North Bethesda, Maryland 20852
(Address of Principal Executive Offices) (Zip Code)

(301) 998-8100
(Registrant's Telephone Number, Including Area Code)

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

Title of Each Class	Trading Symbol	Name of Each Exchange On Which Registered
Common Shares of Beneficial Interest $.01 par value per share, with associated Common Share Purchase Rights	FRT	New York Stock Exchange
Depositary Shares, each representing 1/1000 of a share of 5.00% Series C Cumulative Redeemable Preferred Stock, $.01 par value per share	FRT-C	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. ☒ Yes ☐ No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. ☐ Yes ☒ No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☒ Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). ☒ Yes ☐ No

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

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

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

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). ☐ Yes ☒ No

The aggregate market value of the registrant's common shares held by non-affiliates of the registrant, based upon the closing sales price of the registrant's common shares on June 30, 2020 was $6.4 billion.

The number of registrant's common shares outstanding on February 8, 2021 was 76,747,943.

FEDERAL REALTY INVESTMENT TRUST

ANNUAL REPORT ON FORM 10-K
FISCAL YEAR ENDED DECEMBER 31, 2020

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Registrant's Proxy Statement to be filed with the Securities and Exchange Commission for the Registrant's annual meeting of shareholders to be held in May 2021 will be incorporated by reference into Part III hereof.

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PART I

Forward-Looking Statements

Certain statements included in this Annual Report on Form 10-K are forward-looking statements. Those statements include statements regarding the intent, belief or current expectations of Federal Realty Investment Trust ("we" "our" or "us") and members of our management team, as well as the assumptions on which such statements are based, and generally are identified by the use of words such as "may," "will," "seeks," "anticipates," "believes," "estimates," "expects," "plans," "intends," "should" or similar expressions. Actual results may differ materially from those contemplated by such forward-looking statements. Further, forward-looking statements speak only as of the date they are made, and we undertake no obligation to update or revise forward-looking statements to reflect changed assumptions, the occurrence of unanticipated events or changes to future operating results over time, unless required by law.

The following are some of the risks and uncertainties, although not all risks and uncertainties, that could cause our actual results to differ materially from those presented in our forward-looking statements:

- risks that our tenants will not pay rent, may vacate early or may file for bankruptcy or that we may be unable to renew leases or re-let space at favorable rents as leases expire;
- risks that we may not be able to proceed with or obtain necessary approvals for any redevelopment or renovation project, and that completion of anticipated or ongoing property redevelopment or renovation projects that we do pursue may cost more, take more time to complete or fail to perform as expected;
- risk that we are investing a significant amount in ground-up development projects that may be dependent on third parties to deliver critical aspects of certain projects, requires spending a substantial amount upfront in infrastructure, and assumes receipt of public funding which has been committed but not entirely funded;
- risks normally associated with the real estate industry, including risks that occupancy levels at our properties and the amount of rent that we receive from our properties may be lower than expected, that new acquisitions may fail to perform as expected, that competition for acquisitions could result in increased prices for acquisitions, that costs associated with the periodic maintenance and repair or renovation of space, insurance and other operations may increase, that environmental issues may develop at our properties and result in unanticipated costs, and, because real estate is illiquid, that we may not be able to sell properties when appropriate;
- risks that our growth will be limited if we cannot obtain additional capital;
- risks associated with general economic conditions, including local economic conditions in our geographic markets;
- risks of financing on terms which are acceptable to us, our ability to meet existing financial covenants and the limitations imposed on our operations by those covenants, and the possibility of increases in interest rates that would result in increased interest expense;
- risks related to our status as a real estate investment trust, commonly referred to as a REIT, for federal income tax purposes, such as the existence of complex tax regulations relating to our status as a REIT, the effect of future changes in REIT requirements as a result of new legislation, and the adverse consequences of the failure to qualify as a REIT; and
- risks related to natural disasters, climate change and public health crises (such as the outbreak and worldwide spread of COVID-19), and the measures that international, federal, state and local governments, agencies, law enforcement and/or health authorities implement to address them, may precipitate or materially exacerbate one or more of the above-mentioned risks, and may significantly disrupt or prevent us from operating our business in the ordinary course for an extended period.

In addition, we describe risks and uncertainties that could cause actual results and events to differ materially in "Risk Factors" (Part I, Item 1A of this Annual Report on Form 10-K), "Quantitative and Qualitative Disclosures about Market Risk" (Part II, Item 7A), and "Management's Discussion and Analysis of Financial Conditions and Results of Operations" (Part II, Item 7).

ITEM 1. BUSINESS

References to "we," "us," "our" or the "Trust" refer to Federal Realty Investment Trust and our business and operations conducted through our directly or indirectly owned subsidiaries.

General

We are an equity real estate investment trust ("REIT") specializing in the ownership, management, and redevelopment of high quality retail and mixed-use properties located primarily in densely populated and affluent communities in strategically selected metropolitan markets in the Northeast and Mid-Atlantic regions of the United States, as well as in California and South Florida. As of December 31, 2020, we owned or had a majority interest in community and neighborhood shopping centers and mixed-use properties which are operated as 101 predominantly retail real estate projects comprising approximately 23.4 million square feet. In total, the real estate projects were 92.2% leased and 90.2% occupied at December 31, 2020. Our revenue is primarily generated from lease agreements with tenants. We have paid quarterly dividends to our shareholders continuously since our founding in 1962 and have increased our dividends per common share for 53 consecutive years.

We were founded in 1962 as a REIT under the laws of the District of Columbia and re-formed as a REIT in the state of Maryland in 1999. We operate in a manner intended to qualify as a REIT for tax purposes pursuant to provisions of the Internal Revenue Code of 1986, as amended (the "Code"). Our principal executive offices are located at 909 Rose Avenue, North Bethesda, Maryland 20852. Our telephone number is (301) 998-8100. Our website address is *www.federalrealty.com*. The information contained on our website is not a part of this report and is not incorporated herein by reference.

Business Objectives and Strategies

While the ongoing COVID-19 pandemic is impacting us in the short-term, our long-term focus has not changed.

Our primary business objective is to own, manage, acquire and redevelop a portfolio of high quality retail focused properties that will:

- provide increasing cash flow for distribution to shareholders;
- generate higher internal growth than the shopping center industry over the long term;
- provide potential for capital appreciation; and
- protect investor capital.

Our portfolio includes, and we continue to acquire and redevelop, high quality retail in many formats ranging from regional, community and neighborhood shopping centers that often are anchored by grocery stores to mixed-use properties that are typically centered around a retail component but also include office, residential and/or hotel components.

Operating Strategies

While managing through the ongoing COVID-19 pandemic has resulted in short-term deviations, our long-term core operating strategy has not changed. We continuously evaluate and assess our operating strategies to ensure they are effective and put us in the best position to address changes in the market. We actively manage our properties to maximize rents and maintain occupancy levels by attracting and retaining a strong and diverse base of tenants and replacing less relevant, weaker, underperforming tenants with stronger ones. Our properties are generally located in some of the most densely populated and affluent areas of the country. These strong demographics help our tenants generate higher sales, which has enabled us to maintain higher occupancy rates, charge higher rental rates, and maintain steady rent growth, all of which increase the value of our portfolio. Our operating strategies also include:

- increasing rental rates through the renewal of expiring leases or the leasing of space to new tenants at higher rental rates while limiting vacancy and down-time;
- maintaining a diversified tenant base, thereby limiting exposure to any one tenant's financial or operating difficulties;
- monitoring the merchandising mix of our tenant base to achieve a balance of strong national and regional tenants with local specialty tenants;
- minimizing overhead and operating costs;
- monitoring the physical appearance of our properties and the construction quality, condition and design of the buildings and other improvements located on our properties to maximize our ability to attract customers and thereby generate higher rents and occupancy rates;
- developing local and regional market expertise in order to capitalize on market and retailing trends;
- leveraging the contacts and experience of our management team to build and maintain long-term relationships with tenants;
- providing exceptional customer service; and
- creating an experience at many of our properties that is identifiable, unique and serves the surrounding communities to help insulate these properties and the tenants at these properties from the impact of on-line retailing.

Investing Strategies

Our investment strategy is to deploy capital at risk-adjusted rates of return that exceed our long-term weighted average cost of capital in projects that have potential for future income growth and increased value. Our investments primarily fall into one of the following four categories:

- renovating, expanding, reconfiguring and/or retenanting our existing properties to take advantage of under-utilized land or existing square footage to increase revenue;
- renovating or expanding tenant spaces for tenants capable of producing higher sales, and therefore, paying higher rents;
- acquiring quality retail and mixed-use properties located in densely populated and/or affluent areas where barriers to entry for further development are high, and that have possibilities for enhancing operating performance and creating value through renovation, expansion, reconfiguration and/or retenanting; and
- developing the retail portions of mixed-use properties and developing or otherwise investing in non-retail portions of mixed-use properties we already own in order to capitalize on the overall value created in these properties.

Investment Criteria

When we evaluate potential redevelopment, retenanting, expansion, acquisition and development opportunities, we consider such factors as:

- the expected returns in relation to our short and long-term cost of capital as well as the anticipated risk we will face in achieving the expected returns;
- the anticipated growth rate of operating income generated by the property;
- the ability to increase the long-term value of the property through redevelopment and retenanting;
- the tenant mix at the property, tenant sales performance and the creditworthiness of those tenants;
- the geographic area in which the property is located, including the population density, household incomes, education levels, as well as the population and income trends in that geographic area. This may from time to time include the evaluation of new markets;
- competitive conditions in the vicinity of the property, including gross leasable area (GLA) per capita, competition for tenants and the ability of others to create competing properties through redevelopment, new construction or renovation;
- access to and visibility of the property from existing roadways and the potential for new, widened or realigned, roadways within the property's trade area, which may affect access and commuting and shopping patterns;
- the level and success of our existing investments in the market area;
- the current market value of the land, buildings and other improvements and the potential for increasing those market values; and
- the physical condition of the land, buildings and other improvements, including the structural and environmental condition.

Financing Strategies

Our financing strategies are designed to enable us to maintain an investment grade balance sheet while retaining sufficient flexibility to fund our operating and investing activities in the most cost-efficient way possible. As a result of the ongoing COVID-19 pandemic and its impact on our cash flows, we have been currently maintaining levels of cash significantly in excess of the cash balances we have historically maintained. Our financing strategies include:

- maintaining a prudent level of overall leverage and an appropriate pool of unencumbered properties that is sufficient to support our unsecured borrowings;
- managing our exposure to variable-rate debt;
- maintaining sufficient levels of cash and available line of credit to fund operating and investing needs on a short-term basis;
- taking advantage of market opportunities to refinance existing debt, reduce interest costs and manage our debt maturity schedule so that a significant portion of our debt relative to our size does not mature in any one year;
- selling properties that have limited growth potential or are not a strategic fit within our overall portfolio and redeploying the proceeds to redevelop, renovate, retenant and/or expand our existing properties, acquire new properties or reduce debt; and
- utilizing the most advantageous long-term source of capital available to us to finance redevelopment and acquisition opportunities, which may include:
    - the sale of our equity or debt securities through public offerings, including our at-the-market ("ATM") equity program in which we may from time to time offer and sell common shares, or private placements,
    - the incurrence of indebtedness through unsecured or secured borrowings,

- the issuance of operating partnership units in a new or existing "downREIT partnership" that is controlled and consolidated by us (generally operating partnership units in a "downREIT" partnership are issued in exchange for a tax deferred contribution of property; these units typically receive the same distributions as our common shares and the holders of these units have the right to exchange their units for cash or common shares, at our option), or
- the use of joint venture arrangements.

Human Capital

At February 8, 2021, we had 307 full-time employees and 4 part-time employees. None of our employees are represented by a collective bargaining unit. We believe that our relationship with our employees is good.

Diversity and Inclusion

We are an Equal Opportunity/Affirmative action employer, and strive to maintain a workplace that is free from discrimination on the basis of race, color, religion, sex, sexual orientation, nationality, disability, or protected Veteran status.

Health, Safety, and Wellness

We are committed to the health, safety, and wellness of our employees, and foster an environment that allows our people to succeed while balancing work and life. We provide our employees with access to health and wellness programs, which includes benefits that support both physical and mental health. In response to the COVID-19 pandemic, we implemented significant changes that were in the best interest of our employees and to comply with government regulations. This includes having the majority of our employees working remotely, as well as implementing additional safety measures for employees continuing to work in our offices.

Compensation and Benefits

We provide competitive pay and benefits including health, dental, vision, short and long-term disability, life insurance and a 401(k) retirement program, as well as a generous paid time off program that includes vacation, sick, and personal leave. In addition to our equity awards program, we also offer a quarterly recognition program, as well as rewarding employees with spot bonuses for stellar performance or going above and beyond the base requirements of their job description.

Talent Development

Employees have access to a variety of different training courses, books, book summaries and audio books, and an array of source materials covering a myriad of different business and soft skills training subjects. Additionally, we provide reimbursement for tuition and professional licensures.

Community Involvement

Giving back to the community is an integral part of who we are and what we do. We provide ample ways to give back through programs at our properties or charitable endeavors and volunteer opportunities that also serve as team building exercises for our employees.

Tax Status

We elected to be taxed as a REIT under the federal income tax laws when we filed our 1962 tax return. As a REIT, we are generally not subject to federal income tax on taxable income that we distribute to our shareholders. Under the Code, REITs are subject to numerous organizational and operational requirements, including the requirement to generally distribute at least 90% of taxable income each year. We will be subject to federal income tax on our taxable income (including, for our taxable years ending on or prior to December 31, 2017, any applicable alternative minimum tax) at regular corporate rates if we fail to qualify as a REIT for tax purposes in any taxable year, or to the extent we distribute less than 100% of our taxable income. We will also generally not qualify for treatment as a REIT for federal income tax purposes for four years following the year during which qualification is lost. Even if we qualify as a REIT for federal income tax purposes, we may be subject to certain state and local income and franchise taxes and to federal income and excise taxes on our undistributed taxable income.

We have elected to treat certain of our subsidiaries as taxable REIT subsidiaries, which we refer to as a TRS. In general, a TRS may engage in any real estate business and certain non-real estate businesses, subject to certain limitations under the Code. A TRS is subject to federal and state income taxes. Our TRS activities have not been material.

Impacts of COVID-19 Pandemic

In March 2020, the World Health Organization declared the outbreak of novel coronavirus disease ("COVID-19") as a pandemic. While we currently expect the impact to our properties is temporary in nature, the extent of the future effects of COVID-19 on our business, operating strategies, results of operations, cash flows, and growth prospects is highly uncertain and will ultimately depend on future developments, none of which can be predicted with any certainty. Refer to Item 7 for further discussion of the impacts of COVID-19 on our business.

Governmental Regulations Affecting Our Properties

We and our properties are subject to a variety of federal, state and local environmental, health, safety and similar laws, including without limitation:

- the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, which we refer to as CERCLA;
- the Resource Conservation & Recovery Act;
- the Federal Clean Water Act;
- the Federal Clean Air Act;
- the Toxic Substances Control Act;
- the Occupational Safety & Health Act; and
- the Americans with Disabilities Act.

Please see Item 1A. "Risk Factors - Risk Factors Related to our REIT Status and Other Laws and Regulations" for further discussion of potential material effects of our compliance with government regulation, including environmental regulations and the rules governing REITS.

The application of these laws to a specific property that we own depends on a variety of property-specific circumstances, including the current and former uses of the property, the building materials used at the property and the physical layout of the property. Under certain environmental laws, principally CERCLA, we, as the owner or operator of properties currently or previously owned, may be required to investigate and clean up certain hazardous or toxic substances, asbestos-containing materials, or petroleum product releases at the property. We may also be held liable to a governmental entity or third parties for property damage and for investigation and clean up costs incurred in connection with the contamination, whether or not we knew of, or were responsible for, such contamination. In addition, some environmental laws create a lien on the contaminated site in favor of the government for damages and costs it incurs in connection with the contamination. As the owner or operator of real estate, we also may be liable under common law to third parties for damages and injuries resulting from environmental contamination emanating from the real estate. Such costs or liabilities could exceed the value of the affected real estate. The presence of contamination or the failure to remediate contamination may adversely affect our ability to sell or lease real estate or to borrow using the real estate as collateral.

Neither existing environmental, health, safety and similar laws nor the costs of our compliance with these laws has had a material adverse effect on our financial condition or results of operations, and management does not believe they will in the future. In addition, we have not incurred, and do not expect to incur, any material costs or liabilities due to environmental contamination at properties we currently own or have owned in the past. However, we cannot predict the impact of new or changed laws or regulations on properties we currently own or may acquire in the future. We have no current plans for substantial capital expenditures with respect to compliance with environmental, health, safety and similar laws and we carry environmental insurance which covers a number of environmental risks for most of our properties.

Competition

Numerous commercial developers and real estate companies compete with us with respect to the leasing and the acquisition of properties. Some of these competitors may possess greater capital resources than we do, although we do not believe that any single competitor or group of competitors in any of the primary markets where our properties are located are dominant in that market. This competition may:

- reduce the number of properties available for acquisition;
- increase the cost of properties available for acquisition;
- interfere with our ability to attract and retain tenants, leading to increased vacancy rates and/or reduced rents; and
- adversely affect our ability to minimize expenses of operation.

Retailers at our properties also face increasing competition from online retailers, outlet stores, discount shopping clubs, superstores, and other forms of sales and marketing of goods and services, such as direct mail. This competition could contribute to lease defaults and insolvency of tenants.

Available Information

Copies of our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (the "Exchange Act") are available free of charge through the Investors section of our website at *www.federalrealty.com* as soon as reasonably practicable after we electronically file the material with, or furnish the material to, the Securities and Exchange Commission, or the SEC.

Our Corporate Governance Guidelines, Code of Business Conduct, Code of Ethics applicable to our Chief Executive Officer and senior financial officers, Whistleblower Policy, organizational documents and the charters of our audit committee, compensation committee and nominating and corporate governance committee are all available in the Corporate Governance section of the Investors section of our website.

Amendments to the Code of Ethics or Code of Business Conduct or waivers that apply to any of our executive officers or our senior financial officers will be disclosed in the Corporate Governance section of our website as well.

ITEM 1A. RISK FACTORS

This Annual Report on Form 10-K contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, Section 21E of the Exchange Act and the Private Securities Litigation Reform Act of 1995. Also, documents that we "incorporate by reference" into this Annual Report on Form 10-K, including documents that we subsequently file with the SEC will contain forward-looking statements. When we refer to forward-looking statements or information, sometimes we use words such as "may," "will," "could," "should," "plans," "intends," "expects," "believes," "estimates," "anticipates" and "continues." In particular, the below risk factors describe forward-looking information. The risk factors describe risks that may affect these statements but are not all-inclusive, particularly with respect to possible future events. Many things can happen that can cause actual results to be different from those we describe. These factors include, but are not limited to the following:

Risk Factors Related to our Real Estate Investments and Operations

Revenue from our properties may be reduced or limited if the retail operations of our tenants are not successful.

Revenue from our properties depends primarily on the ability of our tenants to pay the full amount of rent and other charges due under their leases on a timely basis. Some of our leases provide for the payment, in addition to base rent, of additional rent above the base amount according to a specified percentage of the gross sales generated by the tenants and generally provide for reimbursement of real estate taxes and expenses of operating the property. Economic, legal, and/or competitive conditions, as well as COVID-19, may impact the success of our tenants' retail operations and therefore the amount of rent and expense reimbursements we receive from our tenants. Any reduction in our tenants' abilities to pay base rent, percentage rent, or other charges on a timely basis, including the closing of stores prior to the end of the lease term or the filing by any of our tenants for bankruptcy protection, will adversely affect our financial condition and results of operations. In the event of default by a tenant, we may experience delays and unexpected costs in enforcing our rights as landlord under lease terms, which may also adversely affect our financial condition and results of operations.

Our net income depends on the success and continued presence of our "anchor" tenants.

Our net income could be adversely affected in the event of a downturn in the business, or the bankruptcy or insolvency, of any anchor store or anchor tenant. Anchor tenants generally occupy large amounts of square footage, pay a significant portion of the total rents at a property and contribute to the success of other tenants by drawing significant numbers of customers to a property. The closing of one or more anchor stores at a property could adversely affect that property and result in lease terminations by, or reductions in rent from, other tenants whose leases may permit termination or rent reduction in those circumstances or whose own operations may suffer as a result. Over the past several years, we have seen higher levels of anchor turnover and closings in some markets, which has caused an oversupply of larger retail spaces. Therefore, tenant demand for certain of our anchor spaces may decrease and as a result, we may see an increase in vacancy and/or a decrease in rents for those spaces that could have a negative impact to our net income. As of December 31, 2020, our anchor tenant space is 96.2% leased and 94.1% occupied.

A shift in retail shopping from brick and mortar stores to online shopping may have an adverse impact on our cash flow, financial condition and results of operations.

Many retailers operating brick and mortar stores have made online sales a vital piece of their business. The shift to online shopping may cause declines in brick and mortar sales generated by certain of our tenants and may cause certain of our tenants to reduce the size or number of their retail locations in the future. This risk is partially mitigated by our strategy of maintaining a diverse portfolio of retail properties. The trend of retailers utilizing brick and mortar locations for 'showroom' and on-line sales distribution purposes (particularly at shopping centers in densely populated areas like ours) may further mitigate this risk. However, there can be no assurance that our shopping centers will not be further impacted by the shift to online shopping. As a result, our cash flow, financial condition, and results of operations could be adversely affected.

We have properties that are geographically concentrated, and adverse economic or real estate market declines in these areas could have a material adverse effect on us.

As of December 31, 2020, our tenants operated in 11 states and the District of Columbia. Any adverse situation that disproportionately affects the the markets where our properties are concentrated may have a magnified adverse effect on our portfolio. Refer to "Properties" (Item 2 of this Annual Report on Form 10-K) for additional discussion of the geographic concentration. Real estate markets are subject to economic downturns, as they have been in the past, and we cannot predict how economic conditions will impact this market in both the short and long term.

Declines in the economy or a decline in the real estate market in these states could hurt our financial performance and the value of our properties. Factors that may negatively affect economic conditions in these states include:

- business layoffs or downsizing;
- industry slowdowns;
- increased business restrictions due to health crises
- relocations of businesses;
- changing demographics;
- increased telecommuting and use of alternative work places;
- infrastructure quality;
- any oversupply of, or reduced demand for, real estate;
- concessions or reduced rental rates under new leases for properties where tenants defaulted; and
- increased operating costs including insurance premiums and real estate taxes.

We may be unable to collect balances due from tenants that file for bankruptcy protection.

If a tenant or lease guarantor files for bankruptcy, we may not be able to collect all pre-petition amounts owed by that party. In addition, a tenant that files for bankruptcy protection may terminate our lease in which event we would have a general unsecured claim that would likely be for less than the full amount owed to us for the remainder of the lease term, which could adversely affect our financial condition and results of operations.

We may experience difficulty or delay in renewing leases or re-leasing space.

We derive most of our revenue directly or indirectly from rent received from our tenants. We are subject to the risks that, upon expiration or termination of leases, whether by their terms, as a result of a tenant bankruptcy, general economic conditions or otherwise, leases for space in our properties may not be renewed, space may not be re-leased, or the terms of renewal or re-lease, including the cost of required renovations or concessions to tenants, may be less favorable than current lease terms and may include decreases in rental rates. As a result, our net income could be reduced.

Our development activities have inherent risks.

The ground-up development of improvements on real property, as opposed to the renovation and redevelopment of existing improvements, presents substantial risks. We generally do not look to acquire raw land for future development; however, we do intend to complete the development and construction of future phases of projects we already own. We may undertake development of these and other projects on our own or bring in third parties if it is justifiable on a risk-adjusted return basis. We may also choose to delay completion of a project if market conditions do not allow an appropriate return. If conditions arise and we are not able or decide not to complete a project or if the expected cash flows of our project do not exceed the book value, an impairment of the project may be required. If additional phases of any of our existing projects or if any new projects are not successful, it may adversely affect our financial condition and results of operations.

In addition to the risks associated with real estate investment in general, as described elsewhere and the specific risks above, the risks associated with our remaining development activities include:

- contractor changes may delay the completion of development projects and increase overall costs;
- significant time lag between commencement and stabilization subjects us to greater risks due to fluctuations in the general economy;
- delivery of residential product into uncertain residential environments may result in lower rents or longer time periods to reach economic stabilization;
- substantial amount of our investment is related to infrastructure and the overall value of the project may be negatively impacted if we do not complete subsequent phases;
- failure or inability to obtain construction or permanent financing on favorable terms;
- expenditure of money and time on projects that may never be completed;

- difficulty securing key anchor or other tenants may impact occupancy rates and projected revenue;
- inability to achieve projected rental rates or anticipated pace of lease-up;
- higher than estimated construction or operating costs, including labor and material costs; and
- possible delay in completion of a project because of a number of factors, including COVID-19, weather, labor disruptions, construction delays or delays in receipt of zoning or other regulatory approvals, acts of terror or other acts of violence, or acts of God (such as fires, earthquakes or floods).

Redevelopments and acquisitions may fail to perform as expected.

Our investment strategy includes the redevelopment and acquisition of high quality, retail focused properties in densely populated areas with high average household incomes and significant barriers to adding competitive retail supply. The redevelopment and acquisition of properties entail risks that include the following, any of which could adversely affect our results of operations and our ability to meet our obligations:

- our estimate of the costs to improve, reposition or redevelop a property may prove to be too low, or the time we estimate to complete the improvement, repositioning or redevelopment may be too short. As a result, the property may fail to achieve the returns we have projected, either temporarily or for a longer period;
- we may not be able to identify suitable properties to acquire or may be unable to complete the acquisition of the properties we identify;
- we may not be able to integrate an acquisition into our existing operations successfully;
- properties we redevelop or acquire may fail to achieve the occupancy or rental rates we project, within the time frames we project, at the time we make the decision to invest, which may result in the properties' failure to achieve the returns we projected;
- our pre-acquisition evaluation of the physical condition of each new investment may not detect certain defects or identify necessary repairs until after the property is acquired, which could significantly increase our total acquisition costs or decrease cash flow from the property; and
- our investigation of a property or building prior to our acquisition, and any representations we may receive from the seller of such building or property, may fail to reveal various liabilities, which could reduce the cash flow from the property or increase our acquisition cost.

Our performance and value are subject to general risks associated with the real estate industry.

Our economic performance and the value of our real estate assets, and consequently, the value of our investments, are subject to the risk that if our properties do not generate revenues sufficient to meet our operating expenses, including debt service and capital expenditures, our cash flow and ability to pay distributions to our shareholders will be adversely affected. As a real estate company, we are susceptible to the following real estate industry risks:

- economic downturns in general, or in the areas where our properties are located;
- adverse changes in local real estate market conditions, such as an oversupply or reduction in demand;
- changes in tenant preferences that reduce the attractiveness of our properties to tenants;
- zoning or regulatory restrictions;
- decreases in market rental rates;
- weather conditions that may increase or decrease energy costs and other weather-related expenses;
- costs associated with the need to periodically repair, renovate and re-lease space; and
- increases in the cost of adequate maintenance, insurance and other operating costs, including real estate taxes, associated with one or more properties, which may occur even when circumstances such as market factors and competition cause a reduction in revenues from one or more properties, although real estate taxes typically do not increase upon a reduction in such revenues.

Each of these risks could result in decreases in market rental rates and increases in vacancy rates, which could adversely affect our financial condition and results of operation.

Many real estate costs are fixed, even if income from our properties decreases.

Our financial results depend primarily on leasing space in our properties to tenants on terms favorable to us. Costs associated with real estate investment, such as real estate taxes, insurance and maintenance costs, generally are not reduced even when a property is not fully occupied, rental rates decrease, or other circumstances cause a reduction in income from the property. As a result, cash flow from the operations of our properties may be reduced if a tenant does not pay its rent or we are unable to rent our properties on favorable terms. Under those circumstances, we might not be able to enforce our rights as landlord without delays and may incur substantial legal costs. Additionally, new properties that we may acquire or redevelop may not produce any significant revenue immediately, and the cash flow from existing operations may be insufficient to pay the operating expenses and debt service associated with such new properties until they are fully occupied.

Competition may limit our ability to purchase new properties and generate sufficient income from tenants.

Numerous commercial developers and real estate companies compete with us in seeking tenants for our existing properties and properties for acquisition. This competition may:

- reduce properties available for acquisition;
- increase the cost of properties available for acquisition;
- reduce rents payable to us;
- interfere with our ability to attract and retain tenants;
- lead to increased vacancy rates at our properties; and
- adversely affect our ability to minimize expenses of operation.

Retailers at our properties also face increasing competition from online retailers, outlet stores, discount shopping clubs and other forms of sales and marketing of goods, such as direct mail. This competition could contribute to lease defaults and insolvency of tenants. If we are unable to continue to attract appropriate retail tenants to our properties, or to purchase new properties in our geographic markets, it could materially affect our ability to generate net income, service our debt and make distributions to our shareholders.

We may be unable to sell properties when appropriate because real estate investments are illiquid.

Real estate investments generally cannot be sold quickly. In addition, there are some limitations under federal income tax laws applicable to real estate and to REITs in particular that may limit our ability to sell our assets. We may not be able to alter our portfolio promptly in response to changes in economic or other conditions including being unable to sell a property at a return we believe is appropriate due to the economic environment. Our inability to respond quickly to adverse changes in the performance of our investments could have an adverse effect on our ability to meet our obligations and make distributions to our shareholders.

We may have limited flexibility in dealing with our jointly owned investments.

Our organizational documents do not limit the amount of funds that we may invest in properties and assets owned jointly with other persons or entities. As of December 31, 2020, we held 15 predominantly retail real estate projects jointly with other persons in addition to properties owned in a “downREIT” structure. Additionally, as of December 31, 2020, we owned an interest in the joint ventures that own the hotel components of Pike & Rose and Assembly Row. On January 4, 2021, we acquired our partner's 20% interest in our joint venture arrangement related to the Pike & Rose hotel. We may make additional joint investments in the future. Our existing and future joint investments may subject us to special risks, including the possibility that our partners or co-investors might become bankrupt, that those partners or co-investors might have economic or other business interests or goals which are unlike or incompatible with our business interests or goals, that those partners or co-investors might be in a position to take action contrary to our suggestions or instructions, or in opposition to our policies or objectives, and that disputes may develop with our joint venture partners over decisions affecting the property or the joint venture, which may result in litigation or arbitration or some other form of dispute resolution. Although as of December 31, 2020, we held the controlling interests in all of our existing co-investments (except the hotel investments discussed above and the investment in the La Alameda shopping center acquired in 2017), we generally must obtain the consent of the co-investor or meet defined criteria to sell or to finance these properties. Joint ownership gives a third party the opportunity to influence the return we can achieve on some of our investments and may adversely affect our ability to make distributions to our shareholders. We may also be liable for the actions of our co-investors.

Our insurance coverage on our properties may be inadequate.

We currently carry comprehensive insurance on all of our properties, including insurance for liability, fire, flood, earthquake, environmental matters, rental loss and acts of terrorism. All of these policies contain coverage limitations. We believe these coverages are of the types and amounts customarily obtained for or by an owner of similar types of real property assets located in the areas where our properties are located. We intend to obtain similar insurance coverage on subsequently acquired properties.

The availability of insurance coverage may decrease and the prices for insurance may increase as a consequence of significant losses incurred by the insurance industry and other factors outside our control. As a result, we may be unable to renew or duplicate our current insurance coverage in adequate amounts or at reasonable prices. In addition, insurance companies may no longer offer coverage against certain types of losses, such as losses due to terrorist acts, pandemics, and toxic mold, or, if offered, the expense of obtaining these types of insurance may not be justified. We therefore may cease to have insurance coverage against certain types of losses and/or there may be decreases in the limits of insurance available. If an uninsured loss or a loss in excess of our insured limits occurs, we could lose all or a portion of the capital we have invested in a property, as well as the anticipated future revenue from the property, but still remain obligated for any mortgage debt or other financial obligations related to the property. We cannot guarantee that material losses in excess of insurance proceeds will not occur in the future. If any of our properties were to experience a catastrophic loss, it could seriously disrupt our operations, delay revenue and result in large expenses to repair or rebuild the property. Also, due to inflation, changes in codes and ordinances, environmental considerations and other factors, it may not be feasible to use insurance proceeds to replace a building after it has been damaged or destroyed. Further, we may be unable to collect insurance proceeds if our insurers are unable to pay or contest a claim. Events such as these could adversely affect our results of operations and our ability to meet our obligations, including distributions to our shareholders.

Natural disasters, climate change and health crises, including the COVID-19 pandemic, could have an adverse impact on our cash flow and operating results.

Climate change may add to the unpredictability and frequency of natural disasters and severe weather conditions and create additional uncertainty as to future trends and exposures. Certain of our operations are located in areas that are subject to natural disasters and severe weather conditions such as hurricanes, earthquakes, droughts, snow storms, floods and fires. The impact of climate change or the occurrence of natural disasters can delay new development projects, increase investment costs to repair or replace damaged properties, increase operating costs, create additional investment costs to make improvements to existing properties to comply with climate change regulations, increase future property insurance costs, and negatively impact the tenant demand for space. If insurance is unavailable to us or is unavailable on acceptable terms, or if our insurance is not adequate to cover business interruption or losses from these events, our earnings, liquidity or capital resources could be adversely affected.

In addition, our business is subject to risks related to the effects of public health crises, epidemics and pandemics, including the COVID-19 pandemic. Such events could inhibit global, national and local economic activity; adversely affect trading activity in securities markets, which could negatively impact the trading prices of our common shares and debt securities and our ability to access the securities markets as a source of liquidity; adversely affect our tenants' financial condition by limiting foot traffic and staffing at their businesses, which could affect their ability to pay rent and willingness to make new leasing commitments; reduce our cash flow, which could impact our ability to pay dividends at the current rate and in the current format or at all or to service our debt; temporarily or permanently reduce the demand for retail or office space; interfere with our business operations by requiring our personnel to work remotely; increase the frequency of cyber-attacks; disrupt supply chains that could be important in our development and redevelopment activities; interfere with potential purchases and sales of properties; impact our ability to pay dividends at the current rate and in the current format or at all; and have other direct and indirect effects that are difficult to predict. Such risks depend upon the nature and severity of the public health concern, as well as the extent and duration of government-mandated orders and personal decisions to limit travel, economic activity and personal interaction, none of which can be predicted with confidence. In particular, we cannot predict the duration of stay-at-home and other government orders instituted in response to the COVID-19 pandemic, which vary by jurisdiction, or the pandemics' short and long term economic effects, each of which could have a material adverse effect on our business.

An increased focus on metrics and reporting related to corporate responsibility, specifically related to environmental, social and governance ("ESG") factors, may impose additional costs and expose us to new risks.

Investors and other stakeholders have become more focused on understanding how companies address a variety of ESG factors. Many of those investors and shareholders look to ESG rating systems that have been developed by third party groups to allow comparisons between companies on ESG factors as they evaluate investment decisions as well as to company disclosures. Although we participate in many of these ratings systems and generally score relatively well in those in which we do participate, we do not participate in, and would not necessarily score well in, all of the available ratings systems. Further, the criteria used in these ratings systems change frequently, and we cannot guaranty that we will be able to score well as criteria change. We supplement our participation in ratings systems with corporate disclosures of our ESG activities but many investors and stakeholders may look for specific disclosures that we do not provide. Failure to participate in certain of the third party ratings systems, failure to score well in those ratings systems or failure to provide certain ESG disclosures could result in reputational harm when investors or others compare us against similar companies in our industry and could cause certain investors to be unwilling to invest in our stock which could adversely impact our ability to raise capital.

For more information about the Trust's Corporate Responsibility initiatives, see Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations - Corporate Responsibility."

Risk Factors Related to our Funding Strategies and Capital Structure

The amount of debt we have and the restrictions imposed by that debt could adversely affect our business and financial condition.

As of December 31, 2020, we had approximately $4.3 billion of debt outstanding. Of that outstanding debt, approximately $486.0 million was secured by all or a portion of 11 of our real estate projects. As of December 31, 2020, approximately 90.7% of our debt is fixed rate or is fixed via interest rate swap agreements, which includes all of our property secured debt and our unsecured senior notes. Our organizational documents do not limit the level or amount of debt that we may incur. The amount of our debt outstanding from time to time could have important consequences to our shareholders. For example, it could:

- require us to dedicate a substantial portion of our cash flow from operations to payments on our debt, thereby reducing funds available for operations, property acquisitions, redevelopments and other appropriate business opportunities that may arise in the future;
- limit our ability to make distributions on our outstanding common shares and preferred shares;
- make it difficult to satisfy our debt service requirements;
- require us to dedicate increased amounts of our cash flow from operations to payments on debt upon refinancing or on our variable rate, unhedged debt, if interest rates rise;
- limit our flexibility in planning for, or reacting to, changes in our business and the factors that affect the profitability of our business;
- limit our ability to obtain any additional debt or equity financing we may need in the future for working capital, debt refinancing, capital expenditures, acquisitions, redevelopments or other general corporate purposes or to obtain such financing on favorable terms; and/or
- limit our flexibility in conducting our business, which may place us at a disadvantage compared to competitors with less debt or debt with less restrictive terms.

Our ability to make scheduled principal payments of, to pay interest on, or to refinance our indebtedness will depend primarily on our future performance, which to a certain extent is subject to economic, financial, competitive and other factors beyond our control. There can be no assurance that our business will continue to generate sufficient cash flow from operations in the future to service our debt or meet our other cash needs. If we are unable to generate this cash flow from our business, we may be required to refinance all or a portion of our existing debt, sell assets or obtain additional financing to meet our debt obligations and other cash needs, including the payment of dividends required to maintain our status as a real estate investment trust. We cannot assure you that any such refinancing, sale of assets or additional financing would be possible on terms that we would find acceptable.

We are obligated to comply with financial and other covenants pursuant to our debt obligations that could restrict our operating activities, and the failure to comply with such covenants could result in defaults that accelerate payment under our debt agreements.

Our revolving credit facility, unsecured term loan, and certain series of notes include financial covenants that may limit our operating activities in the future. We are also required to comply with additional covenants that include, among other things, provisions:

- relating to the maintenance of property securing a mortgage;
- restricting our ability to pledge assets or create liens;
- restricting our ability to incur additional debt;
- restricting our ability to amend or modify existing leases at properties securing a mortgage;
- restricting our ability to enter into transactions with affiliates; and
- restricting our ability to consolidate, merge or sell all or substantially all of our assets.

As of December 31, 2020, we were in compliance with all of our default related financial covenants. If we were to breach any of our default related debt covenants, including the covenants listed above, and did not cure the breach within any applicable cure period, our lenders could require us to repay the debt immediately, and, if the debt is secured, could immediately begin proceedings to take possession of the property securing the loan. Many of our debt arrangements, including our public notes and our revolving credit facility, are cross-defaulted, which means that the lenders under those debt arrangements can put us in default and require immediate repayment of their debt if we breach and fail to cure a default under certain of our other debt obligations. As a result, any default under our debt covenants could have an adverse effect on our financial condition, our results of operations, our ability to meet our obligations and the market value of our shares.

Adverse changes in our credit rating could affect our borrowing capacity and borrowing terms.

Our credit worthiness is rated by nationally recognized credit rating agencies. The credit ratings assigned are based on our operating performance, liquidity and leverage ratios, financial condition and prospects, and other factors viewed by the credit rating agencies as relevant to our industry and the economic outlook in general. Our credit rating can affect the amount of capital we access, as well as the terms of certain existing and future financing we obtain. Since we depend on debt financing to fund the growth of our business, an adverse change in our credit rating, including actual changes in outlook, or even the initiation of review of our credit rating that could result in an adverse change, could have a material adverse effect on us.

Our ability to grow will be limited if we cannot obtain additional capital.

Our growth strategy is focused on the redevelopment of properties we already own and the acquisition of additional properties. We believe that it will be difficult to fund our expected growth with cash from operating activities because, in addition to other requirements, we are generally required to distribute to our shareholders at least 90% of our taxable income each year to continue to qualify as a REIT for federal income tax purposes. As a result, we must rely primarily upon the availability of debt or equity capital, which may or may not be available on favorable terms or at all. Debt could include the sale of debt securities and mortgage loans from third parties. If economic conditions and conditions in the capital markets are not favorable at the time we need to raise capital, we may need to obtain capital on less favorable terms. Additionally, we cannot guarantee that additional financing, refinancing or other capital will be available in the amounts we desire or on favorable terms. Our access to debt or equity capital depends on a number of factors, including the market's perception of our growth potential and risk profile, our ability to pay dividends, and our current and potential future earnings. Depending on the outcome of these factors as well as the impact of the economic environment, we could experience delay or difficulty in implementing our growth strategy on satisfactory terms, or be unable to implement this strategy.

Rising interest rates could adversely affect our cash flow and the market price of our outstanding debt and preferred shares.

Of our $4.3 billion of debt outstanding as of December 31, 2020, approximately $456.5 million bears interest at a variable rate, of which, $400.0 million is our unsecured term loan that bears interest at a variable rate of LIBOR plus 135 basis points and $56.5 million in mortgages payable that bear interest at a variable rate of LIBOR plus 195 basis points and are effectively fixed through two interest rate swap agreements. We also have a $1.0 billion revolving credit facility, on which no balance was outstanding at December 31, 2020, that bears interest at LIBOR plus 77.5 basis points. We may borrow additional funds at variable interest rates in the future. Increases in interest rates would increase the interest expense on our variable rate debt and reduce our cash flow, which could adversely affect our ability to service our debt and meet our other obligations and also could reduce the amount we are able to distribute to our shareholders. We may enter into additional hedging arrangements or other transactions for all or a portion of our variable rate debt to limit our exposure to rising interest rates. However, the amounts we are required to pay under variable rate debt to which hedging or similar arrangements relate may increase in the event of non-performance by the counterparties to any such hedging arrangements. In addition, an increase in market interest rates may lead purchasers of our debt securities and preferred shares to demand a higher annual yield, which could adversely affect the market price of our outstanding debt securities and preferred shares and the cost and/or timing of refinancing or issuing additional debt securities or preferred shares.

The phase-out of LIBOR could affect interest rates under our variable rate debt and interest rate swap arrangements.

LIBOR is used as a reference rate for our revolving credit facility, certain mortgage payables, and in our interest rate swap arrangements. On July 27, 2017, the United Kingdom's Financial Conduct Authority announced it intends to stop compelling banks to submit rates for the calculation of LIBOR after 2021. On November 30, 2020, the ICE Benchmark Administration Limited announced its plan to extend the date that most U.S. LIBOR values would cease being computed and published from December 31, 2021 to June 30, 2023. The Federal Reserve Board and the Federal Reserve Bank of New York organized the Alternative Reference Rates Committee which identified the Secured Overnight Financing Rate ("SOFR") as its preferred alternative to U.S. dollar LIBOR in derivatives and other financial contracts. At this time, we can not predict the effect of any discontinuance, modification or other reforms to LIBOR, or if SOFR, or another alternative rate reference rate, attains market traction as a LIBOR replacement. As LIBOR phases out and ceases to exist, we will need to agree upon a benchmark replacement index with the bank, and as such the interest rate on our revolving credit facility and certain mortgage payables may change. The new rate may not be as favorable as those in effect prior to any LIBOR phase-out. Furthermore, the transition process may result in delays in funding, higher interest expense, additional expenses, and increased volatility in markets for instruments that currently rely on LIBOR, all of which could negatively impact our cash flow.

Risk Factors Related to our REIT Status and Other Laws and Regulations

Environmental laws and regulations could reduce the value or profitability of our properties.

All real property and the operations conducted on real property are subject to federal, state and local laws, ordinances and regulations relating to hazardous materials, environmental protection and human health and safety. Under various federal, state and local laws, ordinances and regulations, we and our tenants may be responsible for the disposal or treatment of hazardous or toxic substances released on or in properties we own or operate, as well as certain other potential costs relating to hazardous or toxic substances (including governmental fines and injuries to persons and property). This liability may be imposed whether or not we knew about, or were responsible for, the presence of hazardous or toxic substances. Further, the presence of contamination on our properties or the failure to properly remediate contamination at any of our properties may adversely affect our ability to sell or lease those properties or to borrow funds by using those properties as collateral. The costs or liabilities could exceed the value of the affected real estate. We are not aware of any environmental condition with respect to any of our properties that management believes would have a material adverse effect on our business, assets or results of operations taken as a whole.

In addition, changes in government legislation and regulation on climate change could result in increased capital expenditures to improve the energy efficiency of our existing properties and could also require us to spend more on our development or redevelopment projects without a corresponding increase in revenues, which may adversely affect our financial condition, results of operations and cash flows.

The Americans with Disabilities Act of 1990 could require us to take remedial steps with respect to existing or newly acquired properties.

Our existing properties, as well as properties we may acquire, as commercial facilities, are required to comply with Title III of the Americans with Disabilities Act of 1990. Investigation of a property may reveal non-compliance with this Act. The requirements of this Act, or of other federal, state or local laws or regulations, also may change in the future and restrict further renovations of our properties with respect to access for disabled persons. Future compliance with this Act may require expensive changes to the properties.

The revenues generated by our tenants could be negatively affected by various federal, state and local laws to which they are subject.

We and our tenants are subject to a wide range of federal, state and local laws and regulations, such as local licensing requirements, consumer protection laws and state and local fire, life-safety and similar requirements that affect the use of the properties. The leases typically require that each tenant comply with all laws and regulations. Failure to comply could result in fines by governmental authorities, awards of damages to private litigants, or restrictions on the ability to conduct business on such properties. Non-compliance of this sort could reduce our revenues from a tenant, could require us to pay penalties or fines relating to any non-compliance, and could adversely affect our ability to sell or lease a property.

Failure to qualify as a REIT for federal income tax purposes would cause us to be taxed as a corporation, which would substantially reduce funds available for payment of distributions.

We believe that we are organized and qualified as a REIT for federal income tax purposes and currently intend to operate in a manner that will allow us to continue to qualify as a REIT under the Code. However, we cannot assure you that we will remain qualified as such in the future.

Qualification as a REIT involves the application of highly technical and complex Code provisions and applicable income tax regulations that have been issued under the Code. Certain facts and circumstances not entirely within our control may affect our ability to qualify as a REIT. For example, in order to qualify as a REIT, at least 95% of our gross income in any year must be derived from qualifying rents and certain other income. Satisfying this requirement could be difficult, for example, if defaults by tenants were to reduce the amount of income from qualifying rents. As a REIT, we must generally make annual distributions to shareholders of at least 90% of our taxable income. In addition, new legislation, new regulations, new administrative interpretations or new court decisions may significantly change the tax laws with respect to qualification as a REIT or the federal income tax consequences of such qualification. Any modification in the tax treatment of REITs could have a significant adverse impact to our net income.

If we fail to qualify as a REIT:

- we would not be allowed a deduction for distributions to shareholders in computing taxable income;
- we would be subject to federal income tax at regular corporate rates;
- unless we are entitled to relief under specific statutory provisions, we could not elect to be taxed as a REIT for four taxable years following the year during which we were disqualified;
- we could be required to pay significant income taxes, which would substantially reduce the funds available for investment or for distribution to our shareholders for each year in which we failed or were not permitted to qualify; and
- we would no longer be required by law to make any distributions to our shareholders.

To maintain our status as a REIT, we limit the amount of shares any one shareholder can own.

The Code imposes certain limitations on the ownership of the stock of a REIT. For example, not more than 50% in value of our outstanding shares of capital stock may be owned, directly or indirectly, by five or fewer individuals (as defined in the Code) during the last half of any taxable year. To protect our REIT status, our declaration of trust prohibits any one shareholder from owning (actually or constructively) more than 9.8% in value of the outstanding common shares or of any class or series of outstanding preferred shares. The constructive ownership rules are complex. Shares of our capital stock owned, actually or constructively, by a group of related individuals and/or entities may be treated as constructively owned by one of those individuals or entities. As a result, the acquisition of less than 9.8% in value of the outstanding common shares and/or a class or series of preferred shares (or the acquisition of an interest in an entity that owns common shares or preferred shares) by an individual or entity could cause that individual or entity (or another) to own constructively more than 9.8% in value of the outstanding capital stock. If that happened, either the transfer of ownership would be void or the shares would be transferred to a charitable trust and then sold to someone who can own those shares without violating the 9.8% ownership limit.

The Board of Trustees may waive these restrictions on a case-by-case basis. In addition, the Board of Trustees and two-thirds of our shareholders eligible to vote at a shareholder meeting may remove these restrictions if they determine it is no longer in our best interests to attempt to qualify, or to continue to qualify, as a REIT. The 9.8% ownership restrictions may delay, defer or prevent a transaction or a change of our control that might involve a premium price for the common shares or otherwise be in the shareholders' best interest.

Legislative, administrative, regulatory or other actions affecting REITs, including positions taken by the IRS, could have a material adverse effect on us and our investors.

The rules dealing with U.S. federal income taxation are constantly under review by persons involved in the legislative process, and by the Internal Revenue Service ("IRS") and the U.S. Department of the Treasury ("Treasury"). Changes to the tax laws or interpretations thereof by the IRS and the Treasury, with or without retroactive application, could materially and adversely affect us and our investors. In particular, additional technical corrections legislation and implementing regulations may be enacted or promulgated in response to the Tax Cuts and Job Acts of 2017 (the "Act"), and substantive legislative changes to the Act are also possible. In response to the COVID-19 pandemic, multiple pieces of legislation have already been enacted, including the 2020 CARES Act, and there have also been significant issuances of regulatory and other guidance, and further legislative enactments and other IRS or Treasury action is possible. No prediction can be made as to the likelihood of passage of new tax legislation or other provisions, or the direct or indirect effect on us and our shareholders. Accordingly, such new legislation, Treasury regulations, administrative interpretations or court decisions could significantly and negatively affect our ability to qualify to be taxed as a REIT and/or the U.S. federal income tax consequences to us and our investors of such qualification.

Certain tax and anti-takeover provisions of our declaration of trust and bylaws may inhibit a change of our control.

Certain provisions contained in our declaration of trust and bylaws and the Maryland General Corporation Law, as applicable to Maryland REITs, may discourage a third party from making a tender offer or acquisition proposal to us. If this were to happen, it could delay, deter or prevent a change in control or the removal of existing management. These provisions also may delay or prevent the shareholders from receiving a premium for their common shares over then-prevailing market prices. These provisions include:

- the REIT ownership limit described above;
- authorization of the issuance of our preferred shares with powers, preferences or rights to be determined by the Board of Trustees;
- special meetings of our shareholders may be called only by the chairman of the board, the chief executive officer, the president, by one-third of the trustees or by shareholders possessing no less than 25% of all the votes entitled to be cast at the meeting;
- the Board of Trustees, without a shareholder vote, can classify or reclassify unissued shares of beneficial interest, including the reclassification of common shares into preferred shares and vice-versa;
- a two-thirds shareholder vote is required to approve some amendments to the declaration of trust; and
- advance-notice requirements for proposals to be presented at shareholder meetings.

In addition, if we elect to be governed by it in the future, the Maryland Control Share Acquisition Law could delay or prevent a change in control. Under Maryland law, unless a REIT elects not to be subject to this law, "control shares" acquired in a "control share acquisition" have no voting rights except to the extent approved by shareholders by a vote of two-thirds of the votes entitled to be cast on the matter, excluding shares owned by the acquirer and by officers or trustees who are employees of the REIT. "Control shares" are voting shares that would entitle the acquirer to exercise voting power in electing trustees within specified ranges of voting power. A "control share acquisition" means the acquisition of control shares, with some exceptions.

Our bylaws state that the Maryland control share acquisition law will not apply to any acquisition by any person of our common shares. This bylaw provision may be repealed, in whole or in part, at any time, whether before or after an acquisition of control shares, by a vote of a majority of the shareholders entitled to vote, and, upon such repeal, may, to the extent provided by any successor bylaw, apply to any prior or subsequent control share acquisition.

We may be required to incur additional debt to qualify as a REIT.

As a REIT, we must generally make annual distributions to shareholders of at least 90% of our taxable income. We are subject to income tax on amounts of undistributed taxable income and net capital gain. In addition, we would be subject to a 4% excise tax if we fail to distribute sufficient income to meet a minimum distribution test based on our ordinary income, capital gain and aggregate undistributed income from prior years. We intend to make distributions to shareholders to comply with the Code's distribution provisions and to avoid federal income and excise tax. We may need to borrow funds to meet our distribution requirements because:

- our income may not be matched by our related expenses at the time the income is considered received for purposes of determining taxable income; and
- non-deductible capital expenditures, creation of reserves, or debt service requirements may reduce available cash but not taxable income.

In these circumstances, we might have to borrow funds on terms we might otherwise find unfavorable and we may have to borrow funds even if our management believes the market conditions make borrowing financially unattractive. Current tax law also allows us to pay a portion of our distributions in shares instead of cash.

General Risk Factors

The market value of our debt and equity securities is subject to various factors that may cause significant fluctuations or volatility.

As with other publicly traded securities, the market price of our debt and equity securities depends on various factors, which may change from time to time and/or may be unrelated to our financial condition, operating performance or prospects that may cause significant fluctuations or volatility in such prices. These factors include, among others:

- general economic and financial market conditions;
- level and trend of interest rates;
- our ability to access the capital markets to raise additional capital;
- the issuance of additional equity or debt securities;
- changes in our funds from operations ("FFO") or earnings estimates;
- changes in our credit or analyst ratings;
- our financial condition and performance;
- market perception of our business compared to other REITs; and
- market perception of REITs, in general, compared to other investment alternatives.

We cannot assure you we will continue to pay dividends in the current composition or at historical rates.

Our ability to continue to pay dividends on our common shares at historical rates or to increase our common share dividend rate, and our ability to pay preferred share dividends and service our debt securities, will depend on a number of factors, including, among others, the following:

- our financial condition and results of future operations;
- the performance by our tenants under their contractual lease agreements;
- the terms of our loan covenants; and
- our ability to acquire, finance, develop or redevelop and lease additional properties at attractive rates.

If we do not maintain or increase, or if we change the composition of the dividend on our common shares, it could have an adverse effect on the market price of our common shares and other securities. Any preferred shares we may offer in the future may have a fixed dividend rate that would not increase with any increases in the dividend rate of our common shares. Conversely, payment of dividends on our common shares may be subject to payment in full of the dividends on any preferred shares and payment of interest on any debt securities we may offer.

Loss of our key management could adversely affect performance and the value of our common shares.

We are dependent on the efforts of our key management. Although we believe qualified replacements could be found for any departures of key executives, the loss of their services could adversely affect our performance and the value of our common shares.

We may adjust our business policies without shareholder approval.

We may modify our approach to investment, financing, borrowing, and other operating strategies without shareholder approval. A change in the approach to any of these items could adversely affect our financial condition and results of operations, and the market price of our securities.

Our current business plan focuses on our investment in high quality retail based properties that are typically neighborhood and community shopping centers or mixed-use properties, principally through redevelopments and acquisitions. If this business plan is not successful, it could have a material adverse effect on our financial condition and results of operations.

Given these uncertainties, readers are cautioned not to place undue reliance on any forward-looking statements that we make, including those in this Annual Report on Form 10-K. Except as may be required by law, we make no promise to update any of the forward-looking statements as a result of new information, future events or otherwise. You should carefully review the above risks and the risk factors.

We face risks relating to cyber attacks that could cause loss of confidential information and other business disruptions.

We rely extensively on information technology systems to process transactions and manage our business, and our business is at risk from and may be impacted by cyber attacks. These could include attempts to gain unauthorized access to our data and computer systems as well as attacks on third party's information technology systems that we rely on to provide important information technology services relating to key business functions, such as payroll. Attacks can be both individual and/or highly organized attempts by very sophisticated hacking organizations. We employ a number of measures to prevent, detect and mitigate these threats, which include password encryption, multi-factor authentication, frequent password change events, firewall detection systems, anti-virus software in-place, frequent backups, a redundant data system for core applications and penetration testing; however, there is no guarantee such efforts will be successful in preventing a cyber attack. A cyber attack could compromise the confidential information of our employees, tenants and vendors. A successful attack could disrupt and otherwise adversely affect our business operations.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

General

As of December 31, 2020, we owned or had a majority ownership interest in community and neighborhood shopping centers and mixed-used properties which are operated as 101 predominantly retail real estate projects comprising approximately 23.4 million square feet. These properties are located primarily in densely populated and affluent communities in strategic metropolitan markets in the Northeast and Mid-Atlantic regions of the United States, California, and South Florida. No single commercial or residential property accounted for over 10% of our 2020 total revenue. We believe that our properties are adequately covered by commercial general liability, fire, flood, earthquake, terrorism and business interruption insurance provided by reputable companies, with commercially reasonable exclusions, deductibles and limits.

Tenant Diversification

As of December 31, 2020, we had approximately 2,800 commercial leases and 2,700 residential leases, with tenants ranging from sole proprietors to major national and international retailers. No one tenant or affiliated group of tenants accounted for more than 3.6% of our annualized base rent as of December 31, 2020. As a result of our tenant diversification, we believe our exposure to any one bankruptcy filing in the retail sector has not been and will not be significant, however, multiple filings by a number of retailers could have a significant impact.

Geographic Diversification

Our 101 real estate projects are located in 11 states and the District of Columbia. The following table shows the number of projects, the gross leasable area (“GLA”) of commercial space and the percentage of total portfolio gross leasable area of commercial space in each state as of December 31, 2020.

State	Number of Projects	Gross Leasable Area	Percentage of Gross Leasable Area
		(In square feet)	
California	20	5,496,000	23.5 %
Maryland(1)	20	4,397,000	18.8 %
Virginia	17	3,726,000	15.9 %
Pennsylvania(2)	10	2,216,000	9.5 %
Massachusetts	8	1,988,000	8.5 %
New Jersey	7	1,893,000	8.1 %
New York	7	1,374,000	6.0 %
Florida	3	799,000	3.4 %
Illinois	4	798,000	3.4 %
Connecticut	3	357,000	1.5 %
Michigan	1	215,000	0.9 %
District of Columbia	1	119,000	0.5 %
Total	**101**	**23,378,000**	**100.0 %**

(1) Additionally, we acquired two mortgages in September 2020 with a net carrying value of approximately $9.6 million secured by a shopping center in Rockville, Maryland.
(2) Additionally, we own two participating mortgages with a net carrying value of approximately $30.3 million secured by multiple buildings in Manayunk, Pennsylvania.

Leases, Lease Terms and Lease Expirations

Our leases are classified as operating leases and typically are structured to require the monthly payment of minimum rents in advance, subject to periodic increases during the term of the lease, percentage rents based on the level of sales achieved by tenants, and reimbursement of a majority of on-site operating expenses and real estate taxes. These features in our leases generally reduce our exposure to higher costs and allow us to participate in improved tenant sales.

Commercial property leases generally range from three to ten years; however, certain leases, primarily with anchor tenants, may be longer. Many of our leases contain tenant options that enable the tenant to extend the term of the lease at expiration at pre-established rental rates that often include fixed rent increases, consumer price index adjustments or other market rate adjustments from the prior base rent. Leases on residential units are generally for a period of one year or less and, in 2020, represented approximately 10.3% of total rental income.

The following table sets forth the schedule of lease expirations for our commercial leases in place as of December 31, 2020 for each of the 10 years beginning with 2021 and after 2030 in the aggregate assuming that none of the tenants exercise future renewal options. Annualized base rents reflect in-place contractual rents as of December 31, 2020.

Year of Lease Expiration	Leased Square Footage Expiring	Percentage of Leased Square Footage Expiring	Annualized Base Rent Represented by Expiring Leases	Percentage of Annualized Base Rent Represented by Expiring Leases
2021	1,490,000	7 %	$ 50,066,000	8 %
2022	2,785,000	13 %	72,388,000	11 %
2023	2,288,000	11 %	69,085,000	11 %
2024	3,280,000	15 %	84,926,000	14 %
2025	2,465,000	12 %	72,881,000	12 %
2026	1,659,000	8 %	50,531,000	8 %
2027	1,457,000	7 %	56,154,000	9 %
2028	1,281,000	6 %	39,264,000	6 %
2029	1,334,000	6 %	44,126,000	7 %
2030	1,193,000	6 %	40,297,000	6 %
Thereafter	1,857,000	9 %	50,087,000	8 %
Total	21,089,000	100 %	$ 629,805,000	100 %

During 2020, we signed leases for a total of 1,756,000 square feet of retail space including 1,666,000 square feet of comparable space leases (leases for which there was a prior tenant) at an average rental increase of 3% on a cash basis. New leases for comparable spaces were signed for 595,000 square feet at an average rental increase of 4% on a cash basis. Renewals for comparable spaces were signed for 1,071,000 square feet at an average rental increase of 2% on a cash basis. Tenant improvements and incentives for comparable spaces were $31.49 per square foot, of which, $84.12 per square foot was for new leases and $2.25 per square foot was for renewals in 2020.

During 2019, we signed leases for a total of 1,675,000 square feet of retail space including 1,557,000 square feet of comparable space leases (leases for which there was a prior tenant) at an average rental increase of 8% on a cash basis. New leases for comparable spaces were signed for 793,000 square feet at an average rental increase of 11% on a cash basis. Renewals for comparable spaces were signed for 763,000 square feet at an average rental increase of 4% on a cash basis. Tenant improvements and incentives for comparable spaces were $42.60 per square foot, of which, $81.24 per square foot was for new leases and $2.43 per square foot was for renewals in 2019.

The rental increases associated with comparable spaces generally include all leases signed for retail space in arms-length transactions reflecting market leverage between landlords and tenants during the period. The comparison between annual rent for expiring leases and new leases is determined by including minimum rent and percentage rent paid on the expiring lease and minimum rent and in some instances, projections of first lease year percentage rent, to be paid on the new lease. In atypical circumstances, management may exercise judgment as to how to most effectively reflect the comparability of spaces reported in this calculation. As a result of accommodations made to certain tenants to help them to stay open during and after the COVID-19 pandemic, we have found it necessary to exercise more judgement in 2020 than in prior years in order to appropriately reflect the comparability of spaces in the calculation. The change in rental income on comparable space leases is impacted by numerous factors including current market rates, location, individual tenant creditworthiness, use of space, market conditions when the expiring lease was signed, capital investment made in the space and the specific lease structure. Tenant improvements and incentives include the total dollars committed for the improvement (fit out) of a space as it relates to a specific lease and, except for redevelopments, may also include base building costs (i.e. expansion, escalators or new entrances) which are required to make the space leasable. Incentives include amounts paid to tenants as inducement to sign a lease that do not represent building improvements. Costs related to redevelopments require judgment by management in determining what reflects base building costs and thus, is not included in the "tenant improvements and incentives" amount.

Historically, we have executed comparable space leases for 1.3 to 1.9 million square feet of retail space each year. We expect some rental rates to be negatively impacted by the COVID-19 pandemic, which we started experiencing in the second quarter of 2020. We expect the volume for 2021 will be in line with, or potentially exceed our historical averages given a larger amount of current vacancy as a result of COVID-19. Although we expect overall positive increases in annual rent for comparable spaces, changes in annual rent for any individual lease or combinations of individual leases reported in any particular period may be positive or negative and we can provide no assurance that the annual rents on comparable space leases will continue to increase at historical levels, if at all.

The leases signed in 2020 generally become effective over the following two years though some may not become effective until 2023 and beyond. Further, there is risk that some new tenants will not ultimately take possession of their space and that tenants for both new and renewal leases may not pay all of their contractual rent due to operating, financing or other matters. However, our historical increases in rental rates do provide information about the tenant/landlord relationship and the potential increase we may achieve in rental income over time.

Retail and Residential Properties

The following table sets forth information concerning all real estate projects in which we owned an equity interest, had a leasehold interest, or otherwise controlled and are consolidated as of December 31, 2020. Except as otherwise noted, we are the sole owner of our real estate projects. Principal tenants are the largest tenants in the project based on square feet leased or are tenants important to a project's success due to their ability to attract retail customers.

Property, City, State, Zip Code	Year Completed	Year Acquired	Square Feet(1) / Apartment Units	Average Base Rent Per Square Foot(2)	Percentage Leased(3)	Principal Tenant(s)
California						
Azalea South Gate, CA 90280(5)(8)	2014	2017	223,000	$29.15	99%	Marshalls Ross Dress for Less Ulta Michaels
Bell Gardens Bell Gardens, CA 90201(4)(5)(8)	1990, 2003, 2006	2017/2018	330,000	$22.77	92%	Food4Less Marshalls Ross Dress for Less Bob's Discount Furniture
Colorado Blvd Pasadena, CA 91103(4)	1905-1988	1998	42,000	$55.34	100 %	Banana Republic True Food Kitchen
Crow Canyon Commons San Ramon, CA 94583	1980, 1998, 2006	2005/2007	243,000	$29.89	98%	Sprouts Total Wine & More Rite Aid
East Bay Bridge Emeryville & Oakland, CA 94608	1994-2001, 2011, 2012	2012	440,000	$19.04	99%	Pak-N-Save Home Depot Target Nordstrom Rack
Escondido Promenade Escondido, CA 92029(5)	1987	1996/2010	298,000	$28.44	94%	TJ Maxx Dick's Sporting Goods Ross Dress For Less Bob's Discount Furniture
Fourth Street Berkeley, CA 94710(5)	1948, 1975	2017	71,000	$31.61	78%	CB2 Ingram Book Group Bellwether Coffee
Freedom Plaza Los Angeles, CA 90002(4)(5)	2020	2018	100,000	$29.54	100 %	Smart & Final Nike Blink Fitness Ross Dress For Less
Hastings Ranch Plaza Pasadena, CA 91107(4)	1958, 1984, 2006, 2007	2017	273,000	$7.88	100 %	Marshalls HomeGoods CVS Sears
Hollywood Blvd Hollywood, CA 90028	1929, 1991	1999	181,000	$35.64	86%	Target Marshalls L.A. Fitness
Kings Court Los Gatos, CA 95032(4)(6)	1960	1998	81,000	$40.93	100 %	Lunardi's CVS
La Alameda Walnut Park, CA 90255(4)(7)(8)	2008	2017	245,000	$26.57	88%	Marshalls Ross Dress For Less CVS Petco
Old Town Center Los Gatos, CA 95030	1962, 1998	1997	98,000	$43.07	84%	Anthropologie Banana Republic Gap
Olivo at Mission Hills Mission Hills, CA 91345(5)	2018	2017	155,000	$31.13	94%	Target 24 Hour Fitness Ross Dress for Less
Plaza Del Sol South El Monte, CA 91733(5)(8)	2009	2017	48,000	$24.01	96%	Marshalls
Plaza El Segundo / The Point El Segundo, CA 90245(5)(8)	2006-2007, 2016	2011/2013	500,000	$46.02	91%	Whole Foods Nordstrom Rack HomeGoods Dick's Sporting Goods Multiple Restaurants
San Antonio Center Mountain View, CA 94040(4)(6)	1958, 1964-1965, 1974-1975, 1995-1997	2015/2019	211,000	$15.71	100%	Trader Joe's Walmart 24 Hour Fitness
Santana Row San Jose, CA 95128(4)(10)	2002, 2009, 2016, 2020	1997	1,197,000	$53.60	96%	Crate & Barrel H&M Best Buy Splunk Multiple Restaurants
Santana Row Residential San Jose, CA 95128	2003-2006, 2011, 2014	1997/2012	662 units	N/A	95%	

Property, City, State, Zip Code	Year Completed	Year Acquired	Square Feet(1) / Apartment Units	Average Base Rent Per Square Foot(2)	Percentage Leased(3)	Principal Tenant(s)
Sylmar Towne Center Sylmar, CA 91342(5)(8)	1973	2017	148,000	$16.11	93%	Food4Less CVS
Third Street Promenade Santa Monica, CA 90401	1888-2000	1996-2000	209,000	$85.20	65%	adidas Old Navy J. Crew
Westgate Center San Jose, CA 95129	1960-1966	2004	648,000	$19.78	97%	Target Nordstrom Rack Nike Factory TJ Maxx
Connecticut						
Bristol Plaza Bristol, CT 06010	1959	1995	264,000	$14.49	82%	Stop & Shop TJ Maxx
Greenwich Avenue Greenwich Avenue, CT 06830	1968	1995	35,000	$96.19	100 %	Saks Fifth Avenue
The Commons at Darien Darien, CT 06820	1920-2009	2013/2018	58,000 2 Units	$35.70 N/A	89% 100 %	Equinox Walgreens
District of Columbia						
Friendship Center Washington, DC 20015	1998	2001	119,000	$30.41	100 %	Marshalls Nordstrom Rack DSW Maggiano's
Florida						
CocoWalk Coconut Grove, FL 33133(5)(11)	1990/1994, 1922-1973, 2018-2020	2015-2017	187,000	$38.99	87%	Cinepolis Theaters Youfit Health Club Planta Restaurant
Del Mar Village Boca Raton, FL 33433	1982, 1994 & 2007	2008/2014	187,000	$20.56	88%	Winn Dixie CVS L.A. Fitness
Tower Shops Davie, FL 33324	1989, 2017	2011/2014	425,000	$25.40	95%	Trader Joe's TJ Maxx Ross Dress for Less Best Buy Ulta
Illinois						
Crossroads Highland Park, IL 60035	1959	1993	168,000	$23.37	92%	L.A. Fitness Ulta Binny's Ferguson's Bath, Kitchen, & Lighting Gallery
Finley Square Downers Grove, IL 60515	1974	1995	280,000	$16.54	91%	Bed, Bath & Beyond Buy Buy Baby Michaels Portillo's
Garden Market Western Springs, IL 60558	1958	1994	139,000	$14.34	99%	Mariano's Fresh Market Walgreens
Riverpoint Center Chicago, IL 60614	1989, 2012	2017	211,000	$21.50	92%	Jewel Osco Marshalls Old Navy
Maryland						
Bethesda Row Bethesda, MD 20814(4)	1945-1991 2001, 2008	1993-2006/ 2008/2010	529,000	$55.08	96%	Giant Food Apple Equinox Anthropologie Multiple Restaurants
Bethesda Row Residential Bethesda, MD 20814	2008	1993	180 units	N/A	97%	
Congressional Plaza Rockville, MD 20852(5)	1965	1965	323,000	$43.15	85%	The Fresh Market Buy Buy Baby Ulta Barnes & Noble
Congressional Plaza Residential Rockville, MD 20852(5)	2003, 2016	1965	194 units	N/A	98%	
Courthouse Center Rockville, MD 20852	1975	1997	37,000	$21.61	81%	
Federal Plaza Rockville, MD 20852	1970	1989	249,000	$39.02	96%	Trader Joe's TJ Maxx Micro Center Ross Dress for Less

Property, City, State, Zip Code	Year Completed	Year Acquired	Square Feet(1) / Apartment Units	Average Base Rent Per Square Foot(2)	Percentage Leased(3)	Principal Tenant(s)
Gaithersburg Square Gaithersburg, MD 20878	1966	1993	208,000	$30.13	87%	Ross Dress For Less Ashley Furniture HomeStore CVS
Governor Plaza Glen Burnie, MD 21961	1963	1985	242,000	$21.26	79%	Aldi Dick's Sporting Goods
Laurel Laurel, MD 20707	1956	1986	360,000	$22.90	95%	Giant Food Marshalls L.A. Fitness
Montrose Crossing Rockville, MD 20852(8)	1960-1979, 1996, 2011	2011/2013	368,000	$32.99	93%	Giant Food Marshalls Home Depot Design Center Old Navy Bob's Discount Furniture
Perring Plaza Baltimore, MD 21134	1963	1985	397,000	$15.50	87%	Shoppers Food Warehouse Home Depot Micro Center Burlington
Pike & Rose North Bethesda, MD 20852(10)	1963, 2014, 2018	1982/2007/ 2012	525,000	$37.78	96%	iPic Theater Porsche Uniqlo REI Pinstripes Multiple Restaurants
Pike & Rose Residential North Bethesda, MD 20852	2014, 2016, 2018	1982/2007	765 units	N/A	97%	
Plaza Del Mercado Silver Spring, MD 20906	1969	2004	116,000	$32.04	97%	Aldi CVS L.A. Fitness
Quince Orchard Gaithersburg, MD 20877(4)	1975	1993	268,000	$25.15	96%	Aldi HomeGoods L.A. Fitness Staples
Rockville Town Square Rockville, MD 20852(4)	2006-2007	2006/2007	187,000	$28.65	75%	Dawson's Market CVS Gold's Gym Multiple Restaurants
Rollingwood Apartments Silver Spring, MD 20910	1960	1971	282 units	N/A	95 %	
THE AVENUE at White Marsh Baltimore, MD 21236(6)(8)	1997	2007	315,000	$26.16	85%	AMC Ulta Old Navy Barnes & Noble
The Shoppes at Nottingham Square Baltimore, MD 21236	2005-2006	2007	32,000	$50.44	96 %	
Towson Residential (Flats @703) Baltimore, MD 21236	2017	2007	4,000 105 units	$82.83 N/A	100 % 97%	
White Marsh Other Baltimore, MD 21236	1985	2007	70,000	$32.33	97%	
White Marsh Plaza Baltimore, MD 21236	1987	2007	79,000	$21.88	94%	Giant Food
Wildwood Bethesda, MD 20814	1958	1969	88,000	$102.39	98%	Balducci's CVS Flower Child
Massachusetts						
Assembly Row/ Assembly Square Marketplace Somerville, MA 02145(10)	2005, 2014, 2018	2005-2011/ 2013	824,000	$32.45	95%	Trader Joe's TJ Maxx AMC LEGOLAND Discovery Center Multiple Restaurants
Assembly Row Residential Somerville, MA 02145(10)	2018	2005-2011	447 units	N/A	91%	
Campus Plaza Bridgewater, MA 02324	1970	2004	114,000	$17.21	96%	Roche Bros. Burlington
Chelsea Commons Chelsea, MA 02150(8)	1962,1969, 2008	2006-2008	222,000	$12.92	93%	Home Depot Planet Fitness
Dedham Plaza Dedham, MA 02026	1959	1993/2016/ 2019	245,000	$16.56	90%	Star Market Planet Fitness
Linden Square Wellesley, MA 02481	1960, 2008	2006	220,000 7 Units	$50.21 N/A	90% 100 %	Roche Bros. CVS

Property, City, State, Zip Code	Year Completed	Year Acquired	Square Feet(1) / Apartment Units	Average Base Rent Per Square Foot(2)	Percentage Leased(3)	Principal Tenant(s)
North Dartmouth North Dartmouth, MA 02747	2004	2006	48,000	$15.31	100 %	Stop & Shop
Queen Anne Plaza Norwell, MA 02061	1967	1994	149,000	$19.36	95%	Big Y Foods TJ Maxx HomeGoods
Saugus Plaza Saugus, MA 01906	1976	1996	166,000	$17.22	100 %	Super Stop & Shop Floor & Decor
Michigan						
Gratiot Plaza Roseville, MI 48066	1964	1973	215,000	$12.80	100 %	Kroger Bed, Bath & Beyond Best Buy DSW
New Jersey						
Brick Plaza Brick Township, NJ 08723(4)	1958	1989	408,000	$22.83	91%	Trader Joe's AMC HomeGoods Ulta L.A. Fitness
Brook 35 Sea Grit, NJ 08750(5)(6)(8)	1986, 2004	2014	99,000	$38.59	89%	Banana Republic Gap Williams-Sonoma
Ellisburg Cherry Hill, NJ 08034	1959	1992	261,000	$17.93	79%	Whole Foods Buy Buy Baby
Hoboken Hoboken, NJ 07030(5)(8)(12)	1887-2006	2019/2020	171,000 129 Units	$55.76 N/A	92% 89%	CVS New York Sports Club Sephora Multiple Restaurants
Mercer Mall Lawrenceville, NJ 08648(4)	1975	2003/2017	551,000	$26.13	87%	Shop Rite Ross Dress for Less Nordstrom Rack Bed, Bath & Beyond REI
The Grove at Shrewsbury Shrewsbury, NJ 07702(5)(6)(8)	1988, 1993 & 2007	2014	192,000	$48.35	95%	Lululemon Anthropologie Pottery Barn Williams-Sonoma
Troy Hills Parsippany-Troy, NJ 07054	1966	1980	211,000	$23.21	100 %	Target L.A. Fitness Michaels
New York						
Fresh Meadows Queens, NY 11365	1949	1997	409,000	$36.04	95%	Island of Gold AMC Kohl's Michaels
Georgetowne Shopping Center Brooklyn, NY 11234	1969, 2006, 2015	2019	147,000	$40.34	88%	Foodway Five Below IHOP
Greenlawn Plaza Greenlawn, NY 11743	1975, 2004	2006	102,000	$18.97	94%	Greenlawn Farms Tuesday Morning Planet Fitness
Hauppauge Hauppauge, NY 11788	1963	1998	133,000	$34.78	74%	Shop Rite
Huntington Huntington, NY 11746	1962	1988/2007/ 2015	266,000	$23.74	90%	Nordstrom Rack Buy Buy Baby Michaels Ulta
Huntington Square East Northport, NY 11731(4)	1980, 2007	2010	74,000	$29.63	83%	Barnes & Noble
Melville Mall Huntington, NY 11747(4)	1974	2006	243,000	$27.30	100%	Uncle Giuseppe's Marketplace Marshalls Dick's Sporting Goods Field & Stream Macy's Backstage
Pennsylvania						
Andorra Philadelphia, PA 19128	1953	1988	270,000	$14.34	88%	Acme Markets Kohl's L.A. Fitness
Bala Cynwyd Bala Cynwyd, PA 19004	1955	1993	294,000	$25.72	97%	Acme Markets Lord & Taylor Michaels L.A. Fitness

Property, City, State, Zip Code	Year Completed	Year Acquired	Square Feet(1) / Apartment Units	Average Base Rent Per Square Foot(2)	Percentage Leased(3)	Principal Tenant(s)
Bala Cynwyd Residential(13) Bala Cynwyd, PA 19004	2020	1993	87 Units	N/A	23%	
Flourtown Flourtown, PA 19031	1957	1980	156,000	$23.61	98%	Giant Food Movie Tavern
Lancaster Lancaster, PA 17601(4)	1958	1980	126,000	$19.86	81%	Giant Food
Langhorne Square Levittown, PA 19056	1966	1985	223,000	$16.69	94%	Redner's Warehouse Markets Marshalls Planet Fitness
Lawrence Park Broomall, PA 19008	1972	1980/2017	363,000	$22.81	98%	Acme Markets TJ Maxx HomeGoods Barnes & Noble
Northeast Philadelphia, PA 19114	1959	1983	227,000	$18.82	82%	Marshalls Ulta Skechers Crunch Fitness
Town Center of New Britain New Britain, PA 18901	1969	2006	125,000	$9.18	84%	Giant Food Rite Aid Dollar Tree
Willow Grove Willow Grove, PA 19090	1953	1984	183,000	$18.44	78%	Marshalls HomeGoods Barnes & Noble
Wynnewood Wynnewood, PA 19096	1948	1996	249,000 9 Units	$28.81 N/A	93% 44%	Giant Food Bed, Bath & Beyond Old Navy DSW
Virginia						
29th Place Charlottesville, VA 22091(8)	1975-2001	2007	168,000	$18.01	92%	HomeGoods DSW Staples
Barcoft Plaza Falls Church, VA 22041	1963, 1972, 1990, & 2000	2006/2007/ 2016	113,000	$27.15	92%	Harris Teeter
Barracks Road Charlottesville, VA 22905	1958	1985	497,000	$26.65	90%	Harris Teeter Kroger Anthropologie Nike Bed, Bath & Beyond Old Navy
Fairfax Junction Fairfax, VA 22030(6)	1981, 1986, 2000	2019/2020	124,000	$25.75	99%	Aldi CVS Planet Fitness
Falls Plaza Falls Church, VA 22046	1960/1962	1967/1972	144,000	$36.66	92%	Giant Food CVS Staples
Graham Park Plaza Fairfax, VA 22042	1971	1983	132,000	$38.42	86%	Giant Food
Idylwood Plaza Falls Church, VA 22030	1991	1994	73,000	$51.66	100 %	Whole Foods
Leesburg Plaza Leesburg, VA 20176	1967	1998	236,000	$23.40	83%	Giant Food Petsmart Office Depot
Mount Vernon/South Valley/ 7770 Richmond Hwy Alexandria, VA 22306(4)(6)	1966, 1972,1987 & 2001	2003/2006	564,000	$19.23	96%	Shoppers Food Warehouse TJ Maxx Home Depot Bed, Bath & Beyond Results Fitness
Old Keene Mill Springfield, VA 22152	1968	1976	91,000	$36.34	95%	Whole Foods Walgreens Planet Fitness
Pan Am Fairfax, VA 22031	1979	1993	228,000	$27.75	98 %	Safeway Micro Center CVS Michaels
Pentagon Row Arlington, VA 22202	2001-2002	1998/2010	297,000	$37.47	94%	Harris Teeter TJ Maxx Bed, Bath & Beyond DSW

Property, City, State, Zip Code	Year Completed	Year Acquired	Square Feet(1) / Apartment Units	Average Base Rent Per Square Foot(2)	Percentage Leased(3)	Principal Tenant(s)
Pike 7 Plaza Vienna, VA 22180	1968	1997/2015	172,000	$49.62	91 %	TJ Maxx DSW Crunch Fitness Staples
Tower Shopping Center Springfield, VA 22150	1960	1998	111,000	$26.11	88%	L.A. Mart Talbots Total Wine & More
Tyson's Station Falls Church, VA 22043	1954	1978	50,000	$47.97	90%	Trader Joe's
Village at Shirlington Arlington, VA 22206(4)	1940, 2006-2009	1995	262,000	$39.92	88%	Harris Teeter AMC Carlyle Grand Café
Willow Lawn Richmond, VA 23230	1957	1983	464,000	$20.49	95%	Kroger Old Navy Ross Dress For Less Gold's Gym Dick's Sporting Goods
Total — Commercial (9)			**23,378,000**	**$29.86**	**92%**	
Total —Residential (13)			**2,782 units**		**95%**	

(1) Represents the GLA of the commercial portion of the property. Some of our properties include office space which is included in this square footage.
(2) Average base rent is calculated as the aggregate, annualized in-place contractual (defined as cash basis excluding rent abatements) minimum rent for all occupied spaces divided by the aggregate GLA of all occupied spaces. Average base rent is for commercial spaces only.
(3) Percentage leased is expressed as a percentage of rentable commercial square feet occupied or subject to a lease. Residential percentage leased is expressed as a percentage of units occupied or subject to a lease.
(4) All or a portion of this property is owned pursuant to a ground lease.
(5) We own the controlling interest in this property.
(6) We own all or a portion of this property in a "downREIT" partnership, of which a wholly owned subsidiary of the Trust is the sole general partner, with third party partners holding operating partnership units.
(7) We own a noncontrolling interest in this property.
(8) All or a portion of this property is encumbered by a mortgage loan.
(9) Aggregate information is calculated on a GLA weighted-average basis, excluding our La Alameda property, which is unconsolidated.
(10) Portion of property is currently under development. See further discussion in Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.
(11) This property includes interests in five buildings in addition to our initial acquisition.
(12) This property includes 39 buildings primarily along Washington Street and 14th Street in Hoboken, New Jersey.
(13) The 87 unit residential building at Bala Cynwyd was delivered in late 2020 and is currently in the process of being leased-up for the first time. Consequently, these units are excluded from our total residential units and percentage leased statistics. If these units were included, our total residential units would be 2,869 and our percentage leased would be 93%.

ITEM 3. LEGAL PROCEEDINGS

We are involved from time-to-time in various legal and regulatory proceedings that arise in the ordinary course of our business, including, but not limited to, commercial disputes, environmental matters, and litigation in connection with transactions such as acquisitions and divestitures. We believe that our current proceedings will not have a material adverse effect on our financial condition, liquidity or results of operations. See Note 7 to the Consolidated Financial Statements for further discussions.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR OUR COMMON EQUITY AND RELATED SHAREHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Our common shares trade on the New York Stock Exchange under the symbol "FRT." Listed below are the high and low sales prices of our common shares as reported on the New York Stock Exchange and the dividends declared for each of the periods indicated.

	Price Per Share		Dividends Declared Per Share
	High	Low	
2020			
Fourth quarter	$ 97.00	$ 67.01	$ 1.060
Third quarter	$ 90.09	$ 70.69	$ 1.060
Second quarter	$ 105.49	$ 64.11	$ 1.050
First quarter	$ 131.56	$ 65.55	$ 1.050
2019			
Fourth quarter	$ 141.35	$ 126.69	$ 1.050
Third quarter	$ 137.14	$ 126.11	$ 1.050
Second quarter	$ 139.03	$ 126.29	$ 1.020
First quarter	$ 139.29	$ 115.09	$ 1.020

On February 8, 2021, there were 2,307 holders of record of our common shares.

Our ongoing operations generally will not be subject to federal income taxes as long as we maintain our REIT status and distribute to shareholders at least 100% of our taxable income. Under the Code, REITs are subject to numerous organizational and operational requirements, including the requirement to generally distribute at least 90% of taxable income.

Future distributions will be at the discretion of our Board of Trustees and will depend on our actual net income available for common shareholders, financial condition, capital requirements, the annual distribution requirements under the REIT provisions of the Code and such other factors as the Board of Trustees deems relevant. We have paid quarterly dividends to our shareholders continuously since our founding in 1962 and have increased our regular annual dividend rate for 53 consecutive years. The impact of COVID-19 on our cash flow may impact our ability to pay dividends at the current rate, at an increased rate, and in the current format or at all.

Our total annual dividends paid per common share for 2020 and 2019 were $4.21 per share and $4.11 per share, respectively. The annual dividend amounts are different from dividends as calculated for federal income tax purposes. Distributions to the extent of our current and accumulated earnings and profits for federal income tax purposes generally will be taxable to a shareholder as ordinary dividend income. Distributions in excess of current and accumulated earnings and profits will be treated as a nontaxable reduction of the shareholder's basis in such shareholder's shares, to the extent thereof, and thereafter as taxable capital gain. Distributions that are treated as a reduction of the shareholder's basis in its shares will have the effect of increasing the amount of gain, or reducing the amount of loss, recognized upon the sale of the shareholder's shares. No assurances can be given regarding what portion, if any, of distributions in 2021 or subsequent years will constitute a return of capital for federal income tax purposes. During a year in which a REIT earns a net long-term capital gain, the REIT can elect under Section 857(b)(3) of the Code to designate a portion of dividends paid to shareholders as capital gain dividends. If this election is made, then the capital gain dividends are generally taxable to the shareholder as long-term capital gains.

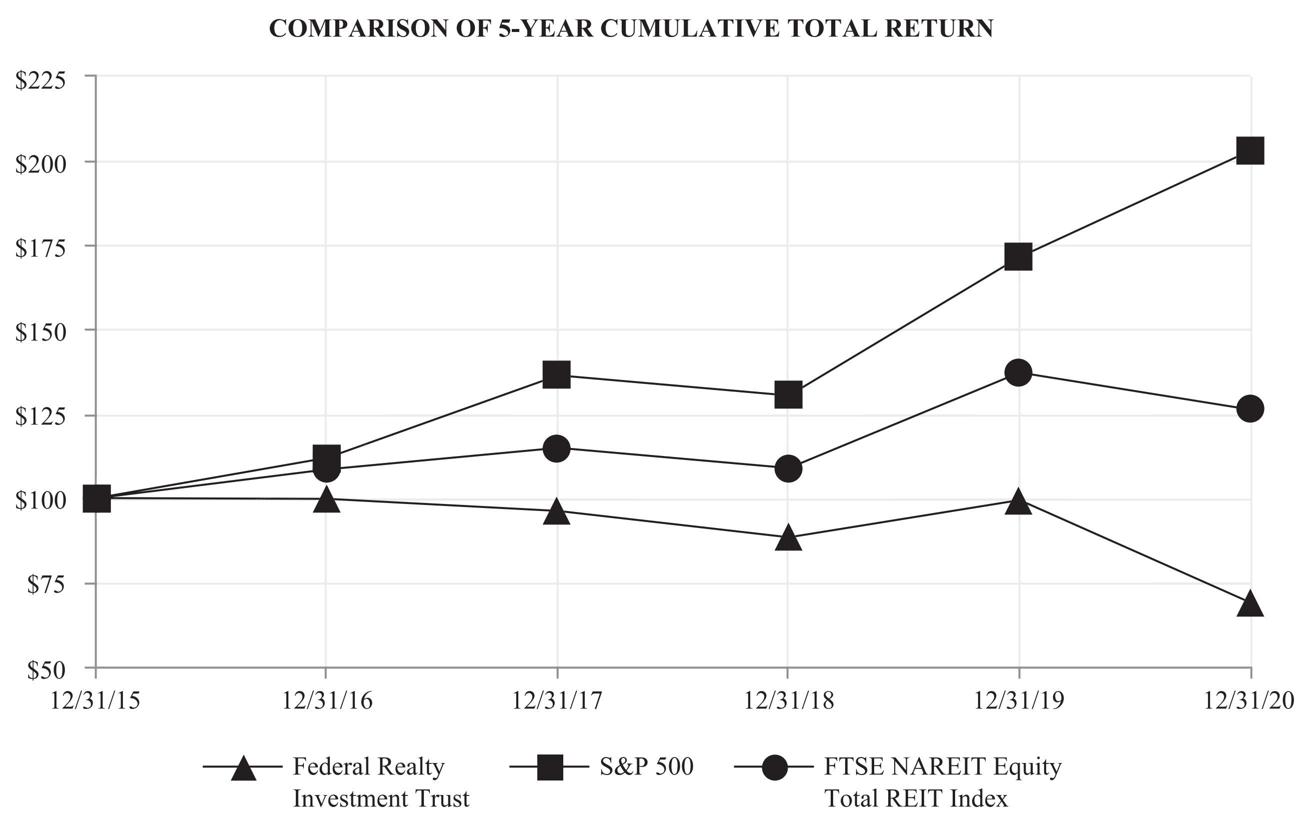
The following table reflects the income tax status of distributions per share paid to common shareholders:

	Year Ended December 31,	
	2020	2019
Ordinary dividend	$ 3.452	$ 4.110
Return of capital	0.758	—
Ordinary dividend eligible for 15% rate	—	—
	$ 4.210	$ 4.110

Distributions on our 5.417% Series 1 Cumulative Convertible Preferred Shares were paid at the rate of $1.354 per share per annum commencing on the issuance date of March 8, 2007. Distributions on our 5.0% Series C Cumulative Redeemable Preferred Shares were paid at the rate of $1.250 per depositary share per annum, commencing on the issuance date of September 29, 2017. We do not believe that the preferential rights available to the holders of interest in our preferred shares or the financial covenants contained in our debt agreements had or will have an adverse effect on our ability to pay dividends in the normal course of business to our common shareholders or to distribute amounts necessary to maintain our qualification as a REIT.

Total Stockholder Return Performance

The following performance graph compares the cumulative total shareholder return on Federal Realty's common shares with the S&P 500 Index and the index of equity real estate investment trusts prepared by the National Association of Real Estate Investment Trusts ("NAREIT") for the five fiscal years commencing December 31, 2015, and ending December 31, 2020, assuming an investment of $100 and the reinvestment of all dividends into additional common shares during the holding period. Equity real estate investment trusts are defined as those that derive more than 75% of their income from equity investments in real estate assets. The FTSE NAREIT Equity REIT Total Return Index includes all tax qualified real estate investment trusts listed on the NYSE, NYSE MKT, or the NASDAQ National Market. Stock performance for the past five years is not necessarily indicative of future results.



Recent Sales of Unregistered Shares

Under the terms of various operating partnership agreements of certain of our affiliated limited partnerships, the interest of limited partners in those limited partnerships may be redeemed, subject to certain conditions, for cash or an equivalent number of our common shares, at our option. During the three months ended December 31, 2020, we did not issue any common shares in connection with the redemption of operating partnership units. Any equity securities sold by us during 2020 that were not registered have been previously reported in a Quarterly Report on Form 10-Q.

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

During 2020, 2,100 restricted common shares were forfeited by former employees.

From time to time, we could be deemed to have repurchased shares as a result of shares withheld for tax purposes upon a stock compensation related vesting event.

ITEM 6. SELECTED FINANCIAL DATA

None.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This section generally discusses 2020 and 2019 items and year-to-year comparisons between 2020 and 2019. Discussions of 2018 items and year-to-year comparisons between 2019 and 2018 that are not included in this Form 10-K can be found in "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part II, Item 7 of our Annual Report on Form 10-K for the fiscal year ended December 31, 2019 filed with the Securities and Exchange Commission on February 10, 2020.

Forward-Looking Statements

Certain statements in this section or elsewhere in this report may be deemed "forward-looking statements". See "Item 1A. Risk Factors" in this report for important information regarding these forward-looking statements and certain risk and uncertainties that may affect us. The following discussion should be read in conjunction with the consolidated financial statements and notes thereto appearing in "Item 8. Financial Statements and Supplementary Data" of this report.

Overview

We are an equity real estate investment trust ("REIT") specializing in the ownership, management, and redevelopment of high quality retail and mixed-use properties located primarily in densely populated and affluent communities in strategically selected metropolitan markets in the Northeast and Mid-Atlantic regions of the United States, California, and South Florida. As of December 31, 2020, we owned or had a majority interest in community and neighborhood shopping centers and mixed-use properties which are operated as 101 predominantly retail real estate projects comprising approximately 23.4 million square feet. In total, the real estate projects were 92.2% leased and 90.2% occupied at December 31, 2020. We have paid quarterly dividends to our shareholders continuously since our founding in 1962 and have increased our dividends per common share for 53 consecutive years.

Summary Financial Information

The following table includes select financial information that is helpful in understanding the trends in financial condition and the results of operations discussed throughout this Item 7. and "Item 8. Financial Statements and Supplementary Data."

	Year Ended December 31,		
	2020	2019	2018
	(In thousands, except per share data and ratios)		
Operating Data:			
Rental income	$ 832,171	$ 932,738	$ 912,287
Property operating income(1)	$ 545,332	$ 637,030	$ 627,566
Gain on sale of real estate, net of tax	$ 98,117	$ 116,393	$ 11,915
Operating income	$ 289,524	$ 470,911	$ 361,636
Net income available for common shareholders	$ 123,664	$ 345,824	$ 233,865
Net cash provided by operating activities	$ 369,929	$ 461,919	$ 516,688
Net cash used in investing activities	$ (368,383)	$ (316,532)	$ (192,247)
Net cash provided by (used in) financing activities	$ 661,736	$ (100,105)	$ (241,309)
Earnings per common share, diluted:			
Net income available to common shareholders	$ 1.62	$ 4.61	$ 3.18
Dividends declared per common share	$ 4.22	$ 4.14	$ 4.04
Other Data:			
Funds from operations available to common shareholders (2)	$ 333,849	$ 465,819	$ 461,777
Funds from operations available for common shareholders, per diluted share (2)	$ 4.38	$ 6.17	$ 6.23
EBITDAre(3)	$ 501,813	$ 599,567	$ 595,558
Ratio of EBITDAre to combined fixed charges and preferred share dividends(3)(4)	2.7x	4.2x	4.2x

	As of December 31,		
	2020	2019	2018
	(In thousands)		
Balance Sheet Data:			
Real estate, at cost	$ 8,582,870	$ 8,298,132	$ 7,819,472
Total assets	$ 7,607,624	$ 6,794,992	$ 6,289,644
Total debt	$ 4,291,375	$ 3,356,594	$ 3,229,204
Total shareholders' equity	$ 2,548,747	$ 2,636,132	$ 2,467,330
Number of common shares outstanding	76,727	75,541	74,250

(1) Property operating income is a non-GAAP measure. See "Results of Operations" in this Item 7. for further discussion.

(2) Funds from operations "FFO" is a supplemental non-GAAP measure. See "Liquidity and Capital Resources" in this Item 7. for further discussion.

(3) EBITDA for Real Estate ("EBITDAre") is a non-GAAP measure that NAREIT defines as: net income computed in accordance with GAAP plus net interest expense, income tax expense, depreciation and amortization, gain or loss on sale of real estate, impairments of real estate, and adjustments to reflect the entity's share of EBITDAre of unconsolidated affiliates. We calculate EBITDAre consistent with the NAREIT definition. As EBITDA is a widely known and understood measure of performance, management believes EBITDAre represents an additional non-GAAP performance measure, independent of a company's capital structure that will provide investors with a uniform basis to measure the enterprise value of a company. EBITDAre also approximates a key performance measure in our debt covenants, but it should not be considered an alternative measure of operating results or cash flow from operations as determined in accordance with GAAP.

The reconciliation of net income to EBITDAre for the periods presented is as follows:

	2020	2019	2018
		(In thousands)	
Net income	$ 135,888	$ 360,542	$ 249,026
Interest expense	136,289	109,623	110,154
Other interest income	(1,894)	(1,266)	(942)
Early extinguishment of debt	11,179	—	—
(Benefit) provision for income tax	(194)	772	1,521
Depreciation and amortization	255,027	239,758	244,245
Gain on sale of real estate	(98,117)	(116,779)	(13,560)
Impairment charge	57,218	—	—
Adjustments of EBITDAre of unconsolidated affiliates	6,417	6,917	5,114
EBITDAre	$ 501,813	$ 599,567	$ 595,558

(4) Fixed charges consist of interest on borrowed funds (including capitalized interest), amortization of debt discount/premiums and debt costs, costs related to the early extinguishment of debt, and the portion of rent expense representing an interest factor. Excluding the $11.2 million early extinguishment of debt charge from fixed charges in 2020, the ratio of EBITDAre to combined fixed charges and preferred share dividends is 2.9x. Excluding the $11.9 million charge related to the buyout of the Kmart lease at Assembly Square Marketplace in 2019, our ratio of EBITDAre to combined fixed charges and preferred share dividends remained 4.2x.

Impacts of COVID-19 Pandemic

We continue to monitor and address risks related to the COVID-19 pandemic. In March 2020, the World Health Organization characterized COVID-19 as a global pandemic and in response to the rapid spread of the virus, state, and local governments issued orders and recommendations to attempt to reduce the further spread of the disease. Such orders included shelter-in-place orders, travel restrictions, limitations on public gatherings, school closures, social distancing requirements and the closure of all but critical and essential businesses and services. These orders required closure of all of our corporate offices as non-essential businesses. Except for those employees who were critical to providing the necessary day-to-day property management functions required to keep our properties open and operating for essential businesses such as grocery stores and drug stores, and a few employees who were needed to carry out critical corporate functions, we transitioned our entire workforce to remote work in March 2020. Although some of our corporate offices have reopened with capacity limitations, approximately 75% of our workforce continues to work remotely on a regular basis. We have not laid off, furloughed, or terminated any employees nor have we modified the compensation of any or our employees as a result of COVID-19, and the transition to a largely remote workforce has not had any material adverse impact on our financial reporting systems, our internal controls, or disclosure controls and procedures.

The government imposed restrictions also required a significant number of tenants who do business in our properties, but were considered non-essential, to close their operations or to significantly limit the amount of business they are able to conduct in their stores. These closures and restrictions have impacted the tenants' ability to timely pay rent as required under our leases and also caused many tenants to close their business permanently. As a result, our cash flow and results of operations in 2020 were materially adversely impacted and our vacancy increased above historical levels. Although virtually all of our leases required the tenants to pay rent even while they were not operating, we entered into numerous agreements to abate, defer and/or restructure tenant rent payments for varying periods of time, all with the objective of collecting as much cash as reasonably possible and maintaining occupancy to the maximum extent. We believe those actions will position many of our tenants to be able to return to payment of contractual rent as soon as possible after the impacts from the pandemic have subsided.

Given the impact to our cash flow caused by tenants not timely paying contractual rent, we took actions to improve our financial position and maximize our liquidity. Those actions included raising $1.1 billion in May 2020 through a $400.0 million term loan and the issuance of $700.0 million of senior unsecured notes, amending the covenants on our revolving credit facility to provide us operating flexibility during the expected period during which our cash flow will be impacted, and raising an additional $400.0 million of senior unsecured notes in October 2020. Throughout the last three quarters of 2020, we maintained levels of cash significantly in excess of the cash balances we have historically maintained which has adversely impacted our financial results; however, we believe that such action was prudent to position us with what we expect to be sufficient liquidity to allow us to continue fully operating until our operating revenues return to more typical levels. As of December 31, 2020, there is no outstanding balance on our $1.0 billion revolving credit facility, and we have cash and cash equivalents of $798.3 million.

Given the adverse impact on our cash flow, we did not commence any significant new capital projects during 2020 and we stopped, at least temporarily, portions of our capital spend that could be stopped. We did, however, continue investing in a number of our larger projects which were in the middle of construction and could not be stopped without causing material adverse financial impact to the company.

Additional discussion of the impact of COVID-19 on our results in 2020 and long-term operations can be found throughout Item 7 and Item 1A. Risk Factors.

Corporate Responsibility

We actively endeavor to operate and develop our properties in a sustainable, responsible, and effective manner with the objective being to drive long-term growth and aid in value creation for our shareholders, tenants, employees, and local communities.

Our development activities have been heavily focused on owning, developing and operating properties that are certified under the U.S. Green Building Council's® ("USGBC") Leadership in Energy and Environmental Design™ (LEED®) rating system which serves as a third-party verification that a building or community was designed and built to mitigate its environmental footprint. We currently have 15 LEED certified buildings and our Pike & Rose project has achieved LEED for Neighborhood Development Stage 3 Gold certification. The COVID-19 pandemic has also increased our focus on owning, developing and operating healthier buildings. To that end, our new corporate headquarters space at our 909 Rose Avenue building has earned a Fitwel certification developed by the U.S. Centers for Disease Control and Prevention (CDC) together with the General Services Administration (GSA). This certification assesses a building's impact on seven distinct categories related to overall health and well-being. These development efforts earned us the Sector Leader Development designation in 2020 from the Global Real Estate Environmental Sustainability Benchmark ("GRESB") and enabled us to issue our first green bond in 2020, a $400.0 million offering that will be supported by certain of our LEED gold and silver certified buildings. See Note 5 to the consolidated financial statements.

We are also committed to implementing sustainable business practices at our operating properties that focus on energy efficiency, water conservation and waste minimization. As an example, under our solar program that we started in 2012, we have installed on-site solar systems at 25 of our properties with a capacity of over 13 MW and we anticipate adding solar installations at several more of our properties over the next few years to further our ability to source energy from renewable sources. Our current capacity placed us in the top 5 among real estate companies for onsite capacity in the Solar Energy Industry Association's annual Solar Means Business Report. We are also actively upgrading lighting at our properties with energy efficient LED lighting and installing electric vehicle car charging stations in numerous properties throughout our portfolio. Currently, we are evaluating the risks presented by climate change to help us better understand potential actions we could take to help mitigate our portfolio's environmental footprint while protecting our long-term investments.

We are also highly committed to our employees and fostering a work environment that promotes growth, development and personal well-being. Our four core values are accountability, excellence, innovation and integrity and we seek to attract and retain talented professionals who embrace those values. All of our efforts with respect to corporate responsibility are overseen by our Board of Trustees.

Critical Accounting Policies

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America, referred to as "GAAP", requires management to make estimates and assumptions that in certain circumstances affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities, and revenues and expenses. These estimates are prepared using management's best judgment, after considering past and current events and economic conditions. In addition, information relied upon by management in preparing such estimates includes internally generated financial and operating information, external market information, when available, and when necessary, information obtained from consultations with third party experts. Actual results could differ from these estimates. A discussion of possible risks which may affect these estimates is included in "Item 1A. Risk Factors" of this report. Management considers an accounting estimate to be critical if changes in the estimate could have a material impact on our consolidated results of operations or financial condition.

Our significant accounting policies are more fully described in Note 2 to the consolidated financial statements; however, the most critical accounting policies, which involve the use of estimates and assumptions as to future uncertainties and, therefore, may result in actual amounts that differ from estimates, are as follows:

Revenue Recognition and Accounts Receivable

Our leases with our tenants are classified as operating leases. When collection of substantially all lease payments during the lease term is considered probable, the lease qualifies for accrual accounting. Lease payments are recognized on a straight-line basis from the point in time when the tenant controls the space through the term of the related lease. Variable lease payments relating to percentage rent are recognized at the end of the lease year or earlier if we have determined the required sales level is achieved. Real estate tax and other cost reimbursements are recognized on an accrual basis over the periods in which the related expenditures are incurred. Many of our leases contain tenant options that enable the tenant to extend the term of the lease at expiration at pre-established rental rates that often include fixed rent increases, consumer price index adjustments or other market rate adjustments from the prior base rent. For a tenant to terminate its lease agreement prior to the end of the agreed term, we may require that they pay a fee to cancel the lease agreement. Lease termination fees are generally recognized on the termination date if the tenant has relinquished control of the space. When a lease is terminated early but the tenant continues to control the space under a modified lease agreement, the lease termination fee is generally recognized evenly over the remaining term of the modified lease agreement. Lease concessions (unrelated to the COVID-19 pandemic) are evaluated to determine whether the concession represents a modification of the original lease contract. Modifications generally result in a reassessment of the lease term and lease classification, and remeasurement of lease payments received. Remeasured lease payments are recognized on a straight-line basis over the remaining term of the modified lease contract.

In April 2020, the Financial Accounting Standards Board ("FASB") issued interpretive guidance relating to the accounting for lease concessions provided as a result of the COVID-19 pandemic that allows entities to treat the concession as if it was a part of the existing contract instead of applying lease modification accounting. This guidance is only applicable to the COVID-19 pandemic related lease concessions that do not result in a substantial increase in the rights of the lessor or the obligations of the lessee. We have elected this option relating to qualifying rent deferral and rent abatement agreements. For qualifying lease modifications with rent deferrals, this results in no change to our revenue recognition but an increase in the lease receivable balance until the deferred rent has been repaid. For qualifying lease modifications that include rent abatement concessions, this results in a direct reduction of rental income in the current period. As of December 31, 2020, we have entered into rent deferral agreements and rent abatement agreements related to the COVID-19 pandemic representing approximately $36 million and $35 million, respectively, of rent otherwise owed during the year ended December 31, 2020, and continue negotiations with other tenants.

When collection of substantially all lease payments during the lease term is not considered probable, total lease revenue is limited to the lesser of revenue recognized under accrual accounting or cash received. Determining the probability of collection of substantially all lease payments during a lease term requires significant judgment. This determination is impacted by numerous factors including our assessment of the tenant’s credit worthiness, economic conditions, tenant sales productivity in that location, historical experience with the tenant and tenants operating in the same industry, future prospects for the tenant and the industry in which it operates, and the length of the lease term. If leases currently classified as probable are subsequently reclassified as not probable, any outstanding lease receivables (including straight-line rent receivables) would be written-off with a corresponding decrease in rental income. For example, in the event that our collectibility determinations were not accurate and we were required to write off additional receivables equaling 1% of rental income, our rental income and net income would decrease by $8.3 million. If leases currently classified as not probable are subsequently changed to probable, any lease receivables (including straight-line rent receivables) are re-instated with a corresponding increase to rental income.

Since March 2020, federal, state, and local governments have taken various actions to mitigate the spread of COVID-19. This includes initially ordering closures of nonessential business and ordering residents to generally stay at home, subsequent phased re-openings, and during the fourth quarter of 2020, additional closures and capacity limitations as infection levels increased in certain areas. These actions, along with the general concern over the spread of COVID-19, have resulted in many of our tenants temporarily or even permanently closing their businesses, and for some, it has impacted their ability to pay rent. As a result, we revised our collectibility assumptions for many of our tenants most significantly impacted by COVID-19. Accordingly, during the year ended December 31, 2020, we recognized collectibility related adjustments of $106.6 million. This includes changes in our collectibility assessments from probable to not probable, disputed rents, and any rent abatements directly related to COVID-19, as well as the write-off of $12.7 million of straight-line rent receivables primarily related to tenants changed to a cash basis of revenue recognition during the year ended December 31, 2020. As of December 31, 2020, the revenue from approximately 35% of our tenants (based on total number of commercial leases) is being recognized on a cash basis. As of December 31, 2020 and 2019, our straight-line rent receivables balance was $103.3 million and $100.3 million, respectively, and is included in "accounts and notes receivable, net" on our consolidated balance sheet.

Other revenue recognition policies

When we enter into a transaction to sell a property or a portion of a property, we evaluate the recognition of the sale under ASC 610-20, "Other Income - Gains and Losses from the Derecognition of Nonfinancial Assets." In accordance with ASC 610-20, we apply the guidance in ASC 606, "Revenue from Contracts with Customers," to determine whether and when control transfers and how to measure the associated gain or loss. We determine the transaction price based on the consideration we expect to receive. Variable consideration is included in the transaction price to the extent it is probable that a significant reversal of a gain recognized will not occur. We analyze the risk of a significant gain reversal and if necessary limit the amount of variable consideration recognized in order to mitigate this risk. The estimation of variable consideration requires us to make assumptions and apply significant judgment.

Real Estate

The nature of our business as an owner, redeveloper and operator of retail shopping centers and mixed-use properties means that we invest significant amounts of capital. Depreciation and maintenance costs relating to our properties constitute substantial costs for us as well as the industry as a whole. We capitalize real estate investments and depreciate them on a straight-line basis in accordance with GAAP and consistent with industry standards based on our best estimates of the assets' physical and economic useful lives. We periodically review the estimated lives of our assets and implement changes, as necessary, to these estimates and, therefore, to our depreciation rates. These reviews may take into account such factors as the historical retirement and replacement of our assets, expected redevelopments, and general economic and real estate factors. Certain events, such as unforeseen competition or changes in customer shopping habits, could substantially alter our assumptions regarding our ability to realize the expected return on investment in the property and therefore reduce the economic life of the asset and affect the amount of depreciation expense to be charged against both the current and future revenues. These assessments have a direct impact on our net income. The longer the economic useful life, the lower the depreciation expense will be for that asset in a fiscal period, which in turn will increase our net income. Similarly, having a shorter economic useful life would increase the depreciation for a fiscal period and decrease our net income.

Land, buildings and real estate under development are recorded at cost. We calculate depreciation using the straight-line method with useful lives ranging generally from 35 years to a maximum of 50 years on buildings and major improvements. Maintenance and repair costs are charged to operations as incurred. Tenant work and other major improvements, which improve or extend the life of the asset, are capitalized and depreciated over the life of the lease or the estimated useful life of the improvements, whichever is shorter. Minor improvements, furniture and equipment are capitalized and depreciated over useful lives ranging from 2 to 20 years.

Capitalized costs associated with leases are depreciated or amortized over the base term of the lease. Unamortized leasing costs are charged to expense if the applicable tenant vacates before the expiration of its lease. Undepreciated tenant work is written-off if the applicable tenant vacates and the tenant work is replaced or has no future value. Additionally, we make estimates as to the probability of certain development and redevelopment projects being completed. If we determine the redevelopment is no longer probable of completion, we immediately expense all capitalized costs which are not recoverable.

Interest costs on developments and major redevelopments are capitalized as part of developments and redevelopments not yet placed in service. Capitalization of interest commences when development activities and expenditures begin and end upon completion, which is when the asset is ready for its intended use. Generally, rental property is considered substantially complete and ready for its intended use upon completion of tenant improvements, but no later than one year from completion of major construction activity. We make judgments as to the time period over which to capitalize such costs and these assumptions have a direct impact on net income because capitalized costs are not subtracted in calculating net income. If the time period for capitalizing interest is extended, more interest is capitalized, thereby decreasing interest expense and increasing net income during that period.

Certain external and internal costs directly related to the development, redevelopment and leasing of real estate, including pre-construction costs, real estate taxes, insurance, and construction costs and salaries and related costs of personnel directly involved, are capitalized. We capitalized external and internal costs related to both development and redevelopment activities of $404 million and $9 million, respectively, for 2020 and $352 million and $9 million, respectively, for 2019. We capitalized external and internal costs related to other property improvements of $64 million and $3 million, respectively, for 2020 and $80 million and $3 million, respectively, for 2019. We capitalized external and internal costs related to leasing activities of $11 million and $2 million, respectively, for 2020 and $24 million and $2 million, respectively, for 2019. The amount of capitalized internal costs for salaries and related benefits for development and redevelopment activities, other property improvements, and leasing activities were $9 million, $3 million, and $2 million, respectively, for 2020 and $8 million, $3 million, and $2 million, respectively, for 2019. Total capitalized costs were $494 million for 2020 and $471 million for 2019, respectively.

Real Estate Acquisitions

Upon acquisition of operating real estate properties, we estimate the fair value of assets and liabilities acquired including land, building, improvements, leasing costs, intangibles such as in-place leases, assumed debt, and current assets and liabilities, if any. Based on these estimates, we allocate the purchase price to the applicable assets and liabilities. We utilize methods similar to those used by independent appraisers in estimating the fair value of acquired assets and liabilities. The value allocated to in-place leases is amortized over the related lease term and reflected as rental income in the statement of operations. We consider qualitative and quantitative factors in evaluating the likelihood of a tenant exercising a below market renewal option and include such renewal options in the calculation of in-place lease value when we consider these to be bargain renewal options. If the value of below market lease intangibles includes renewal option periods, we include such renewal periods in the amortization period utilized. If a tenant vacates its space prior to contractual termination of its lease, the unamortized balance of any in-place lease value is written off to rental income.

Variable Interest Entities (VIEs) and Consolidation

We have 17 entities that meet the criteria of a VIE and are consolidated. Net real estate assets related to VIEs included in our consolidated balance were approximately $1.4 billion and $1.5 billion as of December 31, 2020 and 2019, respectively, and mortgage payables related to VIEs included in our consolidated balance sheets were approximately $413.7 million and $469.2 million, as of December 31, 2020 and 2019, respectively. In addition, we hold equity method investments in two hotel joint ventures and one shopping center which are considered variable interests in a VIE as of December 31, 2020. On January 4, 2021, we acquired our partner's interest in the Pike & Rose hotel joint venture. See Note 15 to the consolidated financial statements for additional details of this transaction. VIEs are required to be consolidated by their primary beneficiary. The primary beneficiary of a VIE has both the power to direct the activities that most significantly impact economic performance of the VIE and the obligation to absorb losses or the right to receive benefits that could be significant to the VIE. The determination of the power to direct the activities that most significantly impact economic performance requires judgment and is impacted by numerous factors including the purpose of the VIE, contractual rights and obligations of variable interest holders, and mechanisms for the resolution of disputes among the variable interest holders.

Long-Lived Assets and Impairment

There are estimates and assumptions made by management in preparing the consolidated financial statements for which the actual results will be determined over long periods of time. This includes the recoverability of long-lived assets, including our properties that have been acquired or redeveloped and our investment in certain joint ventures. Management's evaluation of impairment includes review for possible indicators of impairment as well as, in certain circumstances, undiscounted and discounted cash flow analysis. Since most of our investments in real estate are wholly-owned or controlled assets which are held for use, a property with impairment indicators is first tested for impairment by comparing the undiscounted cash flows, including residual value, to the current net book value of the property. If the undiscounted cash flows are less than the net book value, the property is written down to expected fair value.

The calculation of both discounted and undiscounted cash flows requires management to make estimates of future cash flows including revenues, operating expenses, required maintenance and development expenditures, market conditions, demand for space by tenants and rental rates over long periods. Because our properties typically have a long life, the assumptions used to estimate the future recoverability of book value requires significant management judgment. Actual results could be significantly different from the estimates. These estimates have a direct impact on net income, because recording an impairment charge results in a negative adjustment to net income.

Contingencies

We are sometimes involved in lawsuits, warranty claims, and environmental matters arising in the ordinary course of business. Management makes assumptions and estimates concerning the likelihood and amount of any potential loss relating to these matters. We accrue a liability for litigation if an unfavorable outcome is probable and the amount of loss can be reasonably estimated. If an unfavorable outcome is probable and a reasonable estimate of the loss is a range, we accrue the best estimate within the range; however, if no amount within the range is a better estimate than any other amount, the minimum within the range is accrued. Any difference between our estimate of a potential loss and the actual outcome would result in an increase or decrease to net income.

Recently Adopted and Recently Issued Accounting Pronouncements

See Note 2 to the consolidated financial statements.

2020 Property Acquisitions, Dispositions, and Impairment

Date Acquired	Property	City/State	Gross Leasable Area (GLA)	Purchase Price		
			(in square feet)	(in millions)		
January 10, 2020	Fairfax Junction	Fairfax, Virginia	49,000	$	22.3	(1)
February 12, 2020	Hoboken (2 mixed-use buildings)	Hoboken, New Jersey	12,000	$	14.3	(2)

(1) This property is adjacent to, and will be operated as part of the property acquired in 2019. The purchase price was paid with a combination of cash and the issuance of 163,322 downREIT operating partnership units. Approximately $0.5 million and $0.4 million of net assets acquired were allocated to other assets for "above market leases," and other liabilities for "below market leases," respectively.

(2) The purchase price includes the assumption of $8.9 million of mortgage debt, and is in addition to the 37 buildings previously acquired in 2019, and was completed through the same joint venture. Less than $0.1 million and approximately $3.3 million of net assets acquired were allocated to other assets for "above market leases," and other liabilities for "below market leases," respectively.

On September 1, 2020, the $60.6 million non-recourse mortgage loan on The Shops at Sunset Place matured. The mortgage was not repaid, and thus the lender declared the loan in default. We evaluated our long-term plans for the property, taking into account current market conditions and prospective development and redevelopment returns, as well as the impact of COVID-19 on the revenue prospects for the property, and concluded we did not expect to move forward with the planned redevelopment or repay the mortgage balance, and thus, did not expect to be long term holders of the asset. Given these expectations, we recorded an impairment charge of $57.2 million during the third quarter of 2020.

The fair value estimate used to determine the impairment charge was determined by market comparable data and discounted cash flow analyses. The cash flows utilized in such analyses are comprised of unobservable inputs which include forecasted rental revenue and expenses based upon market conditions and future expectations. The capitalization rates and discount rates utilized in such analyses are based upon unobservable rates that we believe to be within a reasonable range of current market rates for the property. Based on these inputs, we have determined that the $57 million estimated valuation of the property is classified within Level 3 of the fair value hierarchy.

On December 31, 2020, we sold The Shops at Sunset Place for $65.5 million and repaid the mortgage loan. The resulting gain of $9.2 million is included in the cumulative 2020 gain of $98.1 million noted in the disposals below.

During the year ended December 31, 2020, we sold three properties (including The Shops at Sunset Place discussed above) and one building for a total sales price of $186.1 million, which resulted in a gain of $98.1 million.

During the year ended December 31, 2020, we closed on the sale of the remaining two condominium units at our Pike & Rose property, receiving proceeds net of closing costs of $2.1 million.

2020 Significant Debt and Equity Transactions

In connection with the two buildings we acquired in Hoboken, New Jersey on February 12, 2020, we assumed two mortgage loans with a net face amount of $8.9 million and a fair value of $9.0 million. The mortgage loans bear interest at 4.00% and mature on July 27, 2027.

In March 2020, in order to strengthen our financial position and balance sheet, to maximize our liquidity, and to provide maximum financial flexibility to continue our business initiatives as the effects of COVID-19 continue to evolve, we borrowed $990.0 million under our revolving credit facility, representing a draw-down of almost the entirety of our $1.0 billion revolving credit facility. This amount was subsequently repaid when we entered into a $400.0 million unsecured term loan on May 6, 2020 and issued $700.0 million of fixed rate unsecured senior notes on May 11, 2020.

The unsecured term loan matures on May 6, 2021, plus one twelve month extension at our option, and bears interest at LIBOR plus 135 basis points based on our current credit rating. Our net proceeds from this transaction after underwriting fees and other costs were $398.7 million.

The $700.0 million of unsecured senior notes issued in May 2020 comprise a $300.0 million reopening of our 3.95% of senior notes maturing on January 15, 2024 and a $400.0 million issuance of 3.50% senior notes maturing on June 1, 2030. The 3.95% senior notes were offered at 103.257% of the principal amount with a yield to maturity of 2.944%, and have the same terms and are of the same series as the $300.0 million senior notes issued on December 9, 2013. The 3.50% senior notes were offered at 98.911% of the principal amount with a yield to maturity of 3.630%. Our net proceeds from these transactions after the net issuance premium, underwriting fees, and other costs were $700.1 million.

On September 1, 2020, the $60.6 million non-recourse mortgage loan on The Shops at Sunset Place matured and was not repaid. The lender declared the loan in default until the non-recourse loan was repaid as part of the sale of the property on December 31, 2020. The default did not trigger a cross default with any other indebtedness. The repayment amount including accrued interest and fees, net of $4.5 million of escrows was $58.5 million.

On October 13, 2020, we issued $400.0 million of fixed rate senior unsecured notes that mature on February 15, 2026 and bear interest at 1.25%. The notes were offered at 99.339% of the principal amount with a yield to maturity of 1.379%. The net proceeds of the notes, or "green bonds," after issuance discount, underwriting fees, and other costs were approximately $394.2

million, and will be allocated to the financing and refinancing of recently completed and future eligible green projects, which includes (i) investments in acquisitions of buildings; (ii) building developments or redevelopments; (iii) renovations in existing buildings; and (iv) tenant improvement projects, in each case that have received, or are expected to receive, in the three years prior to the issuance of the notes or during the term of the notes, a LEED Silver, Gold, or Platinum certification (or environmentally equivalent successor standards). Net proceeds allocated to previously incurred costs associated with eligible green projects will be available for repayment of indebtedness.

On December 15, 2020, we repaid our $250.0 million 2.55% notes prior to the original maturity date of January 15, 2021 at par. The redemption price of $252.7 million included accrued but unpaid interest of $2.7 million.

On December 17, 2020, we acquired one of our partner's preferred and common interests in the partnership that owns our Plaza El Segundo property for $7.3 million, bringing our ownership to approximately 78.2%.

On December 31, 2020, we repaid our $250.0 million 3.00% notes prior to the original maturity date of August 1, 2022. The redemption price of $263.5 million included a make-whole premium of $10.4 million and accrued but unpaid interest of $3.1 million. The "early extinguishment of debt" charge in 2020 of $11.2 million includes the make-whole premium and the write off of the unamortized discount and debt issuance fees.

On December 31, 2020, we also repaid the $3.6 million mortgage loan on 29th Place, at par, prior to its original maturity date.

We have an at-the-market ("ATM") equity program in which we may from time to time offer and sell common shares having an aggregate offering price of up to $400.0 million. We intend to use the net proceeds to fund potential acquisition opportunities, fund our development and redevelopment pipeline, repay amounts outstanding under our revolving credit facility and/or for general corporate purposes. For the year ended December 31, 2020, we sold 1,080,804 common shares at a weighted average price per share of $92.51 for net cash proceeds of $98.8 million including paying $1.0 million in commissions and $0.1 million in additional offering expenses related to the sales of these common shares. As of December 31, 2020, we had the capacity to issue up to $28.4 million in common shares under our ATM equity program.

2021 Transactions

On January 4, 2021, we acquired our partner's 20% interest in our joint venture arrangement related to the Pike & Rose hotel for $2.3 million, and repaid the $31.5 million mortgage loan. As a result of the transaction, we gained control of the hotel portion of this property, and effective January 4, 2021, we have consolidated this asset.

On February 5, 2021, we repaid the $16.2 million mortgage loan on Sylmar Town Center, at par, prior to its original maturity date.

Outlook

We seek growth in earnings, funds from operations, and cash flows primarily through a combination of the following:

- growth in our comparable property portfolio,
- growth in our portfolio from property development and redevelopments, and
- expansion of our portfolio through property acquisitions.

While the ongoing COVID-19 pandemic is impacting us in the short-term, our long-term focus has not changed. Our comparable property growth is primarily driven by increases in rental rates on new leases and lease renewals, changes in portfolio occupancy, and the redevelopment of those assets. Over the long-term, the infill nature and strong demographics of our properties provide a strategic advantage allowing us to maintain relatively high occupancy and generally increase rental rates. However, our occupancy levels and ability to increase rental rates will be adversely impacted in the short-term as a result of COVID-19. We believe the locations and nature of our centers and diverse tenant base partially mitigates any potential negative changes in the economic environment. However, any significant reduction in our tenants' abilities to pay base rent, percentage rent or other charges, will adversely affect our financial condition and results of operations. We seek to maintain a mix of strong national, regional, and local retailers. At December 31, 2020, no single tenant accounted for more than 3.6% of annualized base rent.

Since March 2020, federal, state, and local governments have taken various actions to mitigate the spread of COVID-19. This includes initially ordering closures of nonessential business and ordering residents to generally stay at home, subsequent phased re-openings, and during the fourth quarter of 2020, additional closures and capacity limitations as infection levels increased in certain areas. These actions, along with the general concern over the spread of COVID-19 have resulted in many of our tenants temporarily or even permanently closing their businesses, and for some, it has impacted their ability to pay rent. As of January 31, 2021, approximately 98% of our retail tenants were open. These economic hardships have adversely impacted our business, and had a negative effect on our financial results during 2021. With very few exceptions, our leases require tenants to continue to pay rent even while closed as a result of the pandemic, however, many tenants did not pay rents and other charges during the second quarter of 2020. Subsequently, in the second half of 2020, a portion of our tenants have resumed paying their rent and/or other charges as their businesses were able to reopen; however government mandated restrictions are still in order in many of our markets. Our percentage of contractual rent collected each quarter has continued to increase since the low point in April 2020, including some tenants paying past due amounts. As of December 31, 2020, we have entered into agreements with approximately 32% of our tenants (based on total commercial leases) to defer rent payments to later periods, largely through 2021, although some extend beyond, and negotiations with other tenants are still ongoing. While increasing cash collection rates is a positive trend driven by government mandated restrictions gradually being lifted, we expect that our rent collections will continue to be below our tenants' contractual rent obligations and historical levels, which will continue to adversely impact our results of operations. The extent of such impact will depend on future developments, which are highly uncertain and cannot be predicted. Depending upon the duration of tenant closures, operating restrictions, and the overall economic downturn resulting from COVID-19, we may find that even deferred rents are difficult to collect, and we may experience higher vacancy levels. While the duration and severity of the economic impact resulting from COVID-19 is unknown, we seek to position the Trust to participate in the resulting economic recovery.

We continue to have several development projects in process, albeit at a slower pace due to COVID-19 related restrictions, being delivered as follows:

- In the 1st quarter of 2020, we delivered the fully leased eight story, 301,000 square foot office building at Santana Row.
- The first phase of construction on the 12 acres of land that we control across from Santana Row includes an eight story 376,000 square foot office building, with over 1,700 parking spaces. The building is expected to cost between $250 million and $270 million with openings beginning in 2022.
- Phase III of Assembly Row includes 277,000 square feet of office space (of which, 150,000 square feet is pre-leased), 56,000 square feet of retail space, 500 residential units, and over 800 additional parking spaces. The expected costs for Phase III are between $465 million and $485 million and is projected to open beginning in 2021.
- At Pike & Rose, we have continued construction on a 212,000 square foot office building (which includes 7,000 square feet of ground floor retail space), and includes over 600 additional parking spaces. The building is expected to cost between $128 million and $135 million. At December 31, 2020, approximately 61,000 square feet of office space has been delivered, of which approximately 45,000 square feet is our new corporate headquarters.
- Our properties are located primarily in densely populated and/or affluent areas with high barriers to entry which allow us to take advantage of redevelopment opportunities that enhance our operating performance through renovation, expansion, reconfiguration, and/or retenanting. We evaluate our properties on an ongoing basis to identify these types of opportunities. Throughout the portfolio, we currently have redevelopment projects underway with a projected total cost of approximately $320 million that we expect to stabilize over the next several years.

The above includes our best estimates based on information currently known, however, the completion of construction, final costs, and the timing of openings and rent starts will be dependent upon the duration of governmental restrictions and the duration and severity of the economic impacts of COVID-19.

The development of future phases of Assembly Row, Pike & Rose and Santana Row will be pursued opportunistically based on, among other things, market conditions, tenant demand, and our evaluation of whether those phases will generate an appropriate financial return.

We continue to review acquisition opportunities in our primary markets that complement our portfolio and provide long-term growth opportunities. Initially, some of our acquisitions do not contribute significantly to earnings growth; however, we believe they provide long-term re-leasing growth, redevelopment opportunities, and other strategic opportunities. Any growth from acquisitions is contingent on our ability to find properties that meet our qualitative standards at prices that meet our financial hurdles. Changes in interest rates may affect our success in achieving earnings growth through acquisitions by affecting both the price that must be paid to acquire a property, as well as our ability to economically finance the property acquisition. Generally, our acquisitions are initially financed by available cash and/or borrowings under our revolving credit facility which may be repaid later with funds raised through the issuance of new equity or new long-term debt. We may also finance our acquisitions through the issuance of common shares, preferred shares, or downREIT units as well as through assumed mortgages and property sales.

At December 31, 2020, the leasable square feet in our properties was 92.2% leased and 90.2% occupied. The leased rate is higher than the occupied rate due to leased spaces that are being redeveloped or improved or that are awaiting permits and, therefore, are not yet ready to be occupied. Our occupancy and leased rates are subject to variability over time due to factors including acquisitions, the timing of the start and stabilization of our redevelopment projects, lease expirations and tenant closings and bankruptcies.

Comparable Properties

Throughout this section, we have provided certain information on a “comparable property” basis. Information provided on a comparable property basis includes the results of properties that we owned and operated for the entirety of both periods being compared except for properties that are currently under development or are being repositioned for significant redevelopment and investment. For the year ended December 31, 2020 and the comparison of 2020 and 2019, all or a portion of 95 properties were considered comparable properties and seven were considered non-comparable properties. For the year ended December 31, 2020, two properties and two portions of properties were moved from non-comparable to comparable properties, two properties and one portion of a property were removed from comparable properties and one property was removed from non-comparable properties as they were sold during 2020, one property was moved from acquisitions to non-comparable properties, and one property was moved from comparable to non-comparable properties, compared to the designations as of December 31, 2019. While there is judgment surrounding changes in designations, we typically move non-comparable properties to comparable properties once they have stabilized, which is typically considered 90% physical occupancy or when the growth expected from the redevelopment has been included in the comparable periods. We typically remove properties from comparable properties when the repositioning of the asset has commenced and has or is expected to have a significant impact to property operating income within the calendar year. Acquisitions are moved to comparable properties once we have owned the property for the entirety of comparable periods and the property is not under development or being repositioned for significant redevelopment and investment. Comparable property information replaces our previous same center designations.

YEAR ENDED DECEMBER 31, 2020 COMPARED TO YEAR ENDED DECEMBER 31, 2019

			Change	
	2020	2019	Dollars	%
	(Dollar amounts in thousands)			
Rental income	$ 832,171	$ 932,738	$ (100,567)	(10.8)%
Mortgage interest income	3,323	3,050	273	9.0 %
Total property revenue	835,494	935,788	(100,294)	(10.7)%
Rental expenses	170,920	187,831	(16,911)	(9.0)%
Real estate taxes	119,242	110,927	8,315	7.5 %
Total property expenses	290,162	298,758	(8,596)	(2.9)%
Property operating income (1)	545,332	637,030	(91,698)	(14.4)%
General and administrative expense	(41,680)	(42,754)	1,074	(2.5)%
Depreciation and amortization	(255,027)	(239,758)	(15,269)	6.4 %
Impairment charge	(57,218)	—	(57,218)	100.0 %
Gain on sale of real estate, net of tax	98,117	116,393	(18,276)	(15.7)%
Operating income	289,524	470,911	(181,387)	(38.5)%
Other interest income	1,894	1,266	628	49.6 %
Interest expense	(136,289)	(109,623)	(26,666)	24.3 %
Early extinguishment of debt	(11,179)	—	(11,179)	100.0 %
Loss from partnerships	(8,062)	(2,012)	(6,050)	300.7 %
Total other, net	(153,636)	(110,369)	(43,267)	39.2 %
Net income	135,888	360,542	(224,654)	(62.3)%
Net income attributable to noncontrolling interests	(4,182)	(6,676)	2,494	(37.4)%
Net income attributable to the Trust	$ 131,706	$ 353,866	$ (222,160)	(62.8)%

(1) Property operating income is a non-GAAP measure that consists of rental income and mortgage interest income, less rental expenses and real estate taxes. This measure is used internally to evaluate the performance of property operations and we consider it to be a significant measure. Property operating income should not be considered an alternative measure of operating results or cash flow from operations as determined in accordance with GAAP.

Property Revenues

Total property revenue decreased $100.3 million, or 10.7%, to $835.5 million in 2020 compared to $935.8 million in 2019. The percentage occupied at our shopping centers was 90.2% at December 31, 2020 compared to 92.5% at December 31, 2019. The most significant driver of the decrease in property revenues is the impact of COVID-19, as many of our tenants were forced to temporarily or in some cases permanently close their businesses, resulting in changes in our collectibility estimates and in some cases rent abatement. Changes in the components of property revenue are discussed below.

Rental Income

Rental income consists primarily of minimum rent, cost reimbursements from tenants and percentage rent, and is net of collectiblity related impacts. Rental income decreased $100.6 million, or 10.8%, to $832.2 million in 2020 compared to $932.7 million in 2019 due primarily to the following:

- higher collectibility related impacts including rent abatements across all properties of $102.1 million primarily the result of COVID-19 impacts. This includes the write-off of $12.7 million of straight-line receivables primarily related to tenants who were changed to cash basis of revenue recognition during the year ended December 31, 2020.
- a decrease of $24.6 million at comparable properties due primarily to lower average occupancy rates of approximately $18.0 million, lower parking income and percentage rent of of $6.3 million primarily due to the impacts from COVID-19 related closures, lower recoveries of $5.3 million primarily the result of lower snow removal expense and utilities, and lower termination fee and legal fee income of $1.3 million, partially offset by higher rental rates of approximately $9.3 million, and

- decrease of $14.4 million from property sales,

partially offset by

- and increase of $19.7 million from non comparable properties driven by the opening of our new office building at Santana Row in early 2020 and the opening of Freedom Plaza in 2020 and
- an increase of $19.5 million from acquisitions of Hoboken during the second half of 2019 and early 2020, and Georgetowne Shopping Center in November 2019.

Property Expenses

Total property expenses decreased $8.6 million, or 2.9%, to $290.2 million in 2020 compared to $298.8 million in 2019. Changes in the components of property expenses are discussed below.

Rental Expenses

Rental expenses decreased $16.9 million, or 9.0%, to $170.9 million in 2020 compared to $187.8 million in 2019. This decrease is primarily due to the following:

- an $11.9 million charge in 2019 related to the buyout of a lease at Assembly Square Marketplace,
- a decrease of $9.5 million from comparable properties due to lower snow removal expenses, and lower repairs and maintenance, management fees, and utilities primarily driven by the impact of COVID-19 partially offset by an increase in insurance costs, and
- a decrease of $2.2 million from our property sales,

partially offset by

- an increase of $2.8 million from acquisitions of Hoboken during the second half of 2019 and early 2020, and Georgetowne Shopping Center in November 2019, and
- an increase of $2.5 million from non comparable properties driven by the opening of our new office building at Santana Row in early 2020 and the opening of Freedom Plaza in 2020.

As a result of the changes in rental income and rental expenses as discussed above, rental expenses as a percentage of rental income increased to 20.5% for the year ended December 31, 2020 from 20.1% for the year ended December 31, 2019.

Real Estate Taxes

Real estate tax expense increased $8.3 million, or 7.5% to $119.2 million in 2020 compared to $110.9 million in 2019 due primarily to the following:

- an increase of $3.8 million from comparable properties due to higher current year assessments, and tax refunds recorded in 2019 from a multi-year appeal and reassessment at three of our properties,
- an increase of $3.1 million from acquisitions of Hoboken during the second half of 2019 and early 2020 and Georgetowne Shopping Center in November 2019, and
- an increase of $2.3 million from non-comparable properties due primarily to the opening of our new office building at Santana Row in early 2020,

partially offset by

- a decrease of $0.8 million from our property sales.

Property Operating Income

Property operating income decreased $91.7 million, or 14.4%, to $545.3 million in 2020 compared to $637.0 million in 2019. This decrease is primarily due to the impact of COVID-19, which resulted in higher collectibility related impacts, lower percentage rent, and lower parking income; as well as the impact of property sales, partially offset by the opening of our new office building at Santana Row in early 2020, property acquisitions, and the prior year charge related to the buyout of a lease at Assembly Square Marketplace.

Other Operating

General and Administrative Expense

General and administrative expense decreased $1.1 million, or 2.5%, to $41.7 million in 2020 from $42.8 million in 2019. This decrease is due primarily to lower personnel related costs and COVID-19 impacts including office closures and cancellations of all non-essential business travel and company events.

Depreciation and Amortization

Depreciation and amortization expense increased $15.3 million, or 6.4%, to $255.0 million in 2020 from $239.8 million in 2019. The increase is due primarily to property acquisitions, the opening of our new office buildings at Santana Row in early 2020, and the write off of lease related assets for vacating tenants, partially offset by property sales.

Impairment Charge

The $57.2 million impairment charge for the year ended December 31, 2020 relates to The Shops at Sunset Place. See Note 3 to the consolidated financial statements for further discussion.

Gain on Sale of Real Estate, Net of Tax

The $98.1 million gain on sale of real estate, net of tax for the year ended December 31, 2020 is due to the sale of three properties and one building.

The $116.4 million gain on sale of real estate, net for the year ended December 31, 2019 is primarily due to the following:

- $85.1 million related to the sale under the threat of condemnation of 11.7 acres of San Antonio Center,
- $28.3 million related to the sale of three properties and one land parcel, and
- $2.6 million net gain related to condominium unit sales that have closed at our Assembly Row and Pike & Rose properties.

Operating Income

Operating income decreased $181.4 million, or 38.5%, to $289.5 million in 2020 compared to $470.9 million in 2019. This decrease is due primarily due to the impact of COVID-19, which resulted in higher collectibility related impacts, the impairment charge related to The Shops at Sunset Place, a lower net gain on the sale of real estate, and the impact of property sales, lower percentage rent, and lower parking income, partially offset by the opening of our new office building at Santana Row in early 2020, property acquisitions, the prior year charge related to the buyout of a lease at Assembly Square Marketplace, and lower personnel related costs which were largely due to the impact of COVID-19.

Other

Interest Expense

Interest expense increased $26.7 million, or 24.3%, to $136.3 million in 2020 compared to $109.6 million in 2019. This increase is due primarily to the following:

- an increase of $20.2 million from higher borrowings in response to the COVID-19 pandemic (see further discussions in "2020 Significant Debt and Equity Transactions" in Part II, Item 7 of the Annual Report) and
- an increase of $13.0 million due to higher weighted average borrowings primarily from the $400 million issuance of our 3.20% notes in 2019, and $106.9 million of mortgage loans associated with our Hoboken acquisitions,

partially offset by

- a decrease of $3.7 million due to a lower overall weighted average borrowing rate, and
- an increase of $2.9 million in capitalized interest, primarily attributable to the development of Phase III of Assembly Row and Pike & Rose.

Gross interest costs were $159.7 million and $130.1 million in 2020 and 2019, respectively. Capitalized interest was $23.4 million and $20.5 million in 2020 and 2019, respectively.

Early Extinguishment of Debt

The $11.2 million early extinguishment of debt for the year ended December 31, 2020 relates to the make-whole premium paid as part of the early redemption of our 3.00% senior notes on December 31, 2020 and the related write-off of the unamortized discount and debt fees.

Loss from Partnerships

Loss from partnerships increased to $8.1 million in 2020 compared to $2.0 million in 2019. The increase is primarily due to our share of losses from our hotel investments at Assembly Row and Pike & Rose, largely the result of COVID-19 related reductions in travel.

Net income attributable to noncontrolling interests

Net income attributable to noncontrolling interests decreased to $4.2 million in 2020 compared to $6.7 million in 2019. The decrease is driven by lower net income at our partnership properties primarily due to the impact of COVID-19, partially offset by higher income attributable to our operating partnership units due to additional downREIT operating partnership units issued in connection with the acquisition of Fairfax Junction in January 2020.

Discussions of year-to-year comparisons between 2019 and 2018 can be found in "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part II, Item 7 of our Annual Report on Form 10-K for the fiscal year ended December 31, 2019 filed with the Securities and Exchange Commission on February 10, 2020.

Liquidity and Capital Resources

Due to the nature of our business and strategy, we typically generate significant amounts of cash from operations. The cash generated from operations is primarily paid to our common and preferred shareholders in the form of dividends. As a REIT, we must generally make annual distributions to shareholders of at least 90% of our taxable income (cash dividends paid in 2020 were approximately $325.4 million). Remaining cash flow from operations after dividend payments is used to fund recurring and non-recurring capital projects (such as tenant improvements and redevelopments), and regular debt service requirements (including debt service relating to additional or replacement debt, as well as scheduled debt maturities). In 2020, our dividends were funded not only by cash from operations but also other sources of liquidity. We maintain a $1.0 billion revolving credit facility to fund short term cash flow needs and also look to the public and private debt and equity markets, joint venture relationships, and property dispositions to fund capital expenditures on a long-term basis.

We are currently experiencing lower levels of cash from operations due to lower rent collections from tenants impacted by the COVID-19 pandemic (see further discussion under the "Outlook" section of this Item 2). While the overall economic impacts of the pandemic are unknown, we have taken multiple steps during the last several months to strengthen our financial position, maximize liquidity, and to provide maximum flexibility during these uncertain times. Throughout the last three quarters of 2020, we have maintained levels of cash significantly in excess of the cash balances we have historically maintained. In March 2020, we borrowed $990.0 million under our revolving credit facility, representing a draw-down of almost the entirety of our $1.0 billion credit facility. In May 2020, we entered into a $400.0 million unsecured term loan and issued $700.0 million of fixed rate unsecured senior notes for combined net proceeds of $1.1 billion. We subsequently repaid the outstanding balance on our revolving credit facility and amended how certain covenants are calculated to provide us more operating flexibility. Additionally, on October 13, 2020, we issued $400.0 million of fixed rate senior unsecured notes that mature on February 15, 2026 and bear interest at 1.25%. During the fourth quarter 2020, we raised $98.8 million under our ATM equity program after fees and other costs. As of December 31, 2020, there is no outstanding balance on our $1.0 billion unsecured revolving credit facility, we had cash and cash equivalents of $798.3 million, and we had the capacity to issue up to $28.4 million in common shares under the ATM program.

For the year ended 2020, the weighted average amount of borrowings outstanding on our revolving credit facility was $138.5 million, and the weighted average interest rate, before amortization of debt fees, was 1.5%.

Subsequent to December 31, 2020, we repaid one mortgage loan, resulting in only $7.9 million of debt maturing in 2021, excluding our $400.0 million term loan, which may be extended for an additional twelve months at our option.

Our overall capital requirements during 2021 will be impacted by the extent and duration of COVID-19 related closures, impacts on our cash collections, and overall economic impacts including any halts to construction activities that might occur. It will also be impacted by acquisition opportunities and the level and general timing of our redevelopment and development activities. While the amount of future expenditures will depend on numerous factors, we expect to continue to see higher levels of capital investments in our properties under development and redevelopment, as we continue to invest in the current phase of these projects and are not expecting COVID-19 related halts in construction activities as we experienced in 2020. With respect to other capital investments related to our existing properties, we expect to incur levels more consistent with prior years with an overall increase compared to 2020.

We believe that the cash on our balance sheet together with rents we collect, as well as our $1.0 billion revolving credit facility will allow us to continue to operate our business in the near-term. Given our recent ability to access capital markets, we also expect debt or equity to be available to us. We may also further delay the timing of certain development and redevelopment projects, as well as limit future acquisitions, reduce our operating expenditures, or re-evaluate our dividend policy.

While the COVID-19 pandemic has negatively impacted our business during the year ended December 31, 2020, and we expect it will continue to negatively impact our business in the short term, we intend to operate with and to maintain our long term commitment to a conservative capital structure that will allow us to maintain strong debt service coverage and fixed-charge coverage ratios as part of our commitment to investment-grade debt ratings.

Summary of Cash Flows

	Year Ended December 31,	
	2020	2019
	(In thousands)	
Cash provided by operating activities	$ 369,929	$ 461,919
Cash used in investing activities	(368,383)	(316,532)
Cash provided by (used in) financing activities	661,736	(100,105)
Increase in cash and cash equivalents	663,282	45,282
Cash, cash equivalents, and restricted cash, beginning of year	153,614	108,332
Cash, cash equivalents, and restricted cash, end of year	$ 816,896	$ 153,614

Net cash provided by operating activities decreased $92.0 million to $369.9 million during 2020 from $461.9 million during 2019. The decrease was primarily attributable to lower net income before non-cash items and the timing of cash receipts, both largely driven by impacts of the COVID-19 pandemic and payments of annual real estate tax recovery billings.

Net cash used in investing activities increased $51.9 million to $368.4 million during 2020 from $316.5 million during 2019. The increase was primarily attributable to:

- a $138.5 million decrease in proceeds from sales of real estate, resulting from the sale of three properties, one building, and the two remaining condominium units at our Pike & Rose property in 2020, as compared to the sale under the threat of condemnation of a portion of San Antonio Center and the sale of three properties, one land parcel, and the sale of 43 condominiums at our Assembly Row and Pike & Rose properties in 2019,
- a $81.6 million increase in capital expenditures and leasing costs as we continue to invest in Pike & Rose, Assembly Row, Santana Row and other redevelopments,
- $12.9 million for net costs paid in 2020 relating to the partial sale under threat of condemnation at San Antonio Center in 2019, and
- a $9.6 million acquisition of two loans secured by a shopping center in Rockville, Maryland, that is owned by a third party,

partially offset by

- a $194.9 million decrease in acquisitions of real estate, primarily due to the acquisitions of Georgetowne Shopping Center, 37 mixed-use buildings in Hoboken, New Jersey, and Fairfax Junction in 2019, partially offset by the acquisition of two additional buildings in Hoboken, New Jersey in 2020.

Net cash provided by financing activities increased $761.8 million to $661.7 million during 2020 from $100.1 million used in during 2019. The increase was primarily attributable to:

- a $694.4 million increase due to net proceeds of $700.1 million from the issuance of $400.0 million of 3.50% unsecured senior notes and the $300.0 million reopening of our 3.95% unsecured senior notes in May 2020, and $394.2 million from the issuance of $400.0 million of 1.25% unsecured senior notes in October 2020, as compared to $399.9 million in net proceeds from the issuance of $300.0 million of 3.20% senior unsecured notes in June 2019 and an additional $100.0 million of the same series in August 2019,
- $398.7 million in net proceeds from our unsecured term loan in May 2020, and

- a $230.8 million decrease in repayment of mortgages, finance leases, and notes payable primarily due to the repayment of our $275.0 million unsecured term loan in June 2019 and the $20.3 million payoff of the mortgage loan on Rollingwood Apartments in January 2019, partially offset by the $60.6 million payoff of the mortgage loan on The Shops at Sunset Place in December 2020 and the $3.6 million payoff of the mortgage loan on 29th Place, both in December 2020,

partially offset by

- $510.4 million from the December 2020 redemptions of our our $250.0 million 2.55% unsecured senior notes and our $250.0 million 3.00% unsecured senior notes, with a make-whole premium of $10.4 million,
- $43.9 million decrease in net proceeds from the issuance of 1.1 million common shares under our ATM program at a weighted average price of $92.51 during 2020, as compared to 1.1 million common shares at weighted average price of $134.71 in 2019, and
- a $10.9 million increase in dividends paid to shareholders due to an increase in the common share dividend rate and an increase in the number of common shares outstanding.

Cash Requirements

The following table provides a summary of material cash requirements comprising our fixed, noncancelable obligations as of December 31, 2020:

	Cash Requirements by Period		
	Total	Next Twelve Months	Greater than Twelve Months
		(In thousands)	
Fixed and variable rate debt (principal only) (1)	$ 4,308,505	$ 428,777	3,879,728
Fixed and variable rate debt - our share of unconsolidated real estate partnerships (principal only)(2)	53,341	33,943	19,398
Lease obligations (minimum rental payments) (3)	355,687	10,877	344,810
Redevelopments/capital expenditure contracts	356,068	328,548	27,520
Real estate commitments (4)	100,100	—	100,100
Total estimated cash requirements	$ 5,173,701	$ 802,145	$ 4,371,556

(1) The weighted average interest rate on our fixed and variable rate debt is 3.32% as of December 31, 2020.

(2) The weighted average interest rate on the fixed and variable rate debt related to our unconsolidated real estate partnerships is 4.59% as of December 31, 2020. $25.2 million of the requirements in the next twelve months was repaid when we acquired our partners' share of the Pike & Rose hotel joint venture on January 4, 2021. See Note 15 to the consolidated financial statements for additional information.

(3) This includes minimum rental payments related to both finance and operating leases.

(4) This includes the liability related to the sale under threat of condemnation at San Antonio Center as further discussed in Note 3 and Note 7 to the consolidated financial statements.

In addition to the amounts set forth in the table above and other liquidity requirements previously discussed, the following potential commitments exist:

(a) Under the terms of the Congressional Plaza partnership agreement, a minority partner has the right to require us and the other minority partner to purchase its 26.63% interest in Congressional Plaza at the interest's then-current fair market value. If the other minority partner defaults in their obligation, we must purchase the full interest. Based on management's current estimate of fair market value as of December 31, 2020, our estimated liability upon exercise of the put option would range from approximately $69 million to $72 million.

(b) Under the terms of various other partnership agreements, the partners have the right to exchange their operating partnership units for cash or the same number of our common shares, at our option. As of December 31, 2020, a total of 744,617 operating partnership units are outstanding.

(c) Two of the members in Plaza El Segundo have the right to require us to purchase their 10.0% and 11.8% ownership interests at the interests' then-current fair market value. If the members fail to exercise their put options, we have the right to purchase each of their interests on or after December 30, 2026 at fair market value. Based on management's current estimate of fair market value as of December 31, 2020, our estimated maximum liability upon exercise of the put option would range from approximately $28 million to $35 million.

(d) The other member in The Grove at Shrewsbury and Brook 35 has the right to require us to purchase all of its approximately 4.1% interest in The Grove at Shrewsbury and approximately 6.5% interest in Brook 35 at the interests' then-current fair market value. Based on management's current estimate of fair market value as of December 31, 2020, our estimated maximum liability upon exercise of the put option would range from $6 million to $7 million.

(e) Effective September 18, 2023, the other member in Hoboken has the right to require us to purchase all of its 10% ownership interest at the interest's then-current fair market value. Based on management's current estimate of fair market value as of December 31, 2020, our estimated maximum liability upon exercise of the put option would range from $5 million to $6 million.

(f) At December 31, 2020, we had letters of credit outstanding of approximately $4.7 million.

Off-Balance Sheet Arrangements

At December 31, 2020, we have three real estate related equity method investments with total debt outstanding of $109.7 million, of which our share is $53.3 million. Our investment in these ventures at December 31, 2020 was $18.7 million.

Other than the items disclosed in the Cash Requirements table, we have no off-balance sheet arrangements as of December 31, 2020 that are reasonably likely to have a current or future material effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, cash requirements, or capital resources.

Debt Financing Arrangements

The following is a summary of our total debt outstanding as of December 31, 2020:

Description of Debt	Original Debt Issued	Principal Balance as of December 31, 2020	Stated Interest Rate as of December 31, 2020	Maturity Date
	(Dollars in thousands)			
Mortgages payable				
Secured fixed rate				
Sylmar Towne Center	Acquired	$ 16,236	5.39 %	June 6, 2021
Plaza Del Sol	Acquired	8,041	5.23 %	December 1, 2021
THE AVENUE at White Marsh	52,705	52,705	3.35 %	January 1, 2022
Montrose Crossing	80,000	65,596	4.20 %	January 10, 2022
Azalea	Acquired	40,000	3.73 %	November 1, 2025
Bell Gardens	Acquired	12,408	4.06 %	August 1, 2026
Plaza El Segundo	125,000	125,000	3.83 %	June 5, 2027
The Grove at Shrewsbury (East)	43,600	43,600	3.77 %	September 1, 2027
Brook 35	11,500	11,500	4.65 %	July 1, 2029
Hoboken (24 Buildings) (1)	56,450	56,450	LIBOR + 1.95%	December 15, 2029
Various Hoboken (14 Buildings)	Acquired	32,705	Various (2)	Various through 2029
Chelsea	Acquired	5,234	5.36 %	January 15, 2031
Hoboken (1 Building) (3)	Acquired	16,560	3.75 %	July 1, 2042
Subtotal		486,035		
Net unamortized premium and debt issuance costs		(1,924)		
Total mortgages payable		484,111		
Notes payable				
Term Loan	400,000	400,000	LIBOR + 1.35%	May 6, 2021
Revolving credit facility (4)	1,000,000	—	LIBOR + 0.775%	January 19, 2024
Various	7,239	3,270	11.31 %	Various through 2028
Subtotal		403,270		
Net unamortized debt issuance costs		(494)		
Total notes payable		402,776		
Senior notes and debentures				
Unsecured fixed rate				
2.75% notes	275,000	275,000	2.75 %	June 1, 2023
3.95% notes	600,000	600,000	3.95 %	January 15, 2024
1.25% notes	400,000	400,000	1.25 %	February 15, 2026
7.48% debentures	50,000	29,200	7.48 %	August 15, 2026
3.25% notes	475,000	475,000	3.25 %	July 15, 2027
6.82% medium term notes	40,000	40,000	6.82 %	August 1, 2027
3.20% notes	400,000	400,000	3.20 %	June 15, 2029
3.50% notes	400,000	400,000	3.50 %	June 1, 2030
4.50% notes	550,000	550,000	4.50 %	December 1, 2044
3.625% notes	250,000	250,000	3.625 %	August 1, 2046
Subtotal		3,419,200		
Net unamortized discount and debt issuance costs		(14,712)		
Total senior notes and debentures		3,404,488		
Total debt, net		**$ 4,291,375**		

1) On November 26, 2019, we entered into two interest rate swap agreements that fix the interest rate on the mortgage loan at 3.67%.

2) The interest rates on these mortgages range from 3.91% to 5.00%.

3) This mortgage loan has a fixed interest rate, however, the rate resets every five years until maturity. The current interest rate is fixed until July 1, 2022, and the loan is prepayable at par anytime after this date.

4) The maximum amount drawn under our revolving credit facility during 2020 was $990.0 million and the weighted average effective interest rate on borrowings under our revolving credit facility, before amortization of debt fees, was 1.5%.

Our revolving credit facility, unsecured term loan, and other debt agreements include financial and other covenants that may limit our operating activities in the future. As of December 31, 2020, we were in compliance with all of the financial and other covenants related to our revolving credit facility, term loan, and senior notes. Additionally, we were in compliance with all of the financial and other covenants that could trigger loan default on our mortgage loans. If we were to breach any of these financial and other covenants and did not cure the breach within an applicable cure period, our lenders could require us to repay the debt immediately and, if the debt is secured, could immediately begin proceedings to take possession of the property securing the loan. Many of our debt arrangements, including our public notes and our revolving credit facility, are cross-defaulted, which means that the lenders under those debt arrangements can put us in default and require immediate repayment of their debt if we breach and fail to cure a default under certain of our other debt obligations. As a result, any default under our debt covenants could have an adverse effect on our financial condition, our results of operations, our ability to meet our obligations and the market value of our shares. Our organizational documents do not limit the level or amount of debt that we may incur.

The following is a summary of our scheduled principal repayments as of December 31, 2020:

	Unsecured		Secured	Total	
			(In thousands)		
2021	$ 400,676	(1)	$ 28,101	$ 428,777	
2022	751		119,706	120,457	
2023	275,765		3,549	279,314	
2024	600,656	(2)	3,688	604,344	
2025	333		48,033	48,366	
Thereafter	2,544,289		282,958	2,827,247	
	$ 3,822,470		$ 486,035	$ 4,308,505	(3)

1) Our $400.0 million term loan matures on May 6, 2021 plus one twelve month extension, at our option.

2) Our $1.0 billion revolving credit facility matures on January 19, 2024, plus two six-month extensions at our option. As of December 31, 2020, there was no outstanding balance under this credit facility.

3) The total debt maturities differ from the total reported on the consolidated balance sheet due to the unamortized net premium/discount and debt issuance costs on mortgage loans, notes payable, and senior notes as of December 31, 2020.

Interest Rate Hedging

We may use derivative instruments to manage exposure to variable interest rate risk. We generally enter into interest rate swaps to manage our exposure to variable interest rate risk and treasury locks to manage the risk of interest rates rising prior to the issuance of debt. We enter into derivative instruments that qualify as cash flow hedges and do not enter into derivative instruments for speculative purposes.

Interest rate swaps associated with cash flow hedges are recorded at fair value on a recurring basis. Effectiveness of cash flow hedges is assessed both at inception and on an ongoing basis. The effective portion of changes in fair value of the interest rate swaps associated with cash flow hedges is recorded in other comprehensive income (loss) which is included in "accumulated other comprehensive loss" on the balance sheet and statement of shareholders' equity. Cash flow hedges become ineffective if critical terms of the hedging instrument and the debt instrument do not perfectly match such as notional amounts, settlement dates, reset dates, calculation period and LIBOR rate. In addition, the default risk of the counterparty is evaluated by monitoring the credit worthiness of the counterparty which includes reviewing debt ratings and financial performance. If a cash flow hedge is deemed ineffective, the ineffective portion of changes in fair value of the interest rate swaps associated with cash flow hedges is recognized in earnings in the period affected.

As of December 31, 2020, we have two interest rate swap agreements that effectively fix the interest rate on a mortgage payable associated with our Hoboken portfolio at 3.67%. Our Assembly Row hotel joint venture is also a party to two interest rate swap agreements that effectively fix the interest rate on the joint venture's mortgage debt at 5.206%. All swaps were designated and qualify as cash flow hedges. Hedge ineffectiveness has not impacted our earnings in 2020, 2019 and 2018.

REIT Qualification

We intend to maintain our qualification as a REIT under Section 856(c) of the Code. As a REIT, we generally will not be subject to corporate federal income taxes on income we distribute to our shareholders as long as we satisfy certain technical requirements of the Code, including the requirement to distribute at least 90% of our taxable income to our shareholders.

Funds From Operations

Funds from operations ("FFO") is a supplemental non-GAAP financial measure of real estate companies' operating performance. The National Association of Real Estate Investment Trusts ("NAREIT") defines FFO as follows: net income, computed in accordance with U.S. GAAP, plus real estate related depreciation and amortization, gains and losses on the sale of real estate, and impairment write-downs of depreciable real estate. We compute FFO in accordance with the NAREIT definition, and we have historically reported our FFO available for common shareholders in addition to our net income and net cash provided by operating activities. It should be noted that FFO:

- does not represent cash flows from operating activities in accordance with GAAP (which, unlike FFO, generally reflects all cash effects of transactions and other events in the determination of net income);
- should not be considered an alternative to net income as an indication of our performance; and
- is not necessarily indicative of cash flow as a measure of liquidity or ability to fund cash needs, including the payment of dividends.

We consider FFO available for common shareholders a meaningful, additional measure of operating performance primarily because it excludes the assumption that the value of the real estate assets diminishes predictably over time, as implied by the historical cost convention of GAAP and the recording of depreciation. We use FFO primarily as one of several means of assessing our operating performance in comparison with other REITs. Comparison of our presentation of FFO to similarly titled measures for other REITs may not necessarily be meaningful due to possible differences in the application of the NAREIT definition used by such REITs.

An increase or decrease in FFO available for common shareholders does not necessarily result in an increase or decrease in aggregate distributions because our Board of Trustees is not required to increase distributions on a quarterly basis unless necessary for us to maintain REIT status. However, we must distribute at least 90% of our taxable income to remain qualified as a REIT. Therefore, a significant increase in FFO will generally require an increase in distributions to shareholders although not necessarily on a proportionate basis.

The reconciliation of net income to FFO available for common shareholders is as follows:

	Year Ended December 31,		
	2020	2019	2018
	(In thousands, except per share data)		
Net income	$ 135,888	$ 360,542	$ 249,026
Net income attributable to noncontrolling interests	(4,182)	(6,676)	(7,119)
Gain on sale of real estate, net of tax	(91,922)	(116,393)	(11,915)
Impairment charge, net	50,728	—	—
Depreciation and amortization of real estate assets	228,850	215,139	213,098
Amortization of initial direct costs of leases	20,415	19,359	24,603
Funds from operations	339,777	471,971	467,693
Dividends on preferred shares (1)	(8,042)	(7,500)	(7,500)
Income attributable to operating partnership units	3,151	2,703	3,053
Income attributable to unvested shares	(1,037)	(1,355)	(1,469)
Funds from operations available for common shareholders (2)	$ 333,849	$ 465,819	$ 461,777
Weighted average number of common shares, diluted (1)(2)(3)	76,261	75,514	74,153
Funds from operations available for common shareholders, per diluted share (2)	$ 4.38	$ 6.17	$ 6.23

(1) For the years ended December 31, 2019 and 2018, dividends on our Series 1 preferred stock were not deducted in the calculation of FFO available to common shareholders, as the related shares were dilutive and included in "weighted average common shares, diluted."

(2) For the year ended December 31, 2020, FFO available for common shareholders includes a $11.2 million charge related to early extinguishment of debt. If this charge was excluded, our FFO available for common shareholders for 2020 would have been $345.0 million, and FFO available for common shareholders, per diluted share would have been $4.52. For the year ended December 31, 2019, FFO available for common shareholders includes an $11.9 million charge relating to the buyout of a lease at Assembly Square Marketplace. If this charge was excluded, our FFO available for common shareholders for 2019 would have been $477.7 million, and FFO available for common shareholders, per diluted share would have been $6.33.

(3) The weighted average common shares used to compute FFO per diluted common share also includes operating partnership units that were excluded from the computation of diluted EPS. Conversion of these operating partnership units is dilutive in the computation of FFO per diluted common share but is anti-dilutive for the computation of diluted EPS for the periods presented.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our use of financial instruments, such as debt instruments, subjects us to market risk which may affect our future earnings and cash flows, as well as the fair value of our assets. Market risk generally refers to the risk of loss from changes in interest rates and market prices. We manage our market risk by attempting to match anticipated inflow of cash from our operating, investing and financing activities with anticipated outflow of cash to fund debt payments, dividends to common and preferred shareholders, investments, capital expenditures and other cash requirements.

We may enter into certain types of derivative financial instruments to further reduce interest rate risk. We use interest rate protection and swap agreements, for example, to convert some of our variable rate debt to a fixed-rate basis or to hedge anticipated financing transactions. We use derivatives for hedging purposes rather than speculation and do not enter into financial instruments for trading purposes.

Interest Rate Risk

The following discusses the effect of hypothetical changes in market rates of interest on interest expense for our variable rate debt and on the fair value of our total outstanding debt, including our fixed-rate debt. Interest rate risk amounts were determined by considering the impact of hypothetical interest rates on our debt. Quoted market prices were used to estimate the fair value of our marketable senior notes and debentures and discounted cash flow analysis is generally used to estimate the fair value of our mortgages and notes payable. Considerable judgment is necessary to estimate the fair value of financial instruments. This analysis does not purport to take into account all of the factors that may affect our debt, such as the effect that a changing interest rate environment could have on the overall level of economic activity or the action that our management might take to reduce our exposure to the change. This analysis assumes no change in our financial structure.

Fixed Interest Rate Debt

The majority of our outstanding debt obligations (maturing at various times through 2046) have fixed interest rates which limit the risk of fluctuating interest rates. However, interest rate fluctuations may affect the fair value of our fixed rate debt instruments. At December 31, 2020, we had $3.9 billion of fixed-rate debt outstanding, including $56.5 million in mortgage payables that are effectively fixed by two interest rate swap agreements. If market interest rates used to calculate the fair value on our fixed-rate debt instruments at December 31, 2020 had been 1.0% higher, the fair value of those debt instruments on that date would have decreased by approximately $290.9 million. If market interest rates used to calculate the fair value on our fixed-rate debt instruments at December 31, 2020 had been 1.0% lower, the fair value of those debt instruments on that date would have increased by approximately $316.5 million.

Variable Interest Rate Debt

Generally, we believe that our primary interest rate risk is due to fluctuations in interest rates on our outstanding variable rate debt. At December 31, 2020, we had $400.0 million of variable rate debt outstanding (the principal balance on our unsecured term loan). Based upon this amount of variable rate debt and the specific terms, if market interest rates increased 1.0%, our annual interest expense would increase approximately $4.0 million with a corresponding decrease in our net income and cash flows for the year. Conversely, if market interest rates decreased 1.0%, our annual interest expense would decrease by approximately $4.0 million with a corresponding increase in our net income and cash flows for the year.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Our consolidated financial statements and supplementary data are included as a separate section of this Annual Report on Form 10-K commencing on page F-1 and are incorporated herein by reference.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Management's Evaluation of Disclosure Controls and Procedures

The Trust maintains disclosure controls and procedures (as defined in Rule 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) that are designed to provide reasonable assurance that information required to be disclosed in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to the Trust’s management, including its Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosures. Because of inherent limitations, disclosure controls and procedures, no matter how well designed and operated, can provide only reasonable, and not absolute, assurance that the objectives of disclosure controls and procedures are met.

Our management, with the participation of the Trust’s Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the design and operation of the Trust’s disclosure controls and procedures as of December 31, 2020. Based on that evaluation, the Trust’s Chief Executive Officer and Chief Financial Officer concluded that, as of December 31, 2020, the Trust’s disclosure controls and procedures were effective at a reasonable assurance level.

Internal Control over Financial Reporting

The Trust’s management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is defined in Rule 13a-15(f) and 15d-15(f) under the Exchange Act as a process designed by, or under the supervision of, the Trust’s principal executive and principal financial officers and effected by our Board of Trustees, management and other personnel, 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 in the United States of America (GAAP) and includes those policies and procedures that:

- pertain to the maintenance of records that in reasonable detail accurately and fairly reflect our transactions and disposition of our assets;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with authorization of management and our Trustees; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of any of our assets in circumstances that could have a material adverse effect on our financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

We assessed the effectiveness of the Trust’s internal control over financial reporting as of December 31, 2020. In making this assessment, we used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in *Internal Control-Integrated Framework (2013)*. Based on that assessment and criteria, management concluded that the Trust's internal control over financial reporting was effective as of December 31, 2020.

Grant Thornton LLP, the independent registered public accounting firm that audited the Trust's consolidated financial statements included in this Annual Report on Form 10-K, has issued an attestation report on the Trust's internal control over financial reporting, which appears on page F-2 of this Annual Report on Form 10-K.

Changes in Internal Control Over Financial Reporting

There was no change in our internal control over financial reporting during our fourth fiscal quarter of 2020 that materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

None.

PART III

Certain information required in Part III is omitted from this Report but is incorporated herein by reference from our Proxy Statement for the 2021 Annual Meeting of Shareholders (as amended or supplemented, the "Proxy Statement").

ITEM 10. TRUSTEES, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The tables and narrative in the Proxy Statement identifying our Trustees and Board committees under the caption "Election of Trustees" and "Corporate Governance", the sections of the Proxy Statement entitled "Executive Officers" and "Section 16(a) Beneficial Ownership Reporting Compliance" and other information included in the Proxy Statement required by this Item 10 are incorporated herein by reference.

We have adopted a Code of Ethics, which is applicable to our Chief Executive Officer and senior financial officers. The Code of Ethics is available in the Corporate Governance section of the Investors section of our website at *www.federalrealty.com*.

ITEM 11. EXECUTIVE COMPENSATION

The sections of the Proxy Statement entitled "Summary Compensation Table," "Compensation Committee Interlocks and Insider Participation," "Compensation Committee Report," "Trustee Compensation" and "Compensation Discussion and Analysis" and other information included in the Proxy Statement required by this Item 11 are incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED SHAREHOLDER MATTERS

The sections of the Proxy Statement entitled "Share Ownership" and "Equity Compensation Plan Information" and other information included in the Proxy Statement required by this Item 12 are incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND TRUSTEE INDEPENDENCE

The sections of the Proxy Statement entitled "Certain Relationship and Related Transactions" and "Independence of Trustees" and other information included in the Proxy Statement required by this Item 13 are incorporated herein by reference.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The sections of the Proxy Statement entitled "Ratification of Independent Registered Public Accounting Firm" and "Relationship with Independent Registered Public Accounting Firm" and other information included in the Proxy Statement required by this Item 14 are incorporated herein by reference.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a)(1) Financial Statements
Our consolidated financial statements and notes thereto, together with Reports of Independent Registered Public Accounting Firm are included as a separate section of this Annual Report on Form 10-K commencing on page F-1.

(2) Financial Statement Schedules

Our financial statement schedules are included in a separate section of this Annual Report on Form 10-K commencing on page F-32.

(3) Exhibits

(b) The following documents are filed as exhibits are filed as part of, or incorporated by reference info, this report:

EXHIBIT INDEX

Exhibit No.	Description
3.1	Declaration of Trust of Federal Realty Investment Trust dated May 5, 1999 as amended by the Articles of Amendment of Declaration of Trust of Federal Realty Investment Trust dated May 6, 2004, as corrected by the Certificate of Correction of Articles of Amendment of Declaration of Trust of Federal Realty Investment Trust dated June 17, 2004, as amended by the Articles of Amendment of Declaration of Trust of Federal Realty Investment Trust dated May 6, 2009 (previously filed as Exhibit 3.1 to the Trust’s Registration Statement on Form S-3 (File No. 333-160009) and incorporated herein by reference)
3.2	Amended and Restated Bylaws of Federal Realty Investment Trust dated February 12, 2003, as amended October 29, 2003, May 5, 2004, February 17, 2006, May 6, 2009, November 2, 2016, February 5, 2019, and April 2, 2020 (previously filed as Exhibit 3.2 to the Trust’s Quarterly Report on Form 10-Q for the quarter ended March 31, 2020 (File No. 1-07533) and incorporated herein by reference)
4.1	Specimen Common Share certificate (previously filed as Exhibit 4(i) to the Trust’s Annual Report on Form 10-K for the year ended December 31, 1999 (File No. 1-07533) and incorporated herein by reference)
4.2	Articles Supplementary relating to the 5.417% Series 1 Cumulative Convertible Preferred Shares of Beneficial Interest (previously filed as Exhibit 4.1 to the Trust’s Current Report on Form 8-K filed on March 13, 2007, (File No. 1-07533) and incorporated herein by reference)
4.3	** Indenture dated December 1, 1993 related to the Trust’s 7.48% Debentures due August 15, 2026; and 6.82% Medium Term Notes due August 1, 2027; (previously filed as Exhibit 4(a) to the Trust’s Registration Statement on Form S-3 (File No. 33-51029), and amended on Form S-3 (File No. 33-63687), filed on December 13, 1993 and incorporated herein by reference)
4.4	** Indenture dated September 1, 1998 related to the Trust’s 3.00% Notes due 2022; 2.75% Notes due 2023; 3.95% Notes due 2024; 4.50% Notes due 2044; 2.55% Notes due 2021; 3.625% Notes due 2046; 3.25% Notes due 2027; 3.20% Notes due 2029; 3.50% Notes due 2030; 1.25% Notes due 2026 (previously filed as Exhibit 4(a) to the Trust’s Registration Statement on Form S-3 (File No. 333-63619) filed on September 17, 1998 and incorporated herein by reference)
4.5	Articles Supplementary relating to the 5.000% Series C Cumulative Redeemable Preferred Shares of Beneficial Interest (previously filed as Exhibit 3.2 to the Trust's Registration Statement on Form 8-A (File No. 1-07533), filed on September 29, 2017 and incorporated herein by reference)
4.6	Deposit Agreement, dated as of September 29, 2017, by and among Federal Realty Investment Trust, American Stock Transfer and Trust Company, LLC, as Depositary, and all holders from time to time of Receipt (previously filed as Exhibit 4.1 to the Trust's Registration Statement on Form 8-A (File No. 1-07533), filed on September 29, 2017 and incorporated herein by reference)
4.7	Specimen certificate relating to the 5.000% Series C Cumulative Redeemable Preferred Shares of Beneficial Interest (previously filed as Exhibit 4.3 to the Trust's Registration Statement on Form 8-A (File No. 1-07533), filed on September 29, 2017 and incorporated herein by reference)
4.8	Description of Securities (previously filed as Exhibit 4.8 to the Trust's Annual Report on Form 10-K for the year ended December 31, 2019 (File No. 001-07533 and incorporated here by reference)
10.1	* Severance Agreement between the Trust and Donald C. Wood dated February 22, 1999 (previously filed as a portion of Exhibit 10 to the Trust's Quarterly Report on Form 10-Q for the quarter ended March 31, 1999 (File No. 1-07533) (the "1999 1Q Form 10-Q") and incorporated herein by reference)
10.2	* Executive Agreement between Federal Realty Investment Trust and Donald C. Wood dated February 22, 1999 (previously filed as a portion of Exhibit 10 to the 1999 1Q Form 10-Q and incorporated herein by reference)
10.3	* Amendment to Executive Agreement between Federal Realty Investment Trust and Donald C. Wood dated February 16, 2005 (previously filed as Exhibit 10.12 to the Trust’s Annual Report on Form 10-K for the year ended December 31, 2004 (File No. 1-07533) (the “2004 Form 10-K”) and incorporated herein by reference)
10.4	2001 Long-Term Incentive Plan (previously filed as Exhibit 99.1 to the Trust’s S-8 Registration Number 333-60364 filed on May 7, 2001 and incorporated herein by reference)
10.5	* Health Coverage Continuation Agreement between Federal Realty Investment Trust and Donald C. Wood dated February 16, 2005 (previously filed as Exhibit 10.26 to the 2004 Form 10-K and incorporated herein by reference)
10.6	* Severance Agreement between the Trust and Dawn M. Becker dated April 19, 2000 (previously filed as Exhibit 10.26 to the Trust’s 2005 2Q Form 10-Q and incorporated herein by reference)
10.7	* Amendment to Severance Agreement between the Trust and Dawn M. Becker dated February 16, 2005 (previously filed as Exhibit 10.27 to the 2004 Form 10-K and incorporated herein by reference)

Exhibit No.	Description
10.8	Form of Restricted Share Award Agreement for long term vesting and retention awards for shares issued out of the 2010 Plan (previously filed as Exhibit 10.35 to the Trust's Annual Report on Form 10-K for the year ended December 31, 2010 (File No. 1-07533) (the "2010 Form 10-K") and incorporated herein by reference)
10.9	* Amendment to Severance Agreement between the Trust and Donald C. Wood dated January 1, 2009 (previously filed as Exhibit 10.26 to the Trust's Annual Report on Form 10-K for the year ended December 31, 2008 (File No. 1-07533) ("the 2008 Form 10-K") and incorporated herein by reference)
10.10	* Second Amendment to Executive Agreement between the Trust and Donald C. Wood dated January 1, 2009 (previously filed as Exhibit 10.27 to the Trust's 2008 Form 10-K and incorporated herein by reference)
10.11	* Amendment to Health Coverage Continuation Agreement between the Trust and Donald C. Wood dated January 1, 2009 (previously filed as Exhibit 10.28 to the Trust's 2008 Form 10-K and incorporated herein by reference)
10.12	* Second Amendment to Severance Agreement between the Trust and Dawn M. Becker dated January 1, 2009 (previously filed as Exhibit 10.30 to the Trust's 2008 Form 10-K and incorporated herein by reference)
10.13	2010 Performance Incentive Plan (previously filed as Appendix A to the Trust's Definitive Proxy Statement for the 2010 Annual Meeting of Shareholders (File No. 01-07533) and incorporated herein by reference)
10.14	Amendment to 2010 Performance Incentive Plan ("the 2010 Plan") (previously filed as Appendix A to the Trust's Proxy Statement for the 2010 Annual Meeting of Shareholders (File No. 01-07533) and incorporated herein by reference)
10.15	* Restricted Share Award Agreement between the Trust and Donald C. Wood dated October 12, 2010 (previously filed as Exhibit 10.36 to the Trust's Quarterly Report on Form 10-Q for the quarter ended September 30, 2010 (File No. 01-07533) and incorporated herein by reference)
10.16	Form of Restricted Share Award Agreement for awards made under the Trust's Long-Term Incentive Award Program and the Trust's Annual Incentive Bonus Program and basic awards with annual vesting for shares issued out of the 2010 Plan (previously filed as Exhibit 10.34 to the Trust's 2010 Form 10-K (File No. 1-07533) and incorporated herein by reference)
10.17	Form of Option Award Agreement for awards made under the Trust's Long-Term Incentive Award Program for shares issued out of the 2010 Plan (previously filed as Exhibit 10.38 to the Trust's 2010 Form 10-K (File No. 1-07533) and incorporated herein by reference)
10.18	Form of Option Award Agreement for front loaded awards made under the Trust's Long-Term Incentive Award Program for shares issued out of the 2010 Plan (previously filed as Exhibit 10.39 to the Trust's 2010 Form 10-K (File No. 1-07533) and incorporated herein by reference)
10.19	Form of Option Award Agreement for basic options awarded out of the 2010 Plan (previously filed as Exhibit 10.40 to the Trust's 2010 Form 10-K (File No. 1-07533) and incorporated herein by reference)
10.20	Credit Agreement dated as of July 7, 2011, by and among the Trust, as Borrower, the financial institutions party thereto and their permitted assignees under Section 12.6., as Lenders, Wells Fargo Bank, National Association, as Administrative Agent, PNC Bank, National Association, as Syndication Agent, Wells Fargo Securities, LLC, as a Lead Arranger and Book Manager, and PNC Capital Markets LLC, as a Lead Arranger and Book Manager (previously filed as Exhibit 10.1 to the Trust's Current Report on Form 8-K (File No. 1-07533), filed on July 11, 2011 and incorporated herein by reference)
10.21	Revised Form of Restricted Share Award Agreement for front loaded awards made under the Trust's Long-Term Incentive Award Program for shares issued out of the 2010 Plan (previously filed as Exhibit 10.35 to the Trust's Annual Report on Form 10-K for the year ended December 31, 2012 (File No. 1-07533) (the "2012 Form 10-K") and incorporated herein by reference)
10.22	Revised Form of Restricted Share Award Agreement for long-term vesting and retention awards made under the Trust's Long-Term Incentive Award Program for shares issued out of the 2010 Plan (previously filed as Exhibit 10.36 to the Trust's 2012 Form 10-K (File No. 1-07533) and incorporated herein by reference)
10.23	Revised Form of Performance Share Award Agreement for shares awarded out of the 2010 Plan (previously filed as Exhibit 10.37 to the Trust's 2012 Form 10-K (File No. 1-07533) and incorporated herein by reference)
10.24	Revised Form of Restricted Share Award Agreement for awards made under the Trust's Long-Term Incentive Award Program and the Trust's Annual Incentive Bonus Program and basic awards with annual vesting for shares issued out of the 2010 Plan (previously filed as Exhibit 10.38 to the Trust's 2012 Form 10-K (File No. 1-07533) and incorporated herein by reference)

Exhibit No.	Description
10.25	First Amendment to the Credit Agreement, dated as of April 22, 2013, by and among Federal Realty Investment Trust, each of the Lenders party thereto, and Wells Fargo Bank, National Association, as Administrative Agent (previously filed as Exhibit 10.1 to the Trust's Current Report on Form 8-K (File No. 1-07533), filed on April 26, 2013 and incorporated herein by reference)
10.26	Second Amendment to Credit Agreement, dated as of April 20, 2016, by and among Federal Realty Investment Trust, each of the Lenders party thereto, and PNC Bank, National Association, as Administrative Agent (previously filed as Exhibit 10.1 to the Trust's Current Report on Form 8K (File No. 1-07533), filed on April 26, 2016 and incorporated herein by reference)
10.27	Severance Agreement between the Trust and Daniel Guglielmone dated August 15, 2016 (previously filed as Exhibit 10.36 to the Trust's Quarterly Report on Form 10-Q for the quarter ended September 30, 2016 (File No. 1-07533 and incorporated herein by reference)
10.28	Amended and Restated Credit Agreement, dated as of July 25, 2019, by and among Federal Realty Investment Trust, each of the Lenders party thereto, and PNC Bank, National Association, as Administrative Agent (previously filed as Exhibit 10.1 to the Trust's Current Report on Form 8-K (File No. 1-07533), filed on July 29, 2019 and incorporated herin by reference)
10.29	2020 Performance Incentive Plan (previously filed as Appendix B to the Trust's Definitive Proxy Statement for the 2020 Annual Meeting of Shareholders (File No. 01-07533) and incorporated herein by reference)
10.30	Term Loan Agreement dated as of May 6, 2020, by and among the Trust, as Borrower, the financial institutions party thereto and their permitted assignees under Section 12.6., as Lenders, PNC Bank, National Association, as Administrative Agent, Regions Bank, Truist Bank, and U.S. Bank National Bank Association as Co-Syndication Agents, PNC Capital Markets, LLC, Regions Capital Markets, Suntrust Robinson Humphrey, Inc., and U.S. Bank National Association, as Joint Lead Arrangers and Book Managers (previously filed as Exhibit 10.1 to the Trust's Current Report on Form 8-K (File No. 1-07533), filed on May 6, 2020 and incorporated herein by reference)
10.31	First Amendment to the Credit Agreement, dated as of May 6, 2020, by and among Federal Realty Investment Trust, each of the Lenders party thereto, and Wells Fargo Bank, National Association, as Administrative Agent (previously filed as Exhibit 10.2 to the Trust's Current Report on Form 8-K (File No. 1-07533), filed on May 6, 2020, and incorporated herein by reference)
10.32	Form of Restricted Share Award Agreement for awards made under the Trust's Long-Term Incentive Award Program and the Trust's Annual Incentive Bonus Program and basic awards with annual vesting for shares issued out of the 2020 Plan (filed herewith)
10.33	Form of Option Award Agreement for awards made under the Trust's Long-Term Incentive Award Program for shares issued out of the 2020 Plan (filed herewith)
10.34	Form of Restricted Share Award Agreement for long-term vesting and retention awards made under the Trust's Long-Term Incentive Award Program for shares issued out of the 2020 Plan (filed herewith)
10.35	Form of Performance Share Award Agreement for shares awarded out of the 2020 Plan (filed herewith)
10.36	Form of Option Award Agreement for basic options awarded out of the 2020 Plan (filed herewith)
21.1	Subsidiaries of Federal Realty Investment Trust (filed herewith)
23.1	Consent of Grant Thornton LLP (filed herewith)
31.1	Rule 13a-14(a) Certification of Chief Executive Officer (filed herewith)
31.2	Rule 13a-14(a) Certification of Chief Financial Officer (filed herewith)
32.1	Section 1350 Certification of Chief Executive Officer (filed herewith)
32.2	Section 1350 Certification of Chief Financial Officer (filed herewith)
101	The following materials from Federal Realty Investment Trust's Annual Report on Form 10-K for the year ended December 31, 2020, formatted in XBRL (Extensible Business Reporting Language): (1) the Consolidated Balance Sheets, (2) the Consolidated Statements of Comprehensive Income, (3) the Consolidated Statement of Shareholders' Equity, (4) the Consolidated Statements of Cash Flows, and (5) Notes to Consolidated Financial Statements that have been detail tagged.
104	Cover Page Interactive Data File (formatted in Inline XBRL and contained in Exhibit 101)

* Management contract or compensatory plan required to be filed as an exhibit pursuant to Item 15(b) of Form 10-K.

** Pursuant to Regulation S-K Item 601(b)(4)(iii), the Trust by this filing agrees, upon request, to furnish to the Securities and Exchange Commission a copy of other instruments defining the rights of holders of long-term debt of the Trust.

ITEM 16. FORM 10-K SUMMARY

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this Report to be signed on its behalf by the undersigned thereunto duly authorized this February 11, 2021.

Federal Realty Investment Trust

By: /S/ DONALD C. WOOD

Donald C. Wood
Chief Executive Officer and Trustee

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, this Report has been signed below by the following persons on behalf of the Registrant and in the capacity and on the dates indicated. Each person whose signature appears below hereby constitutes and appoints each of Donald C. Wood and Dawn M. Becker as his or her attorney-in-fact and agent, with full power of substitution and resubstitution for him or her in any and all capacities, to sign any or all amendments to this Report and to file same, with exhibits thereto and other documents in connection therewith, granting unto such attorney-in-fact and agent full power and authority to do and perform each and every act and thing requisite and necessary in connection with such matters and hereby ratifying and confirming all that such attorney-in-fact and agent or his or her substitutes may do or cause to be done by virtue hereof.

Signature	Title	Date
/S/ DONALD C. WOOD **Donald C. Wood**	Chief Executive Officer and Trustee (Principal Executive Officer)	February 11, 2021
/S/ DANIEL GUGLIELMONE **Daniel Guglielmone**	Executive Vice President - Chief Financial Officer and Treasurer (Principal Financial and Accounting Officer)	February 11, 2021
/S/ JOSEPH S. VASSALLUZZO **Joseph S. Vassalluzzo**	Non-Executive Chairman	February 11, 2021
/S/ JON E. BORTZ **Jon E. Bortz**	Trustee	February 11, 2021
/S/ DAVID W. FAEDER **David W. Faeder**	Trustee	February 11, 2021
/S/ ELIZABETH I. HOLLAND **Elizabeth I. Holland**	Trustee	February 11, 2021
/S/ NICOLE Y. LAMB-HALE **Nicole Y. Lamb-Hale**	Trustee	February 11, 2021
/S/ ANTHONY P. NADER, III **Anthony P. Nader, III**	Trustee	February 11, 2021
/S/ MARK S. ORDAN **Mark S. Ordan**	Trustee	February 11, 2021
/S/ GAIL P. STEINEL **Gail P. Steinel**	Trustee	February 11, 2021

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Item 8 and Item 15(a)(1) and (2)
Index to Consolidated Financial Statements and Schedules

All other schedules have been omitted either because the information is not applicable, not material, or is disclosed in our consolidated financial statements and related notes.

Report of Independent Registered Public Accounting Firm

Trustees and Shareholders
Federal Realty Investment Trust

Opinion on internal control over financial reporting

We have audited the internal control over financial reporting of Federal Realty Investment Trust (a Maryland real estate investment trust) and subsidiaries (collectively, the "Trust") as of December 31, 2020, based on criteria established in the 2013 *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). In our opinion, the Trust maintained, in all material respects, effective internal control over financial reporting as of December 31, 2020, based on criteria established in the 2013 *Internal Control-Integrated Framework* issued by COSO.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the consolidated financial statements of the Trust as of and for the year ended December 31, 2020, and our report dated February 11, 2021 expressed an unqualified opinion on those financial statements.

Basis for opinion

The Trust's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Evaluation of Disclosure Controls and Procedures. Our responsibility is to express an opinion on the Trust's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Trust in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and limitations of internal control over financial reporting

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ GRANT THORNTON LLP

New York, New York
February 11, 2021

Report of Independent Registered Public Accounting Firm

Trustees and Shareholders
Federal Realty Investment Trust

Opinion on the financial statements

We have audited the accompanying consolidated balance sheets of Federal Realty Investment Trust (a Maryland real estate investment trust) and subsidiaries (collectively, the "Trust") as of December 31, 2020 and 2019, the related consolidated statements of comprehensive income, changes in shareholders' equity, and cash flows for each of the three years in the period ended December 31, 2020, and the related notes and financial statement schedules included under Item 15(a) (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Trust as of December 31, 2020 and 2019, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2020, in conformity with accounting principles generally accepted in the United States of America.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the Trust's internal control over financial reporting as of December 31, 2020, based on criteria established in the 2013 *Internal Control-Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"), and our report dated February 11, 2021 expressed an unqualified opinion.

Basis for opinion

These financial statements are the responsibility of the Trust's management. Our responsibility is to express an opinion on the Trust's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Trust in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical audit matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Lease Collectibility Assessment

In order to recognize rental revenue on an accrual basis, the Trust must determine whether substantially all of the rents due under a lease arrangement are collectible. If the Trust reaches the conclusion that substantially all of the rents are not collectible for a specific lease, then rental revenue under that arrangement can only be recognized when cash payment from the tenant is received.

Significant judgment is exercised by the Trust when making a collectibility assessment and includes the following considerations which require challenging and subjective auditor judgment in the execution of our audit procedures:

- Creditworthiness of the tenant.
- Current economic conditions.
- Historical experience with the tenant and other tenants operating in the same industry.

Our audit procedures related to the collectibility assessment included the following:

- We assessed the design and tested the operating effectiveness of internal controls relating to the collectibility assessment process.
- We evaluated management's accounting policies related to this assessment.
- We verified the completeness of the population of tenants that management evaluated.
- We researched recent publicly available information such as bankruptcy filings, industry journals, and periodicals, and for any of the Trust's tenants identified in our research we evaluated whether such information was considered in management's collectibility assessment.
- For a sample of tenant receivables where collectibility was deemed as probable, we inspected and evaluated management's documentation supporting the collectibility assessment.
- We selected a sample of tenant receivable balances to verify they are accurately aged.
- We selected a sample of leases to evaluate the collectibility assessment conclusion reached by management and performed the following procedures for each selection:
    - Verified that management's accounting policies related to the collectibility assessment were followed.
    - Obtained from management documentation such as tenant collection history and any direct correspondence and evaluated management's considerations supporting the collectibility assessment conclusion reached.
    - Researched publicly available information to independently verify the completeness and accuracy of management's information used to make the collectibility assessment.

/s/ GRANT THORNTON LLP

We have served as the Trust's auditor since 2002.

New York, New York
February 11, 2021

Federal Realty Investment Trust
Consolidated Balance Sheets

	December 31, 2020	December 31, 2019
	(In thousands, except share and per share data)	
ASSETS		
Real estate, at cost		
Operating (including $1,703,202 and $1,676,866 of consolidated variable interest entities, respectively)	$ 7,771,981	$ 7,535,983
Construction-in-progress (including $44,896 and $102,583 of consolidated variable interest entities, respectively)	810,889	760,420
Assets held for sale	—	1,729
	8,582,870	8,298,132
Less accumulated depreciation and amortization (including $335,735 and $296,165 of consolidated variable interest entities, respectively)	(2,357,692)	(2,215,413)
Net real estate	6,225,178	6,082,719
Cash and cash equivalents	798,329	127,432
Accounts and notes receivable	159,780	152,572
Mortgage notes receivable, net	39,892	30,429
Investment in partnerships	22,128	28,604
Operating lease right of use assets	92,248	93,774
Finance lease right of use assets	51,116	52,402
Prepaid expenses and other assets	218,953	227,060
TOTAL ASSETS	$ 7,607,624	$ 6,794,992
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities		
Mortgages payable, net (including $413,681 and $469,184 of consolidated variable interest entities, respectively)	$ 484,111	$ 545,679
Notes payable, net	402,776	3,781
Senior notes and debentures, net	3,404,488	2,807,134
Accounts payable and accrued expenses	228,641	255,503
Dividends payable	83,839	81,676
Security deposits payable	20,388	21,701
Operating lease liabilities	72,441	73,628
Finance lease liabilities	72,049	72,062
Other liabilities and deferred credits	152,424	157,938
Total liabilities	4,921,157	4,019,102
Commitments and contingencies (Note 7)		
Redeemable noncontrolling interests	137,720	139,758
Shareholders' equity		
Preferred shares, authorized 15,000,000 shares, $.01 par:		
5.0% Series C Cumulative Redeemable Preferred Shares, (stated at liquidation preference $25,000 per share), 6,000 shares issued and outstanding	150,000	150,000
5.417% Series 1 Cumulative Convertible Preferred Shares, (stated at liquidation preference $25 per share), 399,896 shares issued and outstanding	9,997	9,997
Common shares of beneficial interest, $.01 par, 100,000,000 shares authorized, 76,727,394 and 75,540,804 shares issued and outstanding, respectively	771	759
Additional paid-in capital	3,297,305	3,166,522
Accumulated dividends in excess of net income	(988,272)	(791,124)
Accumulated other comprehensive loss	(5,644)	(813)
Total shareholders' equity of the Trust	2,464,157	2,535,341
Noncontrolling interests	84,590	100,791
Total shareholders' equity	2,548,747	2,636,132
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 7,607,624	$ 6,794,992

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

Federal Realty Investment Trust

Consolidated Statements of Comprehensive Income

	Year Ended December 31,		
	2020	2019	2018
	(In thousands, except per share data)		
REVENUE			
Rental income	$ 832,171	$ 932,738	$ 912,287
Mortgage interest income	3,323	3,050	3,149
Total revenue	835,494	935,788	915,436
EXPENSES			
Rental expenses	170,920	187,831	173,094
Real estate taxes	119,242	110,927	114,776
General and administrative	41,680	42,754	33,600
Depreciation and amortization	255,027	239,758	244,245
Total operating expenses	586,869	581,270	565,715
Impairment charge	(57,218)	—	—
Gain on sale of real estate, net of tax	98,117	116,393	11,915
OPERATING INCOME	289,524	470,911	361,636
OTHER INCOME/(EXPENSE)			
Other interest income	1,894	1,266	942
Interest expense	(136,289)	(109,623)	(110,154)
Early extinguishment of debt	(11,179)	—	—
Loss from partnerships	(8,062)	(2,012)	(3,398)
NET INCOME	135,888	360,542	249,026
Net income attributable to noncontrolling interests	(4,182)	(6,676)	(7,119)
NET INCOME ATTRIBUTABLE TO THE TRUST	131,706	353,866	241,907
Dividends on preferred shares	(8,042)	(8,042)	(8,042)
NET INCOME AVAILABLE FOR COMMON SHAREHOLDERS	$ 123,664	$ 345,824	$ 233,865
EARNINGS PER COMMON SHARE, BASIC			
Net income available for common shareholders	$ 1.62	$ 4.61	$ 3.18
Weighted average number of common shares	75,515	74,766	73,274
EARNINGS PER COMMON SHARE, DILUTED			
Net income available for common shareholders	$ 1.62	$ 4.61	$ 3.18
Weighted average number of common shares	75,515	74,766	73,302
NET INCOME	$ 135,888	$ 360,542	$ 249,026
Other comprehensive loss - change in value of interest rate swaps	(5,302)	(397)	(438)
COMPREHENSIVE INCOME	130,586	360,145	248,588
Comprehensive income attributable to noncontrolling interests	(3,711)	(6,676)	(7,119)
COMPREHENSIVE INCOME ATTRIBUTABLE TO THE TRUST	$ 126,875	$ 353,469	$ 241,469

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

Federal Realty Investment Trust
Consolidated Statement of Shareholders' Equity

	Shareholders' Equity of the Trust								
	Preferred Shares		Common Shares		Additional Paid-in Capital	Accumulated Dividends in Excess of Net Income	Accumulated Other Comprehensive Income/(Loss)	Noncontrolling Interests	Total Shareholders' Equity
	Shares	Amount	Shares	Amount					
					(In thousands, except share data)				
BALANCE AT DECEMBER 31, 2017	405,896	$ 159,997	73,090,877	$ 733	$ 2,855,321	$ (749,367)	$ 22	$ 124,808	$ 2,391,514
January 1, 2018 adoption of new accounting standard	—	—	—	—	—	(6,028)	—	—	(6,028)
Net income, excluding $3,865 attributable to redeemable noncontrolling interests	—	—	—	—	—	241,907	—	3,254	245,161
Other comprehensive loss - change in value of interest rate swaps	—	—	—	—	—	—	(438)	—	(438)
Dividends declared to common shareholders ($4.04 per share)	—	—	—	—	—	(297,347)	—	—	(297,347)
Dividends declared to preferred shareholders	—	—	—	—	—	(8,042)	—	—	(8,042)
Distributions declared to noncontrolling interests	—	—	—	—	—	—	—	(5,175)	(5,175)
Common shares issued, net	—	—	987,461	10	126,061	—	—	—	126,071
Exercise of stock options	—	—	105,803	1	4,571	—	—	—	4,572
Shares issued under dividend reinvestment plan	—	—	17,952	—	2,159	—	—	—	2,159
Share-based compensation expense, net of forfeitures	—	—	55,223	1	12,735	—	—	—	12,736
Shares withheld for employee taxes	—	—	(8,432)	—	(958)	—	—	—	(958)
Conversion and redemption of OP units	—	—	749	—	(544)	—	—	(5,468)	(6,012)
Contributions from noncontrolling interests	—	—	—	—	—	—	—	4,020	4,020
Adjustment to redeemable noncontrolling interests	—	—	—	—	5,097	—	—	—	5,097
BALANCE AT DECEMBER 31, 2018	405,896	$ 159,997	74,249,633	$ 745	$ 3,004,442	$ (818,877)	$ (416)	$ 121,439	$ 2,467,330
January 1, 2019 adoption of new accounting standard - See Note 2	—	—	—	—	—	(7,098)	—	—	(7,098)
Net income, excluding $3,430 attributable to redeemable noncontrolling interests	—	—	—	—	—	353,866	—	3,246	357,112
Other comprehensive loss - change in value of interest rate swaps	—	—	—	—	—	—	(397)	—	(397)
Dividends declared to common shareholders ($4.14 per share)	—	—	—	—	—	(310,973)	—	—	(310,973)
Dividends declared to preferred shareholders	—	—	—	—	—	(8,042)	—	—	(8,042)
Distributions declared to noncontrolling interests	—	—	—	—	—	—	—	(9,961)	(9,961)
Common shares issued, net	—	—	1,069,740	11	142,705	—	—	—	142,716
Shares issued under dividend reinvestment plan	—	—	15,909	—	2,095	—	—	—	2,095
Share-based compensation expense, net of forfeitures	—	—	111,555	1	13,329	—	—	—	13,330
Shares withheld for employee taxes	—	—	(34,320)	—	(4,626)	—	—	—	(4,626)
Conversion and redemption of OP units	—	—	128,287	2	14,102	—	—	(14,176)	(72)
Contributions from noncontrolling interests	—	—	—	—	—	—	—	243	243
Adjustment to redeemable noncontrolling interests	—	—	—	—	(5,525)	—	$ —	—	(5,525)
BALANCE AT DECEMBER 31, 2019	405,896	$ 159,997	75,540,804	$ 759	$ 3,166,522	$ (791,124)	$ (813)	$ 100,791	$ 2,636,132
January 1, 2020 adoption of new accounting standard - See Note 2	—	—	—	—	—	(510)	—	—	(510)
Net income, excluding $2,228 attributable to redeemable noncontrolling interests	—	—	—	—	—	131,706	—	1,954	133,660
Other comprehensive loss - change in value of interest rate swaps, excluding $471 attributable to redeemable noncontrolling interest	—	—	—	—	—	—	(4,831)	—	(4,831)
Dividends declared to common shareholders ($4.22 per share)	—	—	—	—	—	(320,302)	—	—	(320,302)
Dividends declared to preferred shareholders	—	—	—	—	—	(8,042)	—	—	(8,042)
Distributions declared to noncontrolling interests	—	—	—	—	—	—	—	(8,874)	(8,874)
Common shares issued, net	—	—	1,080,882	11	98,828	—	—	—	98,839
Shares issued under dividend reinvestment plan	—	—	24,491	—	2,072	—	—	—	2,072
Share-based compensation expense, net of forfeitures	—	—	114,251	1	13,242	—	—	—	13,243
Shares withheld for employee taxes	—	—	(33,034)	—	(4,052)	—	—	—	(4,052)
Redemption of OP units	—	—	—	—	(30)	—	—	(3,290)	(3,320)
Contributions from noncontrolling interests	—	—	—	—	—	—	—	120	120
Purchase of noncontrolling interest	—	—	—	—	(1,210)	—	—	(6,111)	(7,321)
Adjustment to redeemable noncontrolling interests	—	—	—	—	21,933	—	—	—	21,933
BALANCE AT DECEMBER 31, 2020	405,896	$ 159,997	76,727,394	$ 771	$ 3,297,305	$ (988,272)	$ (5,644)	$ 84,590	$ 2,548,747

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

Federal Realty Investment Trust

Consolidated Statements of Cash Flows

	Year Ended December 31,		
	2020	2019	2018
		(In thousands)	
OPERATING ACTIVITIES			
Net income	$ 135,888	$ 360,542	$ 249,026
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	255,027	239,758	244,245
Impairment charge	57,218	—	—
Gain on sale of real estate, net of tax	(98,117)	(116,393)	(11,915)
Early extinguishment of debt	11,179	—	—
Loss from partnerships	8,062	2,012	3,398
Other, net	6,142	169	4,147
Changes in assets and liabilities, net of effects of acquisitions and dispositions:			
Proceeds from new market tax credit transaction, net of deferred costs	—	—	12,353
(Increase) decrease in accounts receivable, net	(6,032)	(16,128)	917
Increase in prepaid expenses and other assets	(3,260)	(10,253)	(2,070)
Increase in accounts payable and accrued expenses	5,621	2,327	2,650
(Decrease) increase in security deposits and other liabilities	(1,799)	(115)	13,937
Net cash provided by operating activities	369,929	461,919	516,688
INVESTING ACTIVITIES			
Acquisition of real estate	(9,589)	(204,516)	(13,503)
Capital expenditures - development and redevelopment	(433,872)	(327,074)	(302,120)
Capital expenditures - other	(68,064)	(82,836)	(66,138)
Costs associated with property sold under threat of condemnation, net	(12,924)	—	—
Proceeds from sale of real estate	183,461	321,997	177,775
Proceeds from partnership formation	—	—	37,998
Investment in partnerships	(3,348)	(1,052)	(1,037)
Distribution from partnerships in excess of earnings	1,301	2,765	275
Leasing costs	(15,080)	(25,459)	(25,430)
Increase in mortgage and other notes receivable, net	(10,268)	(357)	(67)
Net cash used in investing activities	(368,383)	(316,532)	(192,247)
FINANCING ACTIVITIES			
Net repayments under revolving credit facility, including costs	(638)	(4,012)	(41,000)
Issuance of senior notes, net of costs	1,094,283	399,913	—
Redemption and retirement of senior notes	(510,360)	—	—
Issuance of notes payable, net of costs	398,722	—	—
Repayment of mortgages, finance leases, and notes payable	(70,237)	(301,029)	(16,620)
Issuance of common shares, net of costs	99,177	143,027	130,918
Dividends paid to common and preferred shareholders	(324,596)	(313,649)	(301,194)
Shares withheld for employee taxes	(4,052)	(4,626)	(958)
Contributions from noncontrolling interests	—	404	2,838
Distributions to and redemptions of noncontrolling interests	(20,563)	(20,133)	(15,293)
Net cash provided by (used in) financing activities	661,736	(100,105)	(241,309)
Increase in cash, cash equivalents, and restricted cash	663,282	45,282	83,132
Cash, cash equivalents, and restricted cash at beginning of year	153,614	108,332	25,200
Cash, cash equivalents, and restricted cash at end of year	$ 816,896	$ 153,614	$ 108,332

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

NOTE 1—BUSINESS AND ORGANIZATION

Federal Realty Investment Trust (the "Trust") is an equity real estate investment trust ("REIT") specializing in the ownership, management, and redevelopment of retail and mixed-use properties. Our properties are located primarily in densely populated and affluent communities in strategically selected metropolitan markets in the Mid-Atlantic and Northeast regions of the United States, California, and South Florida. As of December 31, 2020, we owned or had a majority interest in community and neighborhood shopping centers and mixed-use properties which are operated as 101 predominantly retail real estate projects.

We operate in a manner intended to enable us to qualify as a REIT for federal income tax purposes. A REIT that distributes at least 90% of its taxable income to its shareholders each year and meets certain other conditions is not taxed on that portion of its taxable income which is distributed to its shareholders.

Impacts of COVID-19 Pandemic

In March 2020, the World Health Organization declared the outbreak of novel coronavirus disease ("COVID-19") as a pandemic. While we currently expect the impact to our properties is temporary in nature, the extent of the future effects of COVID-19 on our business, results of operations, cash flows, and growth prospects is highly uncertain and will ultimately depend on future developments, none of which can be predicted with any certainty.

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

Our consolidated financial statements include the accounts of the Trust, its corporate subsidiaries, and all entities in which the Trust has a controlling interest or has been determined to be the primary beneficiary of a variable interest entity ("VIE"). The equity interests of other investors are reflected as noncontrolling interests or redeemable noncontrolling interests. All significant intercompany transactions and balances are eliminated in consolidation. We account for our interests in joint ventures, which we do not control, using the equity method of accounting.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America, referred to as "GAAP," requires management to make estimates and assumptions that in certain circumstances affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities, and revenues and expenses. These estimates are prepared using management's best judgment, after considering past, current and expected events and economic conditions. Actual results could differ from these estimates.

Revenue Recognition and Accounts Receivable

Policy beginning January 1, 2019, with our adoption of Accounting Standards Codification (ASC) 842, "Leases"

Our leases with our tenants are classified as operating leases. When collection of substantially all lease payments during the lease term is considered probable, the lease qualifies for accrual accounting. Lease payments are recognized on a straight-line basis from the point in time when the tenant controls the space through the term of the related lease. Variable lease payments relating to percentage rent are recognized at the end of the lease year or earlier if we have determined the required sales level is achieved. Real estate tax and other cost reimbursements are recognized on an accrual basis over the periods in which the related expenditures are incurred. Many of our leases contain tenant options that enable the tenant to extend the term of the lease at expiration at pre-established rental rates that often include fixed rent increases, consumer price index adjustments or other market rate adjustments from the prior base rent. For a tenant to terminate its lease agreement prior to the end of the agreed term, we may require that they pay a fee to cancel the lease agreement. Lease termination fees are generally recognized on the termination date if the tenant has relinquished control of the space. When a lease is terminated early but the tenant continues to control the space under a modified lease agreement, the lease termination fee is generally recognized evenly over the remaining term of the modified lease agreement. Lease concessions (unrelated to the COVID-19 pandemic) are evaluated to determine whether the concession represents a modification of the original lease contract. Modifications generally result in a reassessment of the lease term and lease classification, and remeasurement of lease payments received. Remeasured lease payments are recognized on a straight-line basis over the remaining term of the modified lease contract.

In April 2020, the Financial Accounting Standards Board ("FASB") issued interpretive guidance relating to the accounting for lease concessions provided as a result of the COVID-19 pandemic that allows entities to treat the concession as if it was a part of the existing contract instead of applying lease modification accounting. This guidance is only applicable to the COVID-19 pandemic related lease concessions that do not result in a substantial increase in the rights of the lessor or the obligations of the lessee. We have elected this option relating to qualifying rent deferral and rent abatement agreements. For qualifying lease modifications with rent deferrals, this results in no change to our revenue recognition but an increase in the lease receivable balance until the deferred rent has been repaid. For qualifying lease modifications that include rent abatement concessions, this results in a direct reduction of rental income in the current period. As of December 31, 2020, we have entered into rent deferral agreements and rent abatement agreements related to the COVID-19 pandemic representing approximately $36 million and $35 million, respectively, of rent otherwise owed during the year ended December 31, 2020, and continue negotiations with other tenants.

When collection of substantially all lease payments during the lease term is not considered probable, total lease revenue is limited to the lesser of revenue recognized under accrual accounting or cash received. Determining the probability of collection of substantially all lease payments during a lease term requires significant judgment. This determination is impacted by numerous factors including our assessment of the tenant’s credit worthiness, economic conditions, tenant sales productivity in that location, historical experience with the tenant and tenants operating in the same industry, future prospects for the tenant and the industry in which it operates, and the length of the lease term. If leases currently classified as probable are subsequently reclassified as not probable, any outstanding lease receivables (including straight-line rent receivables) would be written-off with a corresponding decrease in rental income. If leases currently classified as not probable are subsequently changed to probable, any lease receivables (including straight-line rent receivables) are re-instated with a corresponding increase to rental income.

Since March 2020, federal, state, and local governments have taken various actions to mitigate the spread of COVID-19. This includes initially ordering closures of nonessential business and ordering residents to generally stay at home, subsequent phased re-openings, and during the fourth quarter of 2020, additional closures and capacity limitations as infection levels increased in certain areas. These actions, along with the general concern over the spread of COVID-19, have resulted in many of our tenants temporarily or even permanently closing their businesses, and for some, it has impacted their ability to pay rent. As a result, we revised our collectibility assumptions for many of our tenants most significantly impacted by COVID-19. Accordingly, during the year ended December 31, 2020, we recognized collectibility related adjustments of $106.6 million. This includes changes in our collectibility assessments from probable to not probable, disputed rents, and any rent abatements directly related to COVID-19, as well as the write-off of $12.7 million of straight-line rent receivables related to tenants changed to a cash basis of revenue recognition during the year ended December 31, 2020. As of December 31, 2020, the revenue from approximately 35% of our tenants (based on total commercial leases) is being recognized on a cash basis. As of December 31, 2020 and 2019, our straight-line rent receivables balance was $103.3 million and $100.3 million, respectively, and is included in "accounts and notes receivable, net" on our consolidated balance sheet.

Policy prior to January 1, 2019

Prior to January 1, 2019, management estimates of collectability were considered when reserving for billed and accrued lease receivables and straight-line rent receivables. Full and partial reserves were recorded when determined to be appropriate with a corresponding charge to bad debt expense. The primary impact of the adoption of ASC 842, “Leases,” on our recognition of lease revenue relates to the upfront and ongoing assessment of the collectability of substantially all lease payments required by the new standard.

Other revenue recognition policies

Sales of real estate are recognized generally upon the transfer of control, which usually occurs when the real estate is legally sold. When we enter into a transaction to sell a property or a portion of a property, we evaluate the recognition of the sale under ASC 610-20, "Other Income - Gains and Losses from the Derecognition of Nonfinancial Assets." In accordance with ASC 610-20, we apply the guidance in ASC 606, "Revenue from Contracts with Customers," to determine whether and when control transfers and how to measure the associated gain or loss. We determine the transaction price based on the consideration we expect to receive. Variable consideration is included in the transaction price to the extent it is probable that a significant reversal of a gain recognized will not occur. We analyze the risk of a significant gain reversal and if necessary limit the amount of variable consideration recognized in order to mitigate this risk. The estimation of variable consideration requires us to make assumptions and apply significant judgment.

Real Estate

Land, buildings and improvements are recorded at cost. Depreciation is computed using the straight-line method. Estimated useful lives range generally from 35 years to a maximum of 50 years on buildings and major improvements. Minor improvements, furniture and equipment are capitalized and depreciated over useful lives ranging from 2 to 20 years. Maintenance and repairs that do not improve or extend the useful lives of the related assets are charged to operations as incurred. Tenant improvements are capitalized and depreciated over the life of the related lease or their estimated useful life, whichever is shorter. If a tenant vacates its space prior to contractual termination of its lease, the undepreciated balance of any tenant improvements are written off if they are replaced or have no future value. In 2020, 2019 and 2018, real estate depreciation expense was $227.9 million, $215.4 million and $216.0 million, respectively, including amounts from real estate sold.

Our methodology of allocating the cost of acquisitions to assets acquired and liabilities assumed is based on estimated fair values, replacement cost and/or appraised values. When we acquire operating real estate properties, the purchase price is allocated to land, building, improvements, leasing costs, intangibles such as in-place leases, assumed debt, if any, and to current assets and liabilities acquired, if any. The value allocated to in-place leases is amortized over the related lease term and reflected as rental income in the consolidated statements of comprehensive income. We consider qualitative and quantitative factors in evaluating the likelihood of a tenant exercising a below market renewal option and include such renewal options in the calculation of in-place lease value when we consider these to be bargain renewal options. If the value of below market lease intangibles includes renewal option periods, we include such renewal periods in the amortization period utilized. If a tenant vacates its space prior to contractual termination of its lease, the unamortized balance of any in-place lease value is written off to rental income.

Transaction costs related to asset acquisitions, such as broker fees, transfer taxes, legal, accounting, valuation, and other professional and consulting fees, are capitalized as part of the acquisition cost. The acquisition of an operating shopping center typically qualifies as an asset acquisition.

Prior to the adoption of ASU 2016-02, "Leases," when applicable, as lessee, we classified our leases of land and building as operating or capital leases. We were required to use judgment and make estimates in determining the lease term, the estimated economic life of the property and the interest rate to be used in determining whether or not the lease meets the qualification of a capital lease. Subsequently, capital leases are now considered "finance leases."

We capitalize certain costs related to the development and redevelopment of real estate including pre-construction costs, real estate taxes, insurance, construction costs and salaries and related costs of personnel directly involved, are capitalized. Additionally, we capitalize interest costs related to development and redevelopment activities. Capitalization of these costs begin when the activities and related expenditures commence and cease when the project is substantially complete and ready for its intended use at which time the project is placed in service and depreciation commences. Additionally, we make estimates as to the probability of certain development and redevelopment projects being completed. If we determine the development or redevelopment is no longer probable of completion, we expense all capitalized costs which are not recoverable.

Long-Lived Assets and Impairment

There are estimates and assumptions made by management in preparing the consolidated financial statements for which the actual results will be determined over long periods of time. This includes the recoverability of long-lived assets, including our properties that have been acquired or redeveloped and our investment in certain joint ventures. Management’s evaluation of impairment includes review for possible indicators of impairment as well as, in certain circumstances, undiscounted and discounted cash flow analysis. Since most of our investments in real estate are wholly-owned or controlled assets which are held for use, a property with impairment indicators is first tested for impairment by comparing the undiscounted cash flows, including residual value, to the current net book value of the property. If the undiscounted cash flows are less than the net book value, the property is written down to expected fair value.

The calculation of both discounted and undiscounted cash flows requires management to make estimates of future cash flows including revenues, operating expenses, required maintenance and development expenditures, market conditions, demand for space by tenants and rental rates over long periods. Because our properties typically have a long life, the assumptions used to estimate the future recoverability of book value requires significant management judgment. Actual results could be significantly different from the estimates. These estimates have a direct impact on net income, because recording an impairment charge results in a negative adjustment to net income.

Cash and Cash Equivalents

We define cash and cash equivalents as cash on hand, demand deposits with financial institutions and short term liquid investments with an initial maturity, when purchased, under three months. Cash balances in individual banks may exceed the federally insured limit by the Federal Deposit Insurance Corporation (the “FDIC”). At December 31, 2020, we had $803.6 million in excess of the FDIC insured limit.

Prepaid Expenses and Other Assets

Prepaid expenses and other assets consist primarily of lease costs, prepaid property taxes and acquired above market leases. Capitalized lease costs are incremental direct costs incurred which were essential to originate a successful leasing arrangement and would not have been incurred had the leasing transaction not taken place. These costs include third party commissions related to obtaining a lease. Capitalized lease costs are amortized over the initial life of the related lease which generally ranges from three to ten years. We view these lease costs as part of the up-front initial investment we made in order to generate a long-term cash inflow and therefore, we classify cash outflows related to leasing costs as an investing activity in our consolidated statements of cash flows. If a tenant vacates its space prior to the contractual termination of its lease, the unamortized balance of any previously capitalized lease costs are written off. See the "Leases" section in this note for further discussion regarding the change in accounting for lease costs.

Debt Issuance Costs

Costs related to the issuance of debt instruments are deferred and are amortized as interest expense over the estimated life of the related issue using the straight-line method which approximates the effective interest method. If a debt instrument is paid off prior to its original maturity date, the unamortized balance of debt issuance costs are written off to interest expense or, if significant, included in “early extinguishment of debt.” Debt issuance costs related to our revolving credit facility are classified as an asset and are included in "prepaid expenses and other assets" in our consolidated balance sheets. All other debt issuance costs are presented as a direct deduction from the carrying amount of the debt liability.

Derivative Instruments

We may use derivative instruments to manage exposure to variable interest rate risk. We generally enter into interest rate swaps to manage our exposure to variable interest rate risk and treasury locks to manage the risk of interest rates rising prior to the issuance of debt. We enter into derivative instruments that qualify as cash flow hedges and do not enter into derivative instruments for speculative purposes.

Interest rate swaps associated with cash flow hedges are recorded at fair value on a recurring basis. Effectiveness of cash flow hedges is assessed both at inception and on an ongoing basis. The effective portion of changes in fair value of the interest rate swaps associated with cash flow hedges is recorded in other comprehensive income (loss) which is included in accumulated other comprehensive income (loss) on the balance sheet and statement of shareholders' equity. Cash flow hedges become ineffective if critical terms of the hedging instrument and the debt instrument do not perfectly match such as notional amounts, settlement dates, reset dates, calculation period and LIBOR rate. In addition, the default risk of the counterparty is evaluated by monitoring the credit worthiness of the counterparty which includes reviewing debt ratings and financial performance. If a cash flow hedge is deemed ineffective, the ineffective portion of changes in fair value of the interest rate swaps associated with cash flow hedges is recognized in earnings in the period affected.

At December 31, 2020, we have two interest rate swap agreements that effectively fix the interest rate on a mortgage payable associated with our Hoboken acquisition at 3.67%. Both swaps were designated and qualify for cash flow hedge accounting. As of December 31, 2020, our Assembly Row hotel joint venture is a party to two interest rate swap agreements that effectively fix the interest rate on the joint venture's mortgage debt at 5.206%. Both swaps were designated and qualify as cash flow hedges. Hedge ineffectiveness has not impacted earnings in 2020, 2019 and 2018.

Mortgage Notes Receivable

We have invested in certain mortgage loans that, because of their nature, qualify as loan receivables. At the time of investment, we did not intend for the arrangement to be anything other than a financing and did not contemplate a real estate investment. We evaluate each investment to determine whether the loan arrangement qualifies as a loan, joint venture or real estate investment and the appropriate accounting thereon. Such determination affects our balance sheet classification of these investments and the recognition of interest income derived therefrom. In one of our mortgage loan arrangements, we receive additional interest, however, we never receive in excess of 50% of the residual profit in the project, and because the borrower has either a substantial investment in the project or has guaranteed all or a portion of our loan (or a combination thereof), the loans qualify for loan accounting. The amounts under these arrangements are presented as mortgage notes receivable at December 31, 2020 and 2019.

Mortgage notes receivable are recorded at cost, net of any valuation adjustments. Effective January 1, 2020, (upon the adoption of ASU 2016-13, "Financial Instruments - Credit Losses," as amended and interpreted), we account for mortgage notes receivable using the "expected credit loss" model, and accordingly impairment losses are estimated and recorded for the entire life of the loan. Prior to the implementation of ASC 326, we recognized impairment losses as incurred. Interest income is accrued as earned. Mortgage notes receivable are considered past due based on the contractual terms of the note agreement. On a quarterly basis, we evaluate the collectability of each mortgage note receivable and update our expected credit loss model based on various factors which may include payment history, expected fair value of the collateral securing the loan, internal and external credit information and/or economic trends. A loan is considered impaired when it is probable that we will be unable to collect all amounts due under the existing contractual terms. When a loan is considered impaired, the amount of the loss accrual is calculated by comparing the carrying amount of the mortgage note receivable to the present value of expected future cash flows. Since two loans are collateralized by a first mortgage, these loans have risk characteristics similar to the risks in owning commercial real estate.

At December 31, 2020, we had four mortgage notes receivable with an aggregate carrying amount, net of valuation adjustments of $39.9 million, and a weighted average interest rate of 10.0%. Approximately $30.3 million of the loans are secured by first mortgages on retail buildings at December 31, 2020.

Share Based Compensation

We grant share based compensation awards to employees and trustees typically in the form of restricted common shares, common shares, and options. We measure share based compensation expense based on the grant date fair value of the award and recognize the expense ratably over the requisite service period, which is typically the vesting period. See Note 12 for further discussion regarding our share based compensation plans and policies.

Variable Interest Entities

Certain entities that do not have sufficient equity at risk for the entity to finance its activities without additional subordinated financial support from other parties or in which equity investors do not have the characteristics of a controlling financial interest qualify as VIEs. VIEs are required to be consolidated by their primary beneficiary. The primary beneficiary of a VIE has both the power to direct the activities that most significantly impact economic performance of the VIE and the obligation to absorb losses or the right to receive benefits that could potentially be significant to the VIE.

Our equity method investments in the Pike & Rose hotel joint venture, the Assembly Row hotel joint venture, and the La Alameda shopping center are also considered variable interests in a VIE. As we do not control the activities that most significantly impact the economic performance of the joint ventures, we are not the primary beneficiary and do not consolidate. As of December 31, 2020 and 2019, our investment in these joint ventures and maximum exposure to loss was $18.7 million and $23.4 million, respectively. On January 4, 2021, we acquired our partner's interest in the Pike & Rose hotel joint venture. See footnote 15 to the consolidated financial statements for additional details of this transaction.

In addition, we have 17 entities that meet the criteria of a VIE in which we hold a variable interest. For each of these entities, we control the significant operating decisions and consequently have the power to direct the activities that most significantly impact the economic performance of the entities. As we also have the obligation to absorb the majority of the losses and/or the right to receive a majority of the benefits for each of these entities, all are consolidated in our financial statements. Net real estate assets related to VIEs included in our consolidated balance sheets were approximately $1.4 billion and $1.5 billion as of December 31, 2020 and 2019, respectively, and mortgages related to VIEs included in our consolidated balance sheets were approximately $413.7 million and $469.2 million, as of December 31, 2020 and 2019, respectively.

We have also evaluated our mortgage notes receivable investments and determined that the entities obligated under the mortgage notes are not VIEs. Our equity method investments and mortgage notes receivable balances are presented separately in our consolidated balance sheets.

Redeemable Noncontrolling Interests

We have certain noncontrolling interests that are redeemable for cash upon the occurrence of an event that is not solely in our control and therefore are classified outside of permanent equity. We adjust the carrying amounts of these noncontrolling interests that are currently redeemable to redemption value at the balance sheet date. Adjustments to the carrying amount to reflect changes in redemption value are recorded as adjustments to additional paid-in capital in shareholders' equity. These amounts are classified within the mezzanine section of the consolidated balance sheets.

The following table provides a rollforward of the redeemable noncontrolling interests:

	Year Ended December 31,	
	2020	2019
	(In thousands)	
Beginning balance	$ 139,758	$ 136,208
Contributions	19,335	9,961
Net income	2,228	3,430
Distributions & redemptions	(1,197)	(15,366)
Other comprehensive loss - change in value of interest rate swaps	(471)	—
Change in redemption value	(21,933)	5,525
Ending balance	$ 137,720	$ 139,758

On August 2, 2019, we acquired the 10.1% redeemable noncontrolling interest in the partnership that owns our Montrose Crossing Shopping Center for $10.0 million, bringing our ownership interest to 100%.

Leases

We adopted ASC 842 effective January 1, 2019 under the modified retrospective approach and elected the optional transition method to apply the provisions of ASC 842 as of the adoption date, rather than the earliest period presented. We elected to apply certain adoption related practical expedients for all leases that commenced prior to the election date. These practical expedients included not reassessing whether any expired or existing contracts were or contained leases; not reassessing the lease classification for any expired or existing leases; and not reassessing initial direct costs for any existing leases. We also elected the practical expedient for lessors to combine our lease and non-lease components (primarily impacts common area maintenance recoveries).

Lessor

We recorded a charge to the opening accumulated dividends in excess of net income of $7.1 million in 2019 as a result of the adoption of ASC 842. This charge was attributable to the write off certain direct leasing costs recorded under the previous lease accounting rules for leases which had not commenced as well as the write off of unreserved receivables (including straight-line receivables) for leases where we had determined the collection of substantially all the lease payments required for the term is not probable. Also upon adoption of ASC 842 and reflected in our 2019 and 2020 financial statements, we do not record a gross up of revenue and expense for costs (such as real estate taxes) paid directly by lessees on our behalf.

Lessee

We have ground leases at 12 properties which are accounted for as operating leases. The operating lease right of use ("ROU") assets and related liabilities are shown separately on the face of our consolidated balance sheet and reflect the present value of the minimum lease payments. A key input in the calculation is the discount rate. As the rate implied in the lease agreements is not readily determinable, we utilize our incremental borrowing rate that correspond to the remaining term of the lease, our credit spread, and and adjustment to reflect the collateralized payment terms present in the lease. Our operating lease agreements may include options to extend the lease term or terminate it early. We include options to extend or terminate leases in the ROU operating lease asset and liability when it is reasonably certain we will exercise these options. Operating lease expense is recognized on a straight-line basis over the non-cancellable lease term and is included in rental expenses in our consolidated statements of operations. We elected to apply the short-term lease exemption within ASC 842, and as such we have not recorded an ROU asset or lease liability for leases with terms of less than 12 months.

Income Taxes

We operate in a manner intended to enable us to qualify as a REIT for federal income tax purposes. A REIT that distributes at least 90% of its taxable income to its shareholders each year and meets certain other conditions is not taxed on that portion of its taxable income which is distributed to its shareholders. Therefore, federal income taxes on our taxable income have been and are generally expected to be immaterial. We are obligated to pay state taxes, generally consisting of franchise or gross receipts taxes in certain states. Such state taxes also have not been material.

We have elected to treat certain of our subsidiaries as taxable REIT subsidiaries, which we refer to as a TRS. In general, a TRS may engage in any real estate business and certain non-real estate businesses, subject to certain limitations under the Internal

Revenue Code of 1986, as amended (the "Code"). A TRS is subject to federal and state income taxes. Our TRS activities have not been material.

With few exceptions, we are no longer subject to U.S. federal, state, and local tax examinations by tax authorities for years before 2016. As of December 31, 2020 and 2019, we had no material unrecognized tax benefits. While we currently have no material unrecognized tax benefits, as a policy, we recognize penalties and interest accrued related to unrecognized tax benefits as income tax expense.

Segment Information

Our primary business is the ownership, management, and redevelopment of retail and mixed-use properties. We review operating and financial information for each property on an individual basis and therefore, each property represents an individual operating segment. We evaluate financial performance using property operating income, which consists of rental income, other property income and mortgage interest income, less rental expenses and real estate taxes. No individual commercial or residential property constitutes more than 10% of our revenues or property operating income and we have no operations outside of the United States of America. Therefore, we have aggregated our properties into one reportable segment as the properties share similar long-term economic characteristics and have other similarities including the fact that they are operated using consistent business strategies, are typically located in major metropolitan areas, and have similar tenant mixes.

Recent Accounting Pronouncements

Standard	Description	Effect on the financial statements or significant matters
Adopted on January 1, 2020:		
Financial Instruments - Credit Losses (Topic 326) and related updates: ASU 2016-13, June 2016, *Financial Instruments - Credit Losses (Topic 326)* ASU 2018-19, November 2018, *Codification improvements to Topic 326, Financial Instruments - Credit Losses*	This ASU changes the impairment model for most financial assets and certain other instruments, requiring the use of an "expected credit loss" model and adding more disclosure requirements. ASU 2018-19 clarifies that impairment of of receivables arising from operating leases should accounted for in accordance with Topic 842, Leases.	Upon adoption of this standard, we recorded expected losses of $0.5 million in opening accumulated dividends in excess of net income. During the year ended December 31, 2020, we recorded additional expected losses of $0.4 million, which are included in rental expenses.
ASU 2018-15, August 2018, *Intangibles - Goodwill and Other Internal Use Software: Customers Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract*	This ASU requires a customer in a cloud computing arrangement (i.e. hosting arrangement) that is a service contract to follow the internal-use software guidance in ASC 350-40 to determine which implementation costs to capitalize as assets. Capitalized implementation costs related to a hosting arrangement that is a service contract will be amortized over the term of the hosting arrangement. Entities will expense costs during the preliminary project and post-implementation stages as they are incurred.	The adoption of this standard did not have a significant impact to our consolidated financial statements.
Issued in 2020:		
ASU 2020-04, March 2020, *Reference Rate Reform (Topic 848)*	This ASU provides companies with optional practical expedients to ease the accounting burden for contract modifications associated with transitioning away from LIBOR and other interbank offered rates that are expected to be discontinued as part of reference rate reform. For hedges, the guidance generally allows changes to the reference rate and other critical terms without having to de-designate the hedging relationship, as well as allows the shortcut method to continue to be applied. For contract modifications, changes in the reference rate or other critical terms will be treated as a continuation of the prior contract. This guidance can be applied immediately, however, is generally only available through December 31, 2022.	We are still evaluating the impact of reference rate reform and whether we will apply any of these practical expedients.
ASU 2020-06, August 2020, *Debt - Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging - Contracts in Entity's Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity's Own Equity*	This ASU simplifies the accounting for convertible instruments by removing the requirements to separately present certain conversion features in equity, simplifying the settlement assessment that entities are required to perform to determine whether a contract qualifies for equity classification, and generally requiring use of the if-converted method for all convertible instruments in the diluted EPS calculation and include the effect of potential share settlement (if the effect is more dilutive). The guidance is effective for annual periods beginning after December 15, 2021, and interim periods therein.	The adoption of this standard is not expected to have a significant impact to our consolidated financial statements.

Consolidated Statements of Cash Flows—Supplemental Disclosures

The following table provides supplemental disclosures related to the Consolidated Statements of Cash Flows:

	Year Ended December 31, 2020	2019	2018
	(In thousands)		
SUPPLEMENTAL DISCLOSURES:			
Total interest costs incurred	$ 159,718	$ 130,110	$ 129,001
Interest capitalized	(23,429)	(20,487)	(18,847)
Interest expense	$ 136,289	$ 109,623	$ 110,154
Cash paid for interest, net of amounts capitalized	$ 130,248	$ 106,180	$ 107,494
Cash paid for income taxes	$ 580	$ 483	$ 675
NON-CASH INVESTING AND FINANCING TRANSACTIONS (1):			
DownREIT operating partnership units issued with acquisition	$ 18,920	$ —	$ —
Mortgage loans assumed with acquisition	$ 8,903	$ 98,041	$ —
DownREIT operating partnership units redeemed for common shares	$ —	$ 14,105	$ 101
Settlement of partner loan receivable via dilution of partner interests	$ —	$ 5,379	$ —
Shares issued under dividend reinvestment plan	$ 1,734	$ 1,784	$ 1,884
Contribution from noncontrolling interest	$ —	$ —	$ 1,435

(1) See Note 5 for additional disclosures relating to the mortgages entered into and assumed as a result of the Hoboken acquisition.

	December 31, 2020	2019
	(In thousands)	
RECONCILIATION OF CASH, CASH EQUIVALENTS, AND RESTRICTED CASH:		
Cash and cash equivalents	$ 798,329	$ 127,432
Restricted cash (1)	18,567	26,182
Total cash, cash equivalents, and restricted cash	$ 816,896	$ 153,614

(1) Restricted cash balances are included in "prepaid expenses and other assets" on our consolidated balance sheets.

NOTE 3—REAL ESTATE

2020 Property Acquisitions

Date Acquired	Property	City/State	Gross Leasable Area (GLA) (in square feet)	Purchase Price (in millions)	
January 10, 2020	Fairfax Junction	Fairfax, Virginia	49,000	$ 22.3	(1)
February 12, 2020	Hoboken (2 mixed-use buildings)	Hoboken, New Jersey	12,000	$ 14.3	(2)

(1) This property is adjacent to, and will be operated as part of the property acquired in 2019. The purchase price was paid with a combination of cash and the issuance of 163,322 downREIT operating partnership units. Approximately $0.5 million and $0.4 million of net assets acquired were allocated to other assets for "above market leases," and other liabilities for "below market leases," respectively.

(2) The purchase price includes the assumption of $8.9 million of mortgage debt, and is in addition to the 37 buildings previously acquired in 2019, and was completed through the same joint venture. Less than $0.1 million and approximately $3.3 million of net assets acquired were allocated to other assets for "above market leases," and other liabilities for "below market leases," respectively.

2020 Impairment

On September 1, 2020, the $60.6 million non-recourse mortgage loan on The Shops at Sunset Place matured. The mortgage was not repaid, and thus the lender declared the loan in default. We evaluated our long-term plans for the property, taking into account current market conditions and prospective development and redevelopment returns, as well as the impact of COVID-19 on the revenue prospects for the property, and concluded we did not expect to move forward with the planned redevelopment or repay the mortgage balance, and thus, did not expect to be long term holders of the asset. Given these expectations, we recorded an impairment charge of $57.2 million during the third quarter of 2020.

The fair value estimate used to determine the impairment charge was determined by market comparable data and discounted cash flow analyses. The cash flows utilized in such analyses are comprised of unobservable inputs which include forecasted rental revenue and expenses based upon market conditions and future expectations. The capitalization rates and discount rates utilized in such analyses are based upon unobservable rates that we believe to be within a reasonable range of current market rates for the property. Based on these inputs, we have determined that the $57 million estimated valuation of the property is classified within Level 3 of the fair value hierarchy.

On December 31, 2020, we sold The Shops at Sunset Place for $65.5 million and repaid the mortgage loan. The resulting gain of $9.2 million is included in the cumulative 2020 gain of $98.1 million noted in the 2020 Property Dispositions section below.

2020 Property Dispositions

During the year ended December 31, 2020, we sold three properties (including The Shops at Sunset Place discussed above) and one building for a total sales price of $186.1 million, which resulted in a gain of $98.1 million.

During the year ended December 31, 2020, we closed on the sale of the remaining two condominium units at our Pike & Rose property, receiving proceeds net of closing costs of $2.1 million.

2019 Property Acquisitions

Date Acquired	Property	City/State	Gross Leasable Area (GLA)	Purchase Price		
			(in square feet)	(in millions)		
February 8, 2019	Fairfax Junction	Fairfax, Virginia	75,000	$	22.5	(1)
September 13, 2019	San Antonio Center	Mountain View, California	6,000	$	6.5	
November 15, 2019	Georgetowne Shopping Center	Brooklyn, New York	147,000	$	83.7	(2)
Various 2019	Hoboken (37 mixed-use buildings)	Hoboken, New Jersey	158,000	$	189.2	(3)

(1) Approximately $0.6 million and $0.4 million of net assets acquired were allocated to other assets for "above market leases," and other liabilities for "below market leases," respectively.

(2) Approximately $2.0 million and $0.4 million of net assets acquired were allocated to other assets for "above market leases," and other liabilities for "below market leases," respectively.

(3) These acquisitions were completed through a newly formed joint venture, for which we own a 90% interest. The purchase price includes new and assumptions of mortgage debt totaling approximately $98.0 million. This property includes 123 residential units in addition to the GLA in the table above. Approximately $3.6 million and $8.1 million of net assets acquired were allocated to other assets for "above market leases," and other liabilities for "below market leases," respectively.

2019 Property Dispositions

On December 11, 2019, we received $154.7 million in net proceeds related to the sale under the threat of condemnation of 11.7 acres of San Antonio Center to a local school district ("the condemning authority"). As part of the transaction, the condemning authority will commence condemnation proceedings in order to terminate all existing leases they assumed at closing. We have indemnified the condemning authority for all costs incurred related to the condemnation proceedings including any payments required to tenants at the property and expect the process will take several years to complete. The consideration in the transaction is considered variable because we have agreed to indemnify the condemning authority for these costs. Consequently, at December 31, 2019, we recorded a liability of $45.5 million to reflect our estimate of the final consideration, net of estimated condemnation proceeding costs and other transaction related costs. The resulting net gain on sale was approximately $85.1 million.

During the year ended December 31, 2019, we sold three properties and one land parcel for a net sales price of $149.0 million, which resulted in a net gain of $28.3 million.

During the year ended December 31, 2019, we closed on the sale of 43 condominium units at our Assembly Row and Pike & Rose properties (combined), received proceeds net of closing costs of $20.1 million, and recognized a gain of $2.6 million, net of income taxes. The cost basis for the remaining condominium units as of December 31, 2019 is $1.7 million, and is included in "assets held for sale" on our consolidated balance sheet.

NOTE 4—ACQUIRED IN-PLACE LEASES

Acquired lease assets comprise above market leases where we are the lessor and below market leases where we are the lessee. Acquired lease liabilities comprise below market leases where we are the lessor and above market leases where we are the lessee. As a lessor, acquired above market leases are included in prepaid expenses and other assets, and acquired below market leases are included in other liabilities and deferred credits. In accordance with our adoption of ASC Topic 842, acquired below market leases and acquired above market leases where we are the lessee are included in right of use assets. The following is a summary of our acquired lease assets and liabilities:

	December 31, 2020		December 31, 2019	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
		(in thousands)		
Above market leases, lessor	$ 43,560	$ (31,661)	$ 48,530	$ (32,833)
Below market leases, lessee	34,604	(4,190)	34,604	(3,362)
Total	$ 78,164	$ (35,851)	$ 83,134	$ (36,195)
Below market leases, lessor	$ (174,582)	$ 68,286	$ (177,512)	$ 66,419
Above market leases, lessee	(9,084)	2,116	(9,084)	1,590
Total	$ (183,666)	$ 70,402	$ (186,596)	$ 68,009

The value allocated to in-place leases where we are the lessor is amortized over the related lease term and reflected as additional rental income for below market leases or a reduction of rental income for above market leases in the consolidated statements of comprehensive income. The related amortization of in-place leases where we are the lessee is reflected as additional rental expense for below market leases or a reduction of rental expenses for above market leases in the consolidated statements of comprehensive income. The following is a summary of acquired lease amortization:

	Year Ended December 31,		
	2020	2019	2018
		(in thousands)	
Amortization of above market leases, lessor	$ (4,060)	$ (3,239)	$ (5,608)
Amortization of below market leases, lessor	8,406	9,623	12,445
Net increase in rental income	$ 4,346	$ 6,384	$ 6,837
Amortization of below market leases, lessee	$ 828	$ 828	$ 828
Amortization of above market leases, lessee	(525)	(525)	(505)
Net increase in rental expense	$ 303	$ 303	$ 323

The following is a summary of the remaining weighted average amortization period for our acquired lease assets and acquired lease liabilities:

	December 31, 2020
Above market leases, lessor	3.5 years
Below market leases, lessee	38.6 years
Below market leases, lessor	17.8 years
Above market leases, lessee	13.4 years

The amortization for acquired in-place leases during the next five years and thereafter, assuming no early lease terminations, is as follows:

	Acquired Lease Assets	Acquired Lease Liabilities
	(In thousands)	
Year ending December 31,		
2021	$ 3,302	$ 7,738
2022	2,637	7,501
2023	2,439	7,253
2024	2,189	6,784
2025	1,911	6,300
Thereafter	29,835	77,688
	$ 42,313	$ 113,264

NOTE 5—DEBT

The following is a summary of our total debt outstanding as of December 31, 2020 and 2019:

Description of Debt	Principal Balance as of December 31, 2020	Principal Balance as of December 31, 2019	Stated Interest Rate as of December 31, 2020	Stated Maturity Date as of December 31, 2020
Mortgages payable	(Dollars in thousands)			
The Shops at Sunset Place	$ —	$ 61,987	5.62 %	September 1, 2020
29th Place	—	3,878	5.91 %	January 31, 2021
Sylmar Towne Center	16,236	16,630	5.39 %	June 6, 2021
Plaza Del Sol	8,041	8,230	5.23 %	December 1, 2021
THE AVENUE at White Marsh	52,705	52,705	3.35 %	January 1, 2022
Montrose Crossing	65,596	67,492	4.20 %	January 10, 2022
Azalea	40,000	40,000	3.73 %	November 1, 2025
Bell Gardens	12,408	12,677	4.06 %	August 1, 2026
Plaza El Segundo	125,000	125,000	3.83 %	June 5, 2027
The Grove at Shrewsbury (East)	43,600	43,600	3.77 %	September 1, 2027
Brook 35	11,500	11,500	4.65 %	July 1, 2029
Hoboken (24 Buildings)	56,450	56,450	LIBOR + 1.95%	December 15, 2029
Various Hoboken (14 Buildings)	32,705	24,627	Various (1)	Various through 2029
Chelsea	5,234	5,597	5.36 %	January 15, 2031
Hoboken (1 Building)	16,560	16,874	3.75 %	July 1, 2042
Subtotal	486,035	547,247		
Net unamortized premium and debt issuance costs	(1,924)	(1,568)		
Total mortgages payable	484,111	545,679		
Notes payable				
Term loan	400,000	—	LIBOR + 1.35%	May 6, 2021
Revolving credit facility	—	—	LIBOR + 0.775%	January 19, 2024
Various	3,270	3,843	11.31 %	Various through 2028
Subtotal	403,270	3,843		
Net unamortized debt issuance costs	(494)	(62)		
Total notes payable	402,776	3,781		
Senior notes and debentures				
2.55% notes	—	250,000	2.55 %	January 15, 2021
3.00% notes	—	250,000	3.00 %	August 1, 2022
2.75% notes	275,000	275,000	2.75 %	June 1, 2023
3.95% notes	600,000	300,000	3.95 %	January 15, 2024
1.25% notes	400,000	—	1.25 %	February 15, 2026
7.48% debentures	29,200	29,200	7.48 %	August 15, 2026
3.25% notes	475,000	475,000	3.25 %	July 15, 2027
6.82% medium term notes	40,000	40,000	6.82 %	August 1, 2027
3.20% notes	400,000	400,000	3.20 %	June 15, 2029
3.50% notes	400,000	—	3.50 %	June 1, 2030
4.50% notes	550,000	550,000	4.50 %	December 1, 2044
3.625% notes	250,000	250,000	3.625 %	August 1, 2046
Subtotal	3,419,200	2,819,200		
Net unamortized discount and debt issuance costs	(14,712)	(12,066)		
Total senior notes and debentures	3,404,488	2,807,134		
Total debt	$ 4,291,375	$ 3,356,594		

1) The interest rates on these mortgages range from 3.91% to 5.00%.

In connection with the two buildings we acquired in Hoboken, New Jersey on February 12, 2020, we assumed two mortgage loans with a net face amount of $8.9 million and a fair value of $9.0 million. The mortgage loans bear interest at 4.00% and mature on July 27, 2027.

In March 2020, in order to strengthen our financial position and balance sheet, to maximize our liquidity, and to provide maximum financial flexibility to continue our business initiatives as the effects of COVID-19 continue to evolve, we borrowed $990.0 million under our revolving credit facility, representing a draw-down of almost the entirety of our $1.0 billion revolving credit facility. This amount was subsequently repaid when we entered into a $400.0 million unsecured term loan on May 6, 2020 and issued $700.0 million of fixed rate unsecured senior notes on May 11, 2020.

The unsecured term loan matures on May 6, 2021, plus one twelve month extension at our option, and bears interest at LIBOR plus 135 basis points based on our current credit rating. Our net proceeds from this transaction after underwriting fees and other costs were $398.7 million.

The $700.0 million of unsecured senior notes issued in May 2020 comprise a $300.0 million reopening of our 3.95% senior notes maturing on January 15, 2024 and a $400.0 million issuance of 3.50% senior notes maturing on June 1, 2030. The 3.95% senior notes were offered at 103.257% of the principal amount with a yield to maturity of 2.944%, and have the same terms and are of the same series as the $300.0 million senior notes issued on December 9, 2013. The 3.50% senior notes were offered at 98.911% of the principal amount with a yield to maturity of 3.630%. Our net proceeds from these transactions after the net issuance premium, underwriting fees, and other costs were $700.1 million.

On September 1, 2020, the $60.6 million non-recourse mortgage loan on The Shops at Sunset Place matured and was not repaid. The lender declared the loan in default until the non-recourse loan was repaid as part of the sale of the property on December 31, 2020. The default did not trigger a cross default with any other indebtedness. The repayment amount including accrued interest and fees, net of $4.5 million of escrows held by the lender was $58.5 million.

On October 13, 2020, we issued $400.0 million of fixed rate senior unsecured notes that mature on February 15, 2026 and bear interest at 1.25%. The notes were offered at 99.339% of the principal amount with a yield to maturity of 1.379%. The net proceeds of the notes, or "green bonds," after issuance discount, underwriting fees, and other costs were approximately $394.2 million, and will be allocated to the financing and refinancing of recently completed and future eligible green projects, which includes (i) investments in acquisitions of buildings; (ii) building developments or redevelopments; (iii) renovations in existing buildings; and (iv) tenant improvement projects, in each case that have received, or are expected to receive, in the three years prior to the issuance of the notes or during the term of the notes, a LEED Silver, Gold, or Platinum certification (or environmentally equivalent successor standards). Net proceeds allocated to previously incurred costs associated with eligible green projects will be available for repayment of indebtedness.

On December 15, 2020, we repaid our $250.0 million 2.55% notes prior to the original maturity date of January 15, 2021 at par. The redemption price of $252.7 million included accrued but unpaid interest of $2.7 million.

On December 31, 2020, we repaid our $250.0 million 3.00% notes prior to the original maturity date of August 1, 2022. The redemption price of $263.5 million included a make-whole premium of $10.4 million and accrued but unpaid interest of $3.1 million. The "early extinguishment of debt" charge in 2020 of $11.2 million includes the make-whole premium and the write off of the unamortized discount and debt issuance fees.

On December 31, 2020, we also repaid the $3.6 million mortgage loan on 29th Place, at par, prior to its original maturity date.

During 2020, 2019 and 2018, the maximum amount of borrowings outstanding under our revolving credit facility was $990.0 million, $116.5 million and $177.0 million, respectively. The weighted average amount of borrowings outstanding was $138.5 million, $26.8 million and $83.1 million, respectively, and the weighted average interest rate, before amortization of debt fees, was 1.5%, 3.2% and 2.7%, respectively. The revolving credit facility requires an annual facility fee of $1.0 million. At December 31, 2020 and 2019, our revolving credit facility had no balance outstanding.

Our revolving credit facility, term loan, and certain notes require us to comply with various financial covenants, including the maintenance of minimum shareholders’ equity and debt coverage ratios and a maximum ratio of debt to net worth. As of December 31, 2020, we were in compliance with all default related debt covenants.

Scheduled principal payments on mortgages payable, notes payable, senior notes and debentures as of December 31, 2020 are as follows:

	Mortgages Payable	Notes Payable		Senior Notes and Debentures	Total Principal	
	(In thousands)					
Year ending December 31,						
2021	$ 28,101	$ 400,676	(1)	$ —	$ 428,777	
2022	119,706	751		—	120,457	
2023	3,549	765		275,000	279,314	
2024	3,688	656	(2)	600,000	604,344	
2025	48,033	333		—	48,366	
Thereafter	282,958	89		2,544,200	2,827,247	
	$ 486,035	$ 403,270		$ 3,419,200	$ 4,308,505	(3)

(1) Our $400.0 million term loan matures on May 6, 2021 plus one twelve month extension, at our option.
(2) Our $1.0 billion revolving credit facility matures on January 19, 2024, plus two six-month extensions at our option. As of December 31, 2020, there was no outstanding balance under this credit facility.
(3) The total debt maturities differ from the total reported on the consolidated balance sheet due to the unamortized net premium/discount and debt issuance costs on mortgage loans, notes payable, and senior notes as of December 31, 2020.

NOTE 6—FAIR VALUE OF FINANCIAL INSTRUMENTS

A fair value measurement is based on the assumptions that market participants would use in pricing an asset or liability in an orderly transaction. The hierarchy for inputs used in measuring fair value are as follows:

1. Level 1 Inputs—quoted prices in active markets for identical assets or liabilities
2. Level 2 Inputs—observable inputs other than quoted prices in active markets for identical assets and liabilities
3. Level 3 Inputs—prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level within which the fair value measurement is categorized is based on the lowest level input that is significant to the fair value measurement.

Except as disclosed below, the carrying amount of our financial instruments approximates their fair value. The fair value of our mortgages payable, notes payable and senior notes and debentures is sensitive to fluctuations in interest rates. Quoted market prices (Level 1) were used to estimate the fair value of our marketable senior notes and debentures and discounted cash flow analysis (Level 2) is generally used to estimate the fair value of our mortgages and notes payable. Considerable judgment is necessary to estimate the fair value of financial instruments. The estimates of fair value presented herein are not necessarily indicative of the amounts that could be realized upon disposition of the financial instruments. A summary of the carrying amount and fair value of our mortgages payable, notes payable and senior notes and debentures is as follows:

	December 31, 2020		December 31, 2019	
	Carrying Value	Fair Value	Carrying Value	Fair Value
	(In thousands)			
Mortgages and notes payable	$ 886,887	$ 879,390	$ 549,460	$ 562,049
Senior notes and debentures	$ 3,404,488	$ 3,761,465	$ 2,807,134	$ 3,001,216

As of December 31, 2020, we have two interest rate swap agreements with notional amounts of $56.5 million that are measured at fair value on a recurring basis. The interest rate swap agreements fix the interest rate on $56.5 million of mortgage payables at 3.67% through December 15, 2029. The fair values of the interest rate swap agreements are based on the estimated amounts we would receive or pay to terminate the contracts at the reporting date and are determined using interest rate pricing models and interest rate related observable inputs. The fair value of our swaps at December 31, 2020 was a liability of $4.7 million and is included in "prepaid expenses and other assets" on our consolidated balance sheet. During 2020, the value of our interest rate swaps decreased $4.8 million (including $0.7 million reclassified from other comprehensive loss to interest expense). A summary of our financial (liabilities) assets that are measured at fair value on a recurring basis, by level within the fair value hierarchy is as follows:

	December 31, 2020				December 31, 2019			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	(In thousands)							
Interest rate swaps	$ —	$ (4,711)	$ —	$ (4,711)	$ —	$ 130	$ —	$ 130

One of our equity method investees has two interest rate swaps which qualify as cash flow hedges. At December 31, 2020 and December 31, 2019, our share of the decrease in fair value of the related swaps included in "accumulated other comprehensive loss" was $0.5 million and $0.9 million, respectively.

NOTE 7—COMMITMENTS AND CONTINGENCIES

We are sometimes involved in lawsuits, warranty claims, and environmental matters arising in the ordinary course of business. Management makes assumptions and estimates concerning the likelihood and amount of any potential loss relating to these matters.

We are currently a party to various legal proceedings. We accrue a liability for litigation if an unfavorable outcome is probable and the amount of loss can be reasonably estimated. If an unfavorable outcome is probable and a reasonable estimate of the loss is a range, we accrue the best estimate within the range; however, if no amount within the range is a better estimate than any other amount, the minimum within the range is accrued. Legal fees related to litigation are expensed as incurred. Other than as described below, we do not believe that the ultimate outcome of these matters, either individually or in the aggregate, could have a material adverse effect on our financial position or overall trends in results of operations; however, litigation is subject to inherent uncertainties. Also under our leases, tenants are typically obligated to indemnify us from and against all liabilities, costs and expenses imposed upon or asserted against us (1) as owner of the properties due to certain matters relating to the operation of the properties by the tenant, and (2) where appropriate, due to certain matters relating to the ownership of the properties prior to their acquisition by us.

We are self-insured for general liability costs up to predetermined retained amounts per claim, and we believe that we maintain adequate accruals to cover our retained liability. We currently do not maintain third party stop-loss insurance policies to cover liability costs in excess of predetermined retained amounts. Our accrual for self-insurance liability is determined by management and is based on claims filed and an estimate of claims incurred but not yet reported. Management considers a number of factors, including third-party actuarial analysis, previous experience in our portfolio, and future increases in costs of claims, when making these determinations. If our liability costs exceed these accruals, it will reduce our net income.

We reserve for estimated losses, if any, associated with warranties given to a buyer at the time real estate is sold or other potential liabilities relating to that sale, taking any insurance policies into account. These warranties may extend up to ten years and require significant judgment. If changes in facts and circumstances indicate that warranty reserves are understated, we will accrue additional reserves at such time a liability has been incurred and the costs can be reasonably estimated. Warranty reserves are released once the legal liability period has expired or all related work has been substantially completed.

On December 17, 2020, we acquired one of our partner's preferred and common interests in the partnership that owns our Plaza El Segundo property for $7.3 million, bringing our ownership to approximately 78.2%.

On December 11, 2019, we received proceeds related to the sale under the threat of condemnation at San Antonio Center as discussed in Note 3 to the consolidated financial statements. We have indemnified the condemning authority for all costs incurred related to the condemnation proceedings including any payments required to tenants at the property and expect the process will take several years to complete. During 2020, we incurred $12.9 million of net payments to tenants, and consequently, at December 31, 2020, we have a liability of $32.6 million to reflect our estimate of the remaining consideration.

At December 31, 2020 and 2019, our reserves for general liability costs were $4.6 million and $3.0 million, respectively, and are included in “accounts payable and accrued expenses” in our consolidated balance sheets. Any potential losses which exceed our estimates would result in a decrease in our net income. During 2020 and 2019, we made payments from these reserves of $0.8 million and $1.3 million, respectively. Although we consider the reserve to be adequate, there can be no assurance that the reserve will prove to be adequate over-time to cover losses due to the difference between the assumptions used to estimate the reserve and actual losses.

At December 31, 2020, we had letters of credit outstanding of approximately $4.7 million.

As of December 31, 2020 in connection with capital improvement, development, and redevelopment projects, the Trust has contractual obligations of approximately $356.1 million.

We are obligated under operating lease agreements on several shopping centers and one office lease requiring minimum annual payments as follows, as of December 31, 2020:

		(In thousands)
Year ending December 31,		
2021	$	5,077
2022		5,197
2023		5,243
2024		5,213
2025		5,084
Thereafter		175,387
Total future minimum operating lease payments	$	201,201
Less amount representing interest		(128,760)
Operating lease liabilities	$	72,441

Future minimum lease payments and their present value for properties under finance leases as of December 31, 2020, are as follows:

		(In thousands)
Year ending December 31,		
2021	$	5,800
2022		5,810
2023		60,013
2024		1,013
2025		1,013
Thereafter		80,837
Total future minimum finance lease payments		154,486
Less amount representing interest		(82,437)
Finance lease liabilities	$	72,049

A master lease for Mercer Mall includes a fixed purchase price option for $55 million in 2023. If we fail to exercise our purchase option, the owner of Mercer Mall has a put option which would require us to purchase Mercer Mall for $60 million in 2025.

Under the terms of the Congressional Plaza partnership agreement, a minority partner has the right to require us and the other minority partner to purchase its 26.63% interest in Congressional Plaza at the interest's then-current fair market value. If the okother minority partner defaults in their obligation, we must purchase the full interest. Based on management's current estimate of fair market value as of December 31, 2020, our estimated maximum liability upon exercise of the put option would range from approximately $69 million to $72 million.

A master lease for Melville Mall includes a fixed purchase price option in 2021 for $5 million. If we fail to exercise our purchase option, the owner of Melville Mall has a put option which would require us to purchase Melville Mall in 2023 for $5 million.

Two of the members in Plaza El Segundo have the right to require us to purchase their 10.0% and 11.8% ownership interests at the interests' then-current fair market value. If the members fail to exercise their put options, we have the right to purchase each of their interests on or after December 30, 2026 at fair market value. Based on management's current estimate of fair market value as of December 31, 2020, our estimated maximum liability upon exercise of the put option would range from approximately $28 million to $35 million.

The other member in The Grove at Shrewsbury and Brook 35 has the right to require us to purchase all of its approximately 4.1% interest in The Grove at Shrewsbury and approximately 6.5% interest in Brook 35 at the interests' then-current fair market value. Based on management's current estimate of fair market value as of December 31, 2020, our estimated maximum liability upon exercise of the put option would range from $6 million to $7 million.

Effective September 18, 2023, the other member in Hoboken has the right to require us to purchase all of its 10.0% ownership interest at the interest's then-current fair market value. Based on management's current estimate of fair market value as of December 31, 2020, our estimated maximum liability upon exercise of the put option would range from $5 million to $6 million.

Under the terms of certain partnership agreements, the partners have the right to exchange their operating partnership units for cash or the same number of our common shares, at our option. A total of 744,617 downREIT operating partnership units are outstanding which have a total fair value of $63.4 million, based on our closing stock price on December 31, 2020.

NOTE 8—SHAREHOLDERS' EQUITY

We have a Dividend Reinvestment Plan (the "Plan"), whereby shareholders may use their dividends and optional cash payments to purchase shares. In 2020, 2019 and 2018, 24,491 shares, 15,909 shares and 17,952 shares, respectively, were issued under the Plan.

As of December 31, 2020, 2019, and 2018, we had 6,000,000 Depositary Shares outstanding, each representing 1/1000th interest of 5.0% Series C Cumulative Redeemable Preferred Share, par value $0.01 per share ("Series C Preferred Shares"), at the liquidation preference of $25.00 per depositary share (or $25,000 per Series C Preferred share). The Series C Preferred Shares accrue dividends at a rate of 5.0% of the $25,000 liquidation preference per year and are redeemable at our option on or after September 29, 2022. Additionally, they are not convertible and holders of these shares generally have no voting rights, unless we fail to pay dividends for six or more quarters.

As of December 31, 2020, 2019, and 2018, we had 399,896 shares of 5.417% Series 1 Cumulative Convertible Preferred Shares ("Series 1 Preferred Shares") outstanding that have a liquidation preference of $25 per share and par value $0.01 per share. The Series 1 Preferred Shares accrue dividends at a rate of 5.417% per year and are convertible at any time by the holders to our common shares at a conversion rate of $104.69 per share. The Series 1 Preferred Shares are also convertible under certain circumstances at our election. The holders of the Series 1 Preferred Shares have no voting rights.

On May 7, 2018, we replaced our existing at-the-market ("ATM") equity program with a new ATM equity program in which we may from time to time offer and sell common shares having an aggregate offering price of up to $400.0 million. We intend to use the net proceeds to fund potential acquisition opportunities, fund our development and redevelopment pipeline, repay amounts of outstanding under our revolving credit facility and/or for general corporate purposes. For the year ended December 31, 2020, we issued 1,080,804 common shares at a weighted average price per share of $92.51 for net cash proceeds of $98.8 million including paying $1.0 million in commissions and $0.1 million in additional offering expenses related to the sales of these common shares. For the year ended December 31, 2019, we issued 1,069,699 common shares at a weighted average price per share of $134.71 for net cash proceeds of $142.7 million and paid $1.2 million in commissions and $0.2 million in additional offering expenses related to the sales of these common shares. As of December 31, 2020, we had the capacity to issue up to $28.4 million in common shares under our ATM equity program.

NOTE 9—DIVIDENDS

The following table provides a summary of dividends declared and paid per share:

	Year Ended December 31,					
	2020		2019		2018	
	Declared	Paid	Declared	Paid	Declared	Paid
Common shares	$ 4.220	$ 4.210	$ 4.140	$ 4.110	$ 4.040	$ 4.020
5.417% Series 1 Cumulative Convertible Preferred shares	$ 1.354	$ 1.354	$ 1.354	$ 1.354	$ 1.354	$ 1.354
5.0% Series C Cumulative Redeemable Preferred shares (1)	$ 1.250	$ 1.250	$ 1.250	$ 1.250	$ 1.250	$ 1.306

(1) Amount represents dividends per depositary share, each representing 1/1000th of a share.

A summary of the income tax status of dividends per share paid is as follows:

	Year Ended December 31,		
	2020	2019	2018
Common shares			
Ordinary dividend	$ 3.452	$ 4.110	$ 3.859
Return of capital	0.758	—	—
Ordinary dividend eligible for 15% rate	—	—	0.161
	$ 4.210	$ 4.110	$ 4.020
5.417% Series 1 Cumulative Convertible Preferred shares			
Ordinary dividend	$ 1.354	$ 1.354	$ 1.300
Ordinary dividend eligible for 15% rate	—	—	0.054
	$ 1.354	$ 1.354	$ 1.354
5.0% Series C Cumulative Redeemable Preferred shares			
Ordinary dividend	$ 1.250	$ 1.250	1.254
Ordinary dividend eligible for 15% rate	—	—	0.052
	$ 1.250	$ 1.250	$ 1.306

On November 5, 2020, the Trustees declared a quarterly cash dividend of $1.06 per common share, payable January 15, 2021 to common shareholders of record on January 4, 2021.

NOTE 10— LEASES

At December 31, 2020, our 101 predominantly retail shopping center and mixed-use properties are located in 11 states and the District of Columbia. There are approximately 2,800 commercial leases and 2,700 residential leases. Our commercial tenants range from sole proprietorships to national retailers and corporations. At December 31, 2020, no one tenant or corporate group of tenants accounted for more than 3.6% of annualized base rent.

Our leases with commercial property and residential tenants are classified as operating leases. Commercial property leases generally range from three to ten years (certain leases with anchor tenants may be longer), and in addition to minimum rents, may provide for percentage rents based on the tenant’s level of sales achieved and cost recoveries for the tenant’s share of certain operating costs. Leases on apartments are generally for a period of 1 year or less.

As of December 31, 2020, future minimum rentals from noncancelable commercial operating leases (excluding both tenant reimbursements of operating expenses and percentage rent based on tenants' sales) are as follows:

	(In thousands)
Year ending December 31,	
2021	$ 586,082
2022	549,529
2023	486,269
2024	421,945
2025	349,671
Thereafter	1,493,377
	$ 3,886,873

The following table provides additional information on our operating and finance leases where we are the lessee:

	Year Ended December 31, 2020	Year Ended December 31, 2019
	(In thousands)	
LEASE COST:		
Finance lease cost:		
Amortization of right-of-use assets	$ 1,284	$ 1,284
Interest on lease liabilities	5,826	5,824
Operating lease cost	5,946	6,063
Variable lease cost	353	487
Total lease cost	$ 13,409	$ 13,658
OTHER INFORMATION:		
ROU assets obtained in exchange for operating lease liabilities	855	—
ROU assets obtained in exchange for finance lease liabilities	—	—
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows for finance leases	5,736	5,759
Operating cash flows for operating leases	5,498	5,561
Financing cash flows for finance leases	46	47

	Year Ended December 31, 2020	Year Ended December 31, 2019
Weighted-average remaining term - finance leases	17.3 years	18.2 years
Weighted-average remaining term - operating leases	53.4 years	53.7 years
Weighted-average discount rate - finance leases	8.0 %	8.0 %
Weighted-average discount rate - operating leases	4.4 %	4.5 %

NOTE 11—COMPONENTS OF RENTAL EXPENSE

The principal components of rental expenses are as follows:

	Year Ended December 31, 2020	2019	2018
	(In thousands)		
Repairs and maintenance	$ 66,845	$ 73,179	$ 67,745
Utilities	25,065	27,729	27,635
Management fees and costs	23,752	24,930	24,024
Payroll	16,691	16,485	16,140
Insurance	12,439	9,036	7,547
Marketing	6,432	7,427	7,935
Ground rent	4,595	4,803	4,697
Bad debt (1)	—	—	4,708
Other operating (2)	15,101	24,242	12,663
Total rental expenses	$ 170,920	$ 187,831	$ 173,094

(1) Collectibility adjustments are now presented as a reduction of rental income rather than rental expense in accordance with our adoption of the new lease standard in 2019.
(2) Other operating for the year ended December 31, 2019 includes an $11.9 million charge relating to the buyout of a lease at Assembly Square Marketplace.

NOTE 12—SHARE-BASED COMPENSATION PLANS

A summary of share-based compensation expense included in net income is as follows:

	Year Ended December 31,		
	2020	2019	2018
		(In thousands)	
Grants of common shares and options	$ 13,243	$ 13,330	$ 12,736
Capitalized share-based compensation	(1,319)	(1,054)	(1,017)
Share-based compensation expense	$ 11,924	$ 12,276	$ 11,719

As of December 31, 2020, we have grants outstanding under two share-based compensation plans. In May 2020, our shareholders approved the 2020 Performance Incentive Plan ("the 2020 Plan"), which authorized the grant of share options, common shares, and other share-based awards for up to 1,750,000 common shares of beneficial interest. Our 2010 Long Term Incentive Plan, as amended (the "2010 Plan"), which expired in May 2020, authorized the grant of share options, common shares and other share-based awards for up to 2,450,000 common shares of beneficial interest.

Option awards under the plans are required to have an exercise price at least equal to the closing trading price of our common shares on the date of grant. Options and restricted share awards under the plan generally vest over three to seven years and option awards typically have a ten-year contractual term. We pay dividends on unvested shares. Certain options and share awards provide for accelerated vesting if there is a change in control. Additionally, the vesting on certain option and share awards can accelerate in part or in full upon retirement based on the age of the retiree or upon termination without cause.

The fair value of each option award is estimated on the date of grant using the Black-Scholes model. Expected volatilities, term, dividend yields, employee exercises and estimated forfeitures are primarily based on historical data. The risk-free interest rate is based on the U.S. Treasury yield curve in effect at the time of grant. The fair value of each share award is determined based on the closing trading price of our common shares on the grant date. No options were granted in 2020 and 2019.

The following table provides a summary of the assumptions used to value options granted in 2018:

	Year Ended December 31,
	2018
Volatility	18.0 %
Expected dividend yield	3.6 %
Expected term (in years)	7.5
Risk free interest rate	2.8 %

The following table provides a summary of option activity for 2020:

	Shares Under Option	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term	Aggregate Intrinsic Value
			(In years)	(In thousands)
Outstanding at December 31, 2019	682	$ 152.34		
Granted	—	—		
Exercised	—	—		
Forfeited or expired	—	—		
Outstanding at December 31, 2020	682	$ 152.34	5.1	$ —
Exercisable at December 31, 2020	546	$ 152.34	5.1	$ —

The weighted-average grant-date fair value of options granted in 2018 was $14.42 per share, which were later forfeited during 2018. The total cash received from options exercised during 2018 was $4.6 million. The total intrinsic value of options exercised during the year ended December 31, 2018 was $8.2 million.

The following table provides a summary of restricted share activity for 2020:

	Shares	Weighted-Average Grant-Date Fair Value
Unvested at December 31, 2019	220,578	$ 129.78
Granted	116,351	124.55
Vested	(101,651)	129.39
Forfeited	(2,100)	131.78
Unvested at December 31, 2020	233,178	$ 127.32

The weighted-average grant-date fair value of stock awarded in 2020, 2019 and 2018 was $124.55, $133.30 and $112.88, respectively. The total vesting-date fair value of shares vested during the year ended December 31, 2020, 2019 and 2018, was $12.4 million, $13.0 million and $9.7 million, respectively.

As of December 31, 2020, there was $17.0 million of total unrecognized compensation cost related to unvested share-based compensation arrangements (i.e. options and unvested shares) granted under our plans. This cost is expected to be recognized over the next 5.3 years with a weighted-average period of 2.1 years.

Subsequent to December 31, 2020, common shares were awarded under various compensation plans as follows:

Date	Award		Vesting Term	Beneficiary
January 4, 2021	9,928	Shares	Immediate	Trustees
February 10, 2021	137,210	Restricted Shares	3-5 years	Officers and key employees
February 10, 2021	3,658	Options	5 years	Officers and key employees

Additionally, on February 10, 2021, 10,441 restricted stock units were awarded to an officer that vest at the end of four years. The final awards earned are based on meeting certain market based performance criteria, and may vary from 0% to 200% of the original award.

NOTE 13—SAVINGS AND RETIREMENT PLANS

We have a savings and retirement plan in accordance with the provisions of Section 401(k) of the Code. Generally, employees can elect, at their discretion, to contribute a portion of their compensation up to a maximum of $19,500 for 2020, $19,000 for 2019, and 18,500 for 2018. Under the plan, we contribute 50% of each employee's elective deferrals up to 5% of eligible earnings. In addition, we may make discretionary contributions within the limits of deductibility set forth by the Code. Our full-time employees are immediately eligible to become plan participants. Employees are eligible to receive matching contributions immediately on their participation; however, these matching payments will not vest until their third anniversary of employment. Our expense for the years ended December 31, 2020, 2019 and 2018 was approximately $813,000, $764,000 and $688,000, respectively.

A non-qualified deferred compensation plan for our officers and certain other employees was established in 1994 that allows the participants to defer a portion of their income. As of December 31, 2020 and 2019, we are liable to participants for approximately $18.0 million and $14.7 million, respectively, under this plan. Although this is an unfunded plan, we have purchased certain investments to match this obligation. Our obligation under this plan and the related investments are both included in the accompanying consolidated financial statements.

NOTE 14—EARNINGS PER SHARE

We have calculated earnings per share ("EPS") under the two-class method. The two-class method is an earnings allocation methodology whereby EPS for each class of common stock and participating securities is calculated according to dividends declared and participation rights in undistributed earnings. For 2020, 2019, and 2018 we had 0.2 million weighted average unvested shares outstanding, which are considered participating securities. Therefore, we have allocated our earnings for basic and diluted EPS between common shares and unvested shares; the portion of earnings allocated to the unvested shares is reflected as "earnings allocated to unvested shares" in the reconciliation below.

In the dilutive EPS calculation, dilutive stock options were calculated using the treasury stock method consistent with prior periods. There were 682 anti-dilutive stock options in 2020, 2019, and 2018, respectively. The conversions of downREIT operating partnership units and 5.417% Series 1 Cumulative Convertible Preferred Shares are anti-dilutive for all periods presented and accordingly, have been excluded from the weighted average common shares used to compute diluted EPS.

	Year Ended December 31,		
	2020	2019	2018
	(In thousands, except per share data)		
NUMERATOR			
Net income	$ 135,888	$ 360,542	$ 249,026
Less: Preferred share dividends	(8,042)	(8,042)	(8,042)
Less: Income from operations attributable to noncontrolling interests	(4,182)	(6,676)	(7,119)
Less: Earnings allocated to unvested shares	(992)	(1,007)	(930)
Net income available for common shareholders, basic and diluted	$ 122,672	$ 344,817	$ 232,935
DENOMINATOR			
Weighted average common shares outstanding—basic	75,515	74,766	73,274
Stock options	—	—	28
Weighted average common shares outstanding—diluted	75,515	74,766	73,302
EARNINGS PER COMMON SHARE, BASIC AND DILUTED			
Net income available for common shareholders	$ 1.62	$ 4.61	$ 3.18

NOTE 15—SUBSEQUENT EVENTS

On January 4, 2021, we acquired our partner's 20% interest in our joint venture arrangement related to the Pike & Rose hotel for $2.3 million, and repaid the $31.5 million mortgage loan. As a result of the transaction, we gained control of the hotel portion of this property, and effective January 4, 2021, we have consolidated this asset.

On February 5, 2021, we repaid the $16.2 million mortgage loan on Sylmar Town Center, at par, prior to its original maturity date.

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COLUMN A	COLUMN B	COLUMN C		COLUMN D	COLUMN E			COLUMN F	COLUMN G	COLUMN H	COLUMN I
		Initial cost to company		Cost Capitalized Subsequent to Acquisition	Gross amount at which carried at close of period			Accumulated Depreciation and Amortization	Date of Construction	Date Acquired	Life on which depreciation in latest income statements is computed
Descriptions	Encumbrance	Land	Building and Improvements		Land	Building and Improvements	Total				
29TH PLACE (Virginia)		$ 10,211	$ 18,863	$ 9,588	$ 10,195	$ 28,467	$ 38,662	$ 14,173	1975 - 2001	5/30/2007	(1)
ANDORRA (Pennsylvania)		2,432	12,346	16,148	2,432	28,494	30,926	21,200	1953	1/12/1988	(1)
ASSEMBLY ROW/ASSEMBLY SQUARE MARKETPLACE (Massachusetts)		93,252	34,196	832,881	69,421	890,908	960,329	88,384	2005, 2012-2020	2005-2013	(1)
AZALEA (California)	39,750	40,219	67,117	(7)	40,219	67,110	107,329	8,550	2014	8/2/2017	(1)
BALA CYNWYD (Pennsylvania)		3,565	14,466	46,447	2,683	61,795	64,478	24,619	1955/2020	9/22/1993	(1)
BARCROFT PLAZA (Virginia)		12,617	29,603	7,235	12,617	36,838	49,455	5,904	1963, 1972, 1990, & 2000	1/13/16 & 11/7/16	(1)
BARRACKS ROAD (Virginia)		4,363	16,459	48,774	4,363	65,233	69,596	48,945	1958	12/31/1985	(1)
BELL GARDENS (California)	12,082	24,406	85,947	671	24,406	86,618	111,024	14,425	1990, 2003, 2006	8/2/17 & 11/29/18	(1)
BETHESDA ROW (Maryland)		46,579	35,406	162,367	43,904	200,448	244,352	92,357	1945-2008	12/31/93, 6/2/97, 1/20/06, 9/25/08, 9/30/08, & 12/27/10	(1)
BRICK PLAZA (New Jersey)		—	24,715	78,133	4,094	98,754	102,848	56,240	1958	12/28/1989	(1)
BRISTOL PLAZA (Connecticut)		3,856	15,959	12,230	3,856	28,189	32,045	19,549	1959	9/22/1995	(1)
BROOK 35 (New Jersey)	11,325	7,128	38,355	3,103	7,128	41,458	48,586	9,853	1986/2004	1/1/2014	(1)
CAMPUS PLAZA (Massachusetts)		16,710	13,412	326	16,710	13,738	30,448	2,952	1970	1/13/2016	(1)
CHELSEA COMMONS (Massachusetts)	5,057	8,689	19,466	2,410	8,669	21,896	30,565	9,040	1962/1969/ 2008	8/25/06, 1/30/07, & 7/16/08	(1)
COCOWALK (Florida)		34,406	72,123	73,504	50,838	129,195	180,033	12,333	1990/1994, 1922-1973, 2018-2019	5/4/15, 7/1/15, 12/16/15, 7/26/16, 6/30/17, & 8/10/17	(1)
COLORADO BLVD (California)		2,415	3,964	6,905	2,415	10,869	13,284	9,397	1905-1988	8/14/98	(1)

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		Initial cost to company			Gross amount at which carried at close of period						
Descriptions	Encumbrance	Land	Building and Improvements	Cost Capitalized Subsequent to Acquisition	Land	Building and Improvements	Total	Accumulated Depreciation and Amortization	Date of Construction	Date Acquired	Life on which depreciation in latest income statements is computed
CONGRESSIONAL PLAZA (Maryland)		2,793	7,424	95,605	2,793	103,029	105,822	59,967	1965/2003/ 2016	4/1/1965	(1)
COURTHOUSE CENTER (Maryland)		1,750	1,869	3,445	1,750	5,314	7,064	2,768	1975	12/17/1997	(1)
CROSSROADS (Illinois)		4,635	11,611	19,649	4,635	31,260	35,895	20,191	1959	7/19/1993	(1)
CROW CANYON COMMONS (California)		27,245	54,575	8,911	27,245	63,486	90,731	28,124	Late 1970's/ 1998/2006	12/29/05 & 2/28/07	(1)
DEDHAM PLAZA (Massachusetts)		16,658	13,964	16,521	16,658	30,485	47,143	18,282	1959	12/31/93, 12/14/16, 1/29/19, & 3/12/19	(1)
DEL MAR VILLAGE (Florida)		15,624	41,712	16,427	15,587	58,176	73,763	26,043	1982/1994/ 2007	5/30/08, 7/11/08, & 10/14/14	(1)
EAST BAY BRIDGE (California)		29,069	138,035	12,123	29,069	150,158	179,227	41,377	1994-2001, 2011/2012	12/21/2012	(1)
ELLISBURG (New Jersey)		4,028	11,309	18,872	4,013	30,196	34,209	21,740	1959	10/16/1992	(1)
ESCONDIDO PROMENADE (California)		19,117	15,829	18,627	19,117	34,456	53,573	20,066	1987	12/31/96 & 11/10/10	(1)
FAIRFAX JUNCTION (Virgina)		16,768	23,825	575	16,768	24,400	41,168	1,647	1981/1986/ 2000	2/8/19 & 1/10/20	(1)
FALLS PLAZA (Virginia)		1,798	1,270	13,044	1,819	14,293	16,112	9,477	1960/1962	9/30/67 & 10/05/72	(1)
FEDERAL PLAZA (Maryland)		10,216	17,895	42,735	10,216	60,630	70,846	48,440	1970	6/29/1989	(1)
FINLEY SQUARE (Illinois)		9,252	9,544	22,603	9,252	32,147	41,399	23,198	1974	4/27/1995	(1)
FLOURTOWN (Pennsylvania)		1,345	3,943	11,645	1,507	15,426	16,933	7,369	1957	4/25/1980	(1)
FOURTH STREET (California)		13,978	9,909	3,085	13,978	12,994	26,972	1,752	1948,1975	5/19/2017	(1)
FREEDOM PLAZA (California)		—	3,255	37,242	—	40,497	40,497	761	2018-2020	6/15/2018	(1)
FRESH MEADOWS (New York)		24,625	25,255	43,873	24,633	69,120	93,753	46,378	1946-1949	12/5/1997	(1)
FRIENDSHIP CENTER (District of Columbia)		12,696	20,803	4,719	12,696	25,522	38,218	14,998	1998	9/21/2001	(1)
GAITHERSBURG SQUARE (Maryland)		7,701	5,271	16,697	5,973	23,696	29,669	19,442	1966	4/22/1993	(1)
GARDEN MARKET (Illinois)		2,677	4,829	7,370	2,677	12,199	14,876	9,241	1958	7/28/1994	(1)

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		Initial cost to company			Gross amount at which carried at close of period						
Descriptions	Encumbrance	Land	Building and Improvements	Cost Capitalized Subsequent to Acquisition	Land	Building and Improvements	Total	Accumulated Depreciation and Amortization	Date of Construction	Date Acquired	Life on which depreciation in latest income statements is computed
GEORGETOWNE SHOPPING CENTER (New York)		32,202	49,586	1,469	32,202	51,055	83,257	2,047	1969/2006/ 2015	11/15/19	(1)
GOVERNOR PLAZA (Maryland)		2,068	4,905	19,272	2,068	24,177	26,245	21,399	1963	10/1/1985	(1)
GRAHAM PARK PLAZA (Virginia)		1,237	15,096	20,319	1,169	35,483	36,652	28,815	1971	7/21/1983	(1)
GRATIOT PLAZA (Michigan)		525	1,601	17,963	525	19,564	20,089	17,985	1964	3/29/1973	(1)
GREENLAWN PLAZA (New York)		10,590	20,869	813	10,590	21,682	32,272	4,326	1975/2004	1/13/2016	(1)
GREENWICH AVENUE (Connecticut)		7,484	5,445	10,819	7,484	16,264	23,748	5,472	1968	4/12/1995	(1)
HASTINGS RANCH PLAZA (California)		2,257	22,393	616	2,257	23,009	25,266	3,013	1958, 1984, 2006, 2007	2/1/2017	(1)
HAUPPAUGE (New York)		8,791	15,262	5,829	8,419	21,463	29,882	13,729	1963	8/6/1998	(1)
HOBOKEN (New Jersey)	105,939	47,460	167,835	546	47,460	168,381	215,841	6,006	1887-2006	9/18/19, 11/26/19, 12/19/19, & 2/12/20	(1)
HOLLYWOOD BLVD (California)		8,300	16,920	36,159	8,370	53,009	61,379	18,599	1929/1991	3/22/99 & 6/18/99	(1)
HUNTINGTON (New York)		12,194	16,008	19,604	12,194	35,612	47,806	18,564	1962	12/12/88, 10/26/07, & 11/24/15	(1)
HUNTINGTON SQUARE (New York)		—	10,075	3,537	506	13,106	13,612	4,751	1980/2004-2 007	8/16/2010	(1)
IDYLWOOD PLAZA (Virginia)		4,308	10,026	3,089	4,308	13,115	17,423	10,100	1991	4/15/1994	(1)
KINGS COURT (California)		—	10,714	894	—	11,608	11,608	9,979	1960	8/24/1998	(1)
LANCASTER (Pennsylvania)		—	2,103	5,951	432	7,622	8,054	6,009	1958	4/24/1980	(1)
LANGHORNE SQUARE (Pennsylvania)		720	2,974	18,968	720	21,942	22,662	17,239	1966	1/31/1985	(1)
LAUREL (Maryland)		7,458	22,525	30,662	7,503	53,142	60,645	42,119	1956	8/15/1986	(1)
LAWRENCE PARK (Pennsylvania)		6,150	8,491	26,556	6,161	35,036	41,197	23,922	1972	7/23/1980 & 4/3/17	(1)
LEESBURG PLAZA (Virginia)		8,184	10,722	18,416	8,184	29,138	37,322	16,976	1967	9/15/1998	(1)
LINDEN SQUARE (Massachusetts)		79,382	19,247	51,727	79,346	71,010	150,356	29,105	1960-2008	8/24/2006	(1)
MELVILLE MALL (New York)		35,622	32,882	35,161	35,622	68,043	103,665	19,630	1974	10/16/2006	(1)

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MERCER MALL (New Jersey)		5,917	18,358	47,690	5,869	66,096	71,965	34,954	1975	10/14/03 & 1/31/17	(1)
MONTROSE CROSSING (Maryland)	65,596	48,624	91,819	24,539	48,624	116,358	164,982	35,861	1960s, 1970s, 1996 & 2011	12/27/11 & 12/19/13	(1)
MOUNT VERNON/SOUTH VALLEY/7770 RICHMOND HWY. (Virginia)		10,068	33,501	43,397	10,150	76,816	86,966	41,890	1966/1972/ 1987/2001	3/31/03, 3/21/03, & 1/27/06	(1)
NORTH DARTMOUTH (Massachusetts)		9,366	—	3	9,366	3	9,369	2	2004	8/24/2006	(1)
NORTHEAST (Pennsylvania)		938	8,779	23,919	939	32,697	33,636	19,880	1959	8/30/1983	(1)
OLD KEENE MILL (Virginia)		638	998	11,425	638	12,423	13,061	6,466	1968	6/15/1976	(1)
OLD TOWN CENTER (California)		3,420	2,765	31,684	3,420	34,449	37,869	23,745	1962, 1997-1998	10/22/1997	(1)
OLIVO AT MISSION HILLS (California)		15,048	46,732	19,503	15,048	66,235	81,283	4,706	2017-2018	8/2/2017	(1)
PAN AM (Virginia)		8,694	12,929	8,424	8,695	21,352	30,047	16,906	1979	2/5/1993	(1)
PENTAGON ROW (Virginia)		—	2,955	104,222	—	107,177	107,177	54,974	1999 - 2002	1998 & 11/22/10	(1)
PERRING PLAZA (Maryland)		2,800	6,461	22,637	2,800	29,098	31,898	24,646	1963	10/1/1985	(1)
PIKE & ROSE (Maryland)		31,471	10,335	608,663	27,929	622,540	650,469	65,962	1963, 2012-2020	5/18/82, 10/26/07, & 7/31/12	(1)
PIKE 7 PLAZA (Virginia)		14,970	22,799	11,775	14,914	34,630	49,544	19,814	1968	3/31/97 & 7/8/15	(1)
PLAZA DEL MERCADO (Maryland)		10,305	21,553	15,037	10,305	36,590	46,895	7,234	1969	1/13/2016	(1)
PLAZA DEL SOL (California)	8,072	5,605	12,331	(26)	5,605	12,305	17,910	1,546	2009	8/2/2017	(1)
PLAZA EL SEGUNDO/THE POINT (California)	124,429	62,127	153,556	81,203	64,788	232,098	296,886	61,152	2006/2007/ 2016	12/30/11, 6/14/13, 7/26/13, & 12/27/13	(1)
QUEEN ANNE PLAZA (Massachusetts)		3,319	8,457	6,654	3,319	15,111	18,430	10,991	1967	12/23/1994	(1)
QUINCE ORCHARD (Maryland)		3,197	7,949	29,958	2,928	38,176	41,104	24,574	1975	4/22/1993	(1)
RIVERPOINT CENTER (Illinois)		15,422	104,572	1,930	15,422	106,502	121,924	12,907	1989, 2012	3/31/2017	(1)

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ROCKVILLE TOWN SQUARE (Maryland)		—	8,092	37,191	—	45,283	45,283	18,838	2005 - 2007	2006 - 2007	(1)
ROLLINGWOOD APTS. (Maryland)		552	2,246	8,805	774	10,829	11,603	10,237	1960	1/15/1971	(1)
SAN ANTONIO CENTER (California)		26,400	18,462	1,714	26,400	20,176	46,576	4,584	1958, 1964-1965, 1974-1975, 1995-1997	1/9/2015, 9/13/19	(1)
SANTANA ROW (California)		66,682	7,502	1,076,914	57,592	1,093,506	1,151,098	243,734	1999-2006, 2009, 2011, 2014, 2016-2020	3/5/97, 7/13/12, 9/6/12, 4/30/13 & 9/23/13	(1)
SAUGUS PLAZA (Massachusetts)		4,383	8,291	4,580	4,383	12,871	17,254	8,135	1976	10/1/1996	(1)
SYLMAR TOWNE CENTER (California)	16,238	18,522	24,637	2,501	18,522	27,138	45,660	3,062	1973	8/2/2017	(1)
THE AVENUE AT WHITE MARSH (Maryland)	52,651	20,682	72,432	29,339	20,685	101,768	122,453	42,152	1997	3/8/2007	(1)
THE COMMONS AT DARIEN (Connecticut)		30,368	19,523	26,037	30,368	45,560	75,928	5,051	1920-2009	4/3/13 & 7/20/18	(1)
THE GROVE AT SHREWSBURY (New Jersey)	42,972	18,016	103,115	6,002	18,021	109,112	127,133	24,453	1988/1993/ 2007	1/1/2014 & 10/6/14	(1)
THE SHOPPES AT NOTTINGHAM SQUARE (Maryland)		4,441	12,849	1,054	4,441	13,903	18,344	6,416	2005 - 2006	3/8/2007	(1)
THIRD STREET PROMENADE (California)		22,645	12,709	43,667	25,125	53,896	79,021	34,458	1888-2000	1996-2000	(1)
TOWER SHOPPNG CENTER (Virginia)		7,170	10,518	5,038	7,280	15,446	22,726	10,514	1953-1960	8/24/1998	(1)
TOWER SHOPS (Florida)		29,940	43,390	24,934	29,962	68,302	98,264	23,599	1989, 2017	1/19/11 & 6/13/14	(1)
TOWN CENTER OF NEW BRITAIN (Pennsylvania)		1,282	12,285	3,015	1,693	14,889	16,582	6,487	1969	6/29/2006	(1)
TOWSON RESIDENTIAL (FLATS @703) (Maryland)		2,328	—	20,063	2,328	20,063	22,391	2,075	2016-2017	3/8/2007	(1)
TROY HILLS (New Jersey)		3,126	5,193	32,700	5,865	35,154	41,019	24,180	1966	7/23/1980	(1)
TYSON'S STATION (Virginia)		388	453	4,891	493	5,239	5,732	4,046	1954	1/17/1978	(1)
VILLAGE AT SHIRLINGTON (Virginia)		9,761	14,808	39,325	4,234	59,660	63,894	32,191	1940, 2006-2009	12/21/1995	(1)

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Descriptions	Encumbrance	Land	Building and Improvements	Cost Capitalized Subsequent to Acquisition	Land	Building and Improvements	Total	Accumulated Depreciation and Amortization	Date of Construction	Date Acquired	Life on which depreciation in latest income statements is computed
WESTGATE CENTER (California)		6,319	107,284	43,851	6,319	151,135	157,454	66,806	1960-1966	3/31/2004	(1)
WHITE MARSH PLAZA (Maryland)		3,478	21,413	1,497	3,488	22,900	26,388	10,402	1987	3/8/2007	(1)
WHITE MARSH OTHER (Maryland)		29,724	1,843	148	29,754	1,961	31,715	968	1985	3/8/2007	(1)
WILDWOOD (Maryland)		9,111	1,061	17,271	9,111	18,332	27,443	9,723	1958	5/5/1969	(1)
WILLOW GROVE (Pennsylvania)		1,499	6,643	21,131	1,499	27,774	29,273	26,734	1953	11/20/1984	(1)
WILLOW LAWN (Virginia)		3,192	7,723	93,859	7,790	96,984	104,774	65,247	1957	12/5/1983	(1)
WYNNEWOOD (Pennsylvania)		8,055	13,759	20,822	8,055	34,581	42,636	26,423	1948	10/29/1996	(1)
TOTALS	$ 484,111	$ 1,387,748	$ 2,493,283	$ 4,701,839	$ 1,374,797	$ 7,208,073	$ 8,582,870	$ 2,357,692			

(1) Depreciation of building and improvements is calculated based on useful lives ranging from the life of the lease to 50 years.

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Balance, December 31, 2017	$ 7,635,061
Additions during period	
Acquisitions	14,940
Improvements	407,225
Deduction during period—dispositions and retirements of property	(237,754)
Balance, December 31, 2018	7,819,472
January 1, 2019 adoption of new accounting standard - See Note 2	(71,859)
Additions during period	
Acquisitions	309,921
Improvements	441,703
Deduction during period—dispositions and retirements of property	(201,105)
Balance, December 31, 2019	8,298,132
Additions during period	
Acquisitions	39,440
Improvements	473,679
Deductions during period	
Impairment of property	(68,484)
Dispositions and retirement of property	(159,897)
Balance, December 31, 2020 (1)	$ 8,582,870

(1) For Federal tax purposes, the aggregate cost basis is approximately $7.7 billion as of December 31, 2020.

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Three Years Ended December 31, 2020
Reconciliation of Accumulated Depreciation and Amortization
(in thousands)

Balance, December 31, 2017	$ 1,876,544
Additions during period—depreciation and amortization expense	215,969
Deductions during period—dispositions and retirements of property	(33,370)
Balance, December 31, 2018	2,059,143
January 1, 2019 adoption of new accounting standard - See Note 2	(18,173)
Additions during period—depreciation and amortization expense	215,382
Deductions during period—dispositions and retirements of property	(40,939)
Balance, December 31, 2019	2,215,413
Additions during period—depreciation and amortization expense	229,199
Deductions during period	
Impairment of property	(11,631)
Dispositions and retirements of property	(75,289)
Balance, December 31, 2020	$ 2,357,692

FEDERAL REALTY INVESTMENT TRUST
SCHEDULE IV
MORTGAGE LOANS ON REAL ESTATE
Year Ended December 31, 2020

(Dollars in thousands)

Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H
Description of Lien	**Interest Rate**	**Maturity Date**	**Periodic Payment Terms**	**Prior Liens**	**Face Amount of Mortgages**	**Carrying Amount of Mortgages(1)**	**Principal Amount of Loans Subject to delinquent Principal or Interest**
Mortgage on retail buildings in Philadelphia, PA	8% or 10% based on timing of draws, plus participation	May 2021	Interest only monthly; balloon payment due at maturity	$ —	$21,872	$ 21,082 (2)	$ 21,082 (3)
Mortgage on retail buildings in Philadelphia, PA	10% plus participation	May 2021	Interest only monthly; balloon payment due at maturity	—	9,250	9,250	9,250 (3)
Second mortgage on a retail shopping center in Rockville, MD	11.5%	February 2026	Interest only monthly; balloon payment due at maturity	58,750 (4)	5,075	5,075	—
Second mortgage on a retail shopping center in Rockville, MD	10.75%	February 2026	Interest only monthly; balloon payment due at maturity	58,750 (4)	4,500	4,485	—
				$58,750	$40,697	$ 39,892	$ 30,332

(1) For Federal tax purposes, the aggregate tax basis is approximately $40.7 million as of December 31, 2020. Upon the adoption of ASU 2016-13, we recorded expected losses related to these loans, and are required to do so going forward. See note 2 to the consolidated financial statements.
(2) This mortgage is available for up to $25.0 million.
(3) The borrower was notified in October 2020 that these mortgages were in default. No interest payments were made from April through July, and partial payments from August through December 31, 2020.
(4) These mortgages are both subordinate to a first mortgage of $58.8 million in total. We do not hold the first mortgage loan on this property. Accordingly, the amount of the prior lien at December 31, 2020 is estimated.

FEDERAL REALTY INVESTMENT TRUST
SCHEDULE IV
MORTGAGE LOANS ON REAL ESTATE - CONTINUED
Three Years Ended December 31, 2020
Reconciliation of Carrying Amount
(in thousands)

Balance, December 31, 2017, 2018, and 2019	$ 30,429
January 1, 2020 adoption of new accounting standard - See Note 2	(790)
Additions during period:	
Acquisition of loans, net of valuation adjustments	9,560
Issuance of loans	693
Balance, December 31, 2020	$ 39,892

March 25, 2021

Dear Shareholders:

With the unprecedented global health pandemic and the social unrest experienced throughout the U.S, 2020 was a difficult year for our company and for our employees, tenants, shareholders and communities where we do business. From the earliest stages of the pandemic, we took action to protect the health and safety of our employees and the shoppers and residents who come to our properties. We also worked hard with those of our tenants who have had their businesses dramatically impacted by the pandemic to work in partnership with them to find a financial path forward where we could both continue to have successful long-term businesses when we get to the other side of COVID. Although there are still many challenges ahead, we believe we've positioned the company well to emerge from the pandemic in a strong position and to deliver long-term success. We're proud of the work of our Board and our entire workforce in 2020 and look forward to sharing that with you.

On behalf of the Board of Trustees and the entire Federal team, we'd like you to join us at our 2021 Annual Meeting of Shareholders. Although we would love to be able to see everyone in person, we believe that the continuing impacts of COVID make it more prudent for us to hold our meeting virtually. This proxy statement includes important information for how you can join and ask questions in the meeting and about the matters that will be voted on at the meeting.

We look forward to your participation in the meeting and want to thank you for your continued support of Federal.

Sincerely,

Joseph S. Vassalluzzo
Non-Executive Chairman of the Board

Donald C. Wood
Chief Executive Officer

The 2021 annual meeting of shareholders of Federal Realty Investment Trust will be held:

When: Wednesday, May 5, 2021 9:00 A.M. Eastern Time
How: Virtually at *https://web.lumiagm.com/202329683*

Shareholders will be permitted to ask questions during the meeting. Instructions for asking questions are included later in this proxy statement.

Proposal		For More Information	Board Recommendation
Proposal 1:	Election of our seven nominees to serve as trustees for a term of one year	Page 13	✓ For each nominee
Proposal 2:	Consideration of an advisory vote to approve executive compensation	Page 17	✓ For
Proposal 3:	Ratification of the appointment of Grant Thornton, LLP to serve as our independent registered public accountants for fiscal year 2021	Page 34	✓ For

Shareholders of record of Federal's common shares of beneficial interest ("Shares") (NYSE: FRT) at the close of business on March 16, 2021 are entitled to vote at the meeting and any postponements or adjournments of the meeting.

March 25, 2021

Dawn M. Becker
Executive Vice President,
General Counsel and Secretary

Important Notice Regarding Availability of Proxy Materials for the Shareholder Meeting to be held on May 5, 2021:
The proxy statement and annual report to shareholders, including our annual report on Form 10K for the year ended December 31, 2020 are available at *www.federalrealty.com.*

How to Vote

If you own your Shares directly with American Stock Transfer and Trust, LLC, you are a registered shareholder and can vote in person at the Annual Meeting or by proxy without attending the Annual Meeting through one of the following methods:

By Internet
Visit www.voteproxy.com, available 24/7

By Telephone
Call 1-800-776-9437, available 24/7

By Mail
Mark, sign and date your proxy card

If you vote by internet or telephone, you will need the control number on your Notice of Internet Availability, proxy card or voting instruction form. Votes must be submitted by the close of the Annual Meeting to be counted for the meeting. You may revoke your proxy at any time before it is voted at the Annual Meeting by notifying the secretary in writing, submitting a proxy dated later than your original proxy, or attending the Annual Meeting and voting during the webcast. We strongly recommend that you vote your Shares in advance of the Annual Meeting. More detailed information on how to participate in our virtual annual meeting can be found in the "How to Vote" section on page 40.

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About Federal

Federal Realty Investment Trust is an S&P 500 company founded in 1962 that owns, operates and redevelops high-quality retail based real estate located primarily in major coastal markets from Washington, D.C. to Boston as well as San Francisco and Los Angeles. Federal's mission is to deliver long term, sustainable growth through investing in communities where retail demand exceeds supply. Our expertise includes creating urban, mixed-use neighborhoods like Santana Row in San Jose, California, Pike & Rose in North Bethesda, Maryland and Assembly Row in Somerville, Massachusetts. These unique and vibrant environments that combine shopping, dining, living and working provide a destination experience valued by their respective communities. Our 101 properties include approximately 2,800 commercial tenants, in more than 23 million square feet, and approximately 2,900 residential units.

Throughout this proxy statement, we use the terms "Federal", "Company", "we", "our" and "us" to refer to Federal Realty Investment Trust and the terms "Board" and "Trustees" to refer to the Board of Trustees of Federal Realty Investment Trust and individual members of the Board.

Summary Information

COVID-19 Response

The Company devoted a substantial amount of time and effort in 2020 to responding to the human and financial impact of the COVID-19 pandemic while maintaining the focus on positioning the Company for long-term future growth after the impacts of COVID-19 have dissipated. From the outset of the pandemic, the Company took actions to protect and assist our employees, our tenants, visitors to our properties and the communities in which we do business and to respond to the business impact from the pandemic.

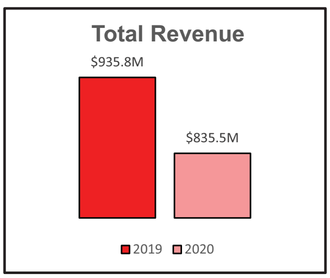
Our Employees: Throughout the entirety of the pandemic, we maintained our full workforce with no layoffs, furloughs or modifications to employee compensation or benefits. We quickly transitioned the majority of our work force to working from home and provided enhanced health, wellness and other support resources to help everyone deal with the impacts of the pandemic.

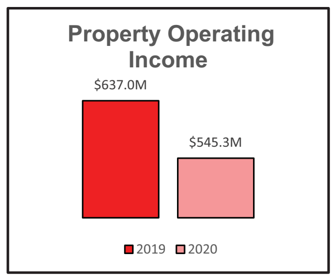
Our Properties and Tenants: We quickly implemented health, safety and convenience measures at our properties for the benefit of our commercial tenants and the shoppers who patronized their businesses as well as for our residential and office tenants. We also partnered with many of our commercial tenants by modifying the financial obligations under their leases where their businesses were severely impacted by government imposed restrictions and also assisted them in identifying and securing federal, state and local aid available to combat the impacts of COVID-19.

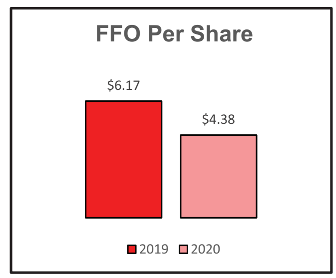
Our Shareholders: Very quickly after the potential impact of the pandemic started to become clear, we fully drew down our $1 billion line of credit to ensure sufficient liquidity to continue to operate our business. We raised additional capital throughout the course of 2020 and ultimately repaid the line of credit. We ended 2020 with a fully undrawn line of credit and $800 million of cash on our balance sheet which we believe positions us well to weather the impacts from COVID-19 without jeopardizing the long-term prospects of the Company.

2020 Company Performance

The COVID-19 pandemic had a significant impact on our business. Many of our tenants were unable to fully operate their businesses for substantial portions of 2020 and as a result, those tenants were unable to pay the full rent owing under their leases during 2020 which is our primary source of revenue. We modified rent obligations under approximately 1,200 of our commercial leases in response to the COVID-19 pandemic as a way to help keep our tenants in business while their operations were impacted and to maximize our rent collections. Our total revenue decreased by approximately 11% from $935.8 million in 2019 to $835.5 million in 2020, largely the result of the impacts of the pandemic. Although our revenues were down significantly, we were not able to reduce operating expenses by any significant amount as we needed to continue to keep our properties operational and safe for the essential businesses that remained open and operating in our properties and their customers. That resulted in our property operating income declining 14% from $637.0 million in 2019 to $545.3 million in 2020. To ensure we had sufficient liquidity to continue our business during COVID, we raised $1.6 billion of new capital in 2020 which was in excess of our planned capital needs for the year. As a result, we carried significant cash balances on our balance sheet during most of 2020 which adversely impacted our earnings. The combination of our decline in revenues and capital activities were primary causes of our funds from operations per diluted share ("FFO") decreasing to $4.38 in 2020 from $6.17 in 2019. See our Annual Report on Form 10-K for more information on the impact of COVID-19 on our business in 2020 and our calendar year 2020 performance.







Property operating income and FFO per share are non-GAAP financial measures that we consider significant in our business. More information on each of these measures can be found on Appendix A.

Corporate Responsibility and Human Capital Management

Corporate responsibility is a high priority for the Company. Our focus on environmental, social and governance principles ("ESG") is embedded into the way we do business at every level of our organization. We believe that we can own, operate, develop and redevelop our real estate assets incorporating environmental and societal considerations in a way that is beneficial for our stakeholders. Our ESG matters are governed at the highest level starting with our Nominating and Corporate Governance Committee ("Nominating Committee") that has direct oversight responsibility for our ESG efforts on behalf of the Board. Internally, our ESG matters are overseen by our Executive Vice President-General Counsel and Head of Sustainability with support from key department heads and an interdisciplinary council made up of employees representing different functional areas, different offices and different employee demographics.

We have aligned our ESG efforts with the United Nations Sustainable Development Goals, focusing on the following goals where our business can have the most impact:

We require that all investments presented to our Board or internal Investment Committee address the ESG impact of the proposed investment in alignment with these goals.

Environmental Sustainability

We have a long-standing commitment to owning, operating, developing and redeveloping our assets in a way that minimizes their impact on the environment, in particular, lowering greenhouse gas (“GHG”) emissions, over the long-term. Some of our highlights include:

Actively developing and using solar power. We have installed and own outright solar arrays on approximately 25% of our properties with capacity to generate in excess of 13 million kWhs of power annually. We have additional solar projects in process that are expected to increase our capacity for on-site solar energy production to more than 15 million kWhs per year. Our on-site solar arrays produced 13% of the electricity purchased for our properties in 2019, including providing electricity to numerous of our tenants who purchase our solar power directly. We were ranked 4th in the real estate sector by Solar Energy Industry Association in on-site solar capacity in 2019.[1]

Investing in energy reduction technology. We continue to upgrade lighting in the common areas of our properties to LED as a way to reduce overall energy consumption. We have focused on the common area of our properties because it is the largest contributor to energy consumption at our properties that we as landlord can control and readily impact. Approximately 60% of our portfolio has been upgraded in whole or in part to LED lighting with more in process. Our efforts to improve energy efficiency led to a 12% reduction in our like for like common area electricity consumption in the three years of 2017 through 2019.

Procuring energy from low carbon sources. We work with a third party to manage our energy procurement strategy in regions where we can purchase energy directly from an energy supplier rather than from the utility. In these regions, we purchase renewable energy where available and financially viable. In 2019, 45% of the electricity we purchased at our properties came from low carbon sources with 13% of that amount being generated by our on-site solar arrays and the remaining 32% coming from other low carbon sources such as hydropower and nuclear.

Supporting electrification infrastructure for automobiles. We are supporting the conversion to electric vehicles by providing 200 EV changing stations that are currently operational on our properties with 51 more in process.

Building and investing to minimize environmental impact. We have invested approximately $1 billion in 16 LEED certified projects to date with 5 more projects totaling another $1 billion in progress. All nine of the newly constructed buildings in our Pike & Rose project have achieved LEED certification which contributed to the entirety of Pike & Rose earning a LEED for Neighborhood Development Stage 3 Gold certification. As part of these developments, we purchased more than 7,000 MWh of renewal energy credits and it is estimated that our energy usage on these buildings has been reduced by 19% from the LEED baseline which is an estimated avoidance of 7,622 metric tons of CO_2 emissions annually. Our development and redevelopment projects also prioritize the reuse of existing materials to minimize the need to produce and transport additional product, again minimizing our GHG emissions.

[1] COVID-19 significantly impacted our operations in 2020 and a result, operating data for 2020 is not comparable. We are using 2019 data for comparability purposes.

Valuing Our Culture and Our Team

Having a team of dedicated and talented employees is critical to our long-term success. We take a holistic approach to hiring, developing and retaining our employees with the tone set by the Board and the oversight provided by our Compensation and Human Capital Management Committee (“Compensation Committee”).

Our Culture: It starts with creating a culture that motivates, inspires and challenges our team. The foundation of that culture is based on our four core values that guide each employee’s approach to his or her job and also guides our interactions internally as well as with our partners and other stakeholders:

Excellence “Be Outstanding”	♦ Strive to be best in class ♦ Embrace change ♦ Be determined to succeed	Integrity “Make Us Proud”	♦ Always do the right thing ♦ Be trustworthy, fair and respectful ♦ Value diversity in all respects ♦ Value what makes us unique
Accountability “Own It”	♦ Do what you say you’re going to do ♦ Take ownership of your work quality ♦ Take pride in team achievements ♦ Be accountable for what you do	Innovation “Be Progressive”	♦ Innovate and challenge the norm ♦ Be creative ♦ Take smart risks ♦ Learn from setbacks

Our Talent: We invest in our talent in many ways that go beyond providing market competitive compensation. We support the health and wellness of our employees through a wide range of benefits that includes providing a working environment that promotes health and well-being. Two-thirds of our office employees are located in LEED Gold certified office buildings with ergonomically designed work-stations including those in our corporate headquarters where we earned a Fitwel certification recognizing the high level of health and wellness features provided in the office. Our wellness program also supports our commitment to the community as we leverage wellness motivation with rewards that are linked to social causes that give back to the community. We have also made significant investments in systems that not only allow us to train employees to develop new skills but improves the quality of their work experience by allowing them to focus their efforts on the intellectually challenging and motivating aspects of their job instead of tedious, routine tasks and by providing them with more flexibility performing their job to promote greater work life balance. The success in managing our team is evident in the fact that we had a 94% retention rate in 2020 and the average tenure of our employees is more than 8 years as of the end of 2020.

Recognition: Our efforts were recognized in 2020 by the Alliance for Workplace Excellence with their Workplace Seal of Approval (13th consecutive year), Health & Wellness Seal of Approval (13th consecutive year), and EcoLeadership Award (10th consecutive year). The Alliance for Workplace Excellence is an organization that recognizes employers throughout the United States for their exemplary commitment to building excellent places to work.

Corporate Governance

Federal's corporate governance principles, guidelines and practices are designed to support consistent financial performance and long-term value creation for our shareholders. They incorporate the regulatory requirements under which we operate, recognized effective governance practices and the basic structure for effective leadership and oversight by our Board and our senior management team.

Corporate Governance Framework

The functioning of the Board is guided by our Corporate Governance Guidelines which provide a framework for governance of the Company and set forth the responsibilities of the Board. The Corporate Governance Guidelines are supplemented by committee charters and other governance documents that are reviewed on a regular basis by the Board to ensure that they remain effective given then-current conditions. In addition, we have adopted a Code of Ethics that applies to our senior financial officers as required by law.

Complete copies of our Corporate Governance Guidelines, Committee Charters, Code of Business Conduct, Code of Ethics for Senior Financial Officers and other governance documents are available in the Investor/Corporate Governance section of our website at *www.federalrealty.com*.

Key Governance Policies and Practices

Some of the key governance policies and practices that govern the Company include the following:

Board Composition	✓ Independent Non-Executive Chairman since 2003 ✓ Independent Committees ✓ Annual Board and Committee Evaluations ✓ Annual Individual Trustee Evaluations
Shareholder Rights	✓ Annual election of Trustees ✓ Shareholder approval required to classify the Board ✓ Majority voting in uncontested elections ✓ Proxy access for shareholders (New) ✓ No poison pill
Key Policies	✓ Pay for performance compensation philosophy ✓ Prohibition on hedging and pledging our stock ✓ Stock ownership guidelines for Trustees and senior management ✓ Clawback policy in place

Our Board

Refreshment and diversification were priorities of the Board in 2020. These efforts led to Nicole Y. Lamb-Hale and Anthony P. Nader, III being added to the Board on September 1, 2020 to fill the planned vacancies that would be created by the departures of Joseph S. Vassalluzzo (age 73) and Jon E. Bortz (age 64), neither of whom are standing for reelection in 2021. Information about each of Ms. Lamb-Hale and Mr. Nader is included below under "Proposal 1 - Election of Seven Trustees". The Board believed it was critical to have a significant period of time during which our new Trustees were able to serve on the Board with all of our current Trustees in order for them to get the broadest range of Board perspectives and insights into our business and to get up to speed as quickly as possible.

This is especially critical in the real estate business given that the decisions made by the Board on real estate projects often take years to come to fruition and have long-term impacts that cannot easily be changed. Further changes to our Board will be determined based on individual Trustee performance evaluations and the ongoing evaluation of the skill sets of our Trustees to ensure that they provide the full range of expertise needed to effectively carry out their fiduciary obligations to oversee the Company on behalf of our shareholders.

Board of Trustees Nominee Information and Statistics

The chart below provides a snapshot of information about the nominees standing for election to the Board in 2021. It does not include information for either Mr. Vassalluzzo or Mr. Bortz who are currently Trustees but are not standing for re-election at the 2021 shareholder meeting.

	Nominee Qualifications and Information						
	Faeder	**Holland**	**Lamb-Hale**	**Nader**	**Ordan**	**Steinel**	**Wood**
Qualifications/Experience							
Public Company Board Service	✓	✓	✓	✓	✓	✓	✓
REIT/Public Company Executive	✓				✓		✓
Financial Expertise/Literacy	✓	✓		✓	✓	✓	✓
Real Estate Investing/Finance	✓	✓		✓	✓		✓
Retail Industry		✓		✓	✓		
Human Capital Management	✓	✓	✓	✓	✓	✓	✓
Corporate Responsibility Oversight	✓	✓	✓	✓	✓	✓	✓
Risk Management Oversight	✓	✓	✓	✓	✓	✓	✓
Committee Membership							
Audit	M$			M$		C$	
Compensation	C	M	M			M	
Nominating/Corporate Governance		C	M	M			
Basic Information							
Trustee Since	2003	2017	2020	2020	2019	2006	2003
Age	64	55	54	57	62	64	60
Gender Diversity		✓	✓			✓	
Ethnic Minority			✓				
Independent	✓	✓	✓	✓		✓	

C=Chair M=Member $=Financial Expert

Average Tenure (non-management trustees)

6.5 years

Board Leadership Positions Held by Women

50%

Diversity

3 women
1 minority

Board Composition and Independence

With the addition of two new Board members in September 2020, the size of our Board was increased from seven to nine trustees. Mr. Vassalluzzo and Mr. Bortz who have served on the Board since 2002 and 2005, respectively, will serve out their current term to the 2021 Annual Meeting but will not stand for reelection at the meeting. At that point, assuming all nominees are elected, our Board will be comprised of seven trustees including three women and one representative of an underrepresented minority group. Further, two of our four Board leadership positions are held by women.

Before nominating any individual to the Board whether at the annual meeting or otherwise, the Board conducts a complete review of each potential nominee to determine whether that individual is independent. That review takes into account all relationships between us and the nominee that could impact the nominee's ability to exercise independent judgment as well as the independence requirements outlined in our Corporate Governance Guidelines and the New York Stock Exchange ("NYSE") listing manual. Our Corporate Governance Guidelines include a standard that a Trustee's position as a director, officer or owner of a company with which we do business does not constitute a material relationship so long as payments made by that company do not account for more than five percent (5%) of our gross revenues or more than ten percent (10%) of the gross revenues of that company. After this review, the Board determined that all of our Board members other than Mr. Ordan and Mr. Wood are independent. In determining that Mr. Nader is independent, the Board considered certain indirect passive investments Mr. Nader has in a small number of the Company's tenants and determined that such investments did not constitute a material relationship with the Company and would not interfere with Mr. Nader's ability to exercise independent judgment. Mr. Ordan is not considered independent under NYSE listing standards because within the last three years, our chief executive officer, Mr. Wood, served on the compensation committee of QCP Properties, Inc. ("QCP") while Mr. Ordan served as the chief executive officer of QCP. Mr. Wood's board service at QCP ended in July 2018 and as a result, starting in August 2021, the Board may determine that Mr. Ordan is independent.

Building the Right Board for Federal

Primary responsibility for identifying and recommending individuals to be added to the Board and stand for election by shareholders has been delegated to the Nominating Committee. The Nominating Committee focuses on identifying individuals who have the highest personal and professional integrity, have demonstrated exceptional intelligence and judgment, have proven leadership skills, are committed to our success, have the requisite skills necessary to advance our long term strategy which is so critical in the real estate industry, and have the ability to work effectively with our Chief Executive Officer and other members of the Board. For incumbent Trustees, the Nominating Committee also takes into account his/her performance as a board member which is evaluated annually and the need to periodically refresh the Board. Also critical to the consideration is ensuring there is diversity on the Board that can bring different viewpoints to discussions reflecting their diverse backgrounds and experiences. The Board believes that a diversity of skills, ages, tenure, gender and ethnicity are all factors to be considered, consistent with the goal of creating a Board that best serves the needs of the Company and our shareholders. The Board has not established any specific diversity goals but made diversity a priority as part of the Board refreshment in 2020.

To identify, recruit and evaluate qualified candidates for the Board, the Board first looks to individuals known to current Board members through business and other relationships. If the Board is not able to identify qualified candidates in that way, the services of a professional search firm would be used. Both Ms. Lamb-Hale and Mr. Nader were recommended through existing business relationships. Each Board member met individually with Ms. Lamb-Hale and Mr. Nader before the unanimous decision was made to add them to the Board.

Shareholders are also able to nominate individuals to stand for election to our Board by following the procedures set forth in our Bylaws. In February 2021, the Board approved amending the Company's Bylaws to implement proxy access. As amended, our Bylaws permit a shareholder, or a group of up to 20 shareholders, that has continuously owned for 3 years at least 3% of the Company's outstanding common shares of beneficial interest to nominate and include in the Company's annual meeting proxy materials up to the greater of two trustees or 20% of the number of trustees serving on the Board, provided that the shareholder(s) and the nominee(s) satisfy the requirements set forth in our Bylaws. For further information regarding submission of a trustee nominee using the Company's proxy access Bylaw provision or otherwise, see the "Shareholder Proposals for 2022 Annual Meeting" section at page 42.

The following table below summarizes certain of the key areas of experience and expertise for our nominees that help to support our long-term business strategy and as a result are relevant when considering candidates for election to the Board.

Public Company Board Service	Provides an understanding of corporate governance practices and the dynamics and operation of a corporate board, management accountability and protecting shareholder interests in a public company setting	7 nominees
REIT/Public Company Executive	Experience of this type gives our Board strong leadership experience across a range of corporate governance, strategic planning, operational and management and succession issues	3 nominees
Financial Expertise/Literacy	Provides our Board with the financial acumen necessary to inform its oversight of our financial performance and reporting, internal controls and long-term strategic planning	6 nominees
Real Estate Investing/Finance	Experience of this type gives our Board the financial acumen to oversee our capital investment decisions which are significant and have significant impact on earnings and long-term value creation	5 nominees
Retail Industry	Experience of this type provides our Board with necessary perspective on issues facing retailers and how they grow, finance and operate their businesses to assist the Board in evaluating potential tenant risks which is critical to understand for our largest revenue stream	3 nominees
Human Capital Management	Experience of this type enables trustees to make important contributions to our efforts to attract, motivate and retain high performing employees, engage in succession planning and interact effectively with our workforce	7 nominees
Corporate Responsibility Oversight	Experience of this type supports our emphasis on strong Board and management accountability, transparency, protection of shareholder interests and long-term value creation through our ESG efforts and otherwise	7 nominees
Risk Management Oversight	Experience of this type provides our Board with the ability to identify challenges and potential disruptors to our business and to help ensure appropriate actions are taken to mitigate risks that could significantly impact the Company	7 nominees

Board Leadership

Since 2003, our Board has been operated under a structure that includes a non-executive chairman. The Board believes that its oversight function is enhanced by having an independent trustee in that leadership role and in a position to set the agenda for, and preside over, meetings of the Board. We also believe that our leadership structure enhances the active participation of our independent trustees and provides an effective way to ensure that our non-management trustees are fully informed and have the opportunity to fully debate all important issues in order to fulfill their oversight responsibilities and hold management accountable for the performance of the Company. This also allows our Chief Executive Officer to focus his time on running our day-to-day business. Our Non-Executive Chairman presides at all meetings of the Board and all executive sessions of the non-management and independent trustees. Mr. Vassalluzzo currently serves as the Non-Executive Chairman and will remain in that position until his term ends with the 2021 Annual Meeting. At that point, Mr. Faeder, assuming he is elected at the Annual Meeting, will become the Non-Executive Chairman of the Board.

Board Meetings

The Board of Trustees held 7 meetings in 2020 which because of COVID-19 related restrictions, were conducted in various combinations of in-person and video conference. On average, our Trustees attended 98% of all meetings of the Board and 100% of all committee meetings during 2020. It is our policy for all Trustees to attend our annual meeting of shareholders absent exceptional cause and all of our Trustees did attend our 2020 Annual Meeting of Shareholders which was held virtually because of COVID-19 restrictions.

Board Committees

The Board has three standing committees – the Audit Committee, the Compensation Committee and the Nominating Committee. Each committee operates under a written charter that is available in the Investors/Corporate Governance section of our website at *www.federalrealty.com.* Each committee member meets the independence, experience and, with respect to the Audit Committee, the financial literacy requirements of the NYSE, the Securities and Exchange Commission ("SEC") and our Corporate Governance Guidelines. Over the past year, the charter of the Compensation Committee was updated to specifically require that the committee oversee our general human resource policies and practices for our entire workforce and the Nominating Committee charter was updated to specifically require that committee to oversee our ESG efforts. Although these topics have always been covered in Board meetings, the Board believes that these critical issues should have the heightened level of attention that committees can bring to bear. Information about each of these committees is included in the charts below:

Audit Committee

Members: Gail P. Steinel (Chair)* Jon E. Bortz* David W. Faeder* Anthony P. Nader*♦ **# of 2020 Meetings:** 4 * Qualifies as an "audit committee financial expert" as defined by the SEC ♦ Joined the Audit Committee on November 4, 2020	The Audit Committee responsibilities include the following: ● Selecting our independent auditor and approving and overseeing its work ● Overseeing our financial reporting, including reviewing results with management and our independent auditor ● Overseeing our internal systems of accounting and control ● Overseeing financial, cybersecurity and similar risks with regular quarterly updates on each of these topics. Each member of the Audit Committee is "independent" as defined by the SEC, the NYSE and our Corporate Governance Guidelines. More information on the Audit Committee is included in the Audit Committee Report and "Proposal 3: Ratification of Independent Auditor" beginning on page 34.

Compensation and Human Capital Management Committee

Members: David W. Faeder (Chair) Elizabeth I. Holland Nicole Y. Lamb-Hale♦ Gail P. Steinel Joseph S. Vassalluzzo **# of 2020 Meetings:** 2 ♦ Joined the committee on November 4, 2020	The Compensation Committee responsibilities include the following: ● Reviewing and recommending compensation for our senior officers ● Administering and making awards under our long-term incentive award plans ● Administering other benefit programs of the Company ● Overseeing our strategies and policies related to key human resources policies and practices for all employees (New) Each member of the Compensation Committee is "independent" as defined by the NYSE and our Corporate Governance Guidelines. The Compensation Committee Report is included at page 27 of this proxy statement and more detail on the work of the Compensation Committee is included in the "Compensation Discussion and Analysis" beginning on page 18.

Nominating and Corporate Governance Committee

Members: Elizabeth I. Holland (Chair) Jon E. Bortz Nicole Y. Lamb-Hale♦ Anthony P. Nader♦ Joseph S. Vassalluzzo **# of 2020 Meetings:** 2 ♦ Joined the committee on November 4, 2020	The Nominating Committee responsibilities include the following: ● Recommending individuals to stand for election to the Board ● Making recommendations regarding committee memberships ● Overseeing our corporate responsibility and sustainability efforts and strategy, including quarterly updates on our strategy, progress and priorities (New) ● Overseeing our corporate governance policies and procedures, including Board and Trustee evaluations Each member of the Nominating Committee is "independent" as defined by the NYSE and our Corporate Governance Guidelines.

Board and Committee Evaluations

The Board and each committee conducts an annual assessment of its effectiveness. The assessment is conducted as an open discussion in the last meeting of the year and specifically addresses areas identified in materials circulated in advance of the meeting as well as any other topic raised during the discussion. In addition, annual evaluations are conducted for each individual trustee. That process is conducted by the chair of the Nominating Committee who circulates a written questionnaire to each Trustee who then completes a questionnaire evaluating the performance of each of the other Trustees. The questionnaires are returned to the Nominating Committee chair who assembles the feedback and has individual conversations with each Trustee about the results of his/her evaluation including identifying any areas that need improvement. The one-on-one discussions are also used as an opportunity for any individual Trustee to raise any other Board related topics they would like to discuss. The Non-Executive Chairman runs this same process for the evaluation of the chair of the Nominating Committee. At the Company's first meeting each year, the Nominating Committee chair and the Non-Executive Chairman provide an overview of the results of the evaluations to the entirety of the Board.

Board's Risk Management Oversight

The Board is responsible for overseeing enterprise level risk of the Company and does so directly and through its committees. The entire Board regularly receives updates from management on the continued viability of our business plan, market conditions, capital position, and our business results and specifically reviews potential business risks. Those updates were more frequent in 2020 as the impacts of COVID-19 were assessed and the strategies and plans for operating through the pandemic were discussed regularly. The Board reviews that information together with our quarterly and annual financial statements and operating results and short and long-term business prospects to assess the risks that we may encounter and to establish appropriate direction to avoid or minimize the potential impact of the identified risks. Some of the details that are discussed as part of the Board's review of potential risks facing us include, without limitation:

- the impact of market conditions on our business;
- operational risks to the rental stream and growth potential of our properties;
- liquidity and credit risks, including our ability to access capital to run and grow our business and our overall cost of capital and the impact on our profitability;
- investment risks from acquisitions and our development and redevelopment projects;
- regulatory risks that may impact our profitability;
- risks relating to our status as a real estate investment trust;

- environmental related risks including the physical and transitional risks to the Company in connection with climate change;
- human capital risks particularly as it relates to our ability to attract and retain high quality employees critical to our business;
- cybersecurity risks; and
- general risks inherent in the real estate industry.

During 2020, a significant portion of the risk discussions and review conducted by the Board were focused on the impact of COVID-19 both for the short-term ability of the Company to continue its business operations as well as the potential longer-term impacts.

Compensation Risk Assessment

In February 2021, our Compensation Committee reviewed our compensation policies and practices for all of our employees to determine whether any of such policies or programs created any risk that is reasonably likely to have a material adverse effect on the Company. Based on that review, the Committee does not believe that our compensation programs encourage unnecessary or excessive risk taking. Specifically, the incentive compensation of 94% of our employees is based solely on corporate performance objectives. For the approximately 6% of our employees who earn all or a portion of their compensation from commissions or bonuses earned by completing leasing transactions or closing acquisitions, they cannot complete any deals without first obtaining approvals from either the Board and/or one or more members of senior management whose incentive compensation is tied to corporate performance.

Compensation Committee Interlocks and Insider Participation

The Compensation Committee consists of Mr. Faeder, Ms. Holland, Ms. Lamb-Hale, Ms. Steinel and Mr. Vassalluzzo. There are no Compensation Committee interlocks and no member of the Compensation Committee serves, or has in the past served, as an employee or officer of the Company.

Communications with the Board

Any shareholder or other interested party may communicate with the Board or any Trustee by sending the communication to our corporate offices at 909 Rose Avenue, Suite 200, North Bethesda, Maryland 20852 in care of our Secretary. All communications should identify the party to whom it is being sent. Any communication which indicates it is for the Board of Trustees or fails to identify a particular Trustee will be deemed to be a communication intended for our Non-Executive Chairman of the Board. Our Secretary will promptly forward to the appropriate Trustee all communications received for the Board or any individual Trustee which relate to our business, operations, financial condition, management, employees or similar matters. Our Secretary will not forward to any Trustee any advertising, solicitation or similar materials.

Trustee Compensation

Our non-management Trustees were eligible to receive the following types and amounts of compensation for service on the Board and its committees in 2020. No changes were made to Trustee compensation for 2021. All amounts are prorated for any partial years of service and Shares issued are fully vested on the grant date.

Non-Executive Chairman	$110,000 annual retainer paid in cash $165,000 annual retainer paid in Shares
Non-Management Trustees	$80,000 annual retainer paid in cash $120,000 annual retainer paid in Shares
Audit Committee Chair	$25,000 chair fee paid in cash
Compensation Committee Chair	$15,000 chair fee paid in cash
Nominating Committee Chair	$15,000 chair fee paid in cash

In addition to the annual retainer for the Non-Executive Chairman described above, Mr. Vassalluzzo received administrative support for both Company business and his personal use from our regional office in Wynnewood, Pennsylvania. There were no additional fees paid or services provided to any Trustee for service on any of the Board committees or for attendance at any Board or committee meetings other than those described above.

The actual compensation awarded to our Trustees for service in 2020 was as follows:

	Annual Retainer		Committee	All Other	
Name	Paid in Cash	Paid in Shares[(1)]	Chair Fees	Compensation	Total
Jon E. Bortz	$ 80,000	$ 120,000	$ -		$ 200,000
David W. Faeder	$ 80,000	$ 120,000	$ 15,000	$ -	$ 215,000
Elizabeth I. Holland	$ 80,000	$ 120,000	$ 15,000	$ -	$ 215,000
Nicole Y. Lamb-Hale[(2)]	$ 26,667	$ 40,000	$ -	$ -	$ 66,667
Anthony P. Nader, III[(2)]	$ 26,667	$ 40,000	$ -	$ -	$ 66,667
Mark S. Ordan	$ 80,000	$ 120,000	$ -	$ -	$ 200,000
Gail P. Steinel	$ 80,000	$ 120,000	$ 25,000	$ -	$ 225,000
Joseph S. Vassalluzzo[(3)]	$ 110,000	$ 165,000	$ -	$ 8,700	$ 283,700
Total	**$ 563,333**	**$ 845,000**	**$ 55,000**	**$ 8,700**	**$ 1,472,033**

(1) Shares were issued on January 4, 2021 with the number of Shares received by each Trustee determined by dividing the amount to be paid in Shares by $85.12, the closing price of our Shares on the NYSE on December 31, 2020.

(2) Pro-rated for partial year of service beginning September 1, 2020.

(3) The amount in the "All Other Compensation" column represents the estimated value of the administrative services we make available to Mr. Vassalluzzo. We do not believe there is any incremental cost to us of providing this administrative support.

Trustees are required to maintain ownership of our Shares having a value equal to 5 times the amount of their annual cash retainer. This requirement must be met within 5 years after joining the Board. As of December 31, 2020, neither Ms. Holland, Ms. Lamb-Hale, Mr. Nader nor Mr. Ordan met the ownership requirements. Each of these individuals joined the Board within the last 4 years and we expect each of them to be in compliance within the 5-year time frame.

Proposal 1: Election of Seven Trustees

Our Board, on recommendation of the Nominating Committee, has nominated seven of our current Trustees to stand for election at the 2021 Annual Meeting. All Trustees elected at the meeting will hold office until the 2022 Annual Meeting of Shareholders and until their successors have been duly elected and qualified. Neither Mr. Vassalluzzo nor Mr. Bortz will stand for re-election although both will continue to serve for the remainder of their current terms through the 2021 Annual Meeting.

You are entitled to cast one vote per Share for each of the seven named individuals. Proxies may not be voted for more than seven individuals. An “abstention” or “broker non-vote” will have no effect on the outcome of the vote for this proposal. Our Bylaws require that a nominee receive a majority of votes cast in order to be elected. Any nominee who does not receive a majority of votes cast will be required to submit a resignation to the Nominating Committee which would then make a recommendation to the Board as to whether to accept the resignation. The decision by the Board on any resignation would be publicly disclosed, along with the rationale for the decision, within 90 days after the election. We believe this process is a best practice and provides accountability to our shareholders. Over the past 5 years, each of our Trustee nominees who have been voted on at our annual meetings in those years has received on average 96% of the votes cast.

✓ Our Board recommends a vote **FOR** each of the seven Trustee nominees

Information regarding our nominees, including their qualifications and principal occupations, as well as the key experience and qualifications that led the Board to conclude each nominee should serve as a trustee, is provided below.

David W. Faeder

Age: 64
Trustee Since: 2003
Non-Executive Chairman Elect

Federal Committees:

- Compensation (Chair)
- Audit

Current Public Company Boards:

- Federal Realty
- Arlington Asset Investment Corp.

Background:
Mr. Faeder has been the managing partner of Fountain Square Properties since 2003 where he focuses on the ownership, operation and development of senior housing. Prior to that, he held various positions at Sunrise Senior Living from 1993 to 2003. Those positions included Vice Chairman, President and Executive Vice President-Chief Financial Officer. Mr. Faeder began his career in public accounting before moving into investment banking immediately prior to joining Sunrise. Mr. Faeder received a BS in Business Administration from Old Dominion University and an MBA from the Colgate Darden Graduate School of Business at the University of Virginia. Mr. Faeder has been designated by the Board as an audit committee financial expert in accordance with the SEC definition.

Skills and Qualifications:
Mr. Faeder has deep levels of experience in leadership, real estate investment and development as well as finance and accounting acquired from his time as a private investor and as a REIT CFO coupled with his public company and accounting background. This experience provides valuable perspective on our investment decisions, alignment of our capital structure to support those investments and on our financial reporting.

Elizabeth I. Holland

Age: 55
Trustee Since: 2017

Federal Committees:
- Nominating (Chair)
- Compensation

Current Public Company Boards:
- Federal Realty
- Vici Properties, Inc.

Background:
Ms. Holland is the Chief Executive Officer of Abbell Credit Corporation and Abbell Associates, LLC, a private real estate company. She has held that position since 1997. Prior to that, she served as a senior staff attorney on the Congressional Bankruptcy Review Commission (1996-1997), as a business reorganization attorney at Skadden, Arps, Slate, Meagher & Flom (1993-1996) and as a fixed income portfolio manager at Brown Brothers Harriman & Company from (1989-1990). From 2016-2017, Ms. Holland served as the Chairman of the Board of Trustees for the International Council of Shopping Centers and has served as a trustee for that organization since 2004. Ms. Holland earned a BA from Hamilton College and a JD from Brooklyn Law School. In addition to her public board service, Ms. Holland serves on the boards of 1000 Friends of Iowa, a non-profit organization focused on responsible land use, and Primo Center for Women & Children whose mission is to provide family shelter and permanent supportive housing and other supportive services to homeless families in Chicago.

Skills and Qualifications:
Ms. Holland brings valuable insights into retailers and the retail industry in general from her time in leadership positions with the International Council of Shopping Centers and her own investing experience in retail real estate as well as a wealth of business and leadership experience from running a private real estate company. Those perspectives are invaluable for a retail based real estate company.

Nicole Y. Lamb-Hale

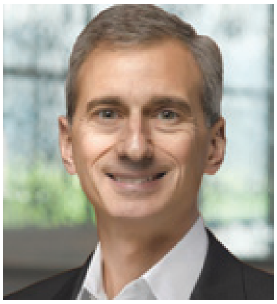
Age: 54
Trustee Since: 2020

Federal Committees:
- Nominating
- Compensation

Current Public Company Boards:
- Federal Realty
-

Background:
Ms. Lamb-Hale is a Managing Director at Kroll, a division of Duff & Phelps, a global provider of risk management solutions, a position she has held since 2016. She is head of Duff & Phelps' Washington, DC office, chairs the firm's Committee on Foreign Investments in the US and National Security practice and co- chairs the firm's Educational Investigations practice. Prior to joining Kroll, Ms. Lamb-Hale was a Senior Vice President at Albright Stonebridge Group (2013-2016), a global strategy consultancy, and served as the Assistant Secretary of Commerce for Manufacturing and Services in the International Trade Administration of the U.S. Department of Commerce (2010-2013) and as the Deputy General Counsel for the U.S. Department of Commerce (2009-2010). Ms. Lamb-Hale is a licensed attorney who began her career at law firms (1991-2009) where she practiced in the areas of business restructuring and public finance. Ms. Lamb-Hale earned an AB in Political Science from the University of Michigan and a JD from Harvard Law School. In addition to her service on Federal's Board, Ms. Lamb-Hale serves on the boards of various non-profit groups including the American Leadership Initiative, The Holton Arms School, Shiloh Baptist Church of Washington, D.C. and the Center for International Private Enterprise.

Skills and Qualifications:
Ms. Lamb-Hale's 30 years of experience, spanning the private and public sectors, in law, risk mitigation and restructuring, coupled with her leadership skills gained from her varied executive roles, provides the company with diverse and valuable insights as it develops and implements its current and long-term business strategies.



Anthony P. Nader, III

Age: 57
Trustee Since: 2020

Federal Committees:
- Audit
- Nominating

Current Public Company Boards:
- Federal Realty
- Arlington Asset Investment Corp.

Background:
Mr. Nader is a Managing Director of SWaN & Legend Venture Partners, an investment firm that Mr. Nader co-founded in 2006, with investments in growth-oriented companies. Mr. Nader also serves as Vice Chairman of Asurion, a privately held company with over 19,000 employees that provides technology protection to approximately 300 million customers worldwide. In 2008, Mr. Nader successfully merged his prior company, National Electronics Warranty ("NEW") with Asurion. Mr. Nader joined NEW in 1990 as Chief Operating Officer, was named President in 1999 and Chief Executive Officer in 2006, a position he held until 2013. Under his leadership, NEW grew to be the largest global provider of extended service plans for the consumer electronics and appliance industry. Mr. Nader earned a BSBA in Finance from John Carroll University and an MBA from Weatherhead School of Management at Case Western Reserve University. Mr. Nader also serves as the Chairman of the Inova Health System Board of Trustees. Mr. Nader has been designated by the Board as an audit committee financial expert in accordance with the SEC definition.

Skills and Qualifications:
Mr. Nader provides our Board with more than 30 years of business and leadership experience as well as a deep investment background in both real estate and growth-oriented companies including retailers. This background complements others on our Board and adds to our depth of financial and investing expertise that is so critical to the success of the Company.

Mark S. Ordan

Age: 62
Trustee Since: 2019

Federal Committees:
- None

Current Public Company Boards:
- Federal Realty
- Mednax, Inc.

Background:
Mr. Ordan currently serves as Chief Executive Officer of Mednax, Inc., a position he has held since 2020. Mednax is a physician-led health care organization that partners with hospitals, health systems and health care facilities to offer clinical services spanning the women's and children's continuum of care. Prior to joining Mednax, Mr. Ordan held chairman and Chief Executive Officer roles with Quality Care Properties, Inc. (2016-2018), Washington Prime Group (2015-2016), Sunrise Senior Living (2008-2013), The Mills Corporation (2006-2007), Balducci's (2003-2006), High Noon Always (1999-2003), Chartwell Health Management (1996-1999) and Fresh Fields Market (1989-1996). He began his career in investment banking at Goldman Sachs in 1983. Mr. Ordan earned a BA from Vassar College and an MBA from Harvard Business School. Previously, Mr. Ordan served on the public company boards of VEREIT, Inc. (2015-2020), Forest City Realty Trust (2018), Quality Care Properties (2016-2018) and Washington Prime Group (2014-2017).

Skills and Qualifications:
Mr. Ordan provides our Board with many years of leadership and governance experience from his years of serving as CEO of multiple companies and as CEO and a director of other public traded REITs. This is in addition to the retailing understanding he adds to the Board from his prior experiences of founding and running multiple gourmet grocery and other food concepts.

Gail P. Steinel

Age: 64
Trustee Since: 2006

Federal Committees:
- Audit (Chair)
- Compensation

Current Public Company Boards:
- Federal Realty

Background:
Ms. Steinel is the owner of Executive Advisors (2007-present), a business that provides consulting services to chief executives and senior officers and leadership seminars/speeches to various organizations. Prior to creating her own consulting firm, Ms. Steinel was the Executive Vice President of Global Commercial Services of Bearing Point (2002-2007) and a global managing partner for Arthur Andersen's Business Consulting Practice (1984-2002) after beginning her career as an auditor at Arthur Andersen (1977-1984). Ms. Steinel received a BA in Accounting from Rutgers University. Ms. Steinel's public company board service experience includes MTS Systems Corporation (2009-2020). In addition to her public board service, Ms. Steinel also serves on the boards of DAI, an international development company that tackles fundamental social and economic development problems caused by inefficient markets, ineffective governance, and instability, and the Center for Hope & Safety, a nonprofit that assists women and children suffering from domestic violence. Ms. Steinel has been designated by the Board as an audit committee financial expert in accordance with the SEC definition.

Skills and Qualifications:
Ms. Steinel has over 35 years of experience in auditing, leadership, leadership development and financial systems that provides us with valuable insights on leadership, leadership development, risk management and systems operations.

Donald C. Wood

Age: 60
Trustee Since: 2003

Federal Committees:
- None

Current Public Company Boards:
- Federal Realty

Background:
Mr. Wood currently serves as our Chief Executive Officer, a role he has held since 2003. Before assuming that role, he served as our President (2001-2003) and held the titles of Chief Operating Officer and Chief Financial Officer at various points from 1998-2003. Prior to joining Federal, Mr. Wood served as the Chief Financial Officer for Caesers World, Inc. (1996-1998), the Assistant/Deputy Controller of ITT Corporation (1990-1996), the VP of Finance for Trump Taj Mahal Associates (1989-1990) and as an audit manager with Arthur Andersen (1982-1989). Mr. Wood received a BS in Business Administration from Montclair State College. Mr. Wood previously served as a director of public companies Quality Care Properties (2016-2018) and Post Properties (2011-2016). In addition to his public company board service, Mr. Wood served as Chairman of the Board of Trustees of the National Association of Real Estate Investment Trusts (2011-2012) and has served on the Board of Governors of the International Council of Shopping Centers since 2010.

Skills and Qualifications:
Mr. Wood's 23 years of experience with Federal and his responsibilities as chief executive officer provide the Board with familiarity and details on all aspects of operating the company.

Proposal 2: Compensation of Our Named Executive Officers

You are being asked to approve on an advisory basis the compensation of our named executive officers ("NEOs") for 2020 as described in the Compensation Discussion and Analysis ("CD&A") and the Executive Compensation section that follow. This is an opportunity to express your opinion regarding the decisions made by the Compensation Committee on the compensation of our NEOs for 2020 as required by law; however, it will not affect any compensation already paid or awarded for 2020 and will not be binding on the Compensation Committee, the Board or the Company. We currently ask our shareholders to approve the compensation of our NEOs on an annual basis. The Board and our Compensation Committee value the opinions of our shareholders and will review the results of this vote and take those results into consideration in addressing future compensation policies and decisions.

The Board supports the overall design of the compensation program which is characterized by the following:

- A significant portion of our NEOs' compensation is directly linked to our performance and the creation of long-term shareholder value through both our annual bonus program (1-year performance period) and our long-term incentive plan (3-year performance period with additional vesting).

- The combination of base pay, annual bonus and long-term incentives provides an appropriate balance between short-term and long-term pay and objectives.

- Our CEO is required to hold Shares having a value equal to at least 7.0x the amount of his base pay and our other NEOs are required to hold Shares having a value equal to at least 2.5x the amount of his/her base pay and annual bonus. The requirement for our CEO was increased in 2020 from its prior level. This requirement aligns our NEOs with our shareholders and incentivizes them to act in the best long-term interests of the Company.

- We do not provide any perquisites to our NEOs that are not widely available to our other employees other than as described in the CD&A and the "Potential Payments on Termination of Employment and Change-in Control" sections below.

The affirmative vote of a majority of votes cast at the Annual Meeting, in person or by proxy, is required to approve this proposal. An "abstention" or "broker non-vote" will have no effect on the outcome of the vote for this proposal.

✓ Our Board recommends a vote **FOR** the compensation of our NEOs

RESOLVED, that the shareholders of the Company hereby approve, on an advisory basis, the compensation of our NEOs as described in the CD&A and the Executive Compensation section that follows as required by Item 402 of Regulation S-K.

2020 Compensation Highlights

Response to Say on Pay	Engaged with shareholders in response to failed Say on Pay vote and retained Semler Brossy Consulting Group as our compensation consultant to review our compensation programs in light of that vote. The Compensation Committee and the Board committed that they will not make any future mid-performance period changes to performance goals or metrics under our long-term incentive plan. No other changes were made to our compensation programs. See "Response to Say on Pay Vote" below for a more detailed discussion on this topic.
Target NEO Compensation	Made no changes to the target level of compensation for any of our NEOs. There were no reductions or negative adjustments to pay for our NEOs or any other employee, nor were there any furloughs or layoffs of any employees as part of our response to COVID-19.
Annual Bonus	Paid annual bonus at 50% of target for our CEO and 75% of target for all other employees including our other NEOs. Although the impacts of the COVID-19 pandemic on our financial results did not make it possible to meet the annual 2020 performance goals that were established in early February 2020 before the impacts of the pandemic were known, the Board, in consultation with our compensation consultant, exercised discretion to pay bonuses at a reduced rate based on the work done in 2020 to address the pandemic's impact. See "How our NEOS were Paid for Performance in 2020 - Annual Bonus Plan" section starting on page 22 for a more detailed discussion of this decision.
Long-Term Equity	For the 3-year performance period ended December 31, 2020, awards were made at 100% of target based on the results achieved under the program with no modifications or adjustments. See "How our NEOS were Paid for Performance in 2020 – Long-Term Incentive Plan" section starting on page 24 for a more detailed discussion of this decision.

Response to Say on Pay Vote

The Say on Pay vote held in 2020 with respect to our 2019 compensation decisions yielded support from only 42% of the votes cast on the matter. In the five annual Say on Pay votes before that (from 2015 through 2019) support for our compensation decisions averaged nearly 95% of the votes cast which suggested there was not a systemic problem with our pay practices but rather something unique to our 2019 pay decisions. That was confirmed through our conversations with many of our larger shareholders including many who voted against our Say on Pay proposal. The objection we heard from those we spoke to was that they were not supportive of our having changed performance metrics for our long-term incentive plan for a performance period that was in progress. Although many acknowledged and understood why the Compensation Committee made the change and the very real issue our Compensation Committee was trying to correct by making the change, they indicated that they would have preferred for the Committee to have solved the problem in a different way.

The Compensation Committee retained Semler Brossy Consulting Group ("SBCG") as its compensation consultant to review our pay practices in general, to assist in developing a response to the failed Say on Pay vote and to provide guidance on 2020 annual bonus and long-term equity plan decisions given the impacts of COVID-19 on performance metrics. Neither the Company nor the Compensation Committee had previously retained SBCG or used any affiliate of SBCG to perform any other services for the Company or the Compensation Committee.

SBCG reviewed our compensation programs and pay practices and did not find anything that they believed was problematic other than the mid-cycle change in performance metrics made for our long-term incentive plan. The Compensation Committee committed that it would not in the future make any changes to the performance metrics of our long-term plan mid-performance cycle and after a significant amount of discussion and thorough review of our compensation programs with SBCG, the Compensation Committee elected not to make any further changes to our compensation programs.

SBCG also recommended to the Compensation Committee a change to the equity holding requirement for our CEO. Ultimately the Nominating Committee and the Board approved modifying the equity holding requirement for our CEO and established a higher level of required ownership than what was recommended by SBCG. This decision is described in more detail in below. SBCG also assisted in the final decisions made by the Compensation Committee with respect to our annual bonus plan payout and long-term equity payouts for 2020 as described in more detail below.

Separate from this engagement, the Compensation Committee retained SBCG to assist with creating an appropriate compensation package for Mr. Jeffrey S. Berkes in connection with his promotion to President and Chief Operating Officer. See "2021 NEOs" section starting on page 26 for more information on that engagement.

2020 NEO Earned Compensation

The key decisions relating to compensation for our 2020 NEOs were:

- No change to base pay or total target compensation for any of our NEOs
- Annual bonuses paid at 50% of target for Mr. Wood and 75% of target for all other employees, including our other NEOs, Mr. Guglielmone and Ms. Becker
- Long-term incentives paid out at 100% of target, calculated strictly in conformance the terms of our long-term incentive plan

Those decisions resulted in a year-over-year decline in Mr. Wood's compensation of 15% and a decline in the compensation for each of Mr. Guglielmone and Ms. Becker by 10% from 2019 to 2020. The following chart sets out the 2020 target compensation for each of our NEOs, the compensation actually earned by each for 2020 based on company and individual performance for the 1- and 3-year periods ending December 31, 2020 and a comparison of 2020 total earned compensation to 2019 total earned compensation.

	2020 Target Compensation				2020 Actual Earned Compensation					
NEO	Base Salary	Annual Bonus	Long-Term Incentive	Total	Base Salary	Annual Bonus	Long-Term Incentive	Total	2019 Total	YOY Change
Don Wood	$950,000	$1,425,000	$5,000,000	$7,375,000	$950,000	$712,500	$5,000,000	$6,662,500	$7,833,417	-15%
Dan Guglielmone	$500,000	$ 375,000	$ 900,000	$1,775,000	$500,000	$281,250	$ 900,000	$1,681,250	$1,864,098	-10%
Dawn Becker	$475,000	$ 356,250	$ 600,000	$1,431,250	$475,000	$267,188	$ 600,000	$1,342,188	$1,496,552	-10%

The amounts shown above for the annual bonus and performance based, long-term incentive program differ from the amounts shown for 2020 in the Summary Compensation Table because the chart above reflects the amount earned for the year while the Summary Compensation Table reflects these amounts in the year in which they are paid regardless of the time period during which those amounts were earned. As a result, the long-term incentive awards actually earned as shown above will not be reported in the Summary Compensation Table until next year's proxy. We believe the chart above is helpful because it reflects the way in which the Compensation Committee considers compensation decisions for our NEOs and it allows the actual compensation earned for 2020 to be understood in the context of our financial and other performance for the 1- and 3-year performance periods ending in 2020.

2020 Compensation Components

Shareholder interests are best represented by a compensation program that is properly structured to attract, retain and motivate our executives to lead the Company effectively. Our program contains various elements, each designed for a different purpose with the overarching goal of encouraging a high level of current and future individual and Company performance. The chart below describes the elements of direct total compensation we pay to our executives and their link to our business and talent strategies.

	Pay Element	Form of Payment	Link to Business and Talent Strategies
Fixed Pay	Base Salary	Cash A portion can be deferred into our Deferred Compensation Plan	• Provides current compensation to assume day-to-day responsibilities of the position • Current pay level recognizes experience, skill, and performance, with the goal of being market competitive • Future adjustments may be based on individual performance, pay relative to other executives, and/or pay relative to market
At-Risk Pay	Annual Bonus (1 year performance period)	Cash Up to 25% can be paid in Shares at the executive's election and a portion can be deferred into our Deferred Compensation Plan	• Aligns pay with achieving annual business objectives • Payouts are based on achievement of predetermined goals, with potential for downward adjustment to align pay with performance
	Long-Term Incentive (3 year performance period + 3-5 year vesting period)	Common Shares Up to 50% can be paid in options at the executive's election	• Motivates and rewards achievement of long-term Company performance • Aligns executive and shareholder interests • Promotes executive ownership in the Company

We also provide various retirement, health and welfare related benefits to our NEOs on the same terms and conditions as we provide to all of our employees. These benefits are competitive with those offered by companies with whom we compete for talent and provide another tool that allows us to attract and retain talented executives.

Setting Annual Compensation

Annual compensation for our NEOs is paid in both cash and restricted Shares with a significant portion at risk and contingent on achieving either annual or longer term performance goals. The total potential compensation for our NEOs is established based on the scope of his/her individual responsibilities and contributions to our performance taking into account competitive market compensation paid for similar positions. Our Compensation Committee determines appropriate levels of total compensation for each NEO by applying their individual understanding, experiences and judgments in the national marketplace of senior level real estate positions and related industry pay in both public and private companies that may compete for our executives while also considering the relative importance of various positions at Federal given our business plan and organization compared with the business plans of our major competitors. The Compensation Committee also consults compensation surveys prepared for the National Association of Real Estate Investment Trusts ("NAREIT Survey") to confirm its assessment of appropriate market compensation for our NEOs, reviewing the information reported for each position by the 112 real estate investment trusts ("REITs") that participated in the latest survey as well as by the approximately 25 retail focused REITs that participated in that survey. In addition, in finalizing decisions for 2020 with respect to annual bonus payouts and payouts under our long-term incentive plan, the Compensation Committee consulted with SBCG.

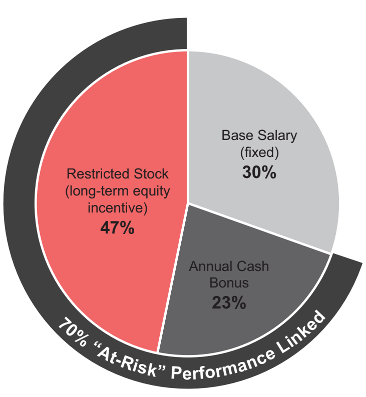
Using the three components of compensation, their knowledge and experience in the marketplace and the NAREIT Survey information, the Compensation Committee establishes an individual compensation package for each NEO setting the target level of potential compensation at or slightly below market level compensation for that NEO. The purpose of setting target compensation at or below market is to further incentivize our NEOs to achieve the highest level of performance under our incentive programs with the expectation being that superior company performance will result in our NEOs being paid slightly above market compensation levels. The Compensation Committee believes that using performance based compensation as a way to pay our NEOs above market compensation levels helps us attract and retain the quality talent that is necessary to successfully run a business such as ours with a more diverse set of property types and tenants than other shopping center companies.

2020 Target Pay Mix

The Committee designs the compensation program to be heavily performance based. The following charts depict the target compensation mix for Mr. Wood and the average of the target compensation mix for our other 2020 NEOs.

Mr. Wood

Average for Other 2020 NEOs



How our NEOS were Paid for Performance in 2020

Annual Bonus Plan

The annual bonus plan is an annual cash incentive program with payment under the plan contingent on our achieving FFO per diluted Share within a range set by the Compensation Committee for that year. The Compensation Committee believes that FFO per diluted Share is the appropriate measure to use for an annual program because it reflects the impacts of operational decisions, capital allocation decisions and balance sheet management for the year. Consistent with past practice, the Compensation Committee set the FFO per diluted Share range for our 2020 annual bonus program at its first meeting of the year, held on February 4, 2020, to reflect acceptable to exceptional performance in light of our business objectives for the year after a thorough review and discussion of our budget and considering investor expectations for the year. At that point in time, the Committee had no information about the impact the COVID-19 pandemic would have on our business in 2020. The targets and payout levels set by the Committee in February 2020 were as follows:

Payout Level		FFO	Payout
Threshold	$	6.33	75%
Target	$	6.40	100%
Stretch	$	6.48	125%

Interpolation is used to determine the payout percentages for results that fall between the FFO levels shown

See Appendix A for a reconciliation of FFO to net income.

Our actual FFO achieved in 2020 was $4.38 per Share, below the threshold level for any payout under our annual bonus plan. As discussed in the "2020 Company Performance" section beginning on page 1, the COVID-19 pandemic had a material adverse impact on our ability to collect significant portions of our contractual revenue stream given that many of our retail tenants were required to close or significantly limit their operations for substantial portions of time in 2020 and as a result, they were unable to pay their full contractual rent. This was particularly pronounced in the populous markets in which we do business, many of which were the first to close businesses, imposed some of the most stringent limitations on tenants' ability to operate and generate revenue and were some of the last to open and lift operating restrictions. Despite these impacts on our business, the Committee determined that not paying any bonus would not be appropriate given the extraordinary work done by the executives and the entire team to guide the Company through the COVID challenges of 2020 and achieve the objectives the Board required management to focus on as the impacts of the pandemic became clearer. The objectives the Board set in April 2020 to respond to the COVID pandemic and to focus the team's efforts throughout the year and what was accomplished are set forth below:

Objective	Achievements
Ensure sufficient liquidity to operate until impacts of COVID passed	• Modified line of credit to ensure continued ability to draw funds • Raised $1.5 billion of debt including our first green bond issuance • Completed sale of 3 properties for gross sales price of $170 million • Raised approximately $100 million of equity • Maintained significant cash balances in 2020 to ensure liquidity for the business
Maximize property revenue	• Increased monthly collection rates from 53% in April to 84% in December • Negotiated modified rent deals on approximately 1,200 leases to assist tenants through COVID • Modified property operating plans to decrease expenditures where possible
Position the Company for success post-COVID	• Identified and obtained approval for improvements to 10 properties to support current and future leasing efforts • Completed new and renewal leases for retail spaces for approximately 1.8 million square feet • Advanced ESG efforts with corporate responsibility report, alignment with United Nations Sustainable Development Goals and formalization of ESG considerations in investment decisions
Protect health and wellness of employees and patrons	• Moved to remote work for all but essential employees • Relocated corporate headquarters to newly constructed Fitwel certified space • Provided safety features throughout our properties to protect tenants and their customers • Instituted curbside pick-up throughout the portfolio to support operations of tenants and safety of their customers

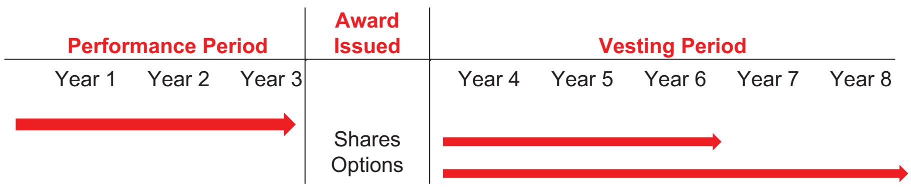
Based on these achievements and in consultation with our compensation consultant SBCG, the Committee exercised discretion in awarding partial bonuses notwithstanding the failure to meet the FFO targets set pre-COVID. The Committee determined that a bonus payout equal to 50% of the bonus target for Mr. Wood and a bonus payout equal to 75% of the bonus target for all of our other employees who participate in this plan, including our other NEOs, was appropriate and a reasonable link of pay to performance given the challenges the Company faced in 2020. The payout for Mr. Wood took into account his overall leadership during the pandemic and reflected the significant impact on Company performance. For Mr. Guglielmone, the Committee determined the bonus payout was appropriate given his work in ensuring sufficient liquidity for the Company to continue to operate effectively and for Ms. Becker, the Committee considered her work in addressing legal issues with tenants, advancing the Company's environmental and social initiatives and relocating our corporate headquarters.

Approximately 37% of the 268 participants in our annual bonus plan, including our NEOs, have the option to receive up to 25% of the final bonus payout in the form of Shares that vest equally over three years with accelerated vesting on death, disability, change in control and termination without cause. In consideration of the extended payment period for this portion of the bonus already earned, the employee receives Shares valued at 120% of the portion of the annual bonus he/she elects to receive in Shares. For 2020, Mr. Wood and Ms. Becker each elected to receive 25% of the bonus in Shares and Mr. Guglielmone elected to receive all of his annual bonus in cash. The cash portion of the 2020 annual bonuses is reflected in the "Non-Equity Incentive Plan Compensation" column in the Summary Compensation Table in this proxy statement. The portion of the annual bonus paid in Shares will be included in the "Stock Awards" column in the Summary Compensation Table and the Grants of Plan-Based Awards Table in next year's proxy statement.

Long-Term Incentive Plan

The largest portion of compensation for our NEOs comes from our equity based long-term incentive plan. This plan aligns the interests of our NEOs with shareholders by incentivizing our NEOs to identify and accomplish longer-term business objectives that generate value through Share price appreciation and dividend growth. Key aspects of the program are:

✓ Performance measured over a 3-year period with additional vesting requirements so that NEOs do not realize full value of awards until 6 to 8 years after beginning of the performance period



✓ No Shares or options are issued until the performance period has ended and the level of performance achievement has been finally determined
✓ Performance metrics are designed to reward creation of long-term value
✓ Paid in the form of restricted Shares; however, recipients can choose to take up to 50% of the award in the form of options to best accomplish his/her own financial planning objectives. The Compensation Committee believes the value of that personal choice outweighs any diminution in retention value from the granting of options in lieu of Shares. Each of our NEOs elected have the entire amount of the award for the performance period ending in 2020 paid in the form of restricted Shares
✓ Compensation Committee has the discretion to increase or decrease awards by up to 20% to reflect individual performance. No adjustments were made to the awards for our NEOs for the current performance period that ended in December 2020

The metrics under our long-term incentive plan for the performance period from 2018 through 2020, together with their weighting under our plan and the payouts at various levels of performance are shown in the following chart.

	Payout Level	50%	100%	150%
Metric	Weighting	Threshold	Target	Stretch
Relative Total Return	34%	Index - 5%	Index	Index + 5%
FFO Multiple Premium	33%	At least 5%	At least 15%	At least 20%
Return on Invested Capital	33%	7.00%	7.25%	7.50%

Interpolation is used to determine the payout percentages for results that fall between the performance levels shown

Relative Total Return: Directly aligns our compensation program with shareholder interests. This metric compares our total shareholder return, taking into account Share price appreciation and assuming reinvestment of dividends, against the total return achieved by the Bloomberg REIT Shopping Center index ("BBRESHOP") as a whole. The BBRESHOP is comprised of companies that own and operate open air shopping centers whose businesses are most closely aligned with ours and face the same general market dynamics. The Compensation Committee believes this metric is an appropriate reflection of the performance comparison used by investors when considering investment choices in public shopping center companies and that the BBRESHOP is the best index to use for this comparison.

FFO Multiple Premium: Directly reflects how investors in the marketplace value our Shares taking into account investors' perception of our historical results as well as their belief in our ability to grow and deliver profits and value in the future. It is an effective measure of long-term performance using both history and future expectations and one that can be used to effectively evaluate the performance of the management team. This metric compares the FFO multiple at which the Company is trading at the end of the performance period against the average FFO multiple at which all other public shopping center companies (other than the Company) are trading at the end of the performance period as reported by a third party investment bank.

Return on Invested Capital: Directly reflects how effectively we have allocated our shareholders' capital during the 3-year performance period and incentivizes our executives to make sound, long-term investment decisions that will generate strong future returns for our shareholders. This metric encompasses both the revenue and investment impact from all capital decisions including those made to renovate our assets, develop new buildings, improve energy efficiency and otherwise mitigate greenhouse gas emissions from our properties, acquire and sell assets and prepare spaces for occupancy by tenants. The required performance levels on this metric were designed to be adjusted to reflect changing market expectations as we acquire, sell and develop assets.

The final level of performance achieved for each metric in the long-term incentive program for the performance period ending December 31, 2020 reflected as a percentage of target and after taking into account program weighting is set forth below.

Metric	Weighting	Performance Achieved	Payout as % of Target	Weighted Payout as % of Target
Relative Total Return	34%	Between threshold and target	71%	24%
FFO Multiple Premium	33%	Above stretch	150%	50%
Return on Invested Capital	33%	Between threshold and target	80%	26%
		Total Payout as Percentage of Target		100%

Interpolation is used to determine the payout percentages for results that fall between the performance levels shown

Under our long-term incentive program, the Compensation Committee has the discretion to increase or decrease individual awards by up to twenty percent (20%) to reflect performance or for any other reason the Committee may choose. The Committee considered a downward adjustment to the long-term incentive awards given the Company's performance in 2020 but elected not to do so. The amounts earned under the program were heavily influenced by the Company's performance during the two years prior to 2020 and the Committee did not believe it was appropriate to make any adjustments to lessen that impact, acknowledging that future payouts under the long-term plan are likely to be materially adversely affected by the pandemic impacted years of 2020 and 2021. The Committee committed that it will not modify the performance metrics under this program mid-performance cycle in the future.

The number of Shares actually awarded to each of our NEOs under the long-term plan is determined by dividing the amount of the award by the closing price of our stock on the NYSE on the date the awards are made. There is no amount included in the Summary Compensation Table or Grants of Plan-Based Awards Table in this proxy statement for long-term incentive plan awards earned for the 2018-2020 performance period. Those amounts will be included in next year's proxy statement. The long-term incentive awards included in the Summary Compensation Table and the Grants of Plan-Based Awards Table for our NEOs in this proxy statement relate to awards made in February 2020 for the 3-year performance period ending December 31, 2019.

Other Benefits

We provide other health and welfare benefits to our NEOs on the same basis as we provide those benefits to all employees. In addition to those benefits, we provide to Mr. Wood, his spouse and one of his dependents continuation of health coverage after Mr. Wood's termination upon death, disability, retirement, change in control or otherwise (other than a termination with cause or resignation). This coverage will continue as to Mr. Wood and his spouse until their death, or with respect to his spouse until divorce, if earlier, and coverage continues for one of Mr. Wood's dependents until death. We are required to provide coverage of at least the same level as provided to Mr. Wood and his family at the time of his termination and such coverage will be secondary to certain other coverages that may be available to Mr. Wood and his family. This agreement has been in place and remained unchanged since 2008.

2021 NEOs

On February 10, 2021, the Board promoted Jeffrey S. Berkes to President and Chief Operating Officer of the Company and he was designated as an NEO at that time for 2021. As a result, Mr. Berkes will be included as an NEO in next year's proxy statement. The Compensation Committee retained SBCG as its compensation consultant to assist the Committee in creating a market compensation package for Mr. Berkes that was put in place concurrently with his promotion. The compensation package approved for Mr. Berkes has a target level of total compensation of $2.15 million consisting of base pay of $575,000, an annual bonus target of 100% of base pay and a long-term equity target of $1 million. In addition, the Compensation Committee approved for Mr. Berkes a $1 million award of restricted Shares that will vest equally over 5 years and a performance award with a target of $1 million that can be earned over a four-year period based on our performance as compared to the BBRESHOP.

Other Compensation Considerations

Equity Ownership: Each of our NEOs is required to maintain a level of ownership of equity in the Company equal to a multiple of the sum of his or her base salary and/or annual bonus. Mr. Wood is required to maintain an equity ownership in the Company equal to at least 7 times his annual base salary and each of Mr. Guglielmone and Ms. Becker are required to maintain an equity ownership in the Company equal to at least 2.5 times his/her annual base salary and bonus. The required multiple for Mr. Wood was modified to its current level by the Board after discussions with SBCG. The Board ultimately adopted this multiple which is greater than what was recommended by SBCG to reflect the Board's desire for our CEO to maintain a significant investment in the Company. Each of our NEOs was in compliance with the equity ownership requirement as of December 31, 2020.

Risk Assessment: As described in the "Compensation Risk Assessment" section, we have concluded that our compensation programs do not encourage excessive or unnecessary risk taking. We have in place a clawback policy allowing us to recoup compensation paid to our NEOs on the basis of incorrect financial statements where that NEO engaged in fraud or grossly negligent misconduct.

Timing of Equity Grants: Equity awards to our employees under our annual bonus plan and long-term incentive plan described above are made at the Compensation Committee's meeting that occurs in February of each calendar year. Based on our meeting schedule the past several years, these awards are made before we release financial results for the prior fiscal year. We have no policy that times the granting of equity awards relative to the release of material non-public information. Equity awards to new hires are generally made on the first day on which the employee starts work and equity awards to employees who are promoted generally are made on the day on which the promotion has been fully approved. All of our options are awarded at the closing price of our Shares on the NYSE on the date the award is made. The Compensation Committee has never re-priced options, granted options with an exercise price that is less than the closing price on the NYSE on the date of the grant, or granted options which are priced on a date other than the grant date. Equity awards for Vice Presidents and above for the 3-year performance period ending on December 31, 2020 were made at the Compensation Committee's meeting on February 10, 2021 based on the closing price of our Shares on the NYSE on that date.

Termination and Change-in-Control Arrangements: We have agreements in place with each of our NEOs providing for various payments and benefits to be made to them if there is a change in control or their employment with us is terminated for certain reasons. The circumstances in which payments may be made and the potential amounts of those payments are described in more detail in the "Potential Payments on Termination of Employment and Change-in-Control" section below. We believe that the payments provided for in these agreements are reasonable and appropriate as part of the total compensation packages available for our named executive officers.

Deductibility of Executive Compensation in Excess of $1.0 Million: For tax years ending on or prior to December 31, 2017, Section 162(m) of the Internal Revenue Code generally prohibited any publicly held corporation from taking a federal income tax deduction for compensation in excess of $1 million in any taxable year paid to an executive officer who is named in the Summary Compensation Table. An exception was made for qualified performance-based compensation, among other things. Although the Compensation Committee considered the impact of Section 162(m) in structuring compensation programs, the Committee's primary focus was on creating programs that addressed the needs and objectives of the Company regardless of the impact of Section 162(m). As a result, the Compensation Committee made awards and structured programs that were non-deductible under Section 162(m). The Tax Cuts and Jobs Act of 2017 modified Section 162(m) to, among other things, modify who is subject to the $1 million deduction limit and to eliminate the exception for performance based pay from the $1 million deduction limit starting with tax years ending after December 31, 2017. Because our awards and compensation programs were not necessarily designed to comply with Section 162(m), the changes to Section 162(m) have not had a material impact on us.

Compensation Committee Report

The Compensation Committee of the Board has reviewed and discussed the CD&A required by Item 402(b) of Regulation S-K with management and, based on such review and discussions, the Compensation Committee recommended to the Board that the CD&A be included in this Proxy Statement.

Submitted by:

David W. Faeder, Chairman
Elizabeth I. Holland
Nicole Y. Lamb-Hale (joined the Committee on November 4, 2020)
Gail P. Steinel
Joseph S. Vassalluzzo

Our 2020 NEOs

For 2020, our NEOs were:

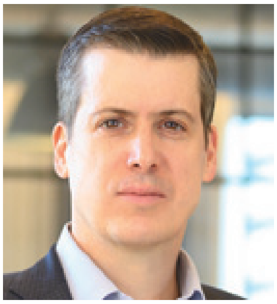
Donald C. Wood

Chief Executive Officer

Age: 60
Tenure at Federal: 23 years

See "Proposal 1 Election of Seven Trustees" for more biographical information.

Education:
See "Proposal 1 Election of Seven Trustees" for educational information.



Daniel Guglielmone

Executive Vice President-Chief Financial Officer & Treasurer

Age: 53
Tenure at Federal: 5 years

Mr. Guglielmone has served as our Chief Financial Officer since 2016. In that role, he is responsible for overseeing our capital markets, financial reporting, accounting and East Coast acquisitions functions. Prior to joining Federal, Mr. Guglielmone was the Senior Vice President-Acquisitions & Capital Markets for Vornado Realty Trust (2003-2016).

Education:
Mr. Guglielmone earned a BS in Applied Economics from Cornell University and a Masters in management from the Kellogg School of Management at Northwestern University.

Dawn M. Becker

Executive Vice President-General Counsel & Secretary

Age: 57
Tenure at Federal: 24 years

Ms. Becker has served as our General Counsel and Secretary since 2002. In that role, she is responsible for overseeing our legal, human resources and information technology departments and has primary responsibility for establishing and implementing all of our environmental, social and governance activities and all ESG reporting. Previously, Ms. Becker served as our Managing Director Mixed-Use Operations (2015 -2016) and as our Chief Operating Officer (2010-2015).

Education:
Ms. Becker earned a BA in Economics from Bucknell University and a JD from Stanford Law School.

In February 2021, the Company promoted Jeffrey S. Berkes (age 57) to President and Chief Operating Officer of the Company. Mr. Berkes has been designated as an NEO for 2021 and his compensation information will be included in the Compensation Discussion and Analysis and executive compensation tables in next year's proxy statement.

Summary Compensation Table

The following table summarizes the total compensation earned by each of our NEOs for the fiscal years ended December 31, 2020, 2019 and 2018, in accordance with current SEC rules. The Summary Compensation Table below does not include the value of the Shares issued to our NEOs on February 10, 2021 for the performance period ending December 31, 2020. The value of those Shares will appear in next year's proxy statement in the Grants of Plan-Based Awards Table as well as the "Stock Awards" column of the Summary Compensation Table.

Name and Principal Position	Year	Salary[1]	Bonus[2]	Stock Awards[3]	Non-Equity Incentive Plan Compensation[4]	All Other Compensation[5]	Total
Donald C. Wood, Chief Executive Officer (PEO)	2020	$ 950,000	$ -	$ 5,830,493	$ 534,375	$ 166,928	$ 7,481,796
	2019	$ 950,000	$ -	$ 5,534,437	$ 1,128,125	$ 18,296	$ 7,630,858
	2018	$ 950,000	$ -	$ 5,160,832	$ 1,335,938	$ 17,412	$ 7,464,182
Daniel Guglielmone, Executive Vice President-Chief Financial Officer and Treasurer (PFO)	2020	$ 500,000	$ -	$ 968,270	$ 281,250	$ 236,818	$ 1,986,338
	2019	$ 500,000	$ -	$ 900,012	$ 395,833	$ 9,728	$ 1,805,573
	2018	$ 475,000	$ 300,000	$ 787,508	$ 445,313	$ 9,592	$ 2,017,413
Dawn M. Becker, Executive Vice President-General Counsel and Secretary	2020	$ 475,000	$ -	$ 758,275	$ 200,391	$ 86,359	$ 1,520,025
	2019	$ 475,000	$ -	$ 726,587	$ 282,031	$ 13,265	$ 1,496,883
	2018	$ 450,000	$ 50,000	$ 562,490	$ 316,406	$ 12,406	$ 1,391,302

(1) Amounts shown in the Salary column include all amounts deferred at the election of the NEOs into our non-qualified deferred compensation plan.

(2) In 2018, Mr. Guglielmone and Ms. Becker each received a $50,000 cash supplemental bonus and Mr. Guglielmone received a $250,000 cash bonus that was agreed to as part of his initial hiring compensation package.

(3) Amounts shown in the Stock Awards column reflect the aggregate grant date fair value of the awards calculated in accordance with FASB ASC Topic 718 that were issued (as opposed to earned) in the fiscal years ended December 31, 2020, 2019 and 2018. For a discussion of the valuation of these awards, please refer to Note 12 in the notes to our consolidated financial statements in our Annual Report on Form 10-K filed on February 11, 2021.

(4) Amounts shown in this column represent only the cash portion paid under our annual bonus plan and include amounts deferred by our NEOs into our non-qualified deferred compensation plan. Each of Mr. Wood and Ms. Becker received 75% of the annual bonus in cash for each of 2018 through 2020 with the remaining amounts earned for those years paid in Shares in an amount equal to 120% of the cash value in consideration of an additional 3-year vesting schedule. Mr. Guglielmone received 100% of his annual bonus in cash for each of 2018 through 2020.

(5) The amounts shown in this column for the last fiscal year include: (a) payments for group term life insurance, long-term disability insurance and supplement life insurance of $13,649 for Mr. Wood, $2,844 for Mr. Guglielmone and $6,157 for Ms. Becker; (b) contributions to our 401(k) plan of $7,125 for each of our NEOs; (c) $149,925 for Mr. Guglielmone for moving related expenses that were agreed to as part of his initial hiring package; and (d) accrued vacation payouts of $146,154 for Mr. Wood, $76,923 for Mr. Guglielmone and $73,077 for Ms. Becker. These payouts were made concurrently with our adopting a policy that Vice Presidents and above would no longer be eligible to accrue and carry over unused vacation time from year to year and eliminated a continuing liability of the Company.

Grants of Plan Based Awards Table

The following Share awards were made in 2020, all of which were earned based on the 1-year or 3-year performance period ending December 31, 2019. Awards made in 2021 to the NEOs under our annual bonus plan and long-term incentive plan for the 1-year and 3-year performance periods ending December 31, 2020 will be reported in the Grants of Plan-Based Awards Table in next year's proxy statement.

Name	Grant Date	All Other Stock Awards: Number of Shares of Stock or Units[3]	Grant Date Fair Value[4]
Donald C. Wood	2/4/2020 [1]	3,546	$ 451,299
	2/4/2020 [2]	42,266	$ 5,379,194
Daniel Guglielmone	2/4/2020 [2]	7,608	$ 968,270
Dawn M. Becker	2/4/2020 [1]	886	$ 112,761
	2/4/2020 [2]	5,072	$ 645,513

(1) Issued under our annual bonus plan. These Shares vest equally over 3 years.
(2) Issued under our long-term incentive plan. These Shares vest equally over 3 years.
(3) Dividends are paid on all Shares issued at the same rate and time as paid to all other holders of our Shares as declared by our Board from time to time.
(4) Represents the grant date fair value of Share awards as computed in accordance with FASB ASC Topic 718. The grant date fair value for these Share awards was based on the closing price of our Shares on the grant date.

Outstanding Equity Awards at Fiscal Year-End Table

The following table sets forth information about outstanding equity awards held by our 2020 NEOs as of December 31, 2020:

	Stock Awards	
Name	Number of Shares or Units of Stock That Have Not Vested	Market Value of Shares or Units of Stock That Have Not Vested[5]
Donald C. Wood	3,546 [1]	$ 301,836
	42,266 [1]	$ 3,597,682
	2,654 [2]	$ 225,908
	24,833 [2]	$ 2,113,785
	1,417 [3]	$ 120,615
	14,034 [3]	$ 1,194,574
Daniel Guglielmone	7,608 [1]	$ 647,593
	4,470 [2]	$ 380,486
	2,358 [3]	$ 200,713
	2,685 [4]	$ 228,547
Dawn M. Becker	886 [1]	$ 75,416
	5,072 [1]	$ 431,729
	629 [2]	$ 53,540
	2,980 [2]	$ 253,658
	1,684 [3]	$ 143,342

(1) One-third of these Shares vested on February 12, 2021 and the remaining Shares will vest on February 12, 2022 and 2023.
(2) One-half of these Shares vested on February 12, 2021 and the remaining Shares will vest on February 12, 2022.

(3) These shares vested on February 12, 2021.

(4) These Shares will vest equally on August 15 of each of 2021 through 2023.

(5) The market value of outstanding unvested Shares is based on $85.12, the closing price of our Shares on the NYSE on December 31, 2020. The value of the outstanding unvested Shares at the time they were issued was previously included in the Summary Compensation Table for the applicable year in which the Shares were issued. The difference between the market value of the outstanding unvested Shares as of December 31, 2020 as compared to the value of those Shares reported in a Summary Compensation Table is ($3,685,988) for Mr. Wood, ($802,004) for Mr. Guglielmone and ($472,522) for Ms. Becker.

Option Exercises and Stock Vested Table

The following table includes information with respect to options exercised and Shares that vested in 2020 for each of our NEOs.

	Option Awards		Stock Awards	
Name	Number of Shares Acquired on Exercise	Value Realized on Exercise	Number of Shares Acquired on Vesting	Value Realized on Vesting[1]
Donald C. Wood	0	$ -	45,726	$ 5,662,708
Daniel Guglielmone	0	$ -	7,636	$ 908,046
Dawn M. Becker	0	$ -	5,825	$ 721,368

(1) The value realized is based on the closing price of a Share on the date of the Share vesting. The value of these Shares at issuance was reported in the Stock Award column of the Summary Compensation Table for the year in which the Shares were issued. The difference between the value realized on the vesting of the Shares reflected above and the value of the Shares when they were issued and reported as compensation in a Summary Compensation Table is ($211,542) for Mr. Wood, ($97,421) for Mr. Guglielmone and ($34,7812) for Ms. Becker.

Non-Qualified Deferred Compensation

We maintain a non-qualified deferred compensation plan that is open to participation by 49 members of our management team, including our NEOs. Each participant can elect to defer up to 100% of his or her base salary and cash payment under our annual bonus plan with deferral elections made in December of each year for amounts to be earned in the following year. A number of widely available investment options are made available to each plan participant who then decides how to allocate amounts deferred among those investment options. The amount earned by plan participants on their deferrals is calculated by our third party plan administrator as if the amounts deferred had actually been invested in the investment options selected by each participant. We do not make any contributions to the deferred compensation plan for any individual nor do we guaranty any rate of return on amounts deferred. Amounts deferred into the plan, including amounts earned on the deferrals, are generally payable to the participant shortly after he or she retires or is otherwise no longer employed by us; however, there are a few other alternatives where amounts may be paid to a participant sooner. Mr. Wood and Ms. Becker participate in our deferred compensation plan with 2020 activity described below. Mr. Guglielmone does not participate in our deferred compensation plan.

Name	Executive Contributions in Last Fiscal Year[1]	Registrant Contributions in Last Fiscal Year	Aggregate Earnings in Last Fiscal Year	Aggregate Withdrawals/ Distributions	Aggregate Balance at Last Fiscal Year-End
Donald C. Wood	$ 250,000	$ -	$ 1,428,920	$ -	$ 9,129,217
Dawn M. Becker	$ 49,327	$ -	$ 313,169	$ -	$ 2,178,863

(1) All amounts in this column are included in either the "Salary" or "Non-Equity Incentive Plan Compensation" column of the Summary Compensation Table for 2020.

Potential Payments on Termination of Employment and Change in Control

We have entered into severance agreements with each of our NEOs that require us to make certain payments and provide certain benefits to them in the event of a termination of employment or change in control of the Company. Regardless of the reason for an NEO's termination of employment, he or she will be entitled to receive upon termination a distribution of any amounts in our non-qualified deferred compensation plan as described in the "Non-Qualified Deferred Compensation" section above. No NEO is entitled to receive a new award under the annual bonus plan or our long-term incentive plan for the year in which the termination occurs. The agreements with each of our NEOs contain provisions restricting the executive from engaging in competing behavior and soliciting and/or hiring our employees for a period of time after termination. The payments that will be made to an NEO on termination vary depending on the reason for termination and may be conditioned on the signing of a release in favor of the Company.

The amount of compensation payable to each of our 2020 NEOs under various termination scenarios is reflected below assuming that the separation of service was effective on December 31, 2020:

	Cash Payment(1)	Medical Benefits(2)	Acclerated Equity(3)	Other Benefits(4)	Excise Tax Gross-Up	Total
Donald C. Wood						
Death	$ -	$ 2,020,000	$ 7,554,400	$ -	N/A	$ 9,574,400
Disability	$ 1,286,525	$ 2,354,325	$ 7,554,400	$ -	N/A	$ 11,195,250
TWOC	$ 4,096,875	$ 2,430,744	$ 7,554,400	$ 60,250	N/A	$ 14,142,269
Termination for Cause	$ 475,000	$ 21,162	$ -	$ -	N/A	$ 496,162
CIC(5)	$ 8,193,750	$ 2,525,975	$ 7,554,400	$ 167,165	$ -	$ 18,441,290
Daniel Guglielmone						
Death	$ -	$ -	$ 1,457,340	$ -	N/A	$ 1,457,340
Disability	$ 430,080	$ 36,797	$ 1,457,340	$ -	N/A	$ 1,924,217
TWOC	$ -	$ -	$ 1,457,340	$ -	N/A	$ 1,457,340
Termination for Cause	$ -	$ -	$ -	$ -	N/A	$ -
CIC(5)	$ 1,890,626	$ 73,594	$ 1,457,340	$ 90,375	N/A	$ 3,511,935
Dawn M. Becker						
Death	$ -	$ -	$ 957,685	$ -	N/A	$ 957,685
Disability	$ 361,777	$ 15,579	$ 957,685	$ -	N/A	$ 1,335,041
TWOC	$ 896,875	$ 11,684	$ 957,685	$ 60,250	N/A	$ 1,926,494
Termination for Cause	$ 237,500	$ 7,789	$ -	$ -	N/A	$ 245,289
CIC(5)	$ 1,793,750	$ 31,157	$ 957,685	$ 90,375	$ -	$ 2,872,967

(1) For disability, payments are for 1 year in an amount equal to the difference between then current salary and the amount of any payments received under any disability policy we maintained plus a tax gross-up on non-tax exempt payments. The estimated tax gross-ups included in these amounts are $564,525 for Mr. Wood, $158,080 for Mr. Guglielmone and $114,777 for Ms. Becker. For termination without cause ("TWOC"), payments are 1.5 times the highest annual base salary and annual bonus paid during the prior 3-year period for Mr. Wood and 1.0 times that amount for Ms. Becker. For termination for cause, the payments equal 1 month of base salary for each year of employment greater than 5 years, capped at a total of 6 months. For change in control ("CIC"), the payments equal 3.0 times the highest annual base salary and annual bonus paid during the prior 3-year period for Mr. Wood and 2.0 times that amount for Mr. Guglielmone and Ms. Becker.

(2) Amounts in this column represent our estimate of the COBRA equivalent to provide the same benefits as being provided to each NEO at December 31, 2020 for a period of: (a) 1 year in the event of disability for each of our NEOs; (b) 6 months for Mr. Wood and Ms. Becker on a termination with cause; (c) 9 months for Mr. Wood and Ms. Becker on a TWOC; and (d) 3 years for Mr. Wood and 2 years for Mr. Guglielmone and Ms. Becker on a CIC. These estimates were determined by us with input from our health insurance broker and health coverage insurer to confirm that our estimate was consistent with the market cost of providing a stand-alone health insurance program with similar coverage. Because our health insurance program includes a self-insured retention, we use the COBRA equivalent as a reasonable estimate of the potential costs for these benefits. For Mr. Wood, this column also includes the following estimated costs (calculated in accordance with GAAP)

pursuant to the Health Continuation Coverage Agreement with Mr. Wood: $2,020,000 in the event of death; $2,312,000 in the event of disability; and $2,399,000 in the event of termination without cause and change in control.

(3) All unvested Shares and options held by our NEOs will vest in the event of death, disability, TWOC or CIC. Amounts in this column were calculated by multiplying the number of unvested Shares and options that vest on the occurrence of the specified event as of December 31, 2020 by the value for each Share and option determined in accordance with the FASB ASC Topic 718.

(4) Amounts in this column are estimated costs for the following: (a) a full-time administrative assistant and outplacement assistance for a period of 6 months in the event of a TWOC for Mr. Wood and Ms. Becker and for a period of 12 months for Mr. Wood and 9 months for Mr. Guglielmone and Ms. Becker in the event of a CIC; and (b) use of a company vehicle for three years for Mr. Wood in the event of a CIC should he choose to use that benefit.

(5) Under our active equity plans, a CIC is deemed to have occurred when a person acquires a 20% interest in us, or our current Trustees, or those subsequently approved by our current Trustees, constitute less than 2/3 or less than 50% of our Board, depending on the plan. Upon a CIC, each NEO is entitled to receive payments and benefits so long as he or she (a) is terminated from employment by the company other than for cause or leaves for good reason within 2 years after the change of control or (b) as to Mr. Wood and Ms. Becker only, he or she voluntarily leaves employment within the 30 day window following the 1-year anniversary of the CIC.

CEO Pay Ratio

Our compensation and benefit programs are substantially similar throughout the Company and are designed to reward all employees who contribute to our success with a total compensation package that is competitive in the marketplace for each employee’s position and performance. We are required to calculate and disclose the compensation of our median paid employee as well as the ratio of the total compensation of our median paid employee to the compensation paid to our CEO annually. The determination of our median employee was used taking our total employee population as of December 31, 2020, excluding our CEO, which included 308 full-time and part-time employees ranging from executive vice presidents to maintenance technicians. For the determination, we used annual base pay plus annual bonus at target levels plus overtime actually paid, the combination of which we believe most closely approximates the total annual direct compensation of our employees. For purposes of the calculation, base pay was annualized for the 22 employees who started with us in 2020. No other adjustments were made.

The actual total annual compensation of our Chief Executive Officer and median paid employee for 2020 was calculated in accordance with the requirements of the Summary Compensation Table included in this proxy statement. Based on this methodology, we have determined that the total annual compensation paid to our Chief Executive Officer in 2020 was $7,481,796 and the total annual compensation paid to our median paid employee in 2020 was $110,091 resulting in a ratio of 68:1.

We calculated our pay ratio in accordance with SEC rules; however, those rules allow companies discretion in methodologies used to identify the median paid employee and the compensation used to determine the median paid employee. As a result, this ratio is unique to our Company. Other companies may make their determinations differently so that the ratio may not be comparable across companies. We believe our ratio is a reasonable estimate. Our ratio is very heavily influenced by what employees/services we choose to provide through employees as opposed to through third parties who are not taken into account in the calculation of the pay ratio.

Equity Compensation Plan Information

The following table provides information as of December 31, 2020 regarding our equity compensation plans, all of which were approved by our shareholders.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (Column A)[(1)]	Weighted average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance (excluding securities reflected in Column A)[(2)]
Equity compensation plans approved by security holders	682	$152.34	1,748,482
Equity compensation plans not approved by security holders	-	-	-
Total	**682**	**$152.34**	**1,748,482**

(1) Consists entirely of Shares authorized for issuance under our 2010 Performance Incentive Plan.

(2) Consists entirely of Shares authorized for issuance under our 2020 Performance Incentive Plan.

Proposal 3: Ratification of Independent Auditor

Shareholders are being asked to ratify in a non-binding vote the selection of Grant Thornton, LLP (“GT”) as our independent registered public accounting firm for the fiscal year ending December 31, 2021. Although shareholder ratification of GT is not required by our governance documents, the Board is submitting the selection of GT to shareholders to solicit shareholder views on our selection of GT as our independent registered public accounting firm. GT has served in this role since 2002 and the Board believes it is in the best interests of the Company and our shareholders for GT to continue in this role. If the selection of GT is not ratified, the Audit Committee may (but will not be required to) reconsider whether to retain GT. Even if the selection of GT is ratified, the Audit Committee may change the appointment of GT at any time if it determines such a change would be in the best interests of the Company and our shareholders. A representative of GT will be present at the Annual Meeting and will have the opportunity to make a statement if they so desire and answer appropriate questions from shareholders.

The Audit Committee reviews and approves in advance all audit and permissible non-audit services provided by GT to the Company as required by and in accordance with the rules and regulations of the SEC and the Sarbanes-Oxley Act of 2002.

The following table sets forth the fees for services rendered by GT for the years ended December 31, 2020 and 2019:

	2020	2019
Audit Fees[1]	$ 821,892	$ 1,011,565
Audit-Related Fees[2]	$ 48,825	$ 134,685
Tax Fees[3]	$ 300,120	$ 265,005
All Other Fees	$ -	$ -
Total Fees	**$ 1,170,837**	**$ 1,411,255**

(1) Audit fees include all fees and expenses for services in connection with: (a) the audit of our financial statements included in our annual reports on Form 10-K; (b) Sarbanes-Oxley Section 404 relating to our annual audit; (c) the review of the financial statements included in our quarterly reports on Form 10-Q; and (d) consents and comfort letters issued in connection with debt offerings and common share offerings.

(2) Audit-related fees primarily include the audit of our employee benefit plan, which are paid by the plan and not the company, and certain property level audits.

(3) $264,600 and $260,805 of the amounts shown for 2020 and 2019, respectively, relate solely to tax compliance and preparation, including the preparation of original and amended tax returns and refund claims and tax payment planning.

The affirmative vote of a majority of votes cast at the Annual Meeting, in person or by proxy, is required to approve this proposal. An “abstention” or “broker non-vote” will have no effect on the outcome of the vote for this proposal.

✓ Our Board recommends a vote **FOR** the non-binding ratification of our independent auditor

Audit Committee Report

The following Report of the Audit Committee does not constitute soliciting material and should not be deemed filed or incorporated by reference into any other filing by us under the Securities Act of 1933 or the Exchange Act, except to the extent the Company specifically incorporates this Report by reference therein.

The Audit Committee is made up entirely of trustees who meet all independence requirements under the SEC and NYSE and have the requisite financial competence to serve on the Audit Committee. The Audit Committee meets at least quarterly and operates pursuant to a written charter that is reviewed at least every three years. That charter can be accessed under the Investors/Corporate Governance section of our website at *www.federalrealty.com.* In 2020, the Audit Committee met four times and each meeting included an executive session with our independent registered public accounting firm and no members of management present.

The Audit Committee is directly responsible for the appointment, retention and oversight of GT, the independent registered public accounting firm retained to audit our financial statements, and also oversees management, including its internal audit firm, in their performance of its financial functions. Specifically, management is responsible for the financial reporting process, including the system of internal controls, for the preparation of consolidated financial statements in accordance with generally accepted accounting principles in the United States (“GAAP”) and for reporting on internal control over financial reporting. Management uses Pricewaterhouse Coopers, LLC (“PwC”) to provide its internal audit function, including oversight of the ongoing testing of the effectiveness of our internal controls. The Audit Committee met regularly with PwC and one meeting included an executive session with PwC with no members of GT or management present. GT is responsible for auditing the consolidated financial statements of the Company and expressing an opinion on the financial statements and the effectiveness of internal control over financial reporting.

During 2020, as part of its oversight function, the Audit Committee:

- Reviewed and discussed with management and GT, individually and collectively, all annual and quarterly financial statements and operating results prior to their issuance;
- Discussed with GT matters relating to GT's independence from Federal and received written confirmation from GT that GT is not aware of any relationships that, in their professional judgment may impair their independence as required by the Public Company Accounting Oversight Board;
- Discussed with GT matters required to be discussed pursuant to applicable audit standards, including the reasonableness of judgments and the clarity and completeness of financial disclosures;
- Monitored the non-audit services provided by GT to ensure that performance of such services did not adversely impact GT's independence; and
- As part of the Committee's quarterly review of internal controls, the Committee discussed with management cybersecurity threats, cyber breaches, any responses to such breaches, and ongoing areas of focus of management in protecting against cyber breaches. During those quarterly reviews in 2020, the Committee was advised of one isolated and minor information security breach that resulted in a total cost for all investigative and remedial work of less than .01% of the Company's 2020 total revenue. The Committee and management also discussed the additional training and security measures that were immediately implemented to mitigate the likelihood of a similar incident in the future. This was the only cyber incident experienced by the Company in the last three years.

Based on the Audit Committee's reviews and discussions with GT, PwC and management, the Audit Committee recommended to the Board of Trustees that the Board approve the inclusion of our audited financial statements in our Annual Report on Form 10-K for the fiscal year ended December 31, 2020 for filing with the SEC.

Submitted by the Audit Committee:

Gail P. Steinel, Chairperson
Jon E. Bortz
David W. Faeder
Anthony P. Nader, III (joined the Committee on November 4, 2020)

Beneficial Ownership

Ownership of Principal Shareholders

Based on our records and the information reported in filings with the SEC, the following were beneficial owners of more than 5% of our Shares as of March 16, 2021:

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percentage of Our Outstanding Shares[(1)]
The Vanguard Group, Inc.[(2)] 100 Vanguard Blvd. Malvern, PA 19355	11,330,652	14.6%
State Street Corporation[(3)] State Street Financial Center, One Lincoln Street Boston, MA 02111	8,452,342	10.9%
Norges Bank (The Central Bank of Norway)[(4)] Bankplassen 2, PO Box 1179 Sentrum NO 0107 Oslo Norway	7,212,626	9.3%
BlackRock, Inc.[(5)] 55 East 52nd Street New York, NY 10055	7,148,187	9.2%
Capital Research Global Investors[(6)] 333 South Hope Street, 55th Floor Los Angeles, CA 90071	4,246,220	5.5%

(1) The percentage of outstanding Shares is calculated by taking the number of Shares stated in the Schedule 13G or 13G/A, as applicable, filed with the SEC divided by 77,706,466, the total number of Shares outstanding on March 16, 2021.

(2) Information based on a Schedule 13G/A filed with the SEC on February 10, 2021 by The Vanguard Group which states that The Vanguard Group, an investment advisor, has shared voting power over 268,291 Shares, sole dispositive power over 10,867,683 Shares and shared dispositive power over 462,969 Shares.

(3) Information based on a Schedule 13G filed with the SEC on February 11, 2021 by State Street Corporation, which states that State Street Corporation, a parent holding company, has shared voting power over 7,962,860 Shares and shared dispositive power over 8,451,842 Shares and that SSGA Funds Management, Inc., a subsidiary of State Street Corporation, has shared voting power over 4,822,602 Shares and shared dispositive power over 4,851,750 Shares.

(4) Information based on a Schedule 13G/A filed with the SEC on January 28, 2021 by Norges Bank (The Central Bank of Norway) which states that Norges Bank (The Central Bank of Norway) has sole voting power and sole dispositive power over 7,212,626 Shares.

(5) Information based on a Schedule 13G/A filed with the SEC on January 29, 2021 by BlackRock, Inc., which states that BlackRock, Inc., a parent holding company, has sole voting power over 6,521,074 Shares and sole dispositive power over 7,148,187 Shares.

(6) Information based on a Schedule 13G filed with the SEC on February 16, 2021 by Capital Research Global Investors which states that Capital Research Global Investors, an investment advisor, has sole voting and sole dispositive power over 4,246,220 Shares.

Ownership of Trustees and Executive Officers

The table below reflects beneficial ownership of our Trustees and all current NEOs as of March 16, 2021 determined in accordance with Rule 13d-3 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Unless noted in the footnotes following the table, each Trustee and NEO has sole voting and investment power as to all Shares listed.

Name and Address of Beneficial Owner(1)	Common	Unvested Restricted Shares	Total Shares Beneficially Owned	Percentage of Outstanding Shares Owned(2)
Dawn M. Becker	130,354	12,878	143,232	*
Jeffrey S. Berkes	20,540	42,117	62,657	*
Jon E. Bortz(3)	12,921	0	12,921	*
David W. Faeder	12,578	0	12,578	*
Daniel Guglielmone	17,151	19,390	36,541	*
Elizabeth I. Holland	4,084	0	4,084	*
Nicole Y. Lamb-Hale	470	0	470	*
Anthony P. Nader, III	470	0	470	*
Mark S. Ordan	2,222	0	2,222	*
Gail P. Steinel	12,374	0	12,374	*
Joseph S. Vassalluzzo	25,718	0	25,718	*
Donald C. Wood(4)	363,947	98,725	462,672	*
Trustees, trustee nominees and executive officers as a group (12 individuals)	**602,829**	**173,110**	**775,939**	**1%**

* Less than 1%

(1) The address for each of the named individuals is 909 Rose Avenue, Suite 200, North Bethesda, Maryland 20852.

(2) The percentage of outstanding Shares owned is calculated by taking the number of Shares reflected in the column titled "Total Shares Beneficially Owned" divided by 77,706,466, the total number of Shares outstanding on March 16, 2021.

(3) Voting and investment power is shared with Mr. Bortz' wife.

(4) Includes 53,879 Shares owned by Mr. Wood's wife, 20,000 Shares owned by Great Falls Trust, 46,500 Shares owned by Wood Descendants Trust and 60,000 Shares owned by IJKR II, LLC.

Other Information for Shareholders

Anti-Hedging Policy

All officers and non-employee Trustees are prohibited from engaging in short sales of our securities, establishing margin accounts, pledging our securities as collateral for a loan, buying or selling puts or calls on our securities or otherwise engaging in hedging transactions (such as zero-cost dollars, exchange funds, and forward sale contracts) involving our securities.

Related Party Transactions

Our Code of Business Conduct requires that our Trustees and all of our employees deal with the Company on an arms-length basis in any related party transaction. All transactions between us and any of our Trustees, our NEOs or other vice presidents, or entity in which any of them has an ownership interest must be approved in advance by the Audit Committee. Audit Committee approval is not required for us to enter into a lease with an entity in which any of our Trustees is a director, employee or owner so long as the lease is entered into in the ordinary course of business and is negotiated at arms-length and on market terms.

We have no related party transactions with any of our Trustees that are required to be disclosed. None of our NEOs has any indebtedness to the Company or any relationship with the Company other than as an employee and shareholder. Employment and change-in-control arrangements between the Company and the 2020 NEOs are described in the "Potential Payments on Termination of Employment and Change-in-Control" section above.

Important Information about Voting at the 2021 Annual Meeting

Notice of Electronic Availability of Proxy Materials

We are furnishing proxy materials including this proxy statement and our 2020 Annual Report to Shareholders, including our Annual Report on Form 10-K for the year ended December 31, 2020 ("Annual Report"), to each shareholder by providing access to such documents on the Internet. On or about March 25, 2021, we mailed to our shareholders a "Notice of Internet Availability of Proxy Materials" ("Notice") containing instructions on how to access and review this proxy statement and our Annual Report and how to submit your vote on the Internet or by telephone. You cannot vote by marking the Notice and returning it. If you received the Notice, you will not automatically receive a printed copy of our proxy materials or Annual Report unless you follow the instructions for requesting these materials included in the Notice. This section does not apply if you previously requested to receive these materials by mail. Questions regarding the Notice or voting should be directed to our Investor Relations Department at (800) 937-5449 or by email at *IR@federalrealty.com.*

Why You are Receiving These Materials

You are receiving these materials because you owned our Shares as of March 16, 2021, the record date established by our Board of Trustees for our Annual Meeting. Everyone who owned our Shares as of this date, whether directly as a registered shareholder or indirectly through a broker or other nominee, is entitled to vote at the Annual Meeting. We had 77,706,466 Shares outstanding on March 16, 2021. Each Share outstanding on the record date is entitled to one vote. A majority of the Shares entitled to vote at the Annual Meeting must be present in person or by proxy for us to proceed with the Annual Meeting.

Accessing Materials

Shareholders can access this Proxy Statement, our Annual Report and our other filings with the SEC on the Investors page of our website at *www.federalrealty.com.* A copy of our Annual Report, including the financial statements and financial statement schedules ("Form 10-K") is being provided to shareholders along with this Proxy Statement. The Form 10-K includes certain exhibits, which we will provide to you only upon request addressed to Investor Relations at 909 Rose Avenue, Suite 200, North Bethesda, Maryland 20852. The request must be accompanied by payment of a fee to cover our reasonable expenses for copying and mailing the Form 10-K.

In the future, if you wish to receive paper copies of our proxy materials, without charge, and are a registered shareholder, you may do so by written request addressed to American Stock Transfer and Trust, LLC. For those of you holding Shares indirectly in "street name", you must write your bank, brokerage firm, broker-dealer or nominee, to obtain paper copies. Any election you make on how to receive your proxy materials will remain in effect for all future annual meetings until you revoke it.

How to Vote

If you own your Shares directly with our transfer agent, American Stock Transfer and Trust, LLC, you are a registered shareholder and can vote either in person at the Annual Meeting or by proxy without attending the Annual Meeting through one of the following methods:

By Internet	***By Telephone***	***By Mail***
Visit www.voteproxy.com, available 24/7	Call 1-800-776-9437, available 24/7	Mark, sign and date your proxy card

If you vote by internet or telephone, you will need the control number on your Notice, proxy card or voting instruction form. Votes must be submitted by the conclusion of the Annual Meeting to be counted for the meeting. You may revoke your proxy at any time before it is voted at the Annual Meeting by notifying the secretary in writing, submitting a proxy dated later than your original proxy, or attending and voting at the Annual Meeting.

If you hold your Shares indirectly in an account at a bank, brokerage firm, broker-dealer or nominee, you are a beneficial owner of Shares held in "street name". You will receive all proxy materials directly from your bank, brokerage firm, broker-dealer or nominee and you must either direct them as to how to vote your Shares or obtain from them a proxy to vote at the Annual Meeting. Please refer to the notice of internet availability of proxy materials or the voter instruction form used by your bank, brokerage firm, broker-dealer or nominee for specific instructions on methods of voting. If you fail to give your bank, brokerage firm, broker-dealer or nominee specific instructions on how to vote your Shares with respect to Proposals 1 or 2, your vote will NOT be counted for those matters. It is important for every shareholder's vote to be counted on these matters so we encourage you to provide your bank, brokerage firm, broker-dealer or nominee with voting instructions. If you fail to give your bank, brokerage firm, broker-dealer or nominee specific instructions on how to vote your Shares on Proposal 3, your bank, brokerage firm, broker-dealer or nominee will generally be able to vote on Proposal 3 as he, she or it determines.

You are urged to vote either by telephone (1-800-PROXIES or 1-800-776-9437) or on the Internet (www.voteproxy.com) by following the instructions on your Notice. For those of you who have elected email delivery, please follow the instructions for voting provided in the email. If you elect to receive your proxy materials by mail, please make sure to complete, sign, date and return your proxy card promptly to make certain your Shares will be voted at the Annual Meeting.

If you do not vote your Shares, your Shares will not be counted and we may not be able to hold the Annual Meeting. We encourage you to vote by proxy using one of the methods described above even if you plan to attend the Annual Meeting so that we will know as soon as possible whether enough votes will be present.

How to Participate in the Annual Meeting

You will be able to join our Annual Meeting as either a shareholder or a guest. All registered shareholders and shareholders that own in "street name" will be able to ask questions and vote their Shares at the meeting by following the instructions below. Guests will be permitted to join the meeting but will not be permitted to ask questions.

You can access the Annual Meeting by joining through this link: *https://web.lumiagm.com/202329683.* If you are a registered shareholder owning Shares directly in your name and you would like to be able to ask a question or vote at the Annual Meeting, you should click on "I have a control number", enter the control number found on your proxy card or Notice you previously received, and enter the password "*federal2021*" (the password is case sensitive) to enter the meeting. If you hold your Shares in "street name" through a broker, brokerage firm, broker-dealer or nominee and you would like to be able to ask a question or vote at the Annual Meeting, you must first obtain a legal proxy from your broker, brokerage firm, broker-dealer or nominee and then submit a request for registration to American Stock Transfer & Trust Company, LLC: (1) by email to proxy@astfinancial.com; (2) by facsimile to 718-765-8730 or (3) by mail to American Stock Transfer & Trust Company, LLC, Attn: Proxy Tabulation Department, 6201 15th Avenue, Brooklyn, NY 11219. Requests for registration must be labeled as "Legal Proxy" and must be received by American Stock Transfer & Trust Company, LLC no later than 5:00 p.m. local time on April 21, 2021. You will receive a confirmation of your registration by email from American Stock Transfer and & Trust Company, LLC after they receive your registration materials. The email will also include a control number so that you can ask a question or vote at the Annual Meeting by clicking on "I have a control number". Shareholders who hold Shares in "street name" will not be able to vote your Shares or ask questions without first completing this registration process. Once you are in the meeting, you can vote your Shares by clicking on the Shareholder Central link on the screen to submit your ballot. You may also continue to vote using the instructions provided in the Proxy Materials until the Annual Meeting concludes.

If you do not want to vote your Shares during the meeting or ask a question, you can join the meeting as a guest using the same link above. You will not need to have your control number or to complete a registration in order to participate as a guest. We will have technicians ready to assist you with any technical difficulties you may have accessing the Annual Meeting webcast. Electronic check in begins at 8:30 a.m. local time on May 5, 2021, the day of the Annual Meeting, so that we may address any technical difficulties before the Annual Meeting webcast begins. If you encounter any difficulties accessing the Annual Meeting webcast during the check-in or meeting time, please go to *https://go.lumiglobal.com/faq* or call 718-931-8399, ext. 6449.

Eliminating Duplicative Proxy Materials

We have adopted a procedure approved by the SEC called "householding" under which multiple shareholders who share an address and do not participate in electronic delivery will receive only one copy of the annual proxy materials or Notice unless we receive contrary instructions from one or more the shareholders. If you would like to opt out of householding and continue to receive multiple copies of the proxy materials or Notice at the same address, or if you have previously opted out of householding and would now like to participate, you can do so by notifying us in writing, by telephone or by email at: Investor Relations, 909 Rose Avenue, Suite 200, North Bethesda, Maryland 20852, (800) 937-5449, *IR@federalrealty.com.*

Solicitation of Proxies

We will bear the cost of soliciting proxies from beneficial owners of our Shares. Our trustees, officers and employees, acting without special compensation, and other agents may solicit proxies by telephone, internet, or otherwise. Copies of solicitation materials will be furnished to brokerage firms, fiduciaries, and other custodians who hold our Shares of record for beneficial owners for forwarding to such beneficial owners. We may also reimburse persons representing beneficial owners of our Shares for their reasonable expenses incurred in forwarding such materials.

Beneficial owners of our Shares who authorize their proxies through the internet should be aware that they may incur costs to access the internet, such as usage charges from telephone companies or internet service providers and these costs must be borne by the shareholder.

Shareholder Proposals for 2022 Annual Meeting

Proposals of shareholders intended to be presented at the 2022 Annual Meeting of Shareholders, including nominations for persons for election to the Board of Trustees, must be delivered to us at 909 Rose Avenue, Suite 200, North Bethesda, Maryland 20852, Attention: Corporate Secretary and received by us no later than November 25, 2021 to be considered for inclusion in our proxy statement and form of proxy relating to such meeting. All proposals must comply with the requirements set forth in our Bylaws and the federal securities laws, including Rule 14a-8, in order to be included in the Company's proxy statement and proxy card for the 2022 Annual Meeting of Shareholders. Pursuant to our proxy access Bylaw provision, a shareholder, or a group of up to 20 shareholders, that has continuously owned for three years at least 3% of the Company's outstanding common shares, may nominate and include in the Company's annual meeting proxy materials up to the greater of two trustees or 20% of the number of trustees serving on the Board, if the shareholder(s) and the nominee(s) meet the requirements specified in Article II, Section 13 of our Bylaws. Our Bylaws are available by written request made to the General Counsel & Secretary, 909 Rose Avenue, Suite 200, North Bethesda, Maryland 20852.

If you want to present a proposal for the 2022 Annual Meeting but do not wish to have it included in the proxy statement and proxy card, you must provide written notice to us no later than November 25, 2021 at the same address as set forth above.

For the Trustees,

Dawn M. Becker
Executive Vice President—General Counsel and Secretary

Federal Realty Investment Trust
909 Rose Avenue, Suite 200
North Bethesda, Maryland 20852

YOUR PROXY IS IMPORTANT REGARDLESS OF THE NUMBER OF SHARES YOU OWN. PLEASE SUBMIT IT TODAY.

Appendix A
Reconciliation of Non-GAAP Financial Measures

Property Operating Income:

Property operating income is a non-GAAP measure that consists of rental income and mortgage interest income, less rental expenses and real estate taxes. This measure is used internally to evaluate the performance of property operations and we consider it to be a significant measure. Property operating income should not be considered an alternative measure of operating results or cash flow from operations as determined in accordance with GAAP.

The reconciliation of operating income to property operating income for the years ended December 31, 2020 and 2019 is as follows:

	2020	2019
	(in thousands)	
Operating income	$ 289,524	$ 470,911
General and administrative expense	$ 41,680	$ 42,754
Depreciation and amortization	$ 255,027	$ 239,758
Impairment Charge	$ 57,218	$ -
Gain on sale of real estate, net of tax	$ (98,117)	$ (116,393)
Property operating income	$ 545,332	$ 637,030

Funds from Operations:

Funds from operations ("FFO") is a supplemental non-GAAP financial measure of real estate companies' operating performance. The National Association of Real Estate Investment Trusts ("NAREIT") defines FFO as follows: net income, computed in accordance with U.S. GAAP, plus real estate related depreciation and amortization, gains and losses on the sale of real estate, and impairment write-downs of depreciable real estate. We compute FFO in accordance with the NAREIT definition, and we have historically reported our FFO available for common shareholders in addition to our net income and net cash provided by operating activities. We consider FFO available for common shareholders a meaningful, additional measure of operating performance primarily because it excludes the assumption that the value of the real estate assets diminishes predictably over time, as implied by the historical cost convention of GAAP and the recording of depreciation. It should be noted that FFO does not represent cash flows from operating activities in accordance with GAAP (which, unlike FFO, generally reflects all cash effects of transactions and other events in the determination of net income), should not be considered an alternative to net income as an indication of our performance, and is not necessarily indicative of cash flow as a measure of liquidity or ability to fund cash needs, including the payment of dividends. We use FFO primarily as one of several means of assessing our operating performance in comparison with other REITs.

The reconciliation of net income to FFO available for common shareholders for the years ended December 31, 2020 and 2019 is as follows:

	2020	2019
	(in thousands, except per share data)	
Net income	$ 135,888	$ 360,542
Net income attributable to noncontrolling interests	$ (4,182)	$ (6,676)
Gain on sale of real estate, net of tax	$ (91,922)	$ (116,393)
Impairment charge, net	$ 50,728	$ -
Depreciation and amortization of real estate assets	$ 228,850	$ 215,139
Amortization of initial direct costs of leases	$ 20,415	$ 19,359
Funds from operations	$ 339,777	$ 471,971
Dividends on preferred shares	$ (8,042)	$ (7,500)
Income attributable to operating partnership units	$ 3,151	$ 2,703
Income attributable to unvested shares	$ (1,037)	$ (1,355)
Funds from operations available for common shareholders	$ 333,849	$ 465,819
Weighted average number of common shares, diluted	76,261	75,514
Funds from operations available for common shareholders, per diluted share	$ 4.38	$ 6.17

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COMMON STOCK LISTING

New York Stock Exchange
Symbol: FRT

MEMBERSHIPS

International Council of Shopping Centers
National Association of Real Estate Investment Trusts
Urban Land Institute

ANNUAL MEETING

Federal Realty Investment Trust will hold its Annual Shareholder Meeting virtually at 9:00 a.m. on May 5, 2021.

CORPORATE GOVERNANCE

The Trust's Corporate Governance Guidelines and the charters for the Audit Committee, the Compensation and Human Capital Management Committee and the Nominating and Corporate Governance Committee are available in the Investors section of our website at www.federalrealty.com.

AUTOMATIC CASH INVESTMENT AND DIRECT DEPOSIT

Federal Realty offers automatic cash investment, the option to automatically withdraw funds from a checking/savings or other bank account to purchase additional shares of FRT on the 1st and 15th of each month. Federal Realty also offers shareholders the option to directly deposit their dividends. To sign up for automatic cash investment or direct deposit, please call 800.937.5449 or visit www.astfinancial.com.

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Visitors to the site can search for and download Securities and Exchange Commission filings, review Federal Realty's Dividend Reinvestment Plan, obtain current stock quotes, read recent press releases, and see a listing of our properties and the properties' respective websites. Printed materials and email news alerts can also be requested.

INVESTOR RELATIONS CONTACT

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