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Brixmor Property Group Inc.
Form 10-K
February 19, 2015

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

Form 10-K

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

For the fiscal year ended December 31, 2014

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: 001-36160 (Brixmor Property Group)

Commission File Number: 333-201464-01 (Brixmor Operating Partnership LP)

Brixmor Property Group Inc.

Brixmor Operating Partnership LP

(Exact Name of Registrant as Specified in Its Charter)

Maryland (Brixmor Property Group Inc.)

45-2433192

Delaware (Brixmor Operating Partnership LP)

80-0831163

(State or Other Jurisdiction of Incorporation or Organization)

(I.R.S. Employer Identification No.)

420 Lexington Avenue, New York, New York 10170

(Address of Principal Executive Offices) (Zip Code)

212-869-3000

(Registrant's Telephone Number, Including Area Code)

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

Title of each class	Name of each exchange on which registered
Common Stock, par value \$0.01 per share.	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.

Brixmor Property Group Inc. Yes No Brixmor Operating Partnership LP 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.

Brixmor Property Group Inc. Yes No Brixmor Operating Partnership LP 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.

Brixmor Property Group Inc. Yes No Brixmor Operating Partnership LP Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Brixmor Property Group Inc. Yes No Brixmor Operating Partnership LP Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

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

Brixmor Property Group Inc.		Brixmor Operating Partnership LP	
Large accelerated filer	<input type="checkbox"/>	Non-accelerated filer	<input type="checkbox"/>
Smaller reporting company	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>

(Do not check if a smaller reporting company)

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

Brixmor Property Group Inc. Yes No Brixmor Operating Partnership LP Yes No

State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold, or the average bid and asked price of such common equity, as of the last business day of the registrants’ most recently completed second fiscal quarter.

Brixmor Property Group Inc. \$1,882,589,693 Brixmor Operating Partnership LP N/A

(APPLICABLE ONLY TO CORPORATE REGISTRANTS)

Indicate the number of shares outstanding of each of the registrant’s classes of common stock, as of the latest practicable date.

As of February 1, 2015, Brixmor Property Group Inc. had 297,319,676 shares of common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the definitive proxy statement to be filed by Brixmor Property Group Inc. with the Securities and Exchange Commission pursuant to Regulation 14A relating to the registrant’s Annual Meeting of Stockholders to be held on June 3, 2015 will be incorporated by reference in this Form 10-K in response to Items 10, 11, 12, 13 and 14 of Part III. The definitive proxy statement will be filed with the SEC not later than 120 days after the registrant’s fiscal year ended December 31, 2014.

EXPLANATORY NOTE

This report combines the annual reports on Form 10-K for the period ended December 31, 2014 of Brixmor Property Group Inc. and Brixmor Operating Partnership LP. Unless stated otherwise or the context otherwise requires, references to the “Parent Company” or “BPG” mean Brixmor Property Group Inc. and its consolidated subsidiaries; and references to the “Operating Partnership” mean Brixmor Operating Partnership LP and its consolidated subsidiaries. The terms the “Company,” “Brixmor,” “we,” “our” and “us” mean BPG and the Operating Partnership, collectively.

The Parent Company is a real estate investment trust (“REIT”) which owns 100% of the common stock of BPG Subsidiary Inc. (“BPG Sub”), which, in turn, is the sole owner of Brixmor OP GP LLC, or the General Partner, the sole general partner of the Operating Partnership. As of December 31, 2014, the Parent Company beneficially owned, through its direct and indirect interest in BPG Sub and the General Partner, approximately 97.5% of the outstanding partnership common units of interest (the “OP Units”) in the Operating Partnership. Certain investments funds affiliated with The Blackstone Group L.P. and certain current and former members of the Company’s management collectively owned the remaining 2.5% interest in the Operating Partnership.

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

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

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

We believe it is important to understand the few differences between the Parent Company and the Operating Partnership in the context of how the Parent Company and the Operating Partnership operate as a consolidated company. The Parent Company is a REIT, whose only material asset is its indirect interest in the Operating Partnership. As a result, the Parent Company does not conduct business itself other than issuing public equity from time to time. The Parent Company does not incur any material indebtedness. The Operating Partnership holds substantially all of our assets. Except for net proceeds from public equity issuances by the Parent Company, which are contributed to the Operating Partnership in exchange for OP Units, the Operating Partnership generates all remaining capital required by the Company’s business. Sources of this capital include the Operating Partnership’s operations, its direct or indirect incurrence of indebtedness, and the issuance of OP Units.

Stockholders’ equity, partners’ capital, and non-controlling interests are the primary areas of difference between the consolidated financial statements of the Parent Company and those of the Operating Partnership. The Operating Partnership’s capital includes OP Units owned by the Parent Company through BPG Sub and the General Partner as well as OP Units owned by certain investments funds affiliated with The Blackstone Group L.P. and certain current and former members of the our management. OP Units owned by third parties are accounted for in partners’ capital in the Operating Partnership’s financial statements and outside of stockholders’ equity in non-controlling interests in the Parent Company’s financial statements.

In order to highlight the differences between the Parent Company and the Operating Partnership, there are sections in this report that separately discuss the Parent Company and the Operating Partnership, including separate financial statements, controls and procedures sections, certification of periodic report under Section 302 of the Sarbanes-Oxley Act of 2002 and certification pursuant to 18 U.S.C Section 1350 as adopted pursuant to Section 906 of the

Sarbanes-Oxley Act of 2002. In the sections that combine disclosure for the Parent Company and the Operating Partnership, this report refers to actions or holdings as being actions or holdings of the Company.

The Parent Company consolidates the Operating Partnership for financial reporting purposes, and the Parent Company does not have material assets other than its indirect investment in the Operating Partnership. Therefore, while stockholders' equity and partners' capital differ as discussed above, the assets and liabilities of the Parent Company and the Operating Partnership are materially the same on their respective financial statements.

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Forward-Looking Statements

This report contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 which reflect our current views with respect to, among other things, our operations and financial performance. You can identify these forward-looking statements by the use of words such as “outlook,” “believes,” “expects,” “potential,” “continues,” “may,” “will,” “should,” “seeks,” “approximately,” “intends,” “plans,” “estimates,” “anticipates,” “targets” or the negative version of these words or other comparable words. Such forward-looking statements are subject to various risks and uncertainties. Accordingly, there are or will be important factors that could cause actual outcomes or results to differ materially from those indicated in these statements. We believe these factors include but are not limited to those described under the section entitled “Risk Factors” in this report, as such factors may be updated from time to time in our periodic filings with the SEC, which are accessible on the SEC’s website at www.sec.gov. These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included in this report and in our other periodic filings. The forward-looking statements speak only as of the date of this report, and we undertake no obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise.

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PART I

Item 1. Business

Brixmor Property Group Inc. and subsidiaries (collectively, “BPG”) is an internally-managed REIT. Brixmor Operating Partnership LP and subsidiaries (collectively, the “Operating Partnership”) is the entity through which BPG conducts substantially all of its operations and owns substantially all of its assets. BPG owns 100% of the common stock of BPG Subsidiary Inc. (“BPG Sub”), which, in turn, is the sole member of Brixmor OP GP LLC (the “General Partner”), the sole general partner of the Operating Partnership. Unless otherwise expressly stated or the context otherwise requires, “we,” “us,” and “our” as used herein refer to each of BPG and the Operating Partnership, collectively. We operate the largest wholly-owned portfolio of grocery-anchored community and neighborhood shopping centers in the United States. Our portfolio is comprised of 521 shopping centers totaling approximately 87 million square feet of gross leasable area (the “Portfolio”). 520 of these shopping centers are 100% owned. Our high quality national Portfolio is well diversified by geography, tenancy and retail format, with 71% of our shopping centers anchored by market-leading grocers. Our four largest tenants by annualized base rent are The Kroger Co., The TJX Companies, Inc., Wal-Mart Stores, Inc. and Publix Super Markets, Inc. Our community and neighborhood shopping centers provide a mix of necessity and value-oriented retailers and are primarily located in the top 50 Metropolitan Statistical Areas, surrounded by dense populations in established trade areas. We are led by a proven management team that is supported by a fully-integrated, scalable retail real estate operating platform.

On November 4, 2013, we completed an initial public offering (“IPO”) in which we sold 47.4 million shares of our common stock, at an IPO price of \$20.00 per share. We received net proceeds from the sale of shares in the IPO of \$893.9 million after deducting \$54.9 million in underwriting discounts, expenses and transaction costs. Of the total proceeds received, \$824.7 million was used to pay down amounts outstanding under our unsecured credit facility.

In connection with the IPO, we acquired interests in 43 properties (the “Acquired Properties”) from certain investment funds affiliated with The Blackstone Group L.P. (together with such affiliated funds, “Blackstone”) in exchange for 15.9 million partnership common units of interest (the “OP Units”) in the Operating Partnership having a value equivalent to the value of the Acquired Properties. In connection with the acquisition of the Acquired Properties in 2013, we repaid \$66.6 million of indebtedness to Blackstone attributable to certain of the Acquired Properties with a portion of the net proceeds of the IPO. During 2014, we repaid the remaining \$7.6 million of indebtedness to Blackstone attributable to certain of the Acquired Properties.

Also in connection with the IPO we created a separate series of interest in the Operating Partnership (“Series A”) that allocated to certain funds affiliated with The Blackstone Group L.P. and Centerbridge Partners, L.P. (owners of the Operating Partnership prior to the IPO) (the “pre-IPO owners”) all of the economic consequences of ownership of the Operating Partnership’s interest in 47 properties that the Operating Partnership historically held in its portfolio (the “Non-Core Properties”). During 2013, we disposed of 11 of the Non-Core Properties. During 2014, the Operating Partnership caused its ownership interests in all but one of the remaining 36 Non-Core Properties to be transferred to the pre-IPO owners. The one remaining Non-Core Property was transferred to the lender in satisfaction of the property’s mortgage balance and, following such transfer, on March 28, 2014, the Series A was terminated.

We refer to the acquisition of the Acquired Properties and the distribution of the Non-Core Properties as the “IPO Property Transfers” and the 522 properties that comprised our portfolio immediately following the IPO Property Transfers as our “IPO Portfolio”. Unless the context requires otherwise, when describing our portfolio of properties throughout this Form 10-K, we are referring to our Portfolio defined above.

As of December 31, 2014, BPG beneficially owned, through its direct and indirect interest in BPG Sub and the General Partner, 97.5% of the outstanding OP Units. Certain investments funds affiliated with The Blackstone Group L.P. and certain members of our current and former management collectively owned the remaining 2.5% of the outstanding OP Units. We use the term “Outstanding OP Units” to refer to the OP Units not held by BPG, BPG Sub or

the General Partner. Holders of Outstanding OP Units may redeem their OP Units for cash based upon the market value of an equivalent number of shares of BPG's common stock or, at our election, exchange their OP Units for shares of our common stock on a one-for-one basis subject to customary conversion rate adjustments for splits, unit distributions and reclassifications. The number of OP Units in the Operating Partnership beneficially owned by BPG is equivalent to the number of outstanding shares of BPG's common stock, and the entitlement of all OP Units to quarterly distributions and payments in liquidation is substantially the same as those of BPG's common

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stockholders. BPG’s common stock is publicly traded on the New York Stock Exchange (“NYSE”) under the ticker symbol “BRX.”

Because the Operating Partnership is managed by BPG, and BPG conducts substantially all of its operations through the Operating Partnership, we refer to BPG’s executive officers as Operating Partnership’s executive officers, and although, as a partnership, the Operating Partnership does not have a board of directors, we refer to BPG’s board of directors as the Operating Partnership’s board of directors.

Our Shopping Centers

The following table provides summary information regarding our Portfolio as of December 31, 2014.

Number of shopping centers	521
Gross leasable area (sq. ft.)	86.8 million
Percent grocery-anchored shopping centers ⁽¹⁾	71%
Average shopping center GLA (sq. ft.)	166,657
Occupancy	93%
Average ABR/SF	\$12.14
Percent of ABR in top 50 U.S. MSAs	65%
Average effective age ⁽²⁾	14 years
Percent of grocer anchors that are #1 or #2 in their respective markets ⁽³⁾	80%
Average sales per square foot of GLA (“PSF”) of reporting grocers ⁽⁴⁾	\$542
Average population density ⁽⁵⁾	184,000
Average household income ⁽⁵⁾	\$79,000

⁽¹⁾ Based on total number of shopping centers.

⁽²⁾ Effective age is calculated based on the year of the most recent redevelopment of the shopping center or based on year built if no redevelopment has occurred.

References to grocer anchors that are #1 or #2 are based on a combination of industry sources and management estimates of market share in these grocers’ respective markets and include all grocers identified by management as ⁽³⁾ “specialty” grocers. Grocers that operate within a market under a shared banner but are owned by different parent companies and grocers that operate within a market under different banners but share a parent company are grouped as a single grocer.

⁽⁴⁾ Based on the most recent tenant reported information available as of December 31, 2014.

⁽⁵⁾ Demographics based on five-mile radius and weighted by ABR. Based on U.S. Census data.

Business Objectives and Strategies

Our primary objective is to maximize total returns to our stockholders through a combination of growth and value-creation at the asset level supported by stable cash flows. We seek to achieve this through ownership of a large high quality, diversified portfolio of primarily grocery-anchored community and neighborhood shopping centers and by creating meaningful net operating income (“NOI”) growth from this portfolio (see “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations - Same Property NOI” - for information regarding our use of NOI, which is a non-GAAP measure). The major drivers of this growth will be a combination of occupancy increases across both our anchor and small shop space, positive rent spreads from below-market in-place rents and significant near-term lease rollover, through annual contractual rent increases across the portfolio and the realization of embedded anchor space repositioning / redevelopment opportunities. Our key strategies to achieve these objectives are summarized as follows and detailed below:

• Leveraging our operating expertise to proactively lease and manage our assets

• Achieving occupancy increases across both anchor and small shop space

• Capitalizing on below-market expiring leases

• Pursuing value-creating anchor space repositioning / redevelopment opportunities

• Preserving portfolio diversification

• Maintaining a flexible capital structure positioned for growth

Leveraging our Operating Expertise to Proactively Lease and Manage our Assets. We proactively manage our shopping centers with an emphasis on driving high occupancy rates with a solid base of nationally and regionally recognized tenants that generate substantial daily traffic. Our expansive relationships with leading retailers afford us

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early access to their strategies and expansion plans, as well as to their senior management. We believe these relationships, combined with the national breadth and scale of our portfolio, give us a competitive advantage as a key landlord able to support the real estate strategies of our diverse landscape of retailers. Our operating platform, along with the corresponding regional and local market expertise, enables us to efficiently capitalize on market and retailing trends. We also seek opportunities to refurbish, renovate and redevelop existing shopping centers, as appropriate, including expanding or repositioning existing tenants.

We direct our leasing efforts at the corporate level through our national accounts team and at the regional level through our field network. We believe this strategy enables us to provide our national and regional retailers with a centralized, single point of contact, facilitates reviews of our entire shopping center portfolio and provides for standardized lease templates that streamline the lease execution process, while also accounting for market-specific trends.

Achieving Occupancy Increases Across Both Anchor and Small Shop Space. During 2014 we experienced strong leasing momentum in our Portfolio and executed 787 new leases for an aggregate of approximately 3.8 million sq. ft., including 81 new anchor leases for spaces of at least 10,000 sq. ft., of which 38 were new leases for spaces of at least 20,000 sq. ft. As a result, our occupancy increased to 92.8% at December 31, 2014 from 92.4% at December 31, 2013 and the occupancy for spaces of at least 10,000 sq. ft. remained at 97.1% as of December 31, 2014. We believe that there is additional opportunity for further occupancy gains in our portfolio and that such improvement in anchor occupancy will drive strong new and renewal lease spreads and enable us to lease additional small shop space.

Capitalizing on Below-Market Expiring Leases. Our focus is to unlock opportunity and create value at the asset level and increase cash flow by increasing rental rates through the renewal of expiring leases or re-leasing of space to new tenants with limited downtime. As part of our targeted leasing strategy, we constantly seek to maximize rental rates and improve the tenant quality and credit profile of our portfolio. We believe our above average lease expiration schedule, as compared to our historic annual expirations, with below-market expiring rents will enable us to renew leases or sign new leases at higher rates. During 2014 in our Portfolio, we experienced new lease rent spreads of 31.2% and blended lease spreads of 12.6%. For the last six quarters ended December 31, 2014, blended lease spreads have been 11% or better. We believe that this performance will continue given our future expiration schedule of 11.0% of our leased GLA due to expire in 2015, 14.6% in 2016 and 13.2% in 2017, with an average expiring ABR/SF of \$11.41 compared to an average ABR/SF of \$12.53 for new and renewal leases signed during 2014, with an average ABR/SF of \$13.45 for new leases and \$12.15 for renewal leases. This represents a significant near-term opportunity to mark a substantial percentage of the portfolio to market.

Pursuing Value-Creating Anchor Space Repositioning / Redevelopment Opportunities. We evaluate our Portfolio on an ongoing basis to identify value-creating anchor space repositioning / redevelopment opportunities. These efforts are tenant-driven and focus on renovating, re-tenanting and repositioning assets and generally present higher risk-adjusted returns than new developments. Such initiatives are focused on upgrading our centers with strong, best-in-class anchors and transforming such properties' overall merchandise mix and tenant quality. Potential new projects include value-creation opportunities that have been previously identified within our Portfolio, as well as new opportunities created by the lack of meaningful community and neighborhood shopping center development in the United States. We may occasionally seek to acquire non-owned anchor spaces and land parcels at, or adjacent, to our shopping centers in order to facilitate redevelopment projects. In addition, as we own a vast majority of our anchor spaces greater than 35,000 sq. ft., we have important operational control in the positioning of our shopping centers in the event an anchor ceases to operate and flexibility in working with new and existing anchor tenants as they seek to expand or reposition their stores.

During 2014, we completed 18 anchor space repositioning / redevelopment projects in our Portfolio, with average targeted NOI yields of 13%. The aggregate cost of these projects was approximately \$75.6 million. We expect average targeted NOI yields of 13% and an aggregate cost of \$95.9 million for our 28 currently active anchor space repositioning / redevelopment projects.

As a result of the historically low number of new shopping center developments in the United States, redevelopment opportunities are critical in allowing us to meet space requirements for new store growth and accommodate the evolving prototypes of our retailers. We expect to maintain our current pace of anchor space repositioning /

redevelopment projects over the foreseeable future. We believe such projects are critical to the success of our company, as it provides incremental growth in NOI, drives small shop leasing, improves the value and quality of our shopping centers and increases consumer traffic. We intend to fund these efforts through cash from operations.

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Preserving Portfolio Diversification. We seek to achieve diversification by the geographic distribution of our shopping centers and the breadth of our tenant base and tenant business lines. We believe this diversification serves to insulate us from macro-economic cycles and reduces our exposure to any single market or retailer.

The shopping centers in our Portfolio are strategically located across 38 states and throughout more than 170 MSAs, with 64.6% of our ABR derived from shopping centers located in the top 50 MSAs with no one MSA accounting for more than 6.5% of our ABR, in each case as of December 31, 2014.

In total, we have approximately 5,500 diverse national, regional and local retailers with approximately 9,500 leases in our Portfolio. As a result, our 10 largest tenants accounted for only 17.6% of our ABR, and our two largest tenants, The Kroger Co. and The TJX Companies, together accounted for only 6.5% of our ABR as of December 31, 2014. Our largest shopping center represents only 1.5% of our ABR as of December 31, 2014.

Maintaining a Flexible Capital Structure Positioned for Growth. The capital structure resulting from our IPO and related transactions provides us with financial flexibility and capacity to fund our current growth capital needs, as well as future opportunities. In 2013, we completed a \$2.75 billion unsecured credit facility with a lending group comprised of top-tier financial institutions under which we had \$730.5 million of undrawn capacity as of December 31, 2014. During 2014 we completed a term loan for an additional \$600.0 million with top-tier financial institutions. See “Management’s Discussion and Analysis of Financial Condition and Results of Operations-Our Liquidity and Capital Resources.”

We believe we have strong access to multiple forms of capital, including unsecured corporate level debt, preferred equity and additional credit facilities, which will provide us with a competitive advantage over smaller, more highly leveraged or privately-held shopping center companies. During 2014, we received investment grade credit ratings from all three major credit rating agencies.

We intend to continue to enhance our financial and operating flexibility through ongoing commitment to ladder and extend the duration of our debt, and further expand our unencumbered asset pool.

The strategies discussed above are periodically reviewed by our Board of Directors and while it does not have any present intention to amend or revise its strategy, the Board of Directors may do so at anytime without a vote of the Company’s shareholders.

Competition

We face considerable competition in the leasing of real estate, which is a highly competitive market. We compete with a number of other companies in providing leases to prospective tenants and in re-leasing space to current tenants upon expiration of their respective leases. We believe that the principal competitive factors in attracting tenants in our market areas are location, co-tenants and physical conditions of our shopping centers. In this regard, we proactively manage and, where and when appropriate, redevelop and upgrade, our shopping centers, with an emphasis on maintaining high occupancy rates with a strong base of nationally and regionally recognized anchor tenants that generate substantial daily traffic. In addition, we believe that the breadth of our national portfolio of shopping centers, and the local knowledge and market intelligence derived from our regional operating team, as well as the close relationships we have established with certain major, national and regional retailers, allow us to maintain a competitive position.

Environmental Exposure

We are subject to federal, state and local environmental regulations that apply generally to the ownership of real property and the operations conducted on real property. Under various federal, state and local laws, ordinances and regulations, we may be considered an owner or operator of real property or may have arranged for the disposal or treatment of hazardous or toxic substances or petroleum product releases at a property and, therefore, may become liable for the costs of removal or remediation of certain hazardous substances released on or in our property or disposed of by us or our tenants, as well as certain other potential costs which could relate to hazardous or toxic substances (including governmental fines and injuries to persons and property). Such liability may be imposed whether or not we knew of, or were responsible for, the presence of these hazardous or toxic substances. As is common with community and neighborhood shopping centers, many of our properties had or have on-site dry cleaners and/or on-site gasoline retailing facilities. These operations could potentially result in environmental contamination at the properties. The cost of investigation, remediation or removal of such substances may be

substantial, and the presence of such substances, or the failure to properly remediate such substances, may adversely affect our ability to sell or rent such property or to borrow using such property as collateral.

We are aware that soil and groundwater contamination exists at some of our properties. The primary contaminants of concern at these properties include perchloroethylene and trichloroethylene (associated with the operations of on-site dry cleaners) and petroleum hydrocarbons (associated with the operations of on-site gasoline retailing facilities). There may also be asbestos-containing materials at some of our properties. While we do not expect the environmental conditions at our properties, for which exposure has been mitigated through insurance coverage specific to environmental conditions, considered as a whole, to have a material adverse effect on us, there can be no assurance that this will be the case. Further, no assurance can be given that any environmental studies performed have identified or will identify all material environmental conditions that may exist with respect to any of the properties in our portfolio.

Employees

As of December 31, 2014, we had approximately 443 employees. Four of our employees are covered by a collective bargaining agreement, and we consider our employee relations to be good.

Financial Information about Industry Segments

Our principal business is the ownership and operation of community and neighborhood shopping centers. We do not distinguish or group our operations on a geographical basis when measuring performance. Accordingly, we believe we have a single reportable segment for disclosure purposes in accordance with GAAP. In the opinion of our management, no material part of our and our subsidiaries' business is dependent upon a single tenant, the loss of any one of which would have a material adverse effect on us, and no single tenant accounts for 5% or more of our consolidated revenues. During 2014, no single shopping center and no one tenant accounted for more than 5% of our consolidated assets or consolidated revenues.

REIT Qualification

We made a tax election to be treated as a REIT for U.S. federal income tax purposes commencing with our taxable year ended December 31, 2011 and expect to continue to operate so as to qualify as a REIT. So long as we qualify as a REIT, we generally will not be subject to U.S. federal income tax on net taxable income that we distribute annually to our stockholders. In order to qualify as a REIT for U.S. federal income tax purposes, we must continually satisfy tests concerning, among other things, the real estate qualification of sources of our income, the composition and values of our assets, the amounts we distribute to our stockholders and the diversity of ownership of our stock. In order to comply with REIT requirements, we may need to forego otherwise attractive opportunities and limit our expansion opportunities and the manner in which we conduct our operations. See "Risk Factors-Risks Related to our REIT Status and Certain Other Tax Items."

Corporate Headquarters

Brixmor Property Group Inc., a Maryland corporation, was incorporated in Delaware on May 27, 2011, changed its name to Brixmor Property Group Inc. on June 17, 2013 and changed its jurisdiction of incorporation to Maryland on November 4, 2013. Our principal executive offices are located at 420 Lexington Avenue, New York, New York 10170, and our telephone number is (212) 869-3000.

Our website address is www.brixmor.com. Information on our website is not incorporated by reference herein and is not a part of this Annual Report on Form 10-K. We make available free of charge on our website or provide a link on our website to our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, and any amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act, as soon as reasonably practicable after those reports are electronically filed with, or furnished to, the SEC. We also make available through our website other reports filed with or furnished to the SEC under the Exchange Act, including our proxy statements and reports filed by officers and directors under Section 16(a) of the Exchange Act. To access these filings, go to the "Financial Information" portion of our "Investors" page on our website, and then click on "SEC Filings." You may also read and copy any document we file at the SEC's Public Reference Room located at 100 F Street, N.E., Washington, DC 20549. Call the SEC at 1-800-SEC-0330 for further information on the public reference room. In addition, these reports and the other documents we file with the SEC are available at a website maintained by the SEC at <http://www.sec.gov>.

From time to time, we may use our website as a channel of distribution of material information. Financial and other material information regarding our company is routinely posted on and accessible at www.brixmor.com. In addition, you may automatically receive e-mail alerts and other information about our company by enrolling your e-mail address by visiting “Email Alerts” under the “Information Request” section of the “Investors” portion of our website at <http://www.brixmor.com>.

Item 1A. Risk Factors

Risks Related to Our Properties and Our Business

Adverse global, national and regional economic, market and real estate conditions may adversely affect our performance.

Properties in our portfolio consist of community and neighborhood shopping centers. Our performance is, therefore, subject to risks associated with owning and operating these types of real estate assets, including: (1) changes in national, regional and local economic climates; (2) local conditions, including an oversupply of space in, or a reduction on demand for, properties similar to those in our portfolio; (3) the attractiveness of properties in our portfolio to tenants; (4) the financial stability of tenants, including the ability of tenants to pay rent; (5) competition from other available properties; (6) changes in market rental rates; (7) changes in demographics (including number of households and average household income) surrounding our properties; (8) the need to periodically fund the costs to repair, renovate and re-lease space; (9) changes in operating costs, including costs for maintenance, utilities, insurance and real estate taxes; (10) earthquakes, tornadoes, hurricanes and other natural disasters, civil unrest, terrorist acts or acts of war, which may result in uninsured or underinsured losses; (11) the fact that the expenses of owning and operating properties are not necessarily reduced when circumstances such as market factors and competition cause a reduction in income from the properties; and (12) changes in laws and governmental regulations, including those governing usage, zoning, the environment and taxes.

Additionally, because properties in our portfolio consist of shopping centers, our performance is linked to general economic conditions in the market for retail space. The market for retail space has been and may continue to be adversely affected by weakness in the national, regional and local economies, the adverse financial condition of some large retailing companies, the consolidation in the retail sector, the excess amount of retail space in certain markets and increasing consumer purchases via the internet. To the extent that any of these conditions worsen, they are likely to affect market rents and overall demand for retail space. In addition, we may face challenges in property management and maintenance or incur increased operating costs, such as real estate taxes, insurance and utilities, which may make properties unattractive to tenants. The loss of rental revenues from a number of our tenants and our inability to replace such tenants may adversely affect our profitability and ability to meet our debt and other financial obligations.

We face considerable competition in the leasing market and may be unable to renew leases or re-lease space as leases expire. Consequently, we may be required to make rent or other concessions and/or significant capital expenditures to improve our properties in order to retain and attract tenants, which could adversely affect our financial condition and results of operations.

We compete with a number of other companies in providing leases to prospective tenants and in re-leasing space to current tenants upon expiration of their respective leases. If our tenants decide not to renew or extend their leases upon expiration, we may not be able to re-lease the space. Even if the tenants do renew or we can re-lease the space, the terms of renewal or re-leasing, including the cost of required renovations or concessions to tenants, may be less favorable or more costly than current lease terms or than expectations for the space. As of December 31, 2014, leases are scheduled to expire on a total of approximately 11.0% of leased GLA at our properties in our Portfolio during 2015. We may be unable to promptly renew the leases or re-lease this space, or the rental rates upon renewal or re-leasing may be significantly lower than expected rates, which could adversely affect our financial condition and results of operations.

We face considerable competition for the tenancy of our lessees and the business of retail shoppers. There are numerous shopping venues that compete with our properties in attracting retailers to lease space and shoppers to patronize their properties. In addition, tenants at our properties face continued competition from retailers at regional malls, outlet malls and other shopping centers, catalog companies and internet sales. In order to maintain our attractiveness to retailers and shoppers, we are required to reinvest in our properties in the form of capital improvements. If we fail to reinvest in and redevelop our properties so as to maintain their attractiveness to retailers

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and shoppers, our revenue and profitability may suffer. If retailers or shoppers perceive that shopping at other venues, online or by phone is more convenient, cost-effective or otherwise more attractive, our revenues and profitability may also suffer.

Our performance depends on the collection of rent from the tenants at the properties in our portfolio, those tenants' financial condition and the ability of those tenants to maintain their leases.

A substantial portion of our income is derived from rental income from real property. As a result, our performance depends on the collection of rent from tenants at the properties in our portfolio. Our income would be negatively affected if a significant number of the tenants at the properties in our portfolio or any major tenants, among other things: (1) decline to extend or renew leases upon expiration; (2) renew leases at lower rates; (3) fail to make rental payments when due; (4) experience a downturn in their business; or (5) become bankrupt or insolvent.

Any of these actions could result in the termination of the tenant's lease and our loss of rental income. In addition, under certain lease agreements, lease terminations by an anchor tenant or a failure by that anchor tenant to occupy the premises could also result in lease terminations or reductions in rent by other tenants in such shopping centers. In these events, we cannot be certain that any tenant whose lease expires will renew or that we will be able to re-lease space on economically advantageous terms. The loss of rental revenues from a number of tenants and difficulty replacing such tenants, particularly in the case of a substantial tenant with leases in multiple locations, may adversely affect our profitability and our ability to meet debt and other financial obligations.

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-bankruptcy amounts owed by that party. In addition, a tenant that files for bankruptcy protection may terminate its lease with us, in which event we would have a general unsecured claim against such tenant that would likely be worth 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.

Real estate property investments are illiquid, and it may not be possible to dispose of assets when appropriate or on favorable terms.

Real estate property investments generally cannot be disposed of quickly, and a return of capital and realization of gains, if any, from an investment generally occur upon the disposition or refinancing of the underlying property. Our ability to dispose of properties on advantageous terms depends on factors beyond our control, including competition from other sellers and the availability of attractive financing for potential buyers of our properties, and we cannot predict the various market conditions affecting real estate investments that will exist at any particular time in the future. Furthermore, we may be required to expend funds to correct defects or to make improvements before a property can be sold. We cannot assure our stockholders that we will have funds available to correct such defects or to make such improvements and, therefore, we may be unable to sell the property or may have to sell it at a reduced cost. As a result of these real estate market characteristics, we may be unable to realize our investment objectives by sale, other disposition or refinancing at attractive prices or within any desired period of time. The ability to sell assets in our portfolio may also be restricted by certain covenants in our debt agreements and the credit agreement governing our Unsecured Credit Facility. As a result, we may be required to dispose of assets on less than favorable terms, if at all, and we may be unable to vary our portfolio in response to economic or other conditions, which could adversely affect our financial position.

Our expenses may remain constant or increase, even if income from our properties decreases, causing our financial condition and results of operations to be adversely affected.

Costs associated with our business, such as mortgage payments, real estate and personal property taxes, insurance, utilities and corporate expenses, are relatively inflexible and generally do not decrease, and may increase, when a property is not fully occupied, rental rates decrease, a tenant fails to pay rent or other circumstances cause our revenues to decrease. If we are unable to decrease our operating costs when our revenue declines, our financial

condition, results of operations and ability to make distributions to our stockholders may be adversely affected. In addition, inflationary price increases could result in increased operating costs for us and our tenants and, to the extent we are unable to pass along those price increases or are unable to recover operating expenses from tenants, our operating expenses may increase, which could adversely affect our financial condition, results of operations and ability to make distributions to our stockholders. Conversely, deflation can result in a decline in general price levels

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caused by a decreased in the supply of money or credit. The predominant effects of deflation are high unemployment, credit contraction and weakened consumer demand.

Our cash flows and operating results could be adversely affected by required payments of debt or related interest and other risks of our debt financing.

We are generally subject to risks associated with debt financing. These risks include: (1) our cash flow may not be sufficient to satisfy required payments of principal and interest; (2) we may not be able to refinance existing indebtedness on our properties as necessary or the terms of the refinancing may be less favorable to us than the terms of existing debt; (3) required debt payments are not reduced if the economic performance of any property declines; (4) debt service obligations could reduce funds available for distribution to our stockholders and funds available for capital investment; (5) any default on our indebtedness could result in acceleration of those obligations and possible loss of property to foreclosure; and (6) the risk that necessary capital expenditures for purposes such as re-leasing space cannot be financed on favorable terms. During 2015, we have \$623.3 million of mortgage loans scheduled to mature and we have approximately \$29.7 million of scheduled mortgage amortization payments. We currently intend to repay the scheduled maturities and amortization payments with operating cash and borrowings on our revolving credit facility. If a property is mortgaged to secure payment of indebtedness and we cannot make the mortgage payments, we may have to surrender the property to the lender with a consequent loss of any prospective income and equity value from such property. Any of these risks could place strains on our cash flows, reduce our ability to grow and adversely affect our results of operations.

We utilize a significant amount of indebtedness in the operation of our business.

As of December 31, 2014, we had approximately \$6.0 billion aggregate principal amount of indebtedness outstanding. Our leverage could have important consequences to us. For example, it could (1) result in the acceleration of a significant amount of debt for non-compliance with the terms of such debt or, if such debt contains cross default or cross-acceleration provisions, other debt; (2) result in the loss of assets, including our shopping centers, due to foreclosure or sale on unfavorable terms, which could create taxable income without accompanying cash proceeds; (3) materially impair our ability to borrow unused amounts under existing financing arrangements or to obtain additional financing or refinancing on favorable terms or at all; (4) require us to dedicate a substantial portion of our cash flow to paying principal and interest on our indebtedness, reducing the cash flow available to fund our business, to pay dividends, including those necessary to maintain our REIT qualification, or to use for other purposes; (5) increase our vulnerability to an economic downturn; (6) limit our ability to withstand competitive pressures; or (7) reduce our flexibility to respond to changing business and economic conditions.

If any of the foregoing occurs, our business, financial condition, liquidity, results of operations and prospects could be materially and adversely affected, and the trading price of our common stock or other securities could decline significantly.

We may be unable to obtain financing through the debt and equity markets, which would have a material adverse effect on our growth strategy and our financial condition and results of operations.

We cannot assure you that we will be able to access the capital and credit markets to obtain additional debt or equity financing or that we will be able to obtain financing on terms favorable to us. Our inability to obtain financing could have negative effects on our business. Among other things, we could have great difficulty acquiring, re-developing or maintaining our properties, which would materially and adversely affect our business strategy and portfolio, and may result in our (1) liquidity being adversely affected; (2) inability to repay or refinance our indebtedness on or before its maturity; (3) making higher interest and principal payments or selling some of our assets on terms unfavorable to us to service our indebtedness; or (4) issuing additional capital stock, which could further dilute the ownership of our existing stockholders.

Our variable rate indebtedness subjects us to interest rate risk, which could cause our debt service obligations to increase significantly.

Borrowings under our Unsecured Credit Facility bear interest at variable rates and expose us to interest rate risk. If interest rates were to increase, our debt service obligations on the variable rate indebtedness would increase even though the amount borrowed remained the same, and our net income and cash flows will correspondingly decrease. Assuming all capacity under our Unsecured Credit Facility was fully drawn, each quarter point change in interest rates would result in a \$3.1 million change in annual interest expense on our indebtedness under our new Unsecured Credit Facility. We have entered into interest rate swaps that involve the exchange of floating for fixed rate interest

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payments in order to reduce interest rate volatility. However, we may not maintain interest rate swaps with respect to all of our variable rate indebtedness, and any swaps we enter into may not fully mitigate our interest rate risk.

Mortgage debt obligations expose us to the possibility of foreclosure, which could result in the loss of our investment in a property or group of properties subject to mortgage debt.

As of December 31, 2014, mortgage debt outstanding was approximately \$3.2 billion, excluding the impact of unamortized premiums. If a property or group of properties is mortgaged to secure payment of debt and we are unable to meet mortgage payments, the holder of the mortgage or lender could foreclose on the property, resulting in a loss of our investment. Alternatively, if we decide to sell assets in the current market to raise funds to repay matured debt, it is possible that these properties will be disposed of at a loss. Also, certain of the mortgages contain customary negative covenants which, among other things, limit our ability, without the prior consent of the lender, to further mortgage the property, to enter into new leases or materially modify existing leases with respect to the property.

Covenants in our debt agreements may restrict our operating activities and adversely affect our financial condition. Our debt agreements contain financial and/or operating covenants, including, among other things, certain coverage ratios, as well as limitations on the ability to incur secured and unsecured debt. These covenants may limit our operational flexibility and acquisition and disposition activities. Moreover, if any of the covenants in these debt agreements are breached and not cured within the applicable cure period, we could be required to repay the debt immediately, even in the absence of a payment default. As a result, a default under applicable debt covenants could have an adverse effect on our financial condition or results of operations.

Current and future redevelopment or real estate property acquisitions may not yield expected returns.

We are involved in several redevelopment projects and may invest in additional redevelopment projects and property acquisitions in the future. Redevelopment and property acquisitions are subject to a number of risks, including: (1) abandonment of redevelopment or acquisition activities after expending resources to determine feasibility; (2) construction and/or lease-up delays; (3) cost overruns, including construction costs that exceed original estimates; (4) failure to achieve expected occupancy and/or rent levels within the projected time frame, if at all; (5) inability to operate successfully in new markets where new properties are located; (6) inability to successfully integrate new properties into existing operations; (7) difficulty obtaining financing on acceptable terms or paying operating expenses and debt service costs associated with redevelopment properties prior to sufficient occupancy; (8) delays or failures to obtain necessary zoning, occupancy, land use and other governmental permits; (9) exposure to fluctuations in the general economy due to the significant time lag between commencement and completion of redevelopment projects; and (10) changes in zoning and land use laws. If any of these events occur, overall project costs may significantly exceed initial cost estimates, which could result in reduced returns or losses from such investments. In addition, we may not have sufficient liquidity to fund such projects, and delays in the completion of a redevelopment project may provide various tenants the right to withdraw from a property.

An uninsured loss on properties or a loss that exceeds the limits of our insurance policies could result in a loss of our investment or related revenue in our portfolio.

We carry comprehensive liability, fire, extended coverage, rental loss and acts of terrorism insurance with policy specifications and insured limits customarily carried for similar properties. There are, however, certain types of losses, such as from hurricanes, tornadoes, floods, terrorism, wars or earthquakes, which may be uninsurable, or the cost of insuring against such losses may not be economically justifiable. In addition, tenants generally are required to indemnify and hold us harmless from liabilities resulting from injury to persons or damage to personal or real property, on the premises, due to activities conducted by tenants or their agents on the properties (including without limitation any environmental contamination), and at the tenant's expense, to obtain and keep in full force during the term of the lease, liability and property damage insurance policies. However, tenants may not properly maintain their insurance policies or have the ability to pay the deductibles associated with such policies. In addition, if the damaged properties are subject to recourse indebtedness, we would continue to be liable for the indebtedness, even if these

properties were irreparably damaged. Should a loss occur that is uninsured or in an amount exceeding the combined aggregate limits for the policies noted above, or in the event of a loss that is subject to a substantial deductible under an insurance policy, we could lose all or part of our capital invested in, and anticipated revenue from, one or more of the properties, which could have a material adverse effect on our operating results and financial condition.

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Environmental conditions that exist at some of our properties could result in significant unexpected costs. We are subject to federal, state and local environmental regulations that apply generally to the ownership of real property and the operations conducted on real property. Under various federal, state and local laws, ordinances and regulations, we may be considered an owner or operator of real property or may have arranged for the disposal or treatment of hazardous or toxic substances or petroleum product releases at a property and, therefore, may become liable for the costs of removal or remediation of certain hazardous substances released on or in our property or disposed of by us or our tenants, as well as certain other potential costs which could relate to hazardous or toxic substances (including governmental fines and injuries to persons and property). Such liability may be imposed whether or not we knew of, or were responsible for, the presence of these hazardous or toxic substances. As is common with community and neighborhood shopping centers, many of our properties had or have on-site dry cleaners and/or on-site gasoline retailing facilities. These operations could potentially result in environmental contamination at the properties. The cost of investigation, remediation or removal of such substances may be substantial, and the presence of such substances, or the failure to properly remediate such substances, may adversely affect our ability to sell or rent such property or to borrow using such property as collateral.

We are aware that soil and groundwater contamination exists at some of our properties. The primary contaminants of concern at these properties include perchloroethylene and trichloroethylene (associated with the operations of on-site dry cleaners) and petroleum hydrocarbons (associated with the operations of on-site gasoline retailing facilities). There may also be asbestos-containing materials at some of our properties. While we do not expect the environmental conditions at our properties, considered as a whole, to have a material adverse effect on us, there can be no assurance that this will be the case. Further, no assurance can be given that any environmental studies performed have identified or will identify all material environmental conditions that may exist with respect to any of the properties in our portfolio.

Further information relating to recognition of remediation obligation in accordance with GAAP is provided in the consolidated financial statements and notes thereto included in this report.

Compliance with the Americans with Disabilities Act and fire, safety and other regulations may require us to make expenditures that adversely affect our cash flows. All of the properties in our portfolio are required to comply with the Americans with Disabilities Act (“ADA”). The ADA has separate compliance requirements for “public accommodations” and “commercial facilities,” but generally requires that buildings be made accessible to people with disabilities. Compliance with the ADA requirements could require removal of access barriers, and non-compliance could result in imposition of fines by the United States government or an award of damages to private litigants, or both. Although we believe the properties in our portfolio substantially comply with present requirements of the ADA, we have not conducted an audit or investigation of all of our properties to determine our compliance. While the tenants to whom our properties are leased are obligated by law to comply with the ADA provisions, and typically under tenant leases are obligated to cover costs associated with compliance, if required changes involve greater expenditures than anticipated, or if the changes must be made on a more accelerated basis than anticipated, the ability of these tenants to cover costs could be adversely affected. As a result, we could be required to expend funds to comply with the provisions of the ADA, which could adversely affect our results of operations and financial condition. In addition, we are required to operate the properties in compliance with fire and safety regulations, building codes and other land use regulations, as they may be adopted by governmental agencies and bodies and become applicable to the properties. We may be required to make substantial capital expenditures to comply with, and we may be restricted in our ability to renovate the properties subject to, those requirements. The resulting expenditures and restrictions could have a material adverse effect on our ability to meet our financial obligations.

We have experienced losses in the past, and we may experience similar losses in the future.

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For each of the years ended December 31, 2013 and 2012 and the period from January 1, 2011 to June 27, 2011, we experienced net losses. Our losses are primarily attributable to non-cash items, such as depreciation, amortization and impairments. Please see the section entitled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our consolidated financial statements and the notes thereto included elsewhere in this form 10-K for a discussion of our operational history and the factors accounting for such losses. We cannot assure you that, in the future, we will be profitable or that we will realize growth in the value of our assets.

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Our real estate assets may be subject to impairment charges.

On a periodic basis, we assess whether there are any indicators that the value of our real estate assets and other investments may be impaired. A property's value is considered to be impaired only if the estimated aggregate future cash flows (undiscounted and without interest charges) to be generated by the property are less than the carrying value of the property. In our estimate of cash flows, we consider factors such as expected future operating income, trends and prospects, the effects of demand, competition and other factors. If we are evaluating the potential sale of an asset or development alternatives, the undiscounted future cash flows considers the most likely course of action at the balance sheet date based on current plans, intended holding periods and available market information. We are required to make subjective assessments as to whether there are impairments in the value of our real estate assets and other investments. These assessments may have a direct impact on our earnings because recording an impairment charge results in an immediate negative adjustment to earnings. There can be no assurance that we will not take additional charges in the future related to the impairment of our assets. Any future impairment could have a material adverse effect on our results of operations in the period in which the charge is taken.

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

We rely extensively on computer systems to process transactions and manage our business, and our business is at risk from and may be impacted by cybersecurity attacks. These could include attempts to gain unauthorized access to our data and computer systems. Attacks can be both individual and/or highly organized attempts organized by very sophisticated hacking organizations. We employ a number of measures to prevent, detect and mitigate these threats, which include password protection, frequent password change events, firewall detection systems, frequent backups, a redundant data system for core applications and annual penetration testing; however, there is no guarantee such efforts will be successful in preventing a cyber attack. A cybersecurity attack could compromise the confidential information of our employees, tenants and vendors. A successful attack could disrupt and affect the business operations. Similarly, our tenants rely extensively on computer systems to process transactions and manage their business and thus their businesses are also at risk from and may be impacted by cybersecurity attacks. An interruption in the business operations of our tenants or in their reputation resulting from a cybersecurity attack could indirectly impact our business operations.

We are highly dependent upon senior management, and failure to attract and retain key members of senior management could have a material adverse effect on us.

We are highly dependent on the performance and continued efforts of the senior management team. Our future success is dependent on our ability to continue to attract and retain qualified executive officers and senior management. Any inability to manage our operations effectively could have a material adverse effect on our business, financial condition, results of operations, cash flow, capital resources and liquidity.

We face competition in pursuing acquisition opportunities that could increase our costs.

We continue to evaluate the market for available properties and may acquire properties when we believe strategic opportunities exist. Our ability to acquire properties on favorable terms and successfully operate or re-develop them is subject to a number of risks. We may be unable to acquire a desired property because of competition from other real estate investors with substantial capital, including from other REITs and institutional investment funds. Even if we are able to acquire a desired property, competition from other potential acquirers may significantly increase the purchase price.

Risks Related to Our Organization and Structure

Blackstone owns a significant percentage of our stock and has the ability to exercise influence over us.

After completing a secondary offering of our common stock in January 2015, Blackstone beneficially owned shares of our common stock providing them with an aggregate 49.3% of the total voting power of Brixmor Property Group Inc. Under our bylaws and our stockholders' agreement with Blackstone and its affiliates, while Blackstone retains certain

ownership percentages of us, we will agree to nominate to our board a certain number of individuals designated by Blackstone, whom we refer to as the “Blackstone Directors.” Accordingly, for so long as Blackstone continues to own a significant percentage of our stock, Blackstone will be able to influence the composition of our board of directors, the approval of actions requiring stockholder approval, our business plans and policies and the appointment and removal of our executive officers. Some of these actions could cause or prevent a change of control of our company or a change in the composition of our board of directors and could preclude any unsolicited acquisition of our company. The concentration of ownership could deprive you of an opportunity to receive a

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premium for your shares of common stock as part of a sale of our company and ultimately might affect the market price of our common stock.

We assumed existing liabilities of the Acquired Properties acquired in conjunction with the IPO Property Transfers. As part of the IPO Property Transfers, we assumed existing liabilities of the Acquired Properties and of the legal entities that own these properties. Although we managed these properties for Blackstone prior to the IPO Property Transfers and were generally aware of their liabilities, as well as the insurance in place to address such risks, our recourse against Blackstone is limited by the terms of the agreements entered into with Blackstone in connection with the IPO Property Transfers. Because many liabilities, including tax liabilities, may not be identified within such period, we may have no recourse against Blackstone for our assumed liabilities. In addition, such indemnification is capped and may not be sufficient to cover all liabilities assumed. Moreover, we may choose not to enforce, or to enforce less vigorously, our rights under these indemnification agreements due to our ongoing relationship with Blackstone. We are not entitled to indemnification from any other sources in connection with the IPO Property Transfers.

BPG's board of directors may approve the issuance of stock, including preferred stock, with terms that may discourage a third party from acquiring us.

BPG's charter permits its board of directors to authorize the issuance of stock in one or more classes or series. Our board of directors may also classify or reclassify any unissued stock and establish the preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends and other distributions, qualifications and terms and conditions of redemption of any such stock, which rights may be superior to those of our common stock. Thus, BPG's board of directors could authorize the issuance of shares of a class or series of stock with terms and conditions which could have the effect of discouraging a takeover or other transaction in which holders of some or a majority of BPG's outstanding common stock might receive a premium for their shares over the then current market price of our common stock.

Certain provisions in the organizational documents of the partnership agreement for the Operating Partnership may delay or prevent unsolicited acquisitions of us.

Provisions in the organizational documents of the partnership agreement for the Operating Partnership may delay, defer or prevent a transaction or a change of control that might involve a premium price for BPG's common stock. These provisions could discourage third parties from making proposals involving an unsolicited acquisition of us or change of our control, although some stockholders might consider such proposals, if made, desirable. These provisions include, among others:

- redemption or exchange rights of qualifying parties;
- transfer restrictions on the OP Units held directly or indirectly by BPG;
- our inability in some cases to amend the charter documents of the partnership agreement of the Operating Partnership without the consent of the holders of the Outstanding OP Units;
- the right of the holders of the Outstanding OP Units to consent to mergers involving us under specified circumstances;
- and
- the right of the holders of the Outstanding OP Units to consent to transfers of the general partnership interest.

Any potential change of control transaction may be further limited as a result of provisions of the partnership unit designation for the OP Units, which require us to preserve the rights of OP Unit holders and may restrict us from amending the partnership agreement of our Operating Partnership in a manner that would have an adverse effect on the rights of Blackstone or other OP Unit holders.

BPG's bylaws generally may be amended only by its board of directors, which could limit your control of certain aspects of BPG's corporate governance.

BPG's board of directors has the sole power to amend BPG's bylaws, except that, so long as the stockholders' agreement remains in effect, certain amendments to BPG's bylaws will require the consent of Blackstone and amendments to BPG's bylaws that would allow BPG's board of directors to repeal its exemption of any transaction between BPG and any other person from the "business combination" provisions of the Maryland General Corporation Law (the "MGCL") or the exemption of any acquisition of BPG's stock from the "control share"

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provisions of the MGCL must be approved by BPG's stockholders. Thus, BPG's board may amend the bylaws in a way that may be detrimental to your interests.

BPG's board of directors may change significant corporate policies without stockholder approval. BPG's investment, financing, borrowing and dividend policies and our policies with respect to all other activities, including growth, debt, capitalization and operations, will be determined by BPG's board of directors. These policies may be amended or revised at any time and from time to time at the discretion of BPG's board of directors without a vote of our stockholders. BPG's charter also provides that BPG's board of directors may revoke or otherwise terminate our REIT election without approval of BPG's stockholders, if it determines that it is no longer in BPG's best interests to attempt to qualify, or to continue to qualify, as a REIT. In addition, BPG's board of directors may change BPG's policies with respect to conflicts of interest provided that such changes are consistent with applicable legal requirements. A change in these policies or the termination of BPG's REIT election could have an adverse effect on our financial condition, our results of operations, our cash flow, the per share trading price of BPG's common stock and our ability to satisfy our debt service obligations and to pay dividends to BPG's stockholders.

BPG's rights and the rights of BPG's stockholders to take action against BPG's directors and officers are limited. BPG's charter eliminates the liability of BPG's directors and officers to us and BPG's stockholders for money damages to the maximum extent permitted under Maryland law. Under current Maryland law and BPG's charter, BPG's directors and officers do not have any liability to BPG or BPG's stockholders for money damages other than liability resulting from:

• actual receipt of an improper benefit or profit in money, property or services; or
• active and deliberate dishonesty by the director or officer that was established by a final judgment and is material to the cause of action adjudicated.

BPG's charter authorizes BPG and BPG's bylaws require BPG to indemnify each of BPG's directors or officers who is or is threatened to be made a party to or witness in a proceeding by reason of his or her service in those or certain other capacities, to the maximum extent permitted by Maryland law, from and against any claim or liability to which such person may become subject or which such person may incur by reason of his or her status as a present or former director or officer of BPG. In addition, BPG may be obligated to pay or reimburse the expenses incurred by BPG's present and former directors and officers without requiring a preliminary determination of their ultimate entitlement to indemnification. As a result, BPG and BPG's stockholders may have more limited rights to recover money damages from BPG's directors and officers than might otherwise exist absent these provisions in BPG's charter and bylaws or that might exist with other companies, which could limit your recourse in the event of actions that are not in BPG's best interests.

BPG's charter contains a provision that expressly permits Blackstone, BPG's non-employee directors and certain of our pre-IPO owners, and their affiliates, to compete with us.

Blackstone may compete with us for investments in properties and for tenants. There is no assurance that any conflicts of interest created by such competition will be resolved in our favor. Moreover, Blackstone is in the business of making investments in companies and acquires and holds interests in businesses that compete directly or indirectly with us. BPG's charter provides that, to the maximum extent permitted from time to time by Maryland law, BPG renounce any interest or expectancy that BPG has in, or any right to be offered an opportunity to participate in, any business opportunities that are from time to time presented to or developed by BPG's directors or their affiliates, other than to those directors who are employed by BPG or BPG's subsidiaries, unless the business opportunity is expressly offered or made known to such person in his or her capacity as a director, and none of Blackstone or Centerbridge, one of our pre-IPO owners, or any of their respective affiliates, or any director who is not employed by BPG or any of his or her affiliates, will have any duty to refrain from engaging, directly or indirectly, in the same business activities or similar business activities or lines of business in which we or our affiliates engage or propose to engage or to

refrain from otherwise competing with us or our affiliates. Blackstone also may pursue acquisition opportunities that may be complementary to our business, and, as a result, those acquisition opportunities may not be available to us. BPG's charter provides that, to the maximum extent permitted from time to time by Maryland law, Blackstone, Centerbridge and each of BPG's non-employee directors (including those designated by Blackstone), and any of their affiliates, may:

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acquire, hold and dispose of shares of BPG's stock or OP Units for his or her own account or for the account of others, and exercise all of the rights of a stockholder of Brixmor Property Group Inc. or a limited partner of our Operating Partnership, to the same extent and in the same manner as if he, she or it were not BPG's director or stockholder; and in his, her or its personal capacity or in his, her or its capacity as a director, officer, trustee, stockholder, partner, member, equity owner, manager, advisor or employee of any other person, have business interests and engage, directly or indirectly, in business activities that are similar to ours or compete with us, that involve a business opportunity that we could seize and develop or that include the acquisition, syndication, holding, management, development, operation or disposition of interests in mortgages, real property or persons engaged in the real estate business.

BPG's charter also provides that, to the maximum extent permitted from time to time by Maryland law, in the event that Blackstone, Centerbridge, any non-employee director, or any of their respective affiliates, acquires knowledge of a potential transaction or other business opportunity, such person will have no duty to communicate or offer such transaction or business opportunity to us or any of our affiliates and may take any such opportunity for itself, himself or herself or offer it to another person or entity unless the business opportunity is expressly offered to such person in his or her capacity as our director. These provisions may limit our ability to pursue business or investment opportunities that we might otherwise have had the opportunity to pursue, which could have an adverse effect on our financial condition, our results of operations, our cash flow, the per share trading price of our common stock and our ability to satisfy our debt service obligations and to pay dividends to our stockholders.

Conflicts of interest could arise in the future between the interests of BPG's stockholders and the interests of holders of OP Units.

Because BPG controls the general partner of the Operating Partnership, BPG has fiduciary duties to the other limited partners in the operating partnership, the discharge of which may conflict with the interests of BPG's stockholders. The limited partners of the Operating Partnership have agreed that, in the event of a conflict between the duties owed by BPG's directors to BPG and, in BPG's capacity as the controlling stockholder of the sole member of the general partner of the Operating Partnership, the fiduciary duties owed by the general partner of the Operating Partnership to such limited partners, BPG is under no obligation to give priority to the interests of such limited partners. However, those persons holding OP Units will have the right to vote on certain amendments to the operating partnership agreement (which require approval by a majority in interest of the limited partners, including BPG Sub) and individually to approve certain amendments that would adversely affect their rights. These voting rights may be exercised in a manner that conflicts with the interests of BPG's stockholders. For example, BPG is unable to modify the rights of limited partners to receive distributions as set forth in the operating partnership agreement in a manner that adversely affects their rights without their consent, even though such modification might be in the best interest of BPG's stockholders.

We are required to disclose in our periodic reports filed with the Securities and Exchange Commission specified activities engaged in by our "affiliates."

In August 2012, Congress enacted the Iran Threat Reduction and Syria Human Rights Act of 2012 ("ITRSHRA"), which expands the scope of U.S. sanctions against Iran. More specifically, Section 219 of the ITRSHRA amended the Securities Exchange Act of 1934, as amended (the "Exchange Act") to require companies subject to Securities and Exchange Commission ("SEC") reporting obligations under Section 13 of the Exchange Act to disclose in their periodic reports specified dealings or transactions involving Iran or other individuals and entities targeted by certain Office of Foreign Assets Control sanctions engaged in by the reporting company or any of its affiliates during the period covered by the relevant periodic report. In some cases, ITRSHRA requires companies to disclose these types of transactions even if they would otherwise be permissible under U.S. law. These companies are required to separately file with the SEC a notice that such activities have been disclosed in the relevant periodic report, and the SEC is required to post this notice of disclosure on its website and send the report to the U.S. President and certain U.S. Congressional committees. The U.S. President thereafter is required to initiate an investigation and, within 180 days

of initiating such an investigation, to determine whether sanctions should be imposed. Under ITRSHRA, we are required to report if we or any of our “affiliates” knowingly engaged in certain specified activities during the period covered by the report. Because the SEC defines the term “affiliate” broadly, it includes any entity controlled by us as well as any person or entity that controls us or is under common control with us. Because we may be deemed to be a controlled affiliate of Blackstone, affiliates of Blackstone may also be considered our affiliates. Disclosure of such activity, even if such activity is not subject to sanctions under applicable law, and any sanctions

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actually imposed on us or our affiliates as a result of these activities, could harm our reputation and have a negative impact on our business.

Risks Related to our REIT Status and Certain Other Tax Items

If BPG does not maintain its qualification as a REIT, it will be subject to tax as a regular corporation and could face a substantial tax liability.

BPG expects to continue to operate so as to qualify as a REIT under the Code. However, qualification as a REIT involves the application of highly technical and complex Code provisions for which only a limited number of judicial or administrative interpretations exist. Notwithstanding the availability of cure provisions in the Code, BPG could fail to meet various compliance requirements, which could jeopardize its REIT status. Furthermore, new tax legislation, administrative guidance or court decisions, in each instance potentially with retroactive effect, could make it more difficult or impossible for BPG to qualify as a REIT. If BPG fails to qualify as a REIT in any tax year, then:

BPG would be taxed as a regular domestic corporation, which under current laws, among other things, means being unable to deduct distributions to stockholders in computing taxable income and being subject to federal income tax on its taxable income at regular corporate income tax rates;

any resulting tax liability could be substantial and could have a material adverse effect on BPG's book value; unless BPG were entitled to relief under applicable statutory provisions, BPG would be required to pay taxes, and thus, BPG's cash available for distribution to stockholders would be reduced for each of the years during which BPG did not qualify as a REIT and for which BPG had taxable income; and

BPG generally would not be eligible to requalify as a REIT for the subsequent four full taxable years.

REITs, in certain circumstances, may incur tax liabilities that would reduce BPG's cash available for distribution to you.

Even if BPG qualifies and maintains its status as a REIT, BPG may become subject to U.S. federal income taxes and related state and local taxes. For example, net income from the sale of properties that are "dealer" properties sold by a REIT (a "prohibited transaction" under the Code) will be subject to a 100% tax. BPG may not make sufficient distributions to avoid excise taxes applicable to REITs. Similarly, if BPG were to fail an income test (and did not lose its REIT status because such failure was due to reasonable cause and not willful neglect) BPG would be subject to tax on the income that does not meet the income test requirements. BPG also may decide to retain net capital gain BPG earns from the sale or other disposition of BPG's investments and pay income tax directly on such income. In that event, BPG's stockholders would be treated as if they earned that income and paid the tax on it directly. However, stockholders that are tax-exempt, such as charities or qualified pension plans, would have no benefit from their deemed payment of such tax liability unless they file U.S. federal income tax returns and thereon seek a refund of such tax. BPG also may be subject to state and local taxes on its income or property, including franchise, payroll, mortgage recording and transfer taxes, either directly or at the level of the other companies through which BPG indirectly own its assets, such as BPG's TRSs, which are subject to full U.S. federal, state, local and foreign corporate-level income taxes. Any taxes BPG pays directly or indirectly will reduce BPG's cash available for distribution to you.

Complying with REIT requirements may cause BPG to forego otherwise attractive opportunities and limit its expansion opportunities.

In order to qualify as a REIT for U.S. federal income tax purposes, BPG must continually satisfy tests concerning, among other things, BPG's sources of income, the nature of its investments in commercial real estate and related assets, the amounts BPG distributes to its stockholders and the ownership of BPG's stock. BPG may also be required to make distributions to stockholders at disadvantageous times or when BPG does not have funds readily available for distribution. Thus, compliance with REIT requirements may hinder BPG's ability to operate solely on the basis of maximizing profits.

Complying with REIT requirements may force BPG to liquidate or restructure otherwise attractive investments. In order to qualify as a REIT, BPG must also ensure that at the end of each calendar quarter, at least 75% of the value of its assets consists of cash, cash items, government securities and qualified REIT real estate assets. The remainder of BPG's investments in securities cannot include more than 10% of the outstanding voting securities of any one issuer or 10% of the total value of the outstanding securities of any one issuer unless BPG and such issuer

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jointly elect for such issuer to be treated as a “taxable REIT subsidiary” under the Code. The total value of all of BPG’s investments in taxable REIT subsidiaries cannot exceed 25% of the value of BPG’s total assets. In addition, no more than 5% of the value of BPG’s assets can consist of the securities of any one issuer other than a taxable REIT subsidiary. If BPG fails to comply with these requirements, BPG must dispose of a portion of its assets within 30 days after the end of the calendar quarter in order to avoid losing its REIT status and suffering adverse tax consequences.

Complying with REIT requirements may limit BPG’s ability to hedge effectively and may cause BPG to incur tax liabilities.

The REIT provisions of the Code substantially limit BPG’s ability to hedge its liabilities. Any income from a hedging transaction BPG enters into to manage risk of interest rate changes with respect to borrowings made or to be made to acquire or carry real estate assets, if clearly identified under applicable Treasury Regulations, does not constitute “gross income” for purposes of the 75% or 95% gross income tests that BPG must satisfy in order to maintain its qualification as a REIT. To the extent that BPG enters into other types of hedging transactions, the income from those transactions is likely to be treated as non-qualifying income for purposes of both of the gross income tests. As a result of these rules, BPG intends to limit its use of advantageous hedging techniques or implement those hedges through a domestic TRS. This could increase the cost of BPG’s hedging activities because its TRS would be subject to tax on gains or expose itself to greater risks associated with changes in interest rates than BPG would otherwise want to bear. In addition, losses in BPG’s TRS will generally not provide any tax benefit, except for being carried forward against future taxable income in the TRS.

Complying with REIT requirements may force BPG to borrow to make distributions to stockholders.

From time to time, BPG’s taxable income may be greater than its cash flow available for distribution to stockholders. If BPG does not have other funds available in these situations, BPG may be unable to distribute substantially all of its taxable income as required by the REIT provisions of the Code. Thus, BPG could be required to borrow funds, sell a portion of its assets at disadvantageous prices or find another alternative. These options could increase BPG’s costs or reduce its equity.

BPG’s charter does not permit any person to own more than 9.8% of BPG’s outstanding common stock or of BPG’s outstanding stock of all classes or series, and attempts to acquire BPG’s common stock or BPG’s stock of all other classes or series in excess of these 9.8% limits would not be effective without an exemption from these limits by BPG’s board of directors.

For BPG to qualify as a REIT under the Code, not more than 50% of the value of BPG’s outstanding stock may be owned directly or indirectly, by five or fewer individuals (including certain entities treated as individuals for this purpose) during the last half of a taxable year. For the purpose of assisting BPG’s qualification as a REIT for federal income tax purposes, among other purposes, BPG’s charter prohibits beneficial or constructive ownership by any person of more than a certain percentage, currently 9.8%, in value or by number of shares, whichever is more restrictive, of the outstanding shares of BPG’s common stock or 9.8% in value of the outstanding shares of BPG’s stock, which BPG refers to as the “ownership limit.” The constructive ownership rules under the Code and BPG’s charter are complex and may cause shares of the outstanding common stock owned by a group of related persons to be deemed to be constructively owned by one person. As a result, the acquisition of less than 9.8% of BPG’s outstanding common stock or BPG’s stock by a person could cause a person to own constructively in excess of 9.8% of BPG’s outstanding common stock or BPG’s stock, respectively, and thus violate the ownership limit. There can be no assurance that BPG’s board of directors, as permitted in the charter, will not decrease this ownership limit in the future. Any attempt to own or transfer shares of BPG’s stock in excess of the ownership limit without the consent of BPG’s board of directors will result either in the shares in excess of the limit being transferred by operation of the charter to a charitable trust, and the person who attempted to acquire such excess shares will not have any rights in such excess shares, or in the transfer being void.

The ownership limit may have the effect of precluding a change in control of BPG by a third party, even if such change in control would be in the best interests of BPG's stockholders or would result in receipt of a premium to the price of BPG's stock (and even if such change in control would not reasonably jeopardize BPG's REIT status). The exemptions to the ownership limit granted to date may limit BPG's board of directors' power to increase the ownership limit or grant further exemptions in the future.

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Failure to qualify as a domestically-controlled REIT could subject BPG's non-U.S. stockholders to adverse federal income tax consequences.

BPG will be a domestically-controlled REIT if, at all times during a specified testing period, less than 50% in value of its shares are held directly or indirectly by non-U.S. stockholders. Because its shares are publicly traded, BPG cannot guarantee that it will, in fact, be a domestically-controlled REIT. If BPG fails to qualify as a domestically-controlled REIT, its non-U.S. stockholders that otherwise would not be subject to federal income tax on the gain attributable to a sale of BPG's shares would be subject to taxation upon such a sale if either (a) the shares were not considered to be "regularly traded" under applicable Treasury regulations on an established securities market, such as the NYSE, or (b) the shares were considered to be "regularly traded" on an established securities market and the selling non-U.S. stockholder owned, actually or constructively, more than 5% in value of the outstanding shares at any time during specified testing periods. If gain on the sale or exchange of BPG's shares was subject to taxation for these reasons, the non-U.S. stockholder would be subject to federal income tax with respect to any gain on a net basis in a manner similar to the taxation of a taxable U.S. stockholder, subject to any applicable alternative minimum tax and special alternative minimum tax in the case of nonresident alien individuals, and corporate non-U.S. stockholders may be subject to an additional branch profits tax.

BPG may choose to make distributions in BPG's own stock, in which case you may be required to pay income taxes without receiving any cash dividends.

In connection with BPG's qualification as a REIT, BPG is required to annually distribute to its stockholders at least 90% of its REIT taxable income (which does not equal net income, as calculated in accordance with GAAP), determined without regard to the deduction for dividends paid and excluding net capital gain. In order to satisfy this requirement, BPG may make distributions that are payable in cash and/or shares of BPG's stock (which could account for up to 90% of the aggregate amount of such distributions) at the election of each stockholder. Taxable stockholders receiving such distributions will be required to include the full amount of such distributions as ordinary dividend income to the extent of BPG's current or accumulated earnings and profits, as determined for U.S. federal income tax purposes. As a result, U.S. stockholders may be required to pay income taxes with respect to such distributions in excess of the cash portion of the distribution received. Accordingly, U.S. holders receiving a distribution of BPG's shares may be required to sell shares received in such distribution or may be required to sell other stock or assets owned by them, at a time that may be disadvantageous, in order to satisfy any tax imposed on such distribution. If a U.S. stockholder sells the stock that it receives as part of the distribution in order to pay this tax, the sales proceeds may be less than the amount it must include in income with respect to the distribution, depending on the market price of BPG's stock at the time of the sale. Furthermore, with respect to certain non-U.S. holders, BPG may be required to withhold U.S. tax with respect to such distribution, including in respect of all or a portion of such distribution that is payable in stock, by withholding or disposing of part of the shares included in such distribution and using the proceeds of such disposition to satisfy the withholding tax imposed. In addition, if a significant number of BPG's stockholders determine to sell shares of BPG's stock in order to pay taxes owed on dividend income, such sale may put downward pressure on the market price of BPG's stock.

Various tax aspects of such a taxable cash/stock distribution are uncertain and have not yet been addressed by the Internal Revenue Service ("IRS"). No assurance can be given that the IRS will not impose requirements in the future with respect to taxable cash/stock distributions, including on a retroactive basis, or assert that the requirements for such taxable cash/stock distributions have not been met.

Dividends payable by REITs do not qualify for the reduced tax rates available for some dividends.

The maximum tax rate applicable to qualified dividend income payable to certain non-corporate U.S. stockholders has been reduced by legislation to 20%. Dividends payable by REITs, however, generally are not eligible for the reduced rates. Although this legislation does not adversely affect the taxation of REITs or dividends payable by REITs, the more favorable rates applicable to regular corporate qualified dividends could cause certain non-corporate investors to perceive investments in REITs to be relatively less attractive than investments in the stocks of non-REIT corporations

that pay dividends, which could adversely affect the value of the shares of REITs, including BPG's stock.

BPG depends on external sources of capital to finance its growth.

As with other REITs, but unlike corporations generally, BPG's ability to finance its growth must largely be funded by external sources of capital because BPG generally will have to distribute to its stockholders 90% of its taxable income in order to qualify as a REIT, including taxable income where BPG does not receive corresponding cash.

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BPG's access to external capital will depend upon a number of factors, including general market conditions, the market's perception of BPG's growth potential, BPG's current and potential future earnings, cash distributions and the market price of BPG's stock.

BPG may be subject to adverse legislative or regulatory tax changes that could increase BPG's tax liability, reduce BPG's operating flexibility and reduce the price of BPG's stock.

In recent years, numerous legislative, judicial and administrative changes have been made in the provisions of U.S. federal income tax laws applicable to investments similar to an investment in shares of BPG's stock. Additional changes to the tax laws are likely to continue to occur, and BPG cannot assure you that any such changes will not adversely affect the taxation of a stockholder. Any such changes could have an adverse effect on an investment in BPG's shares or on the market value or the resale potential of BPG's assets. You are urged to consult with your tax advisor with respect to the impact of recent legislation on your investment in BPG's shares and the status of legislative, regulatory or administrative developments and proposals and their potential effect on an investment in BPG's shares. Although REITs generally receive certain tax advantages compared to entities taxed as regular corporations, it is possible that future legislation would result in a REIT having fewer tax advantages, and it could become more advantageous for a company that invests in real estate to elect to be treated for U.S. federal income tax purposes as a corporation. As a result, BPG's charter provides BPG's board of directors with the power, under certain circumstances, to revoke or otherwise terminate BPG's REIT election and cause BPG to be taxed as a regular corporation, without the approval of BPG's stockholders.

Liquidation of assets may jeopardize BPG's REIT qualification.

To qualify as a REIT, BPG must comply with requirements regarding its assets and its sources of income. If BPG was compelled to liquidate its investments to repay obligations to its lenders, BPG may be unable to comply with these requirements, ultimately jeopardizing BPG's qualification as a REIT, or BPG may be subject to a 100% tax on any resultant gain if BPG sells assets that are treated as dealer property or inventory.

BPG's ownership of and relationship with any TRS is restricted, and a failure to comply with the restrictions would jeopardize BPG's REIT status and may result in the application of a 100% excise tax.

A REIT may own up to 100% of the stock of one or more TRSs. A TRS may earn income that would not be qualifying income if earned directly by the parent REIT. Both the subsidiary and the REIT must jointly elect to treat the subsidiary as a TRS. A corporation of which a TRS directly or indirectly owns more than 35% of the voting power or value of the stock will automatically be treated as a TRS. Overall, no more than 25% of the value of a REIT's assets may consist of stock or securities of one or more TRSs. The value of BPG's interests in and thus the amount of assets held in a TRS may also be restricted by BPG's need to qualify for an exclusion from regulation as an investment company under the Investment Company Act. A TRS will pay federal, state and local income tax at regular corporate rates on any income that it earns. In addition, the TRS rules limit the deductibility of interest paid or accrued by a TRS to its parent REIT to assure that the TRS is subject to an appropriate level of corporate taxation. The rules also impose a 100% excise tax on certain transactions between a TRS and its parent REIT that are not conducted on an arm's-length basis.

Any TRS BPG owns, as a domestic TRS, will pay federal, state and local income tax on its taxable income, and its after-tax net income is available for distribution to BPG but is not required to be distributed to BPG. The aggregate value of the TRS stock and securities owned by BPG cannot exceed 25% of the value of BPG's total assets (including the TRS stock and securities). Although BPG's plan to monitor its investments in TRSs, there can be no assurance that BPG will be able to comply with the 25% limitation discussed above or to avoid application of the 100% excise tax discussed above.

Risks Related to Ownership of BPG's Common Stock

The cash available for distribution to stockholders may not be sufficient to pay dividends at expected levels, nor can we assure you of our ability to make distributions in the future. We may use borrowed funds to make distributions. If cash available for distribution generated by our assets decreases in future periods from expected levels, our inability to make expected distributions could result in a decrease in the market price of BPG's common stock. See "Item 5. Market For Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities." All distributions will be made at the discretion of BPG's board of directors and will depend on our earnings, our financial condition, maintenance of BPG's REIT qualification and other factors as BPG's board of

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directors may deem relevant from time to time. We may not be able to make distributions in the future. In addition, some of our distributions may include a return of capital. To the extent that we decide to make distributions in excess of our current and accumulated earnings and profits, such distributions would generally be considered a return of capital for federal income tax purposes to the extent of the holder's adjusted tax basis in their shares. A return of capital is not taxable, but it has the effect of reducing the holder's adjusted tax basis in its investment. To the extent that distributions exceed the adjusted tax basis of a holder's shares, they will be treated as gain from the sale or exchange of such stock. If we borrow to fund distributions, our future interest costs would increase, thereby reducing our earnings and cash available for distribution from what they otherwise would have been.

If securities or industry analysts do not publish research or reports about our business, or if they downgrade their recommendations regarding BPG's common stock, BPG's share price and trading volume could decline. The trading market for BPG's shares is influenced by the research and reports that industry or securities analysts publish about us or our business. If any of the analysts who cover us downgrades BPG's common stock or publishes inaccurate or unfavorable research about our business, BPG's share price may decline. If analysts cease coverage of us or fail to regularly publish reports on us, we could lose visibility in the financial markets, which in turn could cause BPG's common stock price or trading volume to decline and BPG's shares to be less liquid. An inactive market may also impair our ability to raise capital by selling shares and may impair our ability to acquire additional properties or other businesses by using BPG's shares as consideration, which in turn could materially adversely affect our business. In addition, the stock market in general, and the NYSE and REITs in particular, have recently experienced extreme price and volume fluctuations. These broad market and industry factors may decrease the market price of BPG's shares, regardless of our actual operating performance. For these reasons, among others, the market price of BPG's shares may decline substantially and quickly.

BPG's share price may decline due to the large number of BPG's shares eligible for future sale. The market price of BPG's common stock could decline as a result of sales of a large number of shares of BPG's common stock in the market or the perception that such sales could occur. These sales, or the possibility that these sales may occur, also might make it more difficult for BPG to sell shares of BPG's common stock in the future at a time and at a price that we deem appropriate. BPG had a total of 297,319,676 shares of common stock outstanding as of February 1, 2015.

As of February 1, 2015, 146,670,383 shares of BPG's outstanding common stock were held by Blackstone. In accordance with the registration rights agreement we entered into with Blackstone. BPG has filed an effective registration statement on Form S-3 under the Securities Act pursuant to which Blackstone may offer and sell from time to time shares of BPG's common stock held by Blackstone, including shares received upon redemption of OP Units. These shares are also eligible for sale in the public market in accordance with and subject to the limitation on sales by affiliates as provided in Rule 144 under the Securities Act of 1933, as amended (the "Securities Act"). As of February 1, 2015, 6,927,074 OP Units were held by Blackstone (6,727,906) and our current and former executive officers (199,168). The OP Unit holders have the right to require the Operating Partnership to redeem part or all of the OP Units for cash, based upon the value of an equivalent number of shares of BPG's common stock at the time of the election to redeem, or, at our election, exchange them for an equivalent number of shares of BPG's common stock, subject to the ownership limit and other restrictions on ownership and transfer set forth in BPG's charter. These exchanges, or the possibility that these exchanges may occur, also might make it more difficult for holders of our common stock to sell such stock in the future at a time and at a price that they deem appropriate.

BPG filed a registration statement on Form S-8 under the Securities Act to register 15,000,000 shares of BPG's common stock or securities convertible into or exchangeable for shares of BPG's common stock that may be issued pursuant to BPG's 2013 Omnibus Incentive Plan. Such Form S-8 registration statement automatically became effective upon filing. Accordingly, shares registered under such registration statement will be available for sale in the open market.

BPG's charter provides that BPG may issue up to 3,000,000,000 shares of common stock, and 300,000,000 shares of preferred stock, \$0.01 par value per share. Moreover, under Maryland law and BPG's charter, BPG's board of directors has the power to increase the aggregate number of shares of stock or the number of shares of stock of any class or series that BPG is authorized to issue without stockholder approval. Similarly, the agreement of limited partnership of the Operating Partnership authorizes us to issue an unlimited number of additional OP Units of the Operating Partnership, which may be exchangeable for shares of BPG's common stock.

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The market price of BPG's common stock could be adversely affected by market conditions and by our actual and expected future earnings and level of cash dividends.

Securities markets worldwide experience significant price and volume fluctuations. This market volatility, as well as general economic, market or political conditions, could reduce the market price of shares without regard to our operating performance. For example, the trading prices of equity securities issued by REITs have historically been affected by changes in market interest rates. One of the factors that may influence the market price of BPG's common stock is the annual yield from distributions on our common stock as compared to yields on other financial instruments. An increase in market interest rates, or a decrease in our distributions to stockholders, may lead prospective purchasers of shares of BPG's common stock to demand a higher distribution rate or seek alternative investments. As a result, if interest rates rise, it is likely that the market price of BPG's common stock will decrease as market rates on interest-bearing securities increase. In addition, BPG's operating results could be below the expectations of public market analysts and investors, and in response the market price of BPG's shares could decrease significantly. The market value of the equity securities of a REIT is also based upon the market's perception of the REIT's growth potential and its current and potential future cash distributions, whether from operations, sales or refinancings, and is secondarily based upon the real estate market value of the underlying assets. For that reason, BPG's common stock may trade at prices that are higher or lower than our net asset value per share. To the extent we retain operating cash flow for investment purposes, working capital reserves or other purposes, these retained funds, while increasing the value of our underlying assets, may not correspondingly increase the market price of BPG's common stock. Our failure to meet the market's expectations with regard to future earnings and cash distributions likely would adversely affect the market price of BPG's common stock and, in such instances, you may be unable to resell your shares at a price that is in excess of your investment in the shares.

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

Our Portfolio at December 31, 2014 consisted of 521 shopping centers, including 520 wholly owned shopping centers and one shopping center held through an unconsolidated joint venture. 64.6% of the ABR in our Portfolio as of December 31, 2014 is derived from shopping centers located in the top 50 U.S. MSAs by population. Our top markets by ABR include the MSAs of New York, Philadelphia and Houston.

With an average shopping center size of approximately 166,657 sq. ft. as of December 31, 2014, our Portfolio is comprised predominantly of community shopping centers (63% of our shopping centers) as of December 31, 2014, with the balance comprised of neighborhood shopping centers. Our shopping centers have an appropriate mix of anchor and small shop GLA, with approximately one-third of the portfolio GLA comprised of small shop space. Our shopping centers are anchored by a mix of leading grocers, national and regional discount and general merchandise retailers and category-dominant anchors. We believe that the necessity- and value-oriented merchandise mix of the retail tenants in our centers reduces our exposure to macro-economic cycles and consumer purchases via the internet, generating more predictable property-level cash flows. Such retailers provide goods and services that consumers purchase regularly such as food, health care items and household supplies. Such retailers also sell items such as clothing at lower prices than other traditional retailers.

Overall, in our Portfolio we have a broad and highly diversified retail tenant base that includes approximately 5,500 tenants, with no one tenant representing more than 3.3% of the total ABR generated from our shopping centers as of December 31, 2014. Our three largest tenants are The Kroger Co., The TJX Companies and Wal-Mart, representing 3.3%, 3.2% and 1.9% of total Portfolio ABR as of December 31, 2014, respectively.

The following chart lists our top 20 tenants by ABR (owned only) in our Portfolio as of December 31, 2014, illustrating the diversity of our tenant base.

Retailer	Owned Leases	GLA	Percent of Portfolio GLA	ABR	Percent of Portfolio ABR
The Kroger Co.	68	4,366,884	5.0%	\$30,164,951	3.3%
The TJX Companies, Inc.	93	2,966,734	3.4%	28,975,579	3.2%
Wal-Mart Stores, Inc.	29	3,523,320	4.1%	17,132,841	1.9%
Publix Super Markets, Inc.	39	1,801,416	2.1%	16,650,717	1.8%
Dollar Tree Stores, Inc.	130	1,491,921	1.7%	15,194,586	1.7%
Ahold USA, Inc.	21	1,259,102	1.5%	14,064,340	1.5%
Sears Holdings Corporation	26	2,400,905	2.8%	10,367,548	1.1%
Office Depot, Inc.	41	940,798	1.1%	9,926,883	1.1%
PetSmart, Inc.	31	678,994	0.8%	9,578,526	1.0%
Bed Bath & Beyond Inc.	31	754,873	0.9%	9,390,742	1.0%
Ross Stores, Inc.	30	844,474	1.0%	9,118,572	1.0%
Best Buy Co., Inc.	16	660,392	0.8%	8,778,043	1.0%
Burlington Stores, Inc.	16	1,220,369	1.4%	8,553,421	0.9%
Big Lots, Inc.	45	1,448,043	1.7%	8,525,582	0.9%
Safeway Inc.	15	826,323	1.0%	8,164,737	0.9%
Staples, Inc.	31	680,559	0.8%	7,625,640	0.8%
Kohl's Corporation	12	1,002,715	1.2%	7,269,745	0.8%
PETCO Animal Supplies, Inc.	34	462,905	0.5%	7,077,644	0.8%
DICK'S Sporting Goods, Inc.	12	492,031	0.6%	6,400,866	0.7%
Hobby Lobby Stores, Inc.	16	943,615	1.1%	6,178,498	0.7%
TOP 20 RETAILERS	736	28,766,373	33.1%	\$239,139,462	26.1%

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The following table sets forth certain information as of December 31, 2014, regarding the shopping centers in our Portfolio on a state-by-state basis:

State	Number of Properties	GLA	Percent Leased	Percent Billed	ABR	ABR / SF	Percent of Number of Properties	Percent of GLA	Percent of ABR	
1 Alabama	4	989,814	93.0	% 92.9	% \$7,015	\$7.69	0.8	% 1.1	% 0.8	%
2 Arizona	2	288,110	85.2	% 82.4	% 2,022	8.24	0.4	% 0.3	% 0.2	%
3 California	29	5,780,124	97.5	% 96.7	% 89,115	16.49	5.6	% 6.7	% 9.7	%
4 Colorado	6	1,478,489	95.6	% 93.4	% 18,266	12.98	1.2	% 1.7	% 2.0	%
5 Connecticut	15	2,266,237	93.0	% 92.4	% 28,524	14.54	2.9	% 2.6	% 3.1	%
6 Delaware	1	191,974	100.0	% 100.0	% 2,303	12.00	0.2	% 0.2	% 0.3	%
7 Florida	58	9,035,525	90.5	% 88.8	% 100,002	12.61	11.1	% 10.4	% 10.9	%
8 Georgia	37	5,288,487	89.1	% 87.9	% 44,671	9.55	7.1	% 6.1	% 4.9	%
9 Illinois	24	4,791,912	92.5	% 90.3	% 49,946	11.82	4.6	% 5.5	% 5.5	%
10 Indiana	12	1,966,959	89.2	% 88.1	% 14,816	8.90	2.3	% 2.3	% 1.6	%
11 Iowa	5	783,917	91.5	% 86.3	% 4,748	7.38	1.0	% 0.9	% 0.5	%
12 Kansas	2	376,292	88.3	% 85.9	% 2,873	11.26	0.4	% 0.4	% 0.3	%
13 Kentucky	12	2,575,550	93.8	% 92.9	% 20,187	8.96	2.3	% 3.0	% 2.2	%
14 Louisiana	4	612,368	94.9	% 91.5	% 3,568	6.14	0.8	% 0.7	% 0.4	%
15 Maine	2	391,746	92.2	% 92.2	% 2,571	13.34	0.4	% 0.5	% 0.3	%
16 Maryland	5	777,424	97.8	% 97.4	% 9,562	12.63	1.0	% 0.9	% 1.0	%
17 Massachusetts	10	1,709,273	93.6	% 92.6	% 18,718	14.57	1.9	% 2.0	% 2.0	%
18 Michigan	19	3,743,589	91.5	% 88.4	% 31,832	10.94	3.6	% 4.3	% 3.5	%
19 Minnesota	10	1,485,108	92.4	% 89.6	% 15,411	11.80	1.9	% 1.7	% 1.7	%
20 Mississippi	3	406,316	78.5	% 78.5	% 3,170	10.09	0.6	% 0.5	% 0.3	%
21 Missouri	6	874,795	92.5	% 91.3	% 6,043	7.59	1.2	% 1.0	% 0.7	%
22 Nevada	3	609,661	92.7	% 89.9	% 7,879	13.95	0.6	% 0.7	% 0.9	%
23 New Hampshire	5	769,577	95.3	% 94.6	% 7,836	13.41	1.0	% 0.9	% 0.9	%
24 New Jersey	17	2,982,931	93.8	% 89.0	% 39,802	15.28	3.3	% 3.4	% 4.3	%
25 New Mexico	2	83,800	100.0	% 100.0	% 919	10.97	0.4	% 0.1	% 0.1	%
26 New York	33	4,351,377	94.4	% 93.8	% 60,834	15.27	6.3	% 5.0	% 6.6	%
27 North Carolina	22	4,405,619	90.7	% 89.5	% 40,103	11.14	4.2	% 5.1	% 4.4	%
28 Ohio	24	4,544,924	91.5	% 90.1	% 42,143	10.71	4.6	% 5.2	% 4.6	%
29 Oklahoma	1	186,851	100.0	% 100.0	% 1,760	9.42	0.2	% 0.2	% 0.2	%
30 Pennsylvania	37	6,061,182	95.9	% 94.7	% 66,928	13.32	7.1	% 7.0	% 7.3	%
31 Rhode Island	1	148,126	99.1	% 99.1	% 1,531	10.43	0.2	% 0.2	% 0.2	%
32 South Carolina	8	1,394,993	87.2	% 82.8	% 12,718	10.65	1.5	% 1.6	% 1.4	%
33 Tennessee	16	3,238,229	94.0	% 92.6	% 28,803	9.91	3.1	% 3.7	% 3.1	%
34 Texas	67	9,548,208	94.1	% 93.2	% 104,089	12.51	12.9	% 11.0	% 11.4	%
35 Vermont	1	224,514	97.7	% 97.7	% 1,902	8.67	0.2	% 0.3	% 0.2	%
36 Virginia	11	1,446,496	89.3	% 89.2	% 13,930	11.34	2.1	% 1.7	% 1.5	%
37 West Virginia	2	251,500	95.4	% 95.4	% 1,969	8.21	0.4	% 0.3	% 0.2	%
38 Wisconsin	5	766,509	92.2	% 87.1	% 7,110	10.07	1.0	% 0.9	% 0.8	%

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TOTAL	521	86,828,506	92.8	%	91.3	%	\$915,619	\$12.14	100.0	%	100.0	%	100.0	%
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The following table sets forth certain information by unit size for our Portfolio as of December 31, 2014.

	Number of Units	GLA	Percent Leased	Percent Billed	Percent of Vacant GLA	ABR	ABR/SF
≥ 35,000 SF	580	36,191,704	98.7	% 98.0	% 7.6	% \$273,657,310	\$8.62
20,000 – 34,999 SF	558	14,704,352	96.6	% 94.7	% 8.1	% 132,333,693	9.47
10,000 - 19,999 SF	730	9,916,157	92.4	% 89.4	% 12.1	% 110,476,988	12.39
5,000 - 9,999 SF	1,382	9,524,928	85.0	% 82.5	% 22.9	% 119,979,934	15.49
< 5,000 SF	8,013	16,491,365	81.3	% 79.5	% 49.3	% 279,171,380	21.38
TOTAL	11,263	86,828,506	92.8	% 91.3	% 100.0	% \$915,619,305	\$12.14
TOTAL ≥ 10,000 SF	1,868	60,812,213	97.1	% 95.8	% 27.8	% \$516,467,991	\$9.45
TOTAL < 10,000 SF	9,395	26,016,293	82.6	% 80.6	% 72.2	% 399,151,314	19.19

The following table sets forth, as of December 31, 2014, a schedule of lease expirations for leases in place within our Portfolio for each of the next ten years and thereafter, assuming no exercise of renewal options or base rent escalations over the lease term and including ground leases:

	Number of Leases	Leased GLA	Percent of Leased GLA	ABR / SF	Percent of ABR	
Month to Month	398	1,136,285	1.4	% \$13.50	1.7	%
2015	1,467	8,827,844	11.0	% 10.79	10.4	%
2016	1,600	11,732,641	14.6	% 11.27	14.4	%
2017	1,592	10,641,702	13.2	% 12.06	14.0	%
2018	1,305	9,467,047	11.8	% 12.21	12.6	%
2019	1,206	9,928,083	12.3	% 11.46	12.4	%
2020	550	6,961,305	8.6	% 10.46	8.0	%
2021	257	3,432,806	4.3	% 11.21	4.2	%
2022	235	3,550,475	4.4	% 10.67	4.1	%
2023	262	3,584,245	4.4	% 10.12	4.0	%
2024+	612	11,307,824	14.0	% 11.47	14.2	%

We believe that all of the properties in our portfolio are suitable for use as a community or neighborhood shopping center.

More specific information with respect to each of our property interests is set forth in Exhibit 99.2, which is incorporated herein by reference.

Leases

Our anchor tenants generally have leases with original terms ranging from 10 to 20 years. Such leases frequently contain renewal options for one or more additional periods. Smaller tenants typically have leases with terms ranging from three to five years, which may or may not contain renewal options. Leases in our portfolio generally provide for the payment of fixed monthly rentals. Leases may also provide for the payment of additional rent based upon a percentage of the tenant's gross sales above a certain threshold level. Leases typically contain contractual increases in base rentals over both the primary terms and renewal periods. Our leases generally include tenant reimbursements for common area costs, insurance and real estate taxes. Utilities are generally paid by tenants either through separate meters or reimbursement.

The foregoing general description of the characteristics of the leases of our portfolio is not intended to describe all leases, and material variations in the lease terms exist.

Insurance

We maintain commercial liability, fire, extended coverage, earthquake, business interruption and rental loss insurance covering all of the properties in our portfolio. We select coverage specifications and insured limits which we believe to be appropriate given the relative risk of loss, the cost of the coverage and industry practice and the nature of the shopping centers in our portfolio. In addition, tenants generally are required to indemnify and hold us harmless from liabilities resulting from injury to persons or damage to personal or real property due to activities conducted by tenants or their agents on the properties (including without limitation any environmental

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contamination), and at the tenant's expense, to obtain and keep in full force during the term of the lease, liability and property damage insurance policies. In the opinion of our management, all of the properties in our portfolio are currently adequately insured. We do not carry insurance for generally uninsured losses such as loss from war. See "Risk Factors-Risks Related to Our Properties and Our Business-Any uninsured loss on properties or a loss that exceeds the limits of our insurance policies could result in a loss of our investment or related revenue in our portfolio."

Item 3. Legal Proceedings

We are not presently involved in any material litigation arising outside the ordinary course of our business. However, we are involved in routine litigation arising in the ordinary course of business, none of which we believe, individually or in the aggregate, taking into account existing reserves, will have a material impact on our results of operations or financial condition.

Item 4. Mine Safety Disclosures

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

The following table sets forth for the years ended December 31, 2014 and 2013 the high and low closing sales prices for each quarter of BPG's common stock, which began trading on the New York Stock Exchange, or NYSE, on October 30, 2013 under the trading symbol "BRX," and the quarterly declared dividend per share of common stock for the year ended December 31, 2014 and 2013:

Period	Stock Price		Cash Dividends Declared
	High	Low	
2014:			
First Quarter	\$22.08	\$20.13	\$0.200
Second Quarter	23.04	20.95	0.200
Third Quarter	23.99	22.26	0.200
Fourth Quarter	25.24	21.97	0.225
2013:			
Fourth Quarter ^{(1) (2)}	20.94	19.66	0.127

(1) As BPG's common stock was not listed on a national securities exchange until October 30, 2013, the high/low closing sales prices for the fourth quarter are for October 30, 2013 through December 31, 2013.

BPG's Board of Directors declared a quarterly cash dividend of \$0.20 per common share (equivalent to \$0.80 per (2)annum). This initial quarterly dividend was pro-rated to \$0.127 per common share to reflect the period commencing on November 4, 2013, the IPO completion date, and ending on December 31, 2013. This pro-rated dividend was paid on January 15, 2014 to stockholders of record on January 6, 2014.

As of February 1, 2015, the number of holders of record of BPG's common stock was 29. This figure does not represent the actual number of beneficial owners of BPG's common stock because shares of BPG's common stock are frequently held in "street name" by securities dealers and others for the benefit of beneficial owners who may vote the shares.

The Internal Revenue Code of 1986, as amended (the "Code"), generally requires that a REIT distribute annually at least 90% of its REIT taxable income, determined without regard to the deduction for dividends paid and excluding net capital gains, and imposes tax on any taxable income retained by a REIT, including capital gains. To satisfy the requirements for qualification as a REIT and generally not be subject to U.S. federal income and excise tax, BPG intends to make regular quarterly distributions of all or substantially all of BPG's REIT taxable income to holders of BPG's common stock out of assets legally available for such purposes.

BPG's future distributions will be at the sole discretion of BPG's board of directors. When determining the amount of future distributions, we expect that BPG's board of directors will consider, among other factors, (1) the amount of cash generated from our operating activities, (2) our expectations of future cash flows, (3) our determination of near-term cash needs for debt repayments, existing or future share repurchases, and selective acquisitions of new properties, (4) the timing of significant redevelopment and re-leasing activities and the establishment of additional cash reserves for anticipated tenant improvements and general property capital improvements, (5) our ability to continue to access additional sources of capital, (6) the amount required to be distributed to maintain BPG's status as a REIT and to reduce any income and excise taxes that BPG otherwise would be required to pay, (7) any limitations on our distributions contained in our credit or other agreements, including, without limitation, in our Unsecured Credit Facility, and (8) the sufficiency of legally-available assets.

To the extent BPG is prevented by provisions of our financing arrangements or otherwise from distributing 100% of BPG's REIT taxable income or otherwise do not distribute 100% of BPG's REIT taxable income, BPG will be subject to income tax, and potentially excise tax, on the retained amounts. If our operations do not generate sufficient cash flow to allow BPG to satisfy the REIT distribution requirements, we may be required to fund distributions from working capital, borrow funds, sell assets or reduce such distributions. BPG's board of directors reviews the alternative funding sources available to us from time to time. For more information regarding risk factors that could materially adversely affect our actual results of operations, please see Item 1A. "Risk Factors."

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Because Brixmor Property Group Inc. is a holding company and has no material assets other than its ownership of shares of common stock of BPG Sub and no material operations other than those conducted by BPG Sub, we fund any distributions from legally-available assets authorized by our board of directors in three steps:

first, the Operating Partnership makes distributions to those of its partners which are holders of OP Units, including BPG Sub. When the Operating Partnership makes such distributions, in addition to BPG Sub and its wholly owned subsidiary, the other partners of the Operating Partnership are also entitled to receive equivalent distributions pro rata based on their partnership interests in the Operating Partnership;

second, BPG Sub distributes to Brixmor Property Group Inc. its share of such distributions; and

third, Brixmor Property Group Inc. distributes the amount authorized by its board of directors and declared by Brixmor Property Group Inc. to its common stockholders on a pro rata basis.

BPG's Total Stockholder Return Performance

The following performance chart compares, for the period from October 30, 2013 through December 31, 2014, the cumulative total stockholder return on the BPG's common stock with the cumulative total return of the S&P 500 Index and the cumulative total return of the FTSE NAREIT Equity Shopping Centers Index. Equity real estate investment trusts are defined as those which derive more than 75% of their income from equity investments in real estate assets. All stockholder return performance assumes the reinvestment of dividends. The information in this paragraph and the following performance chart are deemed to be furnished, not filed.

Sales of Unregistered Equity Securities

There were no unregistered sales of equity securities during the year ended December 31, 2014.

Issuer Purchases of Equity Securities

BPG did not repurchase any of its equity securities during the year ended December 31, 2014.

Item 6. Selected Financial Data

The following table shows our selected consolidated financial data for BPG and the Operating Partnership and their respective subsidiaries for the periods indicated. This information should be read together with the audited financial statements and notes thereto of BPG and its subsidiaries and the Operating Partnership and its subsidiaries and with “Management’s Discussion and Analysis of Financial Condition and Results of Operations” included elsewhere in this Annual Report.

The Successor period in the following table reflects our selected financial data for BPG and the Operating Partnership and their respective subsidiaries for the period following the Acquisition through the end of the 2014 fiscal year, and the Predecessor period in the following table reflects our selected financial data for BPG and the Operating Partnership and their respective subsidiaries for the periods prior to the Acquisition.

BRIXMOR PROPERTY GROUP INC. AND SUBSIDIARIES
COMBINED CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share data)

	Successor (Consolidated)			Predecessor (Combined Consolidated)		
	Year Ended December 31,			Period from June 28, 2011 through December 31, 2011	Period from January 1, 2011 through June 27, 2011	Year Ended December 31, 2010
	2014	2013	2012	2011	2011	2010
Revenues						
Rental income	\$960,715	\$887,466	\$851,311	\$429,178	\$412,745	\$837,488
Expense reimbursements	268,035	242,803	225,710	112,355	114,828	227,740
Other revenues	7,849	16,135	11,233	5,331	7,588	15,531
Total revenues	1,236,599	1,146,404	1,088,254	546,864	535,161	1,080,759
Operating expenses						
Operating costs	129,148	116,522	118,876	59,440	64,381	121,187
Real estate taxes	179,504	168,468	155,142	77,455	76,744	157,477
Depreciation and amortization	441,630	438,547	488,524	283,653	168,644	375,884
Provision for doubtful accounts	11,537	10,899	11,542	8,465	10,360	14,900
Impairment of real estate assets	—	1,531	—	—	—	224,687
Acquisition related costs	—	—	541	41,362	5,647	4,821
General and administrative	80,175	121,082	88,936	49,874	57,363	94,570
Total operating expenses	841,994	857,049	863,561	520,249	383,139	993,526
Other income (expense)						
Dividends and interest	602	832	1,138	641	815	2,203
Gain on bargain purchase	—	—	—	328,826	—	—
Interest expense	(262,812)	(343,193)	(376,237)	(199,131)	(189,299)	(366,251)
Gain (loss) on sale of real estate assets and acquisition of joint venture interest	378	2,223	501	—	—	(111)
Gain (loss) on extinguishment of debt, net	(13,761)	(20,028)	—	917	—	—
Other	(8,431)	(11,014)	(504)	1,197	(3,731)	5,549
Total other income (expense)	(284,024)	(371,180)	(375,102)	132,450	(192,215)	(358,610)
Income (loss) before equity in income of unconsolidated joint ventures	110,581	(81,825)	(150,409)	159,065	(40,193)	(271,377)
Income tax benefit	—	—	—	—	—	16,494
Equity in income (loss) of unconsolidated joint ventures	370	1,167	687	(160)	(381)	(2,116)
Gain on disposition of investments in unconsolidated joint ventures	1,820	—	—	—	—	—
Impairment of investment in unconsolidated joint ventures	—	—	(314)	—	—	(1,734)
Income (loss) from continuing operations	112,771	(80,658)	(150,036)	158,905	(40,574)	(258,733)

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Discontinued operations						
Income (loss) from discontinued operations	4,909	3,505	(2,447)	(5,769)	2,091	6,767
Gain on disposition of operating properties	15,171	3,392	5,369	—	—	—
Impairment of real estate held for sale	—	(45,122)	(13,599)	—	(8,608)	(68,020)
Income (loss) from discontinued operations	20,080	(38,225)	(10,677)	(5,769)	(6,517)	(61,253)
Net income (loss)	132,851	(118,883)	(160,713)	153,136	(47,091)	(319,986)
Net (income) loss attributable to non-controlling interests	(43,849)	25,349	38,146	(37,785)	(752)	(1,400)
Net income (loss) attributable to Brixmor Property Group Inc.	89,002	(93,534)	(122,567)	115,351	(47,843)	(321,386)
Preferred stock dividends	(150)	(162)	(296)	(137)	—	—
Net income (loss) attributable to common stockholders	\$88,852	\$(93,696)	\$(122,863)	\$115,214	\$(47,843)	\$(321,386)
Per common share:						
Income (loss) from continuing operations:						
Basic	\$0.36	\$(0.33)	\$(0.64)	\$0.66		
Diluted	\$0.36	\$(0.33)	\$(0.64)	\$0.66		
Net income (loss) attributable to common stockholders:						
Basic	\$0.36	\$(0.50)	\$(0.68)	\$(0.02)		
Diluted	\$0.36	\$(0.50)	\$(0.68)	\$(0.02)		
Weighted average number of vested common shares:						
Basic	243,390	188,993	180,675	180,675		
Diluted	244,588	188,993	180,675	180,675		

BRIXMOR PROPERTY GROUP INC. AND SUBSIDIARIES

SELECT BALANCE SHEET INFORMATION

(in thousands)

Balance Sheet Data as of the end of each year	Successor				Predecessor
	2014	2013	2012	2011	2010
Real estate, net	\$9,253,015	\$9,647,558	\$9,098,130	\$9,496,903	\$9,873,096
Total assets	\$9,702,402	\$10,171,916	\$9,603,729	\$10,032,266	\$10,711,209
Debt obligations, net ⁽¹⁾	\$6,042,997	\$5,981,289	\$6,499,356	\$6,694,549	\$7,700,237
Total liabilities	\$6,722,099	\$6,865,929	\$7,305,908	\$7,553,277	\$8,731,832
Redeemable non-controlling interests	\$—	\$21,467	\$21,467	\$21,559	\$21,559
Total equity	\$2,980,303	\$3,284,520	\$2,276,354	\$2,457,430	\$1,957,818

⁽¹⁾ Debt includes mortgage and secured loans, notes payable, and credit agreements, including unamortized premium or net of unamortized discount.

BRIXMOR OPERATING PARTNERSHIP LP AND SUBSIDIARIES
COMBINED CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share data)

	Successor (Consolidated)			Predecessor (Combined Consolidated)		
	Year Ended December 31,			Period from June 28, 2011 through December 31, 2011	Period from January 1, 2011 through June 27, 2011	Year Ended December 31, 2010
	2014	2013	2012			
Revenues						
Rental income	\$960,715	\$887,466	\$851,311	\$429,178	\$412,745	\$837,488
Expense reimbursements	268,035	242,803	225,710	112,355	114,828	227,740
Other revenues	7,849	16,135	11,233	5,331	7,588	15,531
Total revenues	1,236,599	1,146,404	1,088,254	546,864	535,161	1,080,759
Operating expenses						
Operating costs	129,148	116,522	118,876	59,440	64,381	121,187
Real estate taxes	179,504	168,468	155,142	77,455	76,744	157,477
Depreciation and amortization	441,630	438,547	488,524	283,653	168,644	375,884
Provision for doubtful accounts	11,537	10,899	11,542	8,465	10,360	14,900
Impairment of real estate assets	—	1,531	—	—	—	224,687
Acquisition related costs	—	—	—	—	5,647	4,821
General and administrative	80,175	121,078	88,931	49,874	57,363	94,570
Total operating expenses	841,994	857,045	863,015	478,887	383,139	993,526
Other income (expense)						
Dividends and interest	602	825	1,125	641	815	2,203
Interest expense	(262,812)	(343,193)	(376,237)	(199,131)	(189,299)	(366,251)
Gain (loss) on sale of real estate assets and acquisition of joint venture interest	378	2,223	501	—	—	(111)
Gain (loss) on extinguishment of debt, net	(13,761)	(20,028)	—	917	—	—
Other	(8,431)	(11,005)	(513)	1,224	(3,731)	5,549
Total other income (expense)	(284,024)	(371,178)	(375,124)	(196,349)	(192,215)	(358,610)
Income (loss) before equity in income of unconsolidated joint ventures	110,581	(81,819)	(149,885)	(128,372)	(40,193)	(271,377)
Income tax benefit	—					