

MACERICH CO
Form 10-Q
May 05, 2014

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q
QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2014

Commission File No. 1-12504

THE MACERICH COMPANY

(Exact name of registrant as specified in its charter)

MARYLAND

95-4448705

(State or other jurisdiction of
incorporation or organization)

(I.R.S. Employer Identification Number)

401 Wilshire Boulevard, Suite 700, Santa Monica, California 90401

(Address of principal executive office, including zip code)

(310) 394-6000

(Registrant's telephone number, including area code)

N/A

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding twelve (12) months (or for such shorter period that the Registrant was required to file such reports) and (2) has been subject to such filing requirements for the past ninety (90) days.

YES NO

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

YES NO

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 definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

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

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

YES NO

Number of shares outstanding as of May 2, 2014 of the registrant's common stock, par value \$0.01 per share:

140,692,507 shares

THE MACERICH COMPANY
FORM 10-Q
INDEX

Part I Financial Information

<u>Item 1.</u>	<u>Financial Statements (Unaudited)</u>	<u>3</u>
	<u>Consolidated Balance Sheets as of March 31, 2014 and December 31, 2013</u>	<u>3</u>
	<u>Consolidated Statements of Operations for the three months ended March 31, 2014 and 2013</u>	<u>4</u>
	<u>Consolidated Statement of Equity for the three months ended March 31, 2014</u>	<u>5</u>
	<u>Consolidated Statements of Cash Flows for the three months ended March 31, 2014 and 2013</u>	<u>6</u>
	<u>Notes to Consolidated Financial Statements</u>	<u>8</u>
<u>Item 2.</u>	<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	<u>28</u>
<u>Item 3.</u>	<u>Quantitative and Qualitative Disclosures About Market Risk</u>	<u>40</u>
<u>Item 4.</u>	<u>Controls and Procedures</u>	<u>41</u>
Part II	Other Information	
<u>Item 1.</u>	<u>Legal Proceedings</u>	<u>42</u>
<u>Item 1A.</u>	<u>Risk Factors</u>	<u>42</u>
<u>Item 2.</u>	<u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	<u>42</u>
<u>Item 3.</u>	<u>Defaults Upon Senior Securities</u>	<u>42</u>
<u>Item 4.</u>	<u>Mine Safety Disclosures</u>	<u>42</u>
<u>Item 5.</u>	<u>Other Information</u>	<u>42</u>
<u>Item 6.</u>	<u>Exhibits</u>	<u>43</u>
<u>Signature</u>		<u>44</u>

Table of Contents

THE MACERICH COMPANY
CONSOLIDATED BALANCE SHEETS
(Dollars in thousands, except share data)
(Unaudited)

	March 31, 2014	December 31, 2013
ASSETS:		
Property, net	\$7,553,979	\$7,621,766
Cash and cash equivalents	64,926	69,715
Restricted cash	15,808	16,843
Tenant and other receivables, net	100,838	99,497
Deferred charges and other assets, net	516,277	533,058
Loans to unconsolidated joint ventures	3,374	2,756
Due from affiliates	28,559	30,132
Investments in unconsolidated joint ventures	724,630	701,483
Total assets	\$9,008,391	\$9,075,250
LIABILITIES AND EQUITY:		
Mortgage notes payable:		
Related parties	\$268,029	\$269,381
Others	4,115,971	4,145,809
Total	4,384,000	4,415,190
Bank and other notes payable	227,132	167,537
Accounts payable and accrued expenses	89,146	76,941
Other accrued liabilities	312,188	363,158
Distributions in excess of investments in unconsolidated joint ventures	254,581	252,192
Co-venture obligation	78,224	81,515
Total liabilities	5,345,271	5,356,533
Commitments and contingencies		
Equity:		
Stockholders' equity:		
Common stock, \$0.01 par value, 250,000,000 shares authorized, 140,879,384 and 140,733,683 shares issued and outstanding at March 31, 2014 and December 31, 2013, 1,409 respectively		1,407
Additional paid-in capital	3,920,704	3,906,148
Accumulated deficit	(618,277)	(548,806)
Total stockholders' equity	3,303,836	3,358,749
Noncontrolling interests	359,284	359,968
Total equity	3,663,120	3,718,717
Total liabilities and equity	\$9,008,391	\$9,075,250

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

Table of ContentsTHE MACERICH COMPANY
CONSOLIDATED STATEMENTS OF OPERATIONS

(Dollars in thousands, except per share amounts)

(Unaudited)

	For the Three Months Ended March 31,	
	2014	2013
Revenues:		
Minimum rents	\$151,633	\$137,027
Percentage rents	2,853	3,982
Tenant recoveries	91,475	78,961
Management Companies	8,121	10,148
Other	10,430	13,186
Total revenues	264,512	243,304
Expenses:		
Shopping center and operating expenses	90,376	78,604
Management Companies' operating expenses	22,772	23,149
REIT general and administrative expenses	6,877	6,024
Depreciation and amortization	88,657	87,018