

## **Supplemental Information**

September 30, 2017



### **Steele Creek Commerce Park**

**Charlotte, North Carolina**  
**443,000 Square Feet**

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**FORWARD-LOOKING STATEMENTS**

The Company's assumptions and financial projections in this supplemental package are based upon "forward-looking" information and are being made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are inherently subject to known and unknown risks and uncertainties, many of which the Company cannot predict, including, without limitation: changes in general economic conditions; the extent of customer defaults or of any early lease terminations; the Company's ability to lease or re-lease space at current or anticipated rents; the availability of financing; the failure to maintain credit ratings with rating agencies; changes in the supply of and demand for industrial/warehouse properties; increases in interest rate levels; increases in operating costs; natural disasters, terrorism, riots and acts of war, and the Company's ability to obtain adequate insurance; changes in governmental regulation, tax rates and similar matters; and other risks associated with the development and acquisition of properties, including risks that development projects may not be completed on schedule, development or operating costs may be greater than anticipated or acquisitions may not close as scheduled. Although the Company believes the expectations reflected in the forward-looking statements are based upon reasonable assumptions at the time made, the Company can give no assurance that such expectations will be achieved. The Company assumes no obligation whatsoever to publicly update or revise any forward-looking statements. See also the information contained in the Company's reports filed or to be filed from time to time with the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended.

|  | <u>September 30, 2017</u> | <u>December 31, 2016</u> |
|--|---------------------------|--------------------------|
| <b>ASSETS</b>  |                           |                          |
| Real estate properties   | \$ 2,306,017              | 2,113,073                |
| Development  | 204,197                   | 293,908                  |
|  | <u>2,510,214</u>          | <u>2,406,981</u>         |
| Less accumulated depreciation  | (732,566)                 | (694,250)                |
|  | <u>1,777,648</u>          | <u>1,712,731</u>         |
| Unconsolidated investment  | 7,836                     | 7,681                    |
| Cash   | 10                        | 522                      |
| Other assets   | 108,499                   | 104,830                  |
|  | <u>1,893,993</u>          | <u>1,825,764</u>         |
| <b>TOTAL ASSETS</b>  |                           |                          |
| <b>LIABILITIES AND EQUITY</b>  |                           |                          |
| <b>LIABILITIES</b>   |                           |                          |
| Unsecured bank credit facilities   | \$ 216,643                | 190,990                  |
| Unsecured debt   | 653,178                   | 652,838                  |
| Secured debt   | 202,178                   | 257,505                  |
| Accounts payable and accrued expenses  | 66,830                    | 52,701                   |
| Other liabilities  | 28,990                    | 29,864                   |
| Total Liabilities  | <u>1,167,819</u>          | <u>1,183,898</u>         |
| <b>EQUITY</b>  |                           |                          |
| Stockholders' Equity:  |                           |                          |
| Common shares; \$.0001 par value; 70,000,000 shares authorized;<br>34,424,668 shares issued and outstanding at September 30, 2017<br>and 33,332,213 at December 31, 2016 | 3                         | 3                        |
| Excess shares; \$.0001 par value; 30,000,000 shares<br>authorized; no shares issued  | -                         | -                        |
| Additional paid-in capital on common shares  | 1,031,592                 | 949,318                  |
| Distributions in excess of earnings  | (312,392)                 | (313,655)                |
| Accumulated other comprehensive income   | 2,645                     | 1,995                    |
| Total Stockholders' Equity   | <u>721,848</u>            | <u>637,661</u>           |
| Noncontrolling interest in joint ventures  | 4,326                     | 4,205                    |
| Total Equity   | <u>726,174</u>            | <u>641,866</u>           |
|  | <u>\$ 1,893,993</u>       | <u>1,825,764</u>         |
| <b>TOTAL LIABILITIES AND EQUITY</b>  |                           |                          |

|  | Three Months Ended<br>September 30, |               | Nine Months Ended<br>September 30, |                |
|--|-------------------------------------|---------------|------------------------------------|----------------|
|  | 2017                                | 2016          | 2017                               | 2016           |
| <b>REVENUES</b>  |                                     |               |                                    |                |
| Income from real estate operations   | \$ 68,712                           | 63,178        | 202,704                            | 186,628        |
| Other revenue  | 34                                  | 12            | 90                                 | 68             |
|  | <u>68,746</u>                       | <u>63,190</u> | <u>202,794</u>                     | <u>186,696</u> |
| <b>EXPENSES</b>  |                                     |               |                                    |                |
| Expenses from real estate operations   | 20,109                              | 18,552        | 59,360                             | 54,130         |
| Depreciation and amortization  | 21,011                              | 19,361        | 62,101                             | 57,756         |
| General and administrative   | 3,205                               | 2,328         | 11,586                             | 10,663         |
| Acquisition costs  | -                                   | 161           | -                                  | 161            |
|  | <u>44,325</u>                       | <u>40,402</u> | <u>133,047</u>                     | <u>122,710</u> |
| <b>OPERATING INCOME</b>  | 24,421                              | 22,788        | 69,747                             | 63,986         |
| <b>OTHER INCOME (EXPENSE)</b>  |                                     |               |                                    |                |
| Interest expense   | (8,704)                             | (8,841)       | (26,405)                           | (27,078)       |
| Gain on sales of real estate investments   | -                                   | -             | 21,855                             | 42,313         |
| Other  | 255                                 | 853           | 725                                | 1,502          |
| <b>NET INCOME</b>  | <u>15,972</u>                       | <u>14,800</u> | <u>65,922</u>                      | <u>80,723</u>  |
| Net income attributable to noncontrolling interest in joint ventures   | (88)                                | (139)         | (329)                              | (438)          |
| <b>NET INCOME ATTRIBUTABLE TO EASTGROUP PROPERTIES, INC. COMMON STOCKHOLDERS</b>                                   | 15,884                              | 14,661        | 65,593                             | 80,285         |
| Other comprehensive income (loss) - cash flow hedges   | 224                                 | 2,606         | 650                                | (6,253)        |
| <b>TOTAL COMPREHENSIVE INCOME</b>  | <u>\$ 16,108</u>                    | <u>17,267</u> | <u>66,243</u>                      | <u>74,032</u>  |
| <b>BASIC PER COMMON SHARE DATA FOR NET INCOME ATTRIBUTABLE TO EASTGROUP PROPERTIES, INC. COMMON STOCKHOLDERS</b>   |                                     |               |                                    |                |
| Net income attributable to common stockholders   | \$ 0.46                             | 0.45          | 1.94                               | 2.47           |
| Weighted average shares outstanding  | <u>34,215</u>                       | <u>32,741</u> | <u>33,857</u>                      | <u>32,458</u>  |
| <b>DILUTED PER COMMON SHARE DATA FOR NET INCOME ATTRIBUTABLE TO EASTGROUP PROPERTIES, INC. COMMON STOCKHOLDERS</b> |                                     |               |                                    |                |
| Net income attributable to common stockholders   | \$ 0.46                             | 0.45          | 1.93                               | 2.47           |
| Weighted average shares outstanding  | <u>34,290</u>                       | <u>32,823</u> | <u>33,905</u>                      | <u>32,519</u>  |

|  | Three Months Ended |               | Nine Months Ended |                |
|--|--------------------|---------------|-------------------|----------------|
|  | September 30,      |               | September 30,     |                |
|  | 2017               | 2016          | 2017              | 2016           |
| <b>NET INCOME</b>  | \$ 15,972          | 14,800        | 65,922            | 80,723         |
| Gain on sales of real estate investments   | -                  | -             | (21,855)          | (42,313)       |
| (Gain) loss on sales of non-operating real estate  | -                  | (590)         | 40                | (733)          |
| Interest income  | (62)               | (63)          | (185)             | (191)          |
| Other income   | (34)               | (12)          | (90)              | (68)           |
| Interest rate swap ineffectiveness   | -                  | -             | -                 | 5              |
| Depreciation and amortization  | 21,011             | 19,361        | 62,101            | 57,756         |
| Company's share of depreciation from unconsolidated investment   | 31                 | 31            | 93                | 93             |
| Interest expense <sup>(1)</sup>  | 8,704              | 8,841         | 26,405            | 27,078         |
| General and administrative expense <sup>(2)</sup>  | 3,205              | 2,328         | 11,586            | 10,663         |
| Acquisition costs  | -                  | 161           | -                 | 161            |
| Noncontrolling interest in PNOI of consolidated 80% joint ventures   | (145)              | (190)         | (493)             | (618)          |
| <b>PROPERTY NET OPERATING INCOME (PNOI)</b>  | <b>\$ 48,682</b>   | <b>44,667</b> | <b>143,524</b>    | <b>132,556</b> |
| <b>COMPONENTS OF PNOI:</b>   |                    |               |                   |                |
| PNOI from Same Properties  | \$ 44,735          | 43,393        | 131,100           | 127,943        |
| PNOI from 2016 and 2017 Acquisitions   | 1,128              | 211           | 2,839             | 211            |
| PNOI from 2016 and 2017 Development and Redevelopment Properties   | 2,981              | 498           | 8,940             | 1,437          |
| PNOI from 2016 and 2017 Operating Property Dispositions  | (31)               | 627           | 998               | 3,155          |
| Other PNOI   | (131)              | (62)          | (353)             | (190)          |
| <b>TOTAL PNOI</b>  | <b>\$ 48,682</b>   | <b>44,667</b> | <b>143,524</b>    | <b>132,556</b> |
| <b>NET INCOME ATTRIBUTABLE TO EASTGROUP PROPERTIES, INC.</b>   |                    |               |                   |                |
| <b>COMMON STOCKHOLDERS</b>   | \$ 15,884          | 14,661        | 65,593            | 80,285         |
| Depreciation and amortization  | 21,011             | 19,361        | 62,101            | 57,756         |
| Company's share of depreciation from unconsolidated investment   | 31                 | 31            | 93                | 93             |
| Depreciation and amortization from noncontrolling interest   | (56)               | (49)          | (160)             | (159)          |
| Gain on sales of real estate investments   | -                  | -             | (21,855)          | (42,313)       |
| <b>FUNDS FROM OPERATIONS (FFO) ATTRIBUTABLE TO COMMON STOCKHOLDERS</b>   | <b>\$ 36,870</b>   | <b>34,004</b> | <b>105,772</b>    | <b>95,662</b>  |
| <b>NET INCOME</b>  | \$ 15,972          | 14,800        | 65,922            | 80,723         |
| Interest expense <sup>(1)</sup>  | 8,704              | 8,841         | 26,405            | 27,078         |
| Depreciation and amortization  | 21,011             | 19,361        | 62,101            | 57,756         |
| Company's share of depreciation from unconsolidated investment   | 31                 | 31            | 93                | 93             |
| <b>EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTIZATION (EBITDA)</b>                                     | <b>45,718</b>      | <b>43,033</b> | <b>154,521</b>    | <b>165,650</b> |
| Gain on sales of real estate investments   | -                  | -             | (21,855)          | (42,313)       |
| <b>ADJUSTED EBITDA</b>   | <b>\$ 45,718</b>   | <b>43,033</b> | <b>132,666</b>    | <b>123,337</b> |
| <b>DILUTED PER COMMON SHARE DATA FOR NET INCOME ATTRIBUTABLE TO EASTGROUP PROPERTIES, INC. COMMON STOCKHOLDERS</b> |                    |               |                   |                |
| Net income attributable to common stockholders   | \$ 0.46            | 0.45          | 1.93              | 2.47           |
| Funds from operations (FFO) attributable to common stockholders  | \$ 1.08            | 1.04          | 3.12              | 2.94           |
| Weighted average shares outstanding for EPS and FFO purposes   | 34,290             | 32,823        | 33,905            | 32,519         |

<sup>(1)</sup> Net of capitalized interest of \$1,284 and \$1,384 for the three months ended September 30, 2017 and 2016, respectively; and \$4,242 and \$3,737 for the nine months ended September 30, 2017 and 2016, respectively.

<sup>(2)</sup> Net of capitalized development costs of \$1,056 and \$867 for the three months ended September 30, 2017 and 2016, respectively; and \$3,650 and \$2,660 for the nine months ended September 30, 2017 and 2016, respectively.

|   | <b>Nine Months Ended September 30,</b> |                 |
|---|--|-----------------|
|   | <b>2017</b>                            | <b>2016</b>     |
| <b>OPERATING ACTIVITIES</b>   |  |                 |
| Net income  | \$ 65,922                              | 80,723          |
| Adjustments to reconcile net income to net cash provided by operating activities:                         |  |                 |
| Depreciation and amortization   | 62,101                                 | 57,756          |
| Stock-based compensation expense  | 4,266                                  | 3,959           |
| Gain, net of loss, on sales of real estate investments and non-operating real estate                      | (21,815)                               | (43,046)        |
| Changes in operating assets and liabilities:  |  |                 |
| Accrued income and other assets   | 881                                    | 2,061           |
| Accounts payable, accrued expenses and prepaid rent   | 10,586                                 | 5,221           |
| Other   | 765                                    | 278             |
| <b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>  | <b>122,706</b>                         | <b>106,952</b>  |
| <b>INVESTING ACTIVITIES</b>   |  |                 |
| Real estate development   | (80,462)                               | (94,781)        |
| Purchases of real estate  | (36,739)                               | (24,955)        |
| Real estate improvements  | (18,378)                               | (17,591)        |
| Net proceeds from sales of real estate investments and non-operating real estate                          | 39,934                                 | 77,298          |
| Repayments on mortgage loans receivable   | 96                                     | 91              |
| Changes in accrued development costs  | 2,032                                  | 7,469           |
| Changes in other assets and other liabilities   | (11,240)                               | (11,588)        |
| <b>NET CASH USED IN INVESTING ACTIVITIES</b>  | <b>(104,757)</b>                       | <b>(64,057)</b> |
| <b>FINANCING ACTIVITIES</b>   |  |                 |
| Proceeds from unsecured bank credit facilities  | 281,342                                | 444,314         |
| Repayments on unsecured bank credit facilities  | (255,988)                              | (388,569)       |
| Proceeds from unsecured debt  | -                                      | 105,000         |
| Repayments on unsecured debt  | -                                      | (80,000)        |
| Repayments on secured debt  | (55,478)                               | (89,295)        |
| Debt issuance costs   | (129)                                  | (1,165)         |
| Distributions paid to stockholders (not including dividends accrued on unvested restricted stock)         | (64,623)                               | (60,418)        |
| Proceeds from common stock offerings  | 78,956                                 | 29,643          |
| Proceeds from dividend reinvestment plan  | 170                                    | 179             |
| Other   | (2,711)                                | (2,599)         |
| <b>NET CASH USED IN FINANCING ACTIVITIES</b>  | <b>(18,461)</b>                        | <b>(42,910)</b> |
| <b>DECREASE IN CASH AND CASH EQUIVALENTS</b>  | <b>(512)</b>                           | <b>(15)</b>     |
| <b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>   | <b>522</b>                             | <b>48</b>       |
| <b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>   | <b>\$ 10</b>                           | <b>33</b>       |
| <b>SUPPLEMENTAL CASH FLOW INFORMATION</b>   |  |                 |
| Cash paid for interest, net of amounts capitalized of \$4,242 and \$3,737 for 2017 and 2016, respectively | \$ 24,978                              | 25,977          |

|  | Three Months Ended<br>September 30, |               |             | Nine Months Ended<br>September 30, |                |             |
|--|-------------------------------------|---------------|-------------|------------------------------------|----------------|-------------|
|  | 2017                                | 2016          | % Change    | 2017                               | 2016           | % Change    |
| Same property without termination fees | \$ 44,670                           | 43,077        | 3.7%        | 130,902                            | 127,189        | 2.9%        |
| Same property termination fees         | 65                                  | 316           |             | 198                                | 754            |             |
| <b>Same property</b>                   | <b>\$ 44,735</b>                    | <b>43,393</b> | <b>3.1%</b> | <b>131,100</b>                     | <b>127,943</b> | <b>2.5%</b> |
| 2016 acquisitions                      | 448                                 | 211           |             | 1,366                              | 211            |             |
| 2017 acquisitions                      | 680                                 | -             |             | 1,473                              | -              |             |
| 2016 development & redevelopment       | 657                                 | 304           |             | 3,805                              | 1,215          |             |
| 2017 development & redevelopment       |                                     |               |             |                                    |                |             |
| Transferred in prior quarter           | 1,806                               | 194           |             | 4,395                              | 222            |             |
| Transferred in current quarter         | 302                                 | -             |             | 355                                | -              |             |
| Lease-up and under construction        | 216                                 | -             |             | 385                                | -              |             |
| 2016 operating property dispositions   | -                                   | 12            |             | -                                  | 1,301          |             |
| 2017 operating property dispositions   | (31)                                | 615           |             | 998                                | 1,854          |             |
| Other                                  | (131)                               | (62)          |             | (353)                              | (190)          |             |
| <b>Total PNOI</b>                      | <b>\$ 48,682</b>                    | <b>44,667</b> |             | <b>143,524</b>                     | <b>132,556</b> |             |

**Without Straight-Line Rent Adjustments**

|  |                  |               |             |                |                |             |
|--|------------------|---------------|-------------|----------------|----------------|-------------|
| Same property without termination fees                   | \$ 44,263        | 42,817        | 3.4%        | 130,696        | 126,262        | 3.5%        |
| Same property termination fees                           | 74               | 343           |             | 215            | 829            |             |
| <b>Same property</b>                                     | <b>44,337</b>    | <b>43,160</b> | <b>2.7%</b> | <b>130,911</b> | <b>127,091</b> | <b>3.0%</b> |
| 2016 acquisitions  | 369              | 203           |             | 1,161          | 203            |             |
| 2017 acquisitions  | 658              | -             |             | 1,418          | -              |             |
| 2016 development & redevelopment                         | 544              | 128           |             | 3,175          | 487            |             |
| 2017 development & redevelopment                         |                  |               |             |                |                |             |
| Transferred in prior quarter                             | 1,543            | 87            |             | 3,320          | 86             |             |
| Transferred in current quarter                           | 21               | -             |             | 18             | -              |             |
| Lease-up and under construction                          | 166              | -             |             | 331            | -              |             |
| 2016 operating property dispositions                     | -                | 12            |             | -              | 1,340          |             |
| 2017 operating property dispositions                     | (30)             | 618           |             | 1,044          | 1,904          |             |
| Other  | (131)            | (62)          |             | (353)          | (190)          |             |
| <b>Total PNOI Without Straight-Line Rent Adjustments</b> | <b>\$ 47,477</b> | <b>44,146</b> |             | <b>141,025</b> | <b>130,921</b> |             |



**SELECTED INCOME STATEMENT INFORMATION**

|   | <b>Three Months Ended</b>                                      |             | <b>Nine Months Ended</b> |             |
|---|--|-------------|--------------------------|-------------|
|   | <b>September 30,</b>   |             | <b>September 30,</b>     |             |
|   | <b>2017</b>  | <b>2016</b> | <b>2017</b>              | <b>2016</b> |
|   | <i>(Items below represent increases or (decreases) in FFO)</i> |             |                          |             |
| Straight-line (S/L) rent income adjustment                        | \$ 1,235   | 697         | 2,674                    | 1,921       |
| Bad debt expense on S/L rent                                      | (21)   | (149)       | (158)                    | (211)       |
| Net straight-line rent adjustment                                 | 1,214  | 548         | 2,516                    | 1,710       |
| Cash received for lease terminations                              | 74   | 343         | 215                      | 829         |
| Less S/L rent write-offs  | (9)  | (27)        | (17)                     | (75)        |
| Net lease termination fee income                                  | 65   | 316         | 198                      | 754         |
| Bad debt expense (excluding S/L rent bad debt)                    | (113)  | (157)       | (174)                    | (553)       |
| Stock-based compensation expense                                  | (1,179)  | (635)       | (4,266)                  | (3,959)     |
| Debt issuance costs amortization                                  | (311)  | (563)       | (943)                    | (1,227)     |
| Interest rate swap ineffectiveness                                | -  | -           | -                        | (5)         |
| Acquired leases - above/below market rent adjustment amortization | 129  | 121         | 406                      | 370         |
| Assumed mortgages - fair value adjustment amortization            | 7  | 8           | 23                       | 25          |

**WEIGHTED AVERAGE COMMON SHARES**

|  | <b>Three Months Ended</b> |             | <b>Nine Months Ended</b> |             |
|--|---------------------------|-------------|--------------------------|-------------|
|  | <b>September 30,</b>      |             | <b>September 30,</b>     |             |
|  | <b>2017</b>               | <b>2016</b> | <b>2017</b>              | <b>2016</b> |
| Weighted average common shares                   | 34,215                    | 32,741      | 33,857                   | 32,458      |
| <b>BASIC SHARES FOR EARNINGS PER SHARE (EPS)</b> | 34,215                    | 32,741      | 33,857                   | 32,458      |
| Potential common shares:                         |                           |             |                          |             |
| Unvested restricted stock                        | 75                        | 82          | 48                       | 61          |
| <b>DILUTED SHARES FOR EPS AND FFO</b>            | 34,290                    | 32,823      | 33,905                   | 32,519      |



|                                |                   | Square Feet (SF) | Costs Incurred |                       | Projected Total Costs | Anticipated                    |                   |           |
|--------------------------------|-------------------|------------------|----------------|-----------------------|-----------------------|--------------------------------|-------------------|-----------|
|                                |                   |                  | 3rd Qtr 2017   | Cumulative at 9/30/17 |                       | Conversion Date <sup>(1)</sup> | % Leased 10/18/17 |           |
| <b>Lease-up <sup>(2)</sup></b> |                   |                  |                |                       |                       |                                |                   |           |
| Alamo Ridge IV                 | San Antonio, TX   | 97,000           | \$ 583         | 6,018                 | 6,600                 | 03/18                          | 46%               |           |
| Eisenhauer Point 3             | San Antonio, TX   | 71,000           | 268            | 4,855                 | 5,900                 | 06/18                          | 75%               |           |
| SunCoast 4                     | Ft Myers, FL      | 93,000           | 476            | 8,645                 | 9,100                 | 06/18                          | 58%               |           |
| Weston <sup>(3)</sup>          | Ft Lauderdale, FL | 134,000          | 231            | 15,290                | 15,900                | 07/18                          | 79%               |           |
| Steele Creek VII               | Charlotte, NC     | 120,000          | 978            | 7,588                 | 8,600                 | 09/18                          | 0%                |           |
| Total Lease-up                 |                   | 515,000          | 2,536          | 42,396                | 46,100                |                                | 50%               | Wgt Avg % |

**Projected Stabilized Yield <sup>(4)</sup>** 7.5%

|  |                 |           |        |        |        |       |      |           |
|--|-----------------|-----------|--------|--------|--------|-------|------|-----------|
| <b>Under Construction <sup>(2)</sup></b> |                 |           |        |        |        |       |      |           |
| Country Club V                           | Tucson, AZ      | 300,000   | 3,409  | 7,393  | 24,200 | 03/18 | 100% |           |
| Horizon XII                              | Orlando, FL     | 140,000   | 2,052  | 8,988  | 12,100 | 11/18 | 50%  |           |
| Oak Creek VII                            | Tampa, FL       | 116,000   | 1,415  | 5,878  | 7,200  | 11/18 | 0%   |           |
| Kyrene 202 III, IV & V                   | Phoenix, AZ     | 166,000   | 3,416  | 6,528  | 13,800 | 01/19 | 55%  |           |
| CreekView 121 3 & 4                      | Dallas, TX      | 158,000   | 3,160  | 7,159  | 14,200 | 02/19 | 0%   |           |
| Eisenhauer Point 5                       | San Antonio, TX | 98,000    | 2,360  | 3,768  | 7,500  | 03/19 | 0%   |           |
| Eisenhauer Point 6                       | San Antonio, TX | 85,000    | 1,642  | 2,628  | 5,200  | 03/19 | 0%   |           |
| Horizon X                                | Orlando, FL     | 104,000   | 2,269  | 2,269  | 8,000  | 04/19 | 0%   |           |
| Total Under Construction                 |                 | 1,167,000 | 19,723 | 44,611 | 92,200 |       | 40%  | Wgt Avg % |

**Projected Stabilized Yield <sup>(4)</sup>** 8.2%

43% Wgt Avg %

| <b>Prospective Development</b> | Acres | Projected SF |           |         |
|--------------------------------|-------|--------------|-----------|---------|
| Phoenix, AZ                    | 8     | 96,000       | 29        | 1,733   |
| Ft Myers, FL                   | 42    | 570,000      | 176       | 14,004  |
| Miami, FL                      | 61    | 850,000      | 1,065     | 29,755  |
| Orlando, FL <sup>(5)</sup>     | 71    | 418,000      | (1,862)   | 10,994  |
| Tampa, FL                      | 8     | 32,000       | 17        | 1,545   |
| Atlanta, GA                    | 5     | 107,000      | 96        | 675     |
| Jackson, MS                    | 3     | 28,000       | -         | 706     |
| Charlotte, NC                  | 64    | 748,000      | 172       | 8,267   |
| Austin, TX                     | 30    | 340,000      | 267       | 5,825   |
| Dallas, TX                     | 33    | 491,000      | 466       | 9,159   |
| El Paso, TX                    | 13    | 251,000      | -         | 2,444   |
| Houston, TX                    | 104   | 1,476,000    | 7         | 21,147  |
| San Antonio, TX                | 73    | 965,000      | 5,710     | 10,936  |
| Total Prospective Development  | 515   | 6,372,000    | 6,143     | 117,190 |
|                                | 515   | 8,054,000    | \$ 28,402 | 204,197 |

**Completed Development and Transferred to Real Estate Properties During 2017 <sup>(2)</sup>**

|   |                 | SF        |          |         |      |
|---|-----------------|-----------|----------|---------|------|
| <b>1st Quarter</b>                          |                 |           |          |         |      |
| Alamo Ridge III                             | San Antonio, TX | 135,000   | \$ 18    | 11,026  | 100% |
| Eisenhauer Point 1 & 2                      | San Antonio, TX | 201,000   | 543      | 16,511  | 92%  |
| Madison IV & V                              | Tampa, FL       | 145,000   | -        | 8,732   | 100% |
| Parc North 1-4 <sup>(6)</sup>               | Dallas, TX      | 446,000   | 602      | 33,609  | 83%  |
| South 35th Avenue <sup>(7)</sup>            | Phoenix, AZ     | 125,000   | 2        | 1,888   | 100% |
|   |                 | 1,052,000 | 1,165    | 71,766  |      |
| <b>2nd Quarter</b>                          |                 |           |          |         |      |
| Horizon V                                   | Orlando, FL     | 141,000   | 23       | 9,719   | 100% |
| Horizon VII                                 | Orlando, FL     | 109,000   | 120      | 8,456   | 100% |
| Jones Corporate Park <sup>(8)</sup>         | Las Vegas, NV   | 416,000   | 526      | 40,651  | 88%  |
| Steele Creek VI                             | Charlotte, NC   | 137,000   | 30       | 7,815   | 100% |
| Ten Sky Harbor                              | Phoenix, AZ     | 64,000    | 322      | 5,691   | 100% |
|   |                 | 867,000   | 1,021    | 72,332  |      |
| <b>3rd Quarter</b>                          |                 |           |          |         |      |
| CreekView 121 1 & 2                         | Dallas, TX      | 193,000   | 1,301    | 17,553  | 100% |
| Eisenhauer Point 4                          | San Antonio, TX | 85,000    | 246      | 5,404   | 100% |
|   |                 | 278,000   | 1,547    | 22,957  |      |
| Total Transferred to Real Estate Properties |                 | 2,197,000 | \$ 3,733 | 167,055 |      |

**Projected Stabilized Yield <sup>(4)</sup>** 7.5%

(1) Transferred from Development to the Portfolio-earlier of 80% occupied or one year after completion date.  
(2) See PNOI schedule on Page 7 for net operating income by category.  
(3) This project was acquired by EastGroup on 11/1/16 and underwent redevelopment.  
(4) Weighted average yield based on property net operating income at 100% occupancy and rents computed on a straight-line basis.  
(5) Negative amount represents land inventory costs transferred to *Under Construction*.  
(6) This project, which was recently developed by the seller, was acquired by EastGroup on 7/8/16 during the lease-up phase.  
(7) This property was redeveloped from a manufacturing building to a multi-tenant distribution building.  
(8) This project, which was recently developed by the seller, was acquired by EastGroup on 11/15/16 during the lease-up phase.

|   | Interest<br>Rate | Maturity<br>Date | Balance at<br>September 30, 2017 | Weighted<br>Average<br>Interest Rate |
|---|------------------|------------------|----------------------------------|--------------------------------------|
| <b>UNSECURED BANK CREDIT FACILITIES</b>                             |                  |                  |                                  |                                      |
| \$35MM line   |                  |                  |                                  |                                      |
| Variable rate   | 2.232%           | 07/30/19         | \$ 16,374                        |                                      |
| \$300MM line  |                  |                  |                                  |                                      |
| Variable rate   | 2.235%           | 07/30/19         | 121,000                          |                                      |
| Fixed rate <sup>(1)</sup>   | 2.020%           | 07/30/19         | <u>80,000</u>                    |                                      |
| Carrying amount   |                  |                  | 217,374                          | 2.2%                                 |
| Unamortized debt issuance costs                                     |                  |                  | <u>(731)</u>                     |                                      |
| <b>UNSECURED BANK CREDIT FACILITIES</b>                             |                  |                  | <u>216,643</u>                   |                                      |
| <b>UNSECURED DEBT - FIXED RATE <sup>(2)</sup></b>                   |                  |                  |                                  |                                      |
|   | 3.910%           | 12/21/18         | 50,000                           |                                      |
|   | 2.846%           | 07/31/19         | 75,000                           |                                      |
|   | 3.800%           | 08/28/20         | 30,000                           |                                      |
|   | 3.752%           | 12/20/20         | 75,000                           |                                      |
|   | 2.335%           | 07/30/21         | 40,000                           |                                      |
|   | 3.031%           | 02/28/22         | 75,000                           |                                      |
|   | 2.863%           | 04/01/23         | 65,000                           |                                      |
|   | 3.800%           | 08/28/23         | 50,000                           |                                      |
|   | 3.480%           | 12/15/24         | 60,000                           |                                      |
|   | 3.800%           | 08/28/25         | 20,000                           |                                      |
|   | 3.970%           | 10/01/25         | 25,000                           |                                      |
|   | 3.990%           | 10/07/25         | 50,000                           |                                      |
|   | 3.750%           | 12/15/26         | <u>40,000</u>                    |                                      |
| Carrying amount   |                  |                  | 655,000                          | 3.4%                                 |
| Unamortized debt issuance costs                                     |                  |                  | <u>(1,822)</u>                   |                                      |
| <b>UNSECURED DEBT - FIXED RATE</b>                                  |                  |                  | <u>653,178</u>                   |                                      |
| <b>SECURED DEBT - FIXED RATE</b>                                    |                  |                  |                                  |                                      |
|   | 7.500%           | 05/05/19         | 50,261                           |                                      |
|   | 5.390%           | 02/29/20         | 452                              |                                      |
|   | 4.390%           | 01/05/21         | 56,095                           |                                      |
|   | 4.750%           | 06/05/21         | 50,821                           |                                      |
|   | 4.090%           | 01/05/22         | 42,868                           |                                      |
|   | 3.850%           | 11/30/26         | <u>2,596</u>                     |                                      |
| Carrying amount   |                  |                  | 203,093                          | 5.2%                                 |
| Unamortized debt issuance costs                                     |                  |                  | <u>(915)</u>                     |                                      |
| <b>SECURED DEBT - FIXED RATE</b>                                    |                  |                  | <u>202,178</u>                   |                                      |
| <b>TOTAL DEBT</b>   |                  |                  |                                  |                                      |
| Total carrying amount   |                  |                  | 1,075,467                        | 3.5%                                 |
| Total unamortized debt issuance costs                               |                  |                  | <u>(3,468)</u>                   |                                      |
| <b>TOTAL DEBT</b>   |                  |                  | <u>\$ 1,071,999</u>              |                                      |
| <b>EQUITY MARKET CAPITALIZATION</b>                                 |                  |                  |                                  |                                      |
| Shares outstanding - common   |                  |                  | 34,424,668                       |                                      |
| Price per share   |                  |                  | <u>\$ 88.12</u>                  |                                      |
| <b>TOTAL EQUITY MARKET CAPITALIZATION</b>                           |                  |                  | <u>\$ 3,033,502</u>              |                                      |
| <b>TOTAL MARKET CAPITALIZATION (DEBT AND EQUITY) <sup>(3)</sup></b> |                  |                  |                                  |                                      |
|   |                  |                  | <u>\$ 4,108,969</u>              |                                      |
| <b>TOTAL DEBT / TOTAL MARKET CAPITALIZATION <sup>(3)</sup></b>      |                  |                  |                                  |                                      |
|   |                  |                  | <u>26.2%</u>                     |                                      |

<sup>(1)</sup> This draw has an effectively fixed interest rate due to an interest rate swap that matures 8/15/18.

<sup>(2)</sup> These loans have a fixed interest rate or an effectively fixed interest rate due to interest rate swaps maturing on the same date as the loan.

<sup>(3)</sup> Before deducting unamortized debt issuance costs.

| Year                                      | Amortization     |                                | Balloon Payments  |                                | Total             |                                |
|---|------------------|--------------------------------|-------------------|--------------------------------|-------------------|--------------------------------|
|   | Repayments       | Weighted Average Interest Rate | Repayments        | Weighted Average Interest Rate | Repayments        | Weighted Average Interest Rate |
| <b>UNSECURED</b>                          |                  |                                |                   |                                |                   |                                |
| 2018 .....                                | \$ -             | N/A                            | \$ 50,000         | 3.910%                         | \$ 50,000         | 3.910%                         |
| 2019 .....                                | -                | N/A                            | 75,000            | 2.846%                         | 75,000            | 2.846%                         |
| 2020 .....                                | -                | N/A                            | 105,000           | 3.766%                         | 105,000           | 3.766%                         |
| 2021 .....                                | -                | N/A                            | 40,000            | 2.335%                         | 40,000            | 2.335%                         |
| 2022 and beyond .....                     | -                | N/A                            | 385,000           | 3.473%                         | 385,000           | 3.473%                         |
| <b>UNSECURED TOTAL / WEIGHTED AVERAGE</b> | <b>-</b>         | <b>N/A</b>                     | <b>655,000</b>    | <b>3.412%</b>                  | <b>655,000</b>    | <b>3.412%</b>                  |
| <b>SECURED</b>                            |                  |                                |                   |                                |                   |                                |
| Remainder of 2017 .....                   | 2,736            | 5.201%                         | -                 | N/A                            | 2,736             | 5.201%                         |
| 2018 .....                                | 11,316           | 5.212%                         | -                 | N/A                            | 11,316            | 5.212%                         |
| 2019 .....                                | 9,844            | 4.751%                         | 45,725            | 7.500%                         | 55,569            | 7.013%                         |
| 2020 .....                                | 9,096            | 4.426%                         | -                 | N/A                            | 9,096             | 4.426%                         |
| 2021 .....                                | 3,962            | 4.298%                         | 85,601            | 4.560%                         | 89,563            | 4.548%                         |
| 2022 and beyond .....                     | 609              | 3.850%                         | 34,204            | 4.079%                         | 34,813            | 4.075%                         |
| <b>SECURED TOTAL / WEIGHTED AVERAGE</b>   | <b>37,563</b>    | <b>4.782%</b>                  | <b>165,530</b>    | <b>5.273%</b>                  | <b>203,093</b>    | <b>5.182%</b>                  |
| <b>TOTAL / WEIGHTED AVERAGE</b>           | <b>\$ 37,563</b> | <b>4.782%</b>                  | <b>\$ 820,530</b> | <b>3.787%</b>                  | <b>\$ 858,093</b> | <b>3.831%</b>                  |

Note: Excludes unsecured bank credit facilities.

|                                    | <b>Shares Issued<br/>and Sold</b> | <b>Sales Price<br/>(Per Share)</b> | <b>Gross Proceeds</b> | <b>Offering-Related<br/>Fees and Expenses</b> | <b>Net Proceeds</b> |
|------------------------------------|-----------------------------------|------------------------------------|-----------------------|---|---------------------|
| <b>1<sup>st</sup> Quarter 2017</b> | 544,144                           | \$ 73.51                           | \$ 40,000             | \$ (544)                                      | \$ 39,456           |
| <b>2<sup>nd</sup> Quarter 2017</b> | 376,936                           | 79.59                              | 30,000                | (351)   | 29,649              |
| <b>3<sup>rd</sup> Quarter 2017</b> | 116,525                           | 85.82                              | 10,000                | (149)   | 9,851               |
| <b>TOTAL 2017</b>                  | <b>1,037,605</b>                  | <b>\$ 77.10</b>                    | <b>\$ 80,000</b>      | <b>\$ (1,044)</b>                             | <b>\$ 78,956</b>    |

**Sales Agency Financing Agreements  
Dated March 2017**

|  |                    |
|--|--------------------|
| Total Shares Authorized for Issuance                   | 7,771,797          |
| Total Shares Issued Through September 30, 2017         | <u>(1,037,605)</u> |
| Shares Remaining for Issuance as of September 30, 2017 | <u>6,734,192</u>   |

|  | <b>Three Months Ended<br/>September 30, 2017</b> | <b>Nine Months Ended<br/>September 30, 2017</b> |
|--|--|---|
| Adjusted EBITDA for the period                                 | \$ 45,718  | 132,666   |
| Adjust PNOI for acquisitions as if owned for entire period     | -  | 554   |
| Adjust PNOI for developments in lease-up or under construction | (216)  | (385)   |
| Adjust PNOI for properties sold during the period              | 31   | (998)   |
| Pro Forma EBITDA   | <u>\$ 45,533</u>                                 | <u>131,837</u>                                  |
| <b>PRO FORMA EBITDA – ANNUALIZED</b>                           | <u>\$ 182,132</u>                                | <u>175,783</u>                                  |
| Debt at September 30, 2017                                     | \$ 1,071,999                                     | 1,071,999                                       |
| Subtract developments in lease-up or under construction        | <u>(87,007)</u>                                  | <u>(87,007)</u>                                 |
| Adjusted Debt  | <u>\$ 984,992</u>                                | <u>984,992</u>                                  |
| <b>ADJUSTED DEBT-TO-PRO FORMA EBITDA RATIO</b>                 | <u>5.41</u>                                      | <u>5.60</u>                                     |

**ACQUISITIONS**

| Date                          | Property Name                               | Location        | Size                     | Purchase Price <sup>(1)</sup> | Allocation of Purchase Price           |                                     |   |
|-------------------------------|---|-----------------|--------------------------|-------------------------------|--|-------------------------------------|---|
|                               |   |                 |                          |                               | Land, Building and Tenant Improvements | In-Place Lease Value <sup>(2)</sup> | Net Above (Below) Market Lease Value <sup>(3)</sup> |
| <b>1<sup>st</sup> Quarter</b> |   |                 |                          |                               |  |                                     |   |
| 02/07/17                      | Shiloh 400                                  | Atlanta, GA     | 238,000 SF               | \$ 20,347                     | 18,712                                 | 1,801                               | (166)   |
| 02/16/17                      | Country Club 2 Land (Parking Lot Expansion) | Tucson, AZ      | 2.9 Acres                | 264                           | 264                                    | -                                   | -   |
| 03/30/17                      | Steele Creek Phase II Land                  | Charlotte, NC   | 2.0 Acres                | 659                           | 659                                    | -                                   | -   |
| <b>2<sup>nd</sup> Quarter</b> |   |                 |                          |                               |  |                                     |   |
| 04/04/17                      | Settlers Crossing Land                      | Austin, TX      | 30.1 Acres               | 5,291                         | 5,291                                  | -                                   | -   |
| 04/26/17                      | Broadmoor Commerce Park Land                | Atlanta, GA     | 5.3 Acres                | 519                           | 519                                    | -                                   | -   |
| 04/26/17                      | Broadmoor Commerce Park                     | Atlanta, GA     | 84,000 SF                | 5,837                         | 5,363                                  | 486                                 | (12)  |
| 05/12/17                      | Southpark Corporate Center 5-7              | Austin, TX      | 99,000 SF                | 10,291                        | 9,590                                  | 729                                 | (28)  |
| <b>3<sup>rd</sup> Quarter</b> |   |                 |                          |                               |  |                                     |   |
| 08/16/17                      | Tri-County Crossing Land                    | San Antonio, TX | 39.6 Acres               | 5,260                         | 5,260                                  | -                                   | -   |
| Total Acquisitions            |   |                 | 79.9 Acres<br>421,000 SF | \$ 48,468                     | 45,658                                 | 3,016                               | (206)   |

**SALES**

| Date                          | Property Name          | Location    | Size                    | Gross Sales Price | Realized Gain (Loss)  |
|-------------------------------|------------------------|-------------|-------------------------|-------------------|-----------------------|
| <b>1<sup>st</sup> Quarter</b> |                        |             |                         |                   |                       |
| 03/23/17                      | North Stemmons Land    | Dallas, TX  | 4.9 Acres               | \$ 850            | (40) <sup>(4)</sup>   |
| <b>2<sup>nd</sup> Quarter</b> |                        |             |                         |                   |                       |
| 05/12/17                      | Stemmons Circle        | Dallas, TX  | 99,000 SF               | 5,060             | 3,722 <sup>(5)</sup>  |
| 06/19/17                      | Techway Southwest I-IV | Houston, TX | 415,000 SF              | 32,971            | 18,133 <sup>(5)</sup> |
| <b>3<sup>rd</sup> Quarter</b> |                        |             |                         |                   |                       |
| None                          |                        |             |                         |                   |                       |
| Total Sales                   |                        |             | 4.9 Acres<br>514,000 SF | \$ 38,881         | 21,815                |

<sup>(1)</sup> Represents acquisition price plus closing costs.

<sup>(2)</sup> Intangible asset representing the value of the leases in place at the acquisition date; included in *Other Assets*.

<sup>(3)</sup> Intangible asset representing the net value of the above and below market rate leases in place at the acquisition date; included in *Other assets* (Above Market Lease Value) and *Other liabilities* (Below Market Lease Value).

<sup>(4)</sup> Included in *Other* on the Consolidated Statements of Income and Comprehensive Income; included in FFO.

<sup>(5)</sup> Included in *Gain on sales of real estate investments* on the Consolidated Statements of Income and Comprehensive Income; not included in FFO.

| REAL ESTATE IMPROVEMENTS                             | Three Months Ended<br>September 30, |              | Nine Months Ended<br>September 30, |               |
|--|-------------------------------------|--------------|------------------------------------|---------------|
|  | 2017                                | 2016         | 2017                               | 2016          |
| Upgrade on Acquisitions                              | \$ 98                               | 65           | 157                                | 352           |
| Tenant Improvements:                                 |                                     |              |                                    |               |
| New Tenants  | 2,906                               | 3,470        | 8,189                              | 7,379         |
| Renewal Tenants                                      | 1,002                               | 671          | 2,732                              | 2,008         |
| Other:   |                                     |              |                                    |               |
| Building Improvements                                | 688                                 | 1,451        | 2,132                              | 3,928         |
| Roofs  | 1,209                               | 680          | 3,421                              | 2,512         |
| Parking Lots   | 903                                 | 768          | 1,639                              | 1,047         |
| Other  | 696                                 | 273          | 933                                | 606           |
| <b>TOTAL REAL ESTATE IMPROVEMENTS</b> <sup>(2)</sup> | <b>\$ 7,502</b>                     | <b>7,378</b> | <b>19,203</b>                      | <b>17,832</b> |

**CAPITALIZED LEASING COSTS** <sup>(1)</sup>

|  |                 |              |               |               |
|--|-----------------|--------------|---------------|---------------|
| Development                            | \$ 1,196        | 803          | 3,624         | 2,659         |
| New Tenants                            | 1,489           | 1,425        | 5,264         | 4,447         |
| Renewal Tenants                        | 829             | 1,491        | 3,926         | 3,710         |
| <b>TOTAL CAPITALIZED LEASING COSTS</b> | <b>\$ 3,514</b> | <b>3,719</b> | <b>12,814</b> | <b>10,816</b> |

<sup>(1)</sup> Included in *Other Assets*.

<sup>(2)</sup> Reconciliation of Total Real Estate Improvements to *Real Estate Improvements* on the Consolidated Statements of Cash Flows:

|  | Nine Months Ended<br>September 30, |               |
|--|------------------------------------|---------------|
|  | 2017                               | 2016          |
| Total Real Estate Improvements   | \$ 19,203                          | 17,832        |
| Change in Real Estate Property Payables                                  | (825)                              | (241)         |
| Real Estate Improvements on the<br>Consolidated Statements of Cash Flows | <b>\$ 18,378</b>                   | <b>17,591</b> |



|   | Three Months Ended<br>September 30, 2017 |                 |                    |                              | Nine Months Ended<br>September 30, 2017 |                 |                    |                              |
|---|--|-----------------|--------------------|------------------------------|---|-----------------|--------------------|------------------------------|
|   | # of Leases                              | % of # Expiring | Total Square Feet  | % of SF Expiring             | # of Leases                             | % of # Expiring | Total Square Feet  | % of SF Expiring             |
| Percentage Leased   |  |                 | 97.4%              |                              |   |                 | 97.4%              |                              |
| Percentage Occupied   |  |                 | 95.6%              |                              |   |                 | 95.6%              |                              |
| <b>Total Square Feet Operating Properties</b>                             |  |                 |                    |                              |   |                 |                    |                              |
| Beginning of Period   |  |                 | 36,774,000         |                              |   |                 | 34,951,000         |                              |
| Acquisitions  |  |                 | -                  |                              |   |                 | 421,000            |                              |
| Dispositions  |  |                 | -                  |                              |   |                 | (514,000)          |                              |
| Development Transfers   |  |                 | 277,000            |                              |   |                 | 2,197,000          |                              |
| Other   |  |                 | -                  |                              |   |                 | (4,000)            |                              |
| End of Period   |  |                 | <u>37,051,000</u>  |                              |   |                 | <u>37,051,000</u>  |                              |
| <b>Change in Vacancy</b>  |  |                 |                    |                              |   |                 |                    |                              |
| Beginning of Period Unoccupied  |  |                 | 1,885,000          | 5.1% of Total Portfolio      |   |                 | 1,117,000          | 3.2% of Total Portfolio      |
| Less: New Leases Signed with Terms Commencing after end of Prior Period   | 27                                       |                 | (705,000)          |                              | 15                                      |                 | (181,000)          |                              |
| Beginning of Period Not Leased  |  |                 | <u>1,180,000</u>   | 3.2% of Total Portfolio      |   |                 | <u>936,000</u>     | 2.7% of Total Portfolio      |
| Plus: Leases Expiring   | 69                                       |                 | 1,488,000          | 4.0% of Total Portfolio      | 253                                     |                 | 5,565,000          | 15.0% of Total Portfolio     |
| Early Terminations/Bankruptcies   | 15                                       |                 | 126,000            |                              | 32                                      |                 | 503,000            |                              |
| New Development/Acquisition Vacancy                                       |  |                 | 15,000             |                              |   |                 | 682,000            |                              |
| Total   |  |                 | <u>1,629,000</u>   |                              |   |                 | <u>6,750,000</u>   |                              |
| Less: Renewal Leases Signed of Expiring SF                                | 45                                       | 65%             | (876,000)          | 59% Renewed of Expiring SF   | 169                                     | 67%             | (3,821,000)        | 69% Renewed of Expiring SF   |
| New Leases Signed of Expiring SF  | 12                                       |                 | (256,000)          | 17% Re-Leased of Expiring SF | 44                                      |                 | (862,000)          | 15% Re-Leased of Expiring SF |
| New Leases Signed of Early Terminations/Bankruptcies                      | 4  |                 | (58,000)           |                              | 12                                      |                 | (337,000)          |                              |
| New Leases Signed of Vacancy SF   | 30                                       |                 | (504,000)          |                              | 76                                      |                 | (1,494,000)        |                              |
| Total   | 91                                       |                 | <u>(1,694,000)</u> |                              | 301                                     |                 | <u>(6,514,000)</u> |                              |
| Total Net Change in Month to Month Leases                                 |  |                 | (163,000)          |                              |   |                 | (197,000)          |                              |
| Total Dispositions  |  |                 | -                  |                              |   |                 | (23,000)           |                              |
| End of Period Not Leased  |  |                 | <u>952,000</u>     | 2.6% of Total Portfolio      |   |                 | <u>952,000</u>     | 2.6% of Total Portfolio      |
| Plus: New Leases Signed with Terms Commencing after end of Current Period | 25                                       |                 | 672,000            |                              | 25                                      |                 | 672,000            |                              |
| End of Period Unoccupied  |  |                 | <u>1,624,000</u>   | 4.4% of Total Portfolio      |   |                 | <u>1,624,000</u>   | 4.4% of Total Portfolio      |
| <b>Leases Signed after the End of Period</b>                              |  |                 |                    |                              |   |                 |                    |                              |
| Renewals after 09/30/17   |  |                 | 140,000            |                              |   |                 |                    |                              |
| New Leases after 09/30/17   |  |                 | 232,000            |                              |   |                 |                    |                              |
|   |  |                 | <u>372,000</u>     |                              |   |                 |                    |                              |

| Based on Leases Signed<br>During the Period   | Three Months Ended<br>September 30, 2017 |                   |  |             | Nine Months Ended<br>September 30, 2017 |                   |  |             |
|---|--|-------------------|--|-------------|---|-------------------|--|-------------|
|   | New<br>Leases <sup>(1)</sup>             | Renewal<br>Leases | New & Renewal<br>Leases <sup>(1)</sup> | Per<br>Year | New<br>Leases <sup>(1)</sup>            | Renewal<br>Leases | New & Renewal<br>Leases <sup>(1)</sup> | Per<br>Year |
| Weighted Average Term in Years                | 5.3                                      | 3.4               | <b>4.1</b>                             |             | 5.9                                     | 3.6               | <b>4.4</b>                             |             |
| Average Lease Size (SF)                       | 15,268                                   | 19,458            | <b>17,568</b>                          |             | 18,110                                  | 22,598            | <b>20,829</b>                          |             |
| Rental Change <sup>(2)</sup>                  | 31.7%                                    | 14.7%             | <b>20.9%</b>                           |             | 18.4%                                   | 16.4%             | <b>17.1%</b>                           |             |
| Rental Change without S/L Rent <sup>(2)</sup> | 19.1%                                    | 6.4%              | <b>11.1%</b>                           |             | 10.4%                                   | 5.0%              | <b>6.9%</b>                            |             |
| Tenant Improvement PSF <sup>(3)</sup>         | \$ 3.66                                  | 0.73              | <b>1.88</b>                            | <b>0.45</b> | \$ 4.25                                 | 0.79              | <b>1.98</b>                            | <b>0.45</b> |
| Leasing Commission PSF <sup>(3)</sup>         | 2.15                                     | 0.85              | <b>1.36</b>                            | <b>0.33</b> | 2.55                                    | 1.00              | <b>1.53</b>                            | <b>0.35</b> |
| Total Leasing Costs                           | <b>\$ 5.81</b>                           | <b>1.58</b>       | <b>3.24</b>                            | <b>0.78</b> | <b>\$ 6.80</b>                          | <b>1.79</b>       | <b>3.51</b>                            | <b>0.80</b> |

<sup>(1)</sup> Does not include leases with terms less than 12 months and leases for first generation space on properties acquired or developed by EastGroup.

<sup>(2)</sup> Does not include leases for space that was vacant more than 24 months.

<sup>(3)</sup> Per Square Foot (PSF) amounts represent total amounts for the life of the lease.

|                                   | Total                        |               | Annualized<br>Base Rent <sup>(1)</sup> | %<br>Leased   | %<br>Occupied | Lease Expirations<br>in Square Feet |                  | Same Property<br>PNOI Change |                              |                        |                              | Rental Change<br>New and Renewal Leases <sup>(3)</sup> |                              |                        |                              |  |  |
|-----------------------------------|------------------------------|---------------|--|---------------|---------------|-------------------------------------|------------------|------------------------------|------------------------------|------------------------|------------------------------|--|------------------------------|------------------------|------------------------------|--|--|
|                                   | Square Feet<br>of Properties | %<br>of Total |  |               |               | 2017 <sup>(2)</sup>                 | 2018             | QTR                          |                              | YTD                    |                              | QTR  |                              | YTD                    |                              |  |  |
|                                   |                              |               |  |               |               |                                     |                  | Straight-Line<br>Basis       | Cash<br>Basis <sup>(4)</sup> | Straight-Line<br>Basis | Cash<br>Basis <sup>(4)</sup> | Straight-Line<br>Basis                                 | Cash<br>Basis <sup>(4)</sup> | Straight-Line<br>Basis | Cash<br>Basis <sup>(4)</sup> |  |  |
| <b>Florida</b>                    |                              |               |  |               |               |                                     |                  |                              |                              |                        |                              |  |                              |                        |                              |  |  |
| Tampa                             | 4,241,000                    | 11.5%         | 10.9%                                  | 96.7%         | 96.7%         | 5,000                               | 929,000          | 0.5%                         | 1.2%                         | 2.4%                   | 3.7%                         | 43.8%  | 27.1%                        | 25.4%                  | 9.5%                         |  |  |
| Orlando                           | 3,129,000                    | 8.4%          | 9.5%                                   | 99.4%         | 99.4%         | 62,000                              | 341,000          | 5.2%                         | 4.5%                         | 2.2%                   | 2.6%                         | 5.7%   | -0.8%                        | 14.7%                  | 4.6%                         |  |  |
| Jacksonville                      | 2,273,000                    | 6.1%          | 4.9%                                   | 99.7%         | 99.1%         | -                                   | 383,000          | 8.7%                         | 7.0%                         | 8.1%                   | 8.1%                         | 32.0%  | 16.8%                        | 21.0%                  | 5.2%                         |  |  |
| Ft. Lauderdale                    | 937,000                      | 2.5%          | 3.3%                                   | 96.9%         | 94.4%         | 11,000                              | 199,000          | 2.8%                         | -2.7%                        | 5.4%                   | 0.5%                         | 18.6%  | 16.8%                        | 11.6%                  | 0.7%                         |  |  |
| Ft. Myers                         | 218,000                      | 0.6%          | 0.7%                                   | 100.0%        | 100.0%        | -                                   | 27,000           | -5.0%                        | -5.7%                        | -0.4%                  | -0.2%                        | 30.9%  | 12.2%                        | 33.5%                  | 16.2%                        |  |  |
|                                   | <b>10,798,000</b>            | <b>29.1%</b>  | <b>29.3%</b>                           | <b>98.2%</b>  | <b>97.8%</b>  | <b>78,000</b>                       | <b>1,879,000</b> | <b>3.3%</b>                  | <b>2.5%</b>                  | <b>3.4%</b>            | <b>3.5%</b>                  | <b>27.9%</b>   | <b>15.7%</b>                 | <b>19.5%</b>           | <b>6.1%</b>                  |  |  |
| <b>Texas</b>                      |                              |               |  |               |               |                                     |                  |                              |                              |                        |                              |  |                              |                        |                              |  |  |
| Dallas                            | 3,349,000                    | 9.0%          | 6.8%                                   | 96.1%         | 90.3%         | 64,000                              | 256,000          | 7.8%                         | 3.0%                         | 3.2%                   | 3.2%                         | 13.1%  | 9.3%                         | 11.8%                  | 8.6%                         |  |  |
| Houston                           | 5,524,000                    | 14.9%         | 14.7%                                  | 94.1%         | 90.2%         | 29,000                              | 252,000          | -7.6%                        | -8.4%                        | -9.4%                  | -9.9%                        | 5.5%   | -1.9%                        | 3.0%                   | -3.8%                        |  |  |
| San Antonio                       | 2,691,000                    | 7.3%          | 8.1%                                   | 96.1%         | 93.8%         | 16,000                              | 406,000          | 3.8%                         | 6.6%                         | -0.1%                  | 2.1%                         | 13.0%  | 7.8%                         | 12.8%                  | 5.1%                         |  |  |
| Austin                            | 699,000                      | 1.9%          | 2.4%                                   | 100.0%        | 100.0%        | 32,000                              | 51,000           | 3.4%                         | 5.5%                         | 2.9%                   | 4.8%                         | N/A  | N/A                          | 6.4%                   | 1.1%                         |  |  |
| El Paso                           | 958,000                      | 2.6%          | 1.9%                                   | 98.3%         | 98.3%         | 16,000                              | 174,000          | 6.3%                         | 5.2%                         | 4.0%                   | 5.1%                         | 7.7%   | 5.6%                         | 6.0%                   | 1.9%                         |  |  |
|                                   | <b>13,221,000</b>            | <b>35.7%</b>  | <b>33.9%</b>                           | <b>95.6%</b>  | <b>92.1%</b>  | <b>157,000</b>                      | <b>1,139,000</b> | <b>-1.1%</b>                 | <b>-1.5%</b>                 | <b>-3.8%</b>           | <b>-3.3%</b>                 | <b>10.0%</b>   | <b>4.6%</b>                  | <b>7.0%</b>            | <b>0.9%</b>                  |  |  |
| <b>California</b>                 |                              |               |  |               |               |                                     |                  |                              |                              |                        |                              |  |                              |                        |                              |  |  |
| San Francisco                     | 1,045,000                    | 2.8%          | 3.4%                                   | 100.0%        | 100.0%        | -                                   | 72,000           | 11.9%                        | 11.6%                        | 11.7%                  | 11.3%                        | 81.0%  | 40.8%                        | 47.3%                  | 33.0%                        |  |  |
| Los Angeles <sup>(5)</sup>        | 2,140,000                    | 5.8%          | 7.4%                                   | 100.0%        | 100.0%        | -                                   | 129,000          | 15.1%                        | 10.7%                        | 14.9%                  | 14.4%                        | N/A  | N/A                          | 53.1%                  | 28.3%                        |  |  |
| Santa Barbara <sup>(5)</sup>      | 184,000                      | 0.5%          | 1.3%                                   | 77.8%         | 76.8%         | -                                   | 8,000            | -24.6%                       | -19.8%                       | -17.4%                 | -17.5%                       | 0.0%   | 0.0%                         | 11.7%                  | 1.4%                         |  |  |
| Fresno                            | 398,000                      | 1.1%          | 0.8%                                   | 95.0%         | 95.0%         | -                                   | 125,000          | 9.0%                         | 9.6%                         | 10.6%                  | 14.3%                        | N/A  | N/A                          | 11.2%                  | 10.4%                        |  |  |
| San Diego                         | 465,000                      | 1.2%          | 1.4%                                   | 100.0%        | 100.0%        | -                                   | 208,000          | 7.1%                         | 8.8%                         | 7.9%                   | 9.4%                         | 205.6%   | 159.3%                       | 89.4%                  | 61.4%                        |  |  |
|                                   | <b>4,232,000</b>             | <b>11.4%</b>  | <b>14.3%</b>                           | <b>98.6%</b>  | <b>98.5%</b>  | <b>-</b>                            | <b>542,000</b>   | <b>8.3%</b>                  | <b>7.2%</b>                  | <b>9.0%</b>            | <b>9.0%</b>                  | <b>93.2%</b>   | <b>58.9%</b>                 | <b>46.5%</b>           | <b>28.3%</b>                 |  |  |
| <b>Arizona</b>                    |                              |               |  |               |               |                                     |                  |                              |                              |                        |                              |  |                              |                        |                              |  |  |
| Phoenix                           | 2,363,000                    | 6.4%          | 6.0%                                   | 99.7%         | 95.3%         | 60,000                              | 174,000          | 16.0%                        | 17.8%                        | 19.5%                  | 22.2%                        | 21.1%  | 4.6%                         | 17.3%                  | 2.3%                         |  |  |
| Tucson                            | 750,000                      | 2.0%          | 1.8%                                   | 100.0%        | 99.4%         | -                                   | 83,000           | 1.6%                         | 3.2%                         | 4.0%                   | 7.3%                         | 8.8%   | 1.6%                         | 7.0%                   | 2.7%                         |  |  |
|                                   | <b>3,113,000</b>             | <b>8.4%</b>   | <b>7.8%</b>                            | <b>99.8%</b>  | <b>96.3%</b>  | <b>60,000</b>                       | <b>257,000</b>   | <b>12.2%</b>                 | <b>13.8%</b>                 | <b>15.2%</b>           | <b>18.0%</b>                 | <b>14.2%</b>   | <b>3.0%</b>                  | <b>12.9%</b>           | <b>2.5%</b>                  |  |  |
| <b>North Carolina</b>             |                              |               |  |               |               |                                     |                  |                              |                              |                        |                              |  |                              |                        |                              |  |  |
| Charlotte                         | 3,010,000                    | 8.1%          | 7.0%                                   | 100.0%        | 100.0%        | 39,000                              | 332,000          | 2.6%                         | 2.5%                         | 1.9%                   | 3.5%                         | 12.6%  | 2.6%                         | 15.5%                  | 5.6%                         |  |  |
|                                   | <b>3,010,000</b>             | <b>8.1%</b>   | <b>7.0%</b>                            | <b>100.0%</b> | <b>100.0%</b> | <b>39,000</b>                       | <b>332,000</b>   | <b>2.6%</b>                  | <b>2.5%</b>                  | <b>1.9%</b>            | <b>3.5%</b>                  | <b>12.6%</b>   | <b>2.6%</b>                  | <b>15.5%</b>           | <b>5.6%</b>                  |  |  |
| <b>Georgia</b>                    |                              |               |  |               |               |                                     |                  |                              |                              |                        |                              |  |                              |                        |                              |  |  |
| Atlanta                           | 322,000                      | 0.9%          | 0.9%                                   | 100.0%        | 100.0%        | -                                   | 101,000          | N/A                          | N/A                          | N/A                    | N/A                          | N/A  | N/A                          | N/A                    | N/A                          |  |  |
|                                   | <b>322,000</b>               | <b>0.9%</b>   | <b>0.9%</b>                            | <b>100.0%</b> | <b>100.0%</b> | <b>-</b>                            | <b>101,000</b>   | <b>N/A</b>                   | <b>N/A</b>                   | <b>N/A</b>             | <b>N/A</b>                   | <b>N/A</b>   | <b>N/A</b>                   | <b>N/A</b>             | <b>N/A</b>                   |  |  |
| <b>Total Core Markets</b>         | <b>34,696,000</b>            | <b>93.6%</b>  | <b>93.2%</b>                           | <b>97.6%</b>  | <b>95.8%</b>  | <b>334,000</b>                      | <b>4,250,000</b> | <b>3.1%</b>                  | <b>2.7%</b>                  | <b>2.3%</b>            | <b>2.9%</b>                  | <b>22.1%</b>   | <b>12.0%</b>                 | <b>17.2%</b>           | <b>6.7%</b>                  |  |  |
| <b>Total Other Markets</b>        | <b>2,355,000</b>             | <b>6.4%</b>   | <b>6.8%</b>                            | <b>95.2%</b>  | <b>92.9%</b>  | <b>48,000</b>                       | <b>214,000</b>   | <b>3.1%</b>                  | <b>3.8%</b>                  | <b>4.4%</b>            | <b>4.9%</b>                  | <b>3.4%</b>  | <b>-2.6%</b>                 | <b>16.6%</b>           | <b>9.1%</b>                  |  |  |
| <b>Total Operating Properties</b> | <b>37,051,000</b>            | <b>100.0%</b> | <b>100.0%</b>                          | <b>97.4%</b>  | <b>95.6%</b>  | <b>382,000</b>                      | <b>4,464,000</b> | <b>3.1%</b>                  | <b>2.7%</b>                  | <b>2.5%</b>            | <b>3.0%</b>                  | <b>20.9%</b>   | <b>11.1%</b>                 | <b>17.1%</b>           | <b>6.9%</b>                  |  |  |

<sup>(1)</sup> Based on the Annualized Base Rent as of the reporting period for occupied square feet (without S/L Rent).

<sup>(2)</sup> Square Feet expiring during the remainder of the year.

<sup>(3)</sup> Does not include leases with terms less than 12 months, leases for first generation space on properties acquired or developed by EastGroup, and leases for space that was vacant more than 24 months.

<sup>(4)</sup> Without straight-line rent adjustments; includes amortization of above/below market rent on acquired leases.

<sup>(5)</sup> Includes the Company's share of its less-than-wholly-owned real estate investments.

|  | EGP Total<br>Square Feet | Houston<br>Square Feet <sup>(1)</sup> | % of<br>EGP Total | Houston<br>% Leased | Houston<br>% Occupied |
|--|--------------------------|---------------------------------------|-------------------|---------------------|-----------------------|
| <b>Operating Properties:</b>                     |                          |                                       |                   |                     |                       |
| Total 06/30/17                                   | 36,774,000               | 5,524,000                             | 15.0%             |                     |                       |
| Development Transfers                            | 277,000                  | -                                     | N/A               |                     |                       |
| <b>Total 09/30/17</b>                            | <b>37,051,000</b>        | <b>5,524,000 <sup>(2)</sup></b>       | <b>14.9%</b>      | <b>94.1%</b>        | <b>90.2%</b>          |
| <b>Development:</b>                              |                          |                                       |                   |                     |                       |
| Properties in Lease-Up                           | 515,000                  | -                                     |                   |                     |                       |
| Properties Under Construction                    | 1,167,000                | -                                     |                   |                     |                       |
| Properties Transferred in 2017                   | 2,197,000                | -                                     |                   |                     |                       |
| 3rd QTR 2017 Development Starts                  | 104,000                  | -                                     |                   |                     |                       |
| Projected 2017 Development Starts <sup>(3)</sup> | 250,000                  | -                                     |                   |                     |                       |
| <b>Leases Expiring:</b>                          |                          |                                       |                   |                     |                       |
| Month-to-Month                                   | 336,000                  | 125,000                               |                   |                     |                       |
| Vacancy  | 952,000                  | 326,000                               |                   |                     |                       |
| 2017   | 382,000                  | 29,000                                |                   |                     |                       |
| 2018   | 4,464,000                | 252,000                               |                   |                     |                       |
| 2019   | 5,653,000                | 813,000                               |                   |                     |                       |
| 2020   | 6,233,000                | 684,000                               |                   |                     |                       |
| 2021   | 6,167,000                | 1,037,000                             |                   |                     |                       |
| 2022 and beyond                                  | 12,864,000               | 2,258,000                             |                   |                     |                       |
| <b>Total</b>                                     | <b>37,051,000</b>        | <b>5,524,000</b>                      |                   |                     |                       |

|  | EGP Total  | Houston   | % of<br>EGP Total |
|--|------------|-----------|-------------------|
| <b>Property Net Operating Income (PNOI):</b> |            |           |                   |
| Year 2016                                    | \$ 178,697 | \$ 32,768 | 18.3%             |
| 3rd QTR 2016                                 | 44,667     | 8,062     | 18.0%             |
| 3rd QTR 2017                                 | 48,682     | 6,931     | 14.2%             |

|  | Houston      |              |
|--|--------------|--------------|
|  | 3rd QTR 2017 | YTD 09/30/17 |
| <b>Rental Change</b>                             | 5.5%         | 3.0%         |
| <b>Rental Change without S/L Rent</b>            | -1.9%        | -3.8%        |
| <b>Same Property NOI Change</b>                  |              |              |
| Including termination fees                       | -7.6%        | -9.4%        |
| Excluding termination fees                       | -4.5%        | -7.9%        |
| <b>Same Property NOI Change without S/L Rent</b> |              |              |
| Including termination fees                       | -8.4%        | -9.9%        |
| Excluding termination fees                       | -5.0%        | -8.3%        |

<sup>(1)</sup> There are no Oil & Gas related companies in our top five customers by square feet and none that are in spaces larger than 100,000 square feet.

<sup>(2)</sup> Includes 4,792,000 square feet (86.8%) developed by EastGroup.

<sup>(3)</sup> Total projected remaining development starts for 4th QTR 2017.

| LEASE EXPIRATION         | Square Footage of<br>Leases Expiring | % of<br>Total SF | Annualized Current<br>Base Rent of<br>Leases Expiring<br>(without S/L Rent) | % of Total<br>Base Rent of<br>Leases Expiring<br>(without S/L Rent) |
|--------------------------|--------------------------------------|------------------|---|---|
| Month-to-Month           | 336,000                              | 0.9%             | \$ 1,412  | 0.7%  |
| Vacancy                  | 952,000                              | 2.6%             | -   | 0.0%  |
| 2017 - remainder of year | 382,000                              | 1.0%             | 2,824   | 1.4%  |
| 2018                     | 4,464,000                            | 12.1%            | 26,082  | 12.8%   |
| 2019                     | 5,653,000                            | 15.3%            | 34,126  | 16.7%   |
| 2020                     | 6,233,000                            | 16.8%            | 35,384  | 17.4%   |
| 2021                     | 6,167,000                            | 16.6%            | 34,977  | 17.2%   |
| 2022                     | 4,632,000                            | 12.5%            | 25,812  | 12.7%   |
| 2023                     | 2,450,000                            | 6.6%             | 11,378  | 5.6%  |
| 2024                     | 2,632,000                            | 7.1%             | 14,077  | 6.9%  |
| 2025                     | 1,156,000                            | 3.1%             | 6,432   | 3.1%  |
| 2026 and beyond          | 1,994,000                            | 5.4%             | 11,226  | 5.5%  |
| <b>TOTAL</b>             | <b>37,051,000</b>                    | <b>100.0%</b>    | <b>\$ 203,730</b>   | <b>100.0%</b>   |

| <b>Customer</b>                                     | <b># of Leases</b> | <b>Location</b>    | <b>Total SF Leased</b> | <b>% of Total Portfolio</b> | <b>% of Total Annualized Base Rent <sup>(1)</sup></b> |
|---|--------------------|--------------------|------------------------|-----------------------------|---|
| <b>1 WNA Comet West, Inc.</b>                       | 1                  | Los Angeles, CA    | 411,000                | 1.1%                        | 1.1%  |
| <b>2 Essendant Co.</b>                              | 1                  | Orlando, FL        | 404,000                | 1.1%                        | 1.0%  |
| <b>3 Mattress Firm</b>                              | 1                  | Houston, TX        | 202,000                |                             |   |
|   | 1                  | Tampa, FL          | 109,000                |                             |   |
|   | 2                  | Jacksonville, FL   | 60,000                 |                             |   |
|   | 1                  | Ft. Myers, FL      | 25,000                 | 1.1%                        | 1.0%  |
| <b>4 Iron Mountain Information Management, Inc.</b> | 2                  | Tampa, FL          | 184,000                |                             |   |
|   | 2                  | Phoenix, AZ        | 58,000                 |                             |   |
|   | 1                  | Ft. Lauderdale, FL | 45,000                 |                             |   |
|   | 1                  | Jacksonville, FL   | 40,000                 | 0.9%                        | 0.8%  |
| <b>5 Repet, Inc.</b>                                | 1                  | Los Angeles, CA    | 300,000                | 0.8%                        | 0.5%  |
| <b>6 Conn's, Inc.</b>                               | 1                  | Charlotte, NC      | 300,000                | 0.8%                        | 0.7%  |
| <b>7 Tower Automotive</b>                           | 1                  | Madison, MS        | 280,000                | 0.8%                        | 0.5%  |
| <b>8 Kuehne &amp; Nagel, Inc.</b>                   | 2                  | Houston, TX        | 172,000                |                             |   |
|   | 2                  | Charlotte, NC      | 106,000                | 0.8%                        | 0.9%  |
| <b>9 U.S. Postal Service</b>                        | 1                  | Houston, TX        | 110,000                |                             |   |
|   | 1                  | New Orleans, LA    | 99,000                 |                             |   |
|   | 2                  | Tampa, FL          | 58,000                 | 0.7%                        | 0.7%  |
| <b>10 Price Transfer, Inc.</b>                      | 1                  | Los Angeles, CA    | 262,000                | 0.7%                        | 0.8%  |
|   | <hr/>              |                    |                        |                             |   |
|   | 25                 |                    | 3,225,000              | 8.8%                        | 8.0%  |

<sup>(1)</sup> Calculation: Customer Annualized Base Rent as of 09/30/17 (without S/L Rent) / Total Annualized Base Rent (without S/L Rent).

|                          |                                 |
|--------------------------|---------------------------------|
| Property                 | Industry Distribution Center II |
| Acquisition Date         | November 23, 2004               |
| Percent Leased           | 100%                            |
| Total Square Feet (100%) | 309,000                         |
| Company Ownership        | 50%                             |

**EastGroup's  
Basis in 50%  
Ownership**

**Selected Financial Information**

**Balance Sheet Information as of September 30, 2017**

**ASSETS**

|                               |                 |
|-------------------------------|-----------------|
| Real estate properties        | \$ 9,260        |
| Less accumulated depreciation | (1,682)         |
|                               | <u>7,578</u>    |
| Other assets                  | 366             |
| <b>TOTAL ASSETS</b>           | <b>\$ 7,944</b> |

**LIABILITIES AND EQUITY**

|                                     |                 |
|-------------------------------------|-----------------|
| Other liabilities                   | \$ 108          |
| Equity                              | 7,836           |
| <b>TOTAL LIABILITIES AND EQUITY</b> | <b>\$ 7,944</b> |

**EastGroup's Net Investment at September 30, 2017**

**\$ 7,836** <sup>(1)</sup>

**EastGroup's 50% Ownership**

|  | Three Months Ended    |            | Nine Months Ended     |            |
|--|-----------------------|------------|-----------------------|------------|
|  | September 30,<br>2017 | 2016       | September 30,<br>2017 | 2016       |
| <b>Income Statement Information</b>      |                       |            |                       |            |
| Property NOI                             | \$ 224                | 231        | 673                   | 676        |
| Depreciation Expense                     | (31)                  | (31)       | (93)                  | (93)       |
| <b>Equity in Earnings</b> <sup>(2)</sup> | <b>\$ 193</b>         | <b>200</b> | <b>580</b>            | <b>583</b> |
| <b>Funds From Operations</b>             | <b>\$ 224</b>         | <b>231</b> | <b>673</b>            | <b>676</b> |

<sup>(1)</sup> Presented as *Unconsolidated investment* on the Consolidated Balance Sheets.

<sup>(2)</sup> Included in *Other* on the Consolidated Statements of Income and Comprehensive Income.



|  | Quarter Ended | Years Ended |            |            |            |
|--|---------------|-------------|------------|------------|------------|
|  | 9/30/2017     | 2016        | 2015       | 2014       | 2013       |
| <b>ASSETS/MARKET CAPITALIZATION</b>                          |               |             |            |            |            |
| Assets   | \$ 1,893,993  | 1,825,764   | 1,661,904  | 1,572,112  | 1,468,963  |
| Equity Market Capitalization                                 | 3,033,502     | 2,461,251   | 1,802,957  | 2,040,967  | 1,792,193  |
| Total Market Capitalization (Debt and Equity) <sup>(1)</sup> | 4,108,969     | 3,566,865   | 2,835,194  | 2,974,144  | 2,685,938  |
| Shares Outstanding - Common                                  | 34,424,668    | 33,332,213  | 32,421,460 | 32,232,587 | 30,937,225 |
| Price per share  | \$ 88.12      | 73.84       | 55.61      | 63.32      | 57.93      |
| <b>FFO CHANGE</b>  |               |             |            |            |            |
| FFO per diluted share  | \$ 1.08       | 4.02        | 3.67       | 3.47       | 3.23       |
| Change compared to same period prior year                    | 3.8%          | 9.5%        | 5.8%       | 7.4%       | 4.9%       |
| <b>COMMON DIVIDEND PAYOUT RATIO</b>                          |               |             |            |            |            |
| Dividend distribution  | \$ 0.64       | 2.44        | 2.34       | 2.22       | 2.14       |
| FFO per diluted share  | 1.08          | 4.02        | 3.67       | 3.47       | 3.23       |
| Dividend payout ratio  | 59%           | 61%         | 64%        | 64%        | 66%        |
| <b>COMMON DIVIDEND YIELD</b>                                 |               |             |            |            |            |
| Dividend distribution  | \$ 0.64       | 2.44        | 2.34       | 2.22       | 2.14       |
| Price per share  | 88.12         | 73.84       | 55.61      | 63.32      | 57.93      |
| Dividend yield   | 2.91%         | 3.30%       | 4.21%      | 3.51%      | 3.69%      |
| <b>FFO MULTIPLE</b>  |               |             |            |            |            |
| FFO per diluted share  | \$ 1.08       | 4.02        | 3.67       | 3.47       | 3.23       |
| Price per share  | 88.12         | 73.84       | 55.61      | 63.32      | 57.93      |
| Multiple   | 20.40         | 18.37       | 15.15      | 18.25      | 17.93      |
| <b>INTEREST &amp; FIXED CHARGE COVERAGE RATIOS</b>           |               |             |            |            |            |
| Adjusted EBITDA  | \$ 45,718     | 167,196     | 153,574    | 145,461    | 133,965    |
| Interest expense   | 8,704         | 35,213      | 34,666     | 35,728     | 35,485     |
| Interest and fixed charge coverage ratios                    | 5.25          | 4.75        | 4.43       | 4.07       | 3.78       |
| <b>DEBT-TO-ADJUSTED EBITDA RATIO</b>                         |               |             |            |            |            |
| Debt   | \$ 1,071,999  | 1,101,333   | 1,027,909  | 929,465    | 889,296    |
| Adjusted EBITDA  | 45,718        | 167,196     | 153,574    | 145,461    | 133,965    |
| Debt-to-adjusted EBITDA ratio                                | 5.86          | 6.59        | 6.69       | 6.39       | 6.64       |
| Adjusted debt-to-pro forma EBITDA ratio                      | 5.41          | 6.03        | 6.11       | 5.74       | 6.08       |
| <b>DEBT-TO-TOTAL MARKET CAPITALIZATION</b> <sup>(1)</sup>    | 26.2%         | 31.0%       | 36.4%      | 31.4%      | 33.3%      |

**ISSUER RATINGS**<sup>(2)</sup>

Moody's Investors Service

**Issuer Rating**

Baa2

**Outlook**

Stable

<sup>(1)</sup> Excluding unamortized debt issuance costs.

<sup>(2)</sup> A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the assigning rating agency.

|   | Low Range                                    |                | High Range    |                |
|---|--|----------------|---------------|----------------|
|   | Q4 2017                                      | Y/E 2017       | Q4 2017       | Y/E 2017       |
|   | <i>(In thousands, except per share data)</i> |                |               |                |
| Net income attributable to common stockholders            | \$ 16,975                                    | 82,568         | 17,655        | 83,248         |
| Depreciation and amortization                             | 20,981                                       | 83,015         | 20,981        | 83,015         |
| Gain on sales of depreciable real estate investments      | -  | (21,855)       | -             | (21,855)       |
| Funds from operations attributable to common stockholders | <u>\$ 37,956</u>                             | <u>143,728</u> | <u>38,636</u> | <u>144,408</u> |
| Diluted shares  | 34,451                                       | 34,048         | 34,451        | 34,048         |
| Per share data (diluted):                                 |  |                |               |                |
| Net income attributable to common stockholders            | \$ 0.49                                      | 2.43           | 0.51          | 2.45           |
| Funds from operations attributable to common stockholders | 1.10   | 4.22           | 1.12          | 4.24           |

The following assumptions were used for the mid-point:

| Metrics   | Guidance for<br>Q4 2017  | Revised<br>Guidance for<br>Year 2017 | July Earnings<br>Release  | Actual for<br>Year 2016  |
|---|--------------------------|--------------------------------------|---------------------------|--|
|   |                          |                                      | Guidance for<br>Year 2017 |  |
| FFO per share   | \$1.11                   | \$4.23                               | \$4.23                    | \$4.02   |
| FFO per share increase over prior year period                         | 2.8%                     | 5.2%                                 | 5.2%                      | 9.5%   |
| Same Property Net Operating Income (PNOI) growth:                     |                          |                                      |                           |  |
| Straight-line rent basis  | 4.0%                     | 2.5%                                 | 2.2%                      | 3.1%   |
| Straight-line rent basis without Houston                              | 4.3%                     | 4.5%                                 | 4.4%                      | 4.2%   |
| Without straight-line rent adjustments                                | 4.5%                     | 2.8%                                 | 2.6%                      | 3.1%   |
| Without straight-line rent adjustments and Houston                    | 4.8%                     | 5.0%                                 | 5.0%                      | 3.9%   |
| Average month-end occupancy   | 96.0%                    | 95.4%                                | 95.1%                     | 95.8%  |
| Lease termination fee income  | \$75,000                 | \$273,000                            | \$283,000                 | \$812,000  |
| Bad debt expense  | \$250,000                | \$582,000                            | \$698,000                 | \$992,000  |
| Development starts:   |                          |                                      |                           |  |
| Square feet   | 350,000                  | 1.3 million                          | 1.3 million               | 1.2 million  |
| Projected total investment  | \$31 million             | \$108 million                        | \$100 million             | \$94 million   |
| Development-stage operating property acquisitions                     | None                     | None                                 | None                      | \$88 million   |
| Operating property acquisitions                                       | None                     | \$37 million                         | \$52 million              | \$24 million   |
| Operating property dispositions                                       |                          |                                      |                           |  |
| (Potential gains on dispositions are not included in the projections) | \$10 million             | \$50 million                         | \$50 million              | \$76 million   |
| Gain (loss) on sales of non-operating real estate                     | None                     | (\$40,000)                           | (\$40,000)                | \$733,000  |
| Average variable interest rate on unsecured bank credit facilities    | 2.3%                     | 2.3%                                 | 2.2%                      | 1.5%   |
| Unsecured debt closing in period                                      | \$60 million at<br>3.46% | \$60 million at<br>3.46%             | \$60 million at<br>4.0%   | \$205 million at<br>3.1%<br>weighted<br>average<br>interest rate |
| Common stock issuances  | \$10 million             | \$90 million                         | \$70 million              | \$60 million   |
| General and administrative expense                                    | \$3.2 million            | \$14.8 million                       | \$14.5 million            | \$13.2 million   |

Listed below are definitions of commonly used real estate investment trust (REIT) industry terms. For additional information on REITs, please see the National Association of Real Estate Investment Trusts (NAREIT) web site at [www.nareit.com](http://www.nareit.com).

**Real Estate Investment Trust:** A company that owns and, in most cases, operates income-producing real estate such as apartments, shopping centers, offices, hotels and warehouses. Some REITs also engage in financing real estate. The shares of most REITs are freely traded, usually on a major stock exchange.

To qualify as a REIT, a company must distribute at least 90 percent of its taxable income to its stockholders annually. A company that qualifies as a REIT is permitted to deduct dividends paid to its stockholders from its corporate taxable income. As a result, most REITs remit at least 100 percent of their taxable income to their stockholders and therefore owe no corporate federal income tax. Taxes are paid by stockholders on the dividends received. Most states honor this federal treatment and also do not require REITs to pay state income tax.

**Industrial Properties:** Generally consisting of four concrete walls tilted up on a slab of concrete. An internal office component is then added. Business uses include warehousing, distribution, light manufacturing and assembly, research and development, showroom, office, or a combination of some or all of the aforementioned.

**Property Net Operating Income (PNOI):** *Income from real estate operations less Expenses from real estate operations* (including market-based internal management fee expense) plus the Company's share of income and property operating expenses from its less-than-wholly-owned real estate investments.

**Adjusted EBITDA:** Earnings, defined as Net Income excluding gains on sales of depreciable real estate property, before interest, taxes, depreciation and amortization.

**Debt-to-Adjusted EBITDA Ratio:** A ratio calculated by dividing a company's debt by its Adjusted EBITDA.

**Adjusted Debt-to-Pro Forma EBITDA Ratio:** A ratio calculated by dividing a company's adjusted debt by its pro forma EBITDA. Debt is adjusted by subtracting the cost of developments in lease-up or under construction. Adjusted EBITDA is further adjusted by adding an estimate of NOI for significant acquisitions as if the acquired properties were owned for the entire period, and by subtracting NOI from developments in lease-up or under construction and from properties sold during the period.

**Funds From Operations (FFO):** FFO is the most commonly accepted reporting measure of a REIT's operating performance, and the Company computes FFO in accordance with standards established by NAREIT. It is equal to a REIT's net income (loss) attributable to common stockholders computed in accordance with generally accepted accounting principles, excluding gains or losses from sales of depreciable real estate property and impairment losses, plus real estate related depreciation and amortization, and after adjustments for unconsolidated partnerships and joint ventures.

**Total Return:** A stock's dividend income plus capital appreciation over a specified period as a percentage of the stock price at the beginning of the period.

**Straight-Lining:** The process of averaging the customer's rent payments over the life of the lease. Generally accepted accounting principles require real estate companies to "straight-line" rents.

**Debt-to-Total Market Capitalization Ratio:** A ratio calculated by dividing a company's debt by the total amount of a company's equity (at market value) and debt.

**Percentage Leased:** The percentage of total leasable square footage for which there is a signed lease, including month-to-month leases, as of the close of the reporting period. Space is considered leased upon execution of the lease.

**Percentage Occupied:** The percentage of total leasable square footage for which the lease term has commenced as of the close of the reporting period.

**Same Properties:** Operating properties owned during the entire current period and prior year reporting period. Development properties are excluded until held in the operating portfolio for both the current and prior year reporting periods.

**Rental changes on new and renewal leases:** Rental changes are calculated as the difference, weighted by square feet, of the annualized base rent due the first month of the new lease's term and the annualized base rent of the rent due the last month of the former lease's term. If free rent is given, then the first positive full rent value is used. Rental amounts exclude base stop amounts, holdover rent, and premium or discounted rent amounts. This calculation excludes leases with terms less than 12 months, leases for space that was vacant for more than 24 months, and leases for first generation space on properties acquired or developed by EastGroup.

**Leases Expiring and Renewal Leases Signed of Expiring Square Feet:** Includes renewals during the period with terms commencing during the period and after the end of the period.