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

FORM 10-Q

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

For the quarterly period ended September 30, 2019
OR

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

For the transition period from __________to__________

Commission File Number: 001-36523 (Urban Edge Properties)
Commission File Number: 333-212951-01 (Urban Edge Properties LP)

URBAN EDGE PROPERTIES
URBAN EDGE PROPERTIES LP
(Exact name of Registrant as specified in its charter)

Maryland	**(Urban Edge Properties)**	**47-6311266**
Delaware	**(Urban Edge Properties LP)**	**36-4791544**
(State or other jurisdiction of incorporation or organization)		(I.R.S. Employer Identification Number)

888 Seventh Avenue	**New York**	**New York**	**10019**
(Address of Principal Executive Offices)			(Zip Code)

Registrant's telephone number including area code: (212) 956‑2556

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

Title of class of registered securities	Trading symbol	Name of exchange on which registered
Common shares of beneficial interest, par value $0.01 per share	UE	The New York Stock Exchange

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

Urban Edge Properties Yes ☒ NO ☐ **Urban Edge Properties LP** Yes ☒ NO ☐

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

Urban Edge Properties Yes ☒ NO ☐ **Urban Edge Properties LP** Yes ☒ NO ☐

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

Urban Edge Properties:

Large Accelerated Filer ☒ Accelerated Filer ☐ Non-Accelerated Filer ☐ Smaller Reporting Company ☐ Emerging Growth Company ☐

Urban Edge Properties LP:

Large Accelerated Filer ☐ Accelerated Filer ☐ Non-Accelerated Filer ☒ Smaller Reporting Company ☐ Emerging Growth Company ☐

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

Urban Edge Properties ☐ **Urban Edge Properties LP** ☐

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

Urban Edge Properties YES ☐ NO ☒ **Urban Edge Properties LP** YES ☐ NO ☒

As of October 25, 2019, Urban Edge Properties had 121,223,353 common shares outstanding.

URBAN EDGE PROPERTIES AND URBAN EDGE PROPERTIES LP
QUARTERLY REPORT ON FORM 10-Q
QUARTER ENDED SEPTEMBER 30, 2019

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PART I

PART II

EXPLANATORY NOTE

This report combines the quarterly reports on Form 10-Q for the period ended September 30, 2019 of Urban Edge Properties and Urban Edge Properties LP. Unless stated otherwise or the context otherwise requires, references to "UE" and "Urban Edge" mean Urban Edge Properties, a Maryland real estate investment trust ("REIT"), and references to "UELP" and the "Operating Partnership" mean Urban Edge Properties LP, a Delaware limited partnership. References to the "Company," "we," "us" and "our" mean collectively UE, UELP and those entities/subsidiaries consolidated by UE.

UELP is the entity through which we conduct substantially all of our business and own, either directly or through subsidiaries, substantially all of our assets. UE is the sole general partner and also a limited partner of UELP. As the sole general partner of UELP, UE has exclusive control of UELP's day-to-day management.

As of September 30, 2019, UE owned an approximate 95.4% ownership interest in UELP. The remaining approximate 4.6% interest is owned by limited partners. The other limited partners of UELP are members of management, our Board of Trustees and contributors of property interests acquired. Under the limited partnership agreement of UELP, unitholders may present their common units of UELP for redemption at any time (subject to restrictions agreed upon at the time of issuance of the units that may restrict such right for a period of time). Upon presentation of a common unit for redemption, UELP must redeem the unit for cash equal to the then value of a share of UE's common shares, as defined by the limited partnership agreement. In lieu of cash redemption by UELP, however, UE may elect to acquire any common units so tendered by issuing common shares of UE in exchange for the common units. If UE so elects, its common shares will be exchanged for common units on a one-for-one basis. This one-for-one exchange ratio is subject to specified adjustments to prevent dilution. UE generally expects that it will elect to issue its common shares in connection with each such presentation for redemption rather than having UELP pay cash. With each such exchange or redemption, UE's percentage ownership in UELP will increase. In addition, whenever UE issues common shares other than to acquire common units of UELP, UE must contribute any net proceeds it receives to UELP and UELP must issue to UE an equivalent number of common units of UELP. This structure is commonly referred to as an umbrella partnership REIT, or UPREIT.

The Company believes that combining the quarterly reports on Form 10-Q of UE and UELP into this single report provides the following benefits:

- enhances investors' understanding of UE and UELP by enabling investors to view the business as a whole in the same manner as management views and operates the business;
- eliminates duplicative disclosure and provides a more streamlined and readable presentation because a substantial portion of the disclosure applies to both UE and UELP; and
- creates time and cost efficiencies throughout the preparation of one combined report instead of two separate reports.

The Company believes it is important to understand the few differences between UE and UELP in the context of how UE and UELP operate as a consolidated company. The financial results of UELP are consolidated into the financial statements of UE. UE does not have any other significant assets, liabilities or operations, other than its investment in UELP, nor does it have employees of its own. UELP, not UE, generally executes all significant business relationships other than transactions involving the securities of UE. UELP holds substantially all of the assets of UE. UELP conducts the operations of the business and is structured as a partnership with no publicly traded equity. Except for the net proceeds from equity offerings by UE, which are contributed to the capital of UELP in exchange for units of limited partnership in UELP, as applicable, UELP generates all remaining capital required by the Company's business. These sources may include working capital, net cash provided by operating activities, borrowings under the revolving credit agreement, the issuance of secured and unsecured debt and equity securities and proceeds received from the disposition of certain properties.

Shareholders' equity, partners' capital and noncontrolling interests are the main areas of difference between the consolidated financial statements of UE and UELP. The limited partners of UELP are accounted for as partners' capital in UELP's financial statements and as noncontrolling interests in UE's financial statements. The noncontrolling interests in UELP's financial statements include the interests of unaffiliated partners in consolidated entities. The noncontrolling interests in UE's financial statements include the same noncontrolling interests at UELP's level and limited partners of UELP. The differences between shareholders' equity and partners' capital result from differences in the equity issued at UE and UELP levels.

To help investors better understand the key differences between UE and UELP, certain information for UE and UELP in this report has been separated, as set forth below: Item 1. Financial Statements (unaudited), which includes specific disclosures for UE and UELP, Note 14, Equity and Noncontrolling Interest and Note 16, Earnings Per Share and Unit.

This report also includes separate Part I, Item 4. Controls and Procedures sections and separate Exhibits 31 and 32 certifications for each of UE and UELP in order to establish that the requisite certifications have been made and that UE and UELP are compliant with Rule 13a-15 or Rule 15d-15 of the Securities Exchange Act of 1934 and 18 U.S.C. §1350.

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

URBAN EDGE PROPERTIES
CONSOLIDATED BALANCE SHEETS
(Unaudited)
(In thousands, except share and per share amounts)

	September 30, 2019	December 31, 2018
ASSETS		
Real estate, at cost:		
Land	$ 500,411	$ 525,819
Buildings and improvements	2,169,835	2,156,113
Construction in progress	43,671	80,385
Furniture, fixtures and equipment	7,315	6,675
Total	2,721,232	2,768,992
Accumulated depreciation and amortization	(662,713)	(645,872)
Real estate, net	2,058,519	2,123,120
Right-of-use assets	83,523	—
Cash and cash equivalents	441,561	440,430
Restricted cash	94,785	17,092
Tenant and other receivables, net of allowance for doubtful accounts of $6,486 as of December 31, 2018	27,240	28,563
Receivable arising from the straight-lining of rents, net of allowance for doubtful accounts of $134 as of December 31, 2018	75,418	84,903
Identified intangible assets, net of accumulated amortization of $30,214 and $39,526, respectively	49,527	68,422
Deferred leasing costs, net of accumulated amortization of $16,326 and $16,826, respectively	20,263	21,277
Deferred financing costs, net of accumulated amortization of $3,543 and $2,764, respectively	4,093	2,219
Prepaid expenses and other assets	18,949	12,968
Total assets	$ 2,873,878	$ 2,798,994
LIABILITIES AND EQUITY		
Liabilities:		
Mortgages payable, net	$ 1,547,486	$ 1,550,242
Lease liabilities	81,428	—
Accounts payable, accrued expenses and other liabilities	80,161	98,517
Identified intangible liabilities, net of accumulated amortization of $68,483 and $65,058, respectively	129,090	144,258
Total liabilities	1,838,165	1,793,017
Commitments and contingencies		
Shareholders' equity:		
Common shares: $0.01 par value; 500,000,000 shares authorized and 121,223,353 and 114,345,565 shares issued and outstanding, respectively	1,212	1,143
Additional paid-in capital	1,016,054	956,420
Accumulated deficit	(29,217)	(52,857)
Noncontrolling interests:		
Operating partnership	47,239	100,822
Consolidated subsidiaries	425	449
Total equity	1,035,713	1,005,977
Total liabilities and equity	$ 2,873,878	$ 2,798,994

See notes to consolidated financial statements (unaudited).

URBAN EDGE PROPERTIES
CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)
(In thousands, except share and per share amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
REVENUE				
Rental revenue	$ 90,769	$ 111,733	$ 289,565	$ 310,895
Management and development fees	280	375	940	1,064
Other income	194	106	1,217	1,278
Total revenue	91,243	112,214	291,722	313,237
EXPENSES				
Depreciation and amortization	21,496	21,833	65,893	73,544
Real estate taxes	14,490	16,374	45,188	47,736
Property operating	14,075	22,328	45,552	61,996
General and administrative	8,353	9,702	28,943	25,579
Casualty and impairment loss (gain), net[1]	—	58	9,070	(1,248)
Lease expense	3,486	2,722	11,037	8,210
Total expenses	61,900	73,017	205,683	215,817
Gain on sale of real estate	39,716	2,185	68,219	52,625
Gain on sale of lease	1,849	—	1,849	—
Interest income	2,706	2,388	7,670	5,943
Interest and debt expense	(16,861)	(16,756)	(49,869)	(48,059)
Gain on extinguishment of debt	—	—	—	2,524
Income before income taxes	56,753	27,014	113,908	110,453
Income tax expense	(53)	(115)	(1,249)	(741)
Net income	56,700	26,899	112,659	109,712
Less net (income) loss attributable to noncontrolling interests in:				
Operating partnership	(2,662)	(2,688)	(6,535)	(11,041)
Consolidated subsidiaries	2	(11)	24	(34)
Net income attributable to common shareholders	$ 54,040	$ 24,200	$ 106,148	$ 98,637
Earnings per common share - Basic:	$ 0.45	$ 0.21	$ 0.89	$ 0.87
Earnings per common share - Diluted:	$ 0.45	$ 0.21	$ 0.89	$ 0.86
Weighted average shares outstanding - Basic	121,087	113,890	119,259	113,769
Weighted average shares outstanding - Diluted	121,183	114,156	126,489	114,236

[1] Refer to Note 2 to the unaudited consolidated financial statements in Part I, Item I of this Quarterly Report on Form 10-Q.

See notes to consolidated financial statements (unaudited).

URBAN EDGE PROPERTIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(Unaudited)
(In thousands, except share and per share amounts)

	Common Shares				Noncontrolling Interests ("NCI")		
	Shares	Amount	Additional Paid-In Capital	Accumulated Earnings (Deficit)	Operating Partnership	Consolidated Subsidiaries	Total Equity
Balance, June 30, 2018	114,004,276	$ 1,140	$ 950,958	$ (33,307)	$ 102,714	$ 427	$ 1,021,932
Net income attributable to common shareholders	—	—	—	24,200	—	—	24,200
Net income attributable to noncontrolling interests	—	—	—	—	2,688	11	2,699
Limited partnership interests:							
Units redeemed for common shares	179,110	1	1,471	—	—	—	1,472
Reallocation of noncontrolling interests	—	—	(1,641)	—	169	—	(1,472)
Common shares issued	(7,779)	—	29	(38)	—	—	(9)
Dividends on common shares ($0.22 per share)	—	—	—	(25,085)	—	—	(25,085)
Distributions to redeemable NCI ($0.22 per unit)	—	—	—	—	(2,735)	—	(2,735)
Share-based compensation expense	—	—	1,142	9	1,101	—	2,252
Balance, September 30, 2018	114,175,607	$ 1,141	$ 951,959	$ (34,221)	$ 103,937	$ 438	$ 1,023,254

	Common Shares				Noncontrolling Interests ("NCI")		
	Shares	Amount	Additional Paid-In Capital	Accumulated Earnings (Deficit)	Operating Partnership	Consolidated Subsidiaries	Total Equity
Balance, June 30, 2019	121,171,003	$ 1,212	$ 1,015,470	$ (56,580)	$ 49,157	$ 427	$ 1,009,686
Net income attributable to common shareholders	—	—	—	54,040	—	—	54,040
Net income (loss) attributable to noncontrolling interests	—	—	—	—	2,662	(2)	2,660
Limited partnership interests:							
Units redeemed for common shares	50,000	—	435	—	(2,726)	—	(2,291)
Units redeemed for cash	—	—	(3,422)	—	(2,556)	—	(5,978)
Reallocation of noncontrolling interests	—	—	2,291	—	—	—	2,291
Common shares issued	2,350	—	(30)	(31)	—	—	(61)
Dividends to common shareholders ($0.22 per share)	—	—	—	(26,646)	—	—	(26,646)
Distributions to redeemable NCI ($0.22 per unit)	—	—	—	—	(1,298)	—	(1,298)
Share-based compensation expense	—	—	1,310	—	2,000	—	3,310
Balance, September 30, 2019	121,223,353	$ 1,212	$ 1,016,054	$ (29,217)	$ 47,239	$ 425	$ 1,035,713

See notes to consolidated financial statements (unaudited).

	Common Shares				Noncontrolling Interests ("NCI")		
	Shares	Amount	Additional Paid-In Capital	Accumulated Earnings (Deficit)	Operating Partnership	Consolidated Subsidiaries	Total Equity
Balance, December 31, 2017	113,827,529	$ 1,138	$ 946,402	$ (57,621)	$ 100,218	$ 404	$ 990,541
Net income attributable to common shareholders	—	—	—	98,637	—	—	98,637
Net income attributable to noncontrolling interests	—	—	—	—	11,041	34	11,075
Limited partnership interests:							
Units redeemed for common shares	249,110	2	2,041	—	—	—	2,043
Reallocation of noncontrolling interests	—	—	(21)	—	(2,022)	—	(2,043)
Common shares issued	116,158	2	452	(139)	—	—	315
Dividends to common shareholders ($0.66 per share)	—	—	—	(75,122)	—	—	(75,122)
Distributions to redeemable NCI ($0.66 per unit)	—	—	—	—	(8,301)	—	(8,301)
Share-based compensation expense	—	—	3,469	24	3,001	—	6,494
Share-based awards retained for taxes	(17,190)	(1)	(384)	—	—	—	(385)
Balance, September 30, 2018	114,175,607	$ 1,141	$ 951,959	$ (34,221)	$ 103,937	$ 438	$ 1,023,254

	Common Shares				Noncontrolling Interests ("NCI")		
	Shares	Amount	Additional Paid-In Capital	Accumulated Earnings (Deficit)	Operating Partnership	Consolidated Subsidiaries	Total Equity
Balance, December 31, 2018	114,345,565	$ 1,143	$ 956,420	$ (52,857)	$ 100,822	$ 449	$ 1,005,977
Net income attributable to common shareholders	—	—	—	106,148	—	—	106,148
Net income (loss) attributable to noncontrolling interests	—	—	—	—	6,535	(24)	6,511
Impact of ASC 842 adoption	—	—	—	(2,918)	—	—	(2,918)
Limited partnership interests:							
Units redeemed for common shares	6,861,692	68	54,680	—	(2,726)	—	52,022
Units redeemed for cash	—	—	(3,422)	—	(2,556)	—	(5,978)
Reallocation of noncontrolling interests	—	—	4,077	—	(56,099)	—	(52,022)
Common shares issued	47,372	1	353	(101)	—	—	253
Dividends to common shareholders ($0.66 per share)	—	—	—	(79,489)	—	—	(79,489)
Distributions to redeemable NCI ($0.66 per unit)	—	—	—	—	(4,427)	—	(4,427)
Share-based compensation expense	—	—	4,579	—	5,690	—	10,269
Share-based awards retained for taxes	(31,276)	—	(633)	—	—	—	(633)
Balance, September 30, 2019	121,223,353	$ 1,212	$ 1,016,054	$ (29,217)	$ 47,239	$ 425	$ 1,035,713

See notes to consolidated financial statements (unaudited).

URBAN EDGE PROPERTIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(In thousands)

	Nine Months Ended September 30,	
	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$ 112,659	$ 109,712
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	65,645	74,025
Casualty and impairment loss, net	9,070	—
Gain on sale of real estate	(68,219)	(52,625)
Gain on sale of lease	(1,849)	—
Gain on extinguishment of debt	—	(2,524)
Amortization of deferred financing costs	2,170	2,159
Amortization of below market leases, net	(13,933)	(29,767)
Amortization of right-of-use assets	6,329	—
Straight-lining of rent	120	(381)
Share-based compensation expense	10,269	6,494
Provision for doubtful accounts	—	2,588
Change in operating assets and liabilities:		
Tenant and other receivables	2,444	(12,812)
Deferred leasing costs	(3,239)	(3,441)
Prepaid and other assets	(2,377)	(1,359)
Accounts payable, accrued expenses and other liabilities	(3,496)	(3,947)
Net cash provided by operating activities	115,593	88,122
CASH FLOWS FROM INVESTING ACTIVITIES		
Real estate development and capital improvements	(71,005)	(90,703)
Acquisition of real estate	—	(4,931)
Proceeds from sale of operating properties	111,440	57,593
Proceeds from sale of operating lease	6,943	—
Insurance proceeds	12,677	1,300
Net cash provided by (used in) investing activities	60,055	(36,741)
CASH FLOWS FROM FINANCING ACTIVITIES		
Debt repayments	(3,907)	(3,153)
Debt issuance costs	(2,643)	—
Dividends to common shareholders	(79,489)	(75,122)
Distributions to redeemable noncontrolling interests	(4,427)	(8,301)
Taxes withheld for vested restricted shares	(633)	(385)
Proceeds related to the issuance of common shares	253	315
Payment for redemption of units	(5,978)	—
Net cash used in financing activities	(96,824)	(86,646)
Net increase (decrease) in cash and cash equivalents and restricted cash	78,824	(35,265)
Cash and cash equivalents and restricted cash at beginning of period	457,522	500,841
Cash and cash equivalents and restricted cash at end of period	$ 536,346	$ 465,576

See notes to consolidated financial statements (unaudited).

	Nine Months Ended September 30,	
	2019	2018
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash payments for interest, net of amounts capitalized of $1,277 and $2,769, respectively	$ 48,776	$ 49,549
Cash payments for income taxes	1,589	757
Cash payments for lease liabilities	8,205	—
NON-CASH INVESTING AND FINANCING ACTIVITIES		
Accrued capital expenditures included in accounts payable and accrued expenses	13,444	24,100
Write-off of fully depreciated and impaired assets	43,625	10,407
Operating lease liabilities arising from obtaining right-of-use assets	98,980	—
Mortgage debt forgiven in foreclosure	—	11,537
RECONCILIATION OF CASH AND CASH EQUIVALENTS AND RESTRICTED CASH		
Cash and cash equivalents at beginning of period	$ 440,430	$ 490,279
Restricted cash at beginning of period	17,092	10,562
Cash and cash equivalents and restricted cash at beginning of period	$ 457,522	$ 500,841
Cash and cash equivalents at end of period	$ 441,561	$ 449,307
Restricted cash at end of period	94,785	16,269
Cash and cash equivalents and restricted cash at end of period	$ 536,346	$ 465,576

See notes to consolidated financial statements (unaudited).

URBAN EDGE PROPERTIES LP
CONSOLIDATED BALANCE SHEETS
(Unaudited)
(In thousands, except unit and per unit amounts)

	September 30, 2019	December 31, 2018
ASSETS		
Real estate, at cost:		
Land	$ 500,411	$ 525,819
Buildings and improvements	2,169,835	2,156,113
Construction in progress	43,671	80,385
Furniture, fixtures and equipment	7,315	6,675
Total	2,721,232	2,768,992
Accumulated depreciation and amortization	(662,713)	(645,872)
Real estate, net	2,058,519	2,123,120
Right-of-use assets	83,523	—
Cash and cash equivalents	441,561	440,430
Restricted cash	94,785	17,092
Tenant and other receivables, net of allowance for doubtful accounts of $6,486 as of December 31, 2018	27,240	28,563
Receivable arising from the straight-lining of rents, net of allowance for doubtful accounts of $134 as of December 31, 2018	75,418	84,903
Identified intangible assets, net of accumulated amortization of $30,214 and $39,526, respectively	49,527	68,422
Deferred leasing costs, net of accumulated amortization of $16,326 and $16,826, respectively	20,263	21,277
Deferred financing costs, net of accumulated amortization of $3,543 and $2,764, respectively	4,093	2,219
Prepaid expenses and other assets	18,949	12,968
Total assets	$ 2,873,878	$ 2,798,994
LIABILITIES AND EQUITY		
Liabilities:		
Mortgages payable, net	$ 1,547,486	$ 1,550,242
Lease liabilities	81,428	—
Accounts payable, accrued expenses and other liabilities	80,161	98,517
Identified intangible liabilities, net of accumulated amortization of $68,483 and $65,058, respectively	129,090	144,258
Total liabilities	1,838,165	1,793,017
Commitments and contingencies		
Equity:		
Partners' capital:		
General partner: 121,223,353 and 114,345,565 units outstanding, respectively	1,017,266	957,563
Limited partners: 5,793,230 and 12,736,633 units outstanding, respectively	49,756	105,447
Accumulated deficit	(31,734)	(57,482)
Total partners' capital	1,035,288	1,005,528
Noncontrolling interest in consolidated subsidiaries	425	449
Total equity	1,035,713	1,005,977
Total liabilities and equity	$ 2,873,878	$ 2,798,994

See notes to consolidated financial statements (unaudited).

URBAN EDGE PROPERTIES LP
CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)
(In thousands, except unit and per unit amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2019	2018	2019	2018
REVENUE				
Rental revenue	$ 90,769	$ 111,733	$ 289,565	$ 310,895
Management and development fees	280	375	940	1,064
Other income	194	106	1,217	1,278
Total revenue	91,243	112,214	291,722	313,237
EXPENSES				
Depreciation and amortization	21,496	21,833	65,893	73,544
Real estate taxes	14,490	16,374	45,188	47,736
Property operating	14,075	22,328	45,552	61,996
General and administrative	8,353	9,702	28,943	25,579
Casualty and impairment loss (gain), net[(1)]	—	58	9,070	(1,248)
Lease expense	3,486	2,722	11,037	8,210
Total expenses	61,900	73,017	205,683	215,817
Gain on sale of real estate	39,716	2,185	68,219	52,625
Gain on sale of lease	1,849	—	1,849	—
Interest income	2,706	2,388	7,670	5,943
Interest and debt expense	(16,861)	(16,756)	(49,869)	(48,059)
Gain on extinguishment of debt	—	—	—	2,524
Income before income taxes	56,753	27,014	113,908	110,453
Income tax expense	(53)	(115)	(1,249)	(741)
Net income	56,700	26,899	112,659	109,712
Less: net (income) loss attributable to NCI in consolidated subsidiaries	2	(11)	24	(34)
Net income attributable to unitholders	$ 56,702	$ 26,888	$ 112,683	$ 109,678
Earnings per unit - Basic:	$ 0.45	$ 0.21	$ 0.89	$ 0.87
Earnings per unit - Diluted:	$ 0.45	$ 0.21	$ 0.89	$ 0.86
Weighted average units outstanding - Basic	126,277	126,208	126,387	126,170
Weighted average units outstanding - Diluted	126,373	126,693	126,490	126,636

(1) Refer to Note 2 to the unaudited consolidated financial statements in Part I, Item I of this Quarterly Report on Form 10-Q.

See notes to consolidated financial statements (unaudited).

URBAN EDGE PROPERTIES LP
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(Unaudited)
(In thousands, except unit and per unit amounts)

	Total Shares	General Partner	Total Units	Limited Partners[1]	Accumulated Earnings (Deficit)	NCI in Consolidated Subsidiaries	Total Equity
Balance, June 30, 2018	114,004,276	952,098	12,738,907	105,204	(35,797)	427	1,021,932
Net income attributable to unitholders	—	—	—	—	26,888	—	26,888
Net income attributable to noncontrolling interests	—	—	—	—	—	11	11
Common units issued as a result of common shares issued by Urban Edge	(7,779)	29	—	—	(38)	—	(9)
Equity redemption of OP units	179,110	1,472	(179,110)	—	—	—	1,472
Limited partnership units issued, net	—	—	348,729	—	—	—	—
Reallocation of noncontrolling interests	—	(1,641)	—	169	—	—	(1,472)
Distributions to Partners ($0.22 per unit)	—	—	—	—	(27,820)	—	(27,820)
Share-based compensation expense	—	1,142	—	1,101	9	—	2,252
Balance, September 30, 2018	114,175,607	$ 953,100	12,908,526	$ 106,474	$ (36,758)	$ 438	$ 1,023,254

(1) Limited partners have a 10.2% common limited partnership interest in the Operating Partnership as of September 30, 2018 in the form of units of interest in the Operating Partnership ("OP Units") and Long-Term Incentive Plan ("LTIP") units.

	Total Shares	General Partner	Total Units	Limited Partners[2]	Accumulated Earnings (Deficit)	NCI in Consolidated Subsidiaries	Total Equity
Balance, June 30, 2019	121,171,003	$ 1,016,682	6,201,228	$ 53,038	$ (60,461)	$ 427	$ 1,009,686
Net income attributable to unitholders	—	—	—	—	56,702	—	56,702
Net loss attributable to noncontrolling interests	—	—	—	—	—	(2)	(2)
Common units issued as a result of common shares issued by Urban Edge	2,350	(30)	—	—	(31)	—	(61)
Equity redemption of OP units	50,000	435	(50,000)	(2,726)	—	—	(2,291)
Cash redemption of OP units	—	(3,422)	(357,998)	(2,556)	—	—	(5,978)
Reallocation of noncontrolling interests	—	2,291	—	—	—	—	2,291
Distributions to Partners ($0.22 per unit)	—	—	—	—	(27,944)	—	(27,944)
Share-based compensation expense	—	1,310	—	2,000	—	—	3,310
Balance, September 30, 2019	121,223,353	$ 1,017,266	5,793,230	$ 49,756	$ (31,734)	$ 425	$ 1,035,713

(2) Limited partners have a 4.6% common limited partnership interest in the Operating Partnership as of September 30, 2019 in the form of units of interest in the OP Units and LTIP units.

See notes to consolidated financial statements (unaudited).

	Total Shares	General Partner	Total Units	Limited Partners[1]	Accumulated Earnings (Deficit)	NCI in Consolidated Subsidiaries	Total Equity
Balance, December 31, 2017	113,827,529	$ 947,540	12,812,954	$ 105,495	$ (62,898)	$ 404	$ 990,541
Net income attributable to unitholders	—	—	—	—	109,678	—	109,678
Net income attributable to noncontrolling interests	—	—	—	—	—	34	34
Common units issued as a result of common shares issued by Urban Edge	116,158	454	—	—	(139)	—	315
Equity redemption of OP units	249,110	2,043	(249,110)	—	—	—	2,043
Limited partnership units issued, net	—	—	344,682	—	—	—	—
Reallocation of noncontrolling interests	—	(21)	—	(2,022)	—	—	(2,043)
Distributions to Partners ($0.66 per unit)	—	—	—	—	(83,423)	—	(83,423)
Share-based compensation expense	—	3,469	—	3,001	24	—	6,494
Share-based awards retained for taxes	(17,190)	(385)	—	—	—	—	(385)
Balance, September 30, 2018	114,175,607	$ 953,100	12,908,526	$ 106,474	$ (36,758)	$ 438	$ 1,023,254

[1] Limited partners have a 10.2% common limited partnership interest in the Operating Partnership as of September 30, 2018 in the form of units of interest in the OP Units and LTIP units.

	Total Shares	General Partner	Total Units	Limited Partners[2]	Accumulated Earnings (Deficit)	NCI in Consolidated Subsidiaries	Total Equity
Balance, December 31, 2018	114,345,565	$ 957,563	12,736,633	$ 105,447	$ (57,482)	$ 449	$ 1,005,977
Net income attributable to unitholders	—	—	—	—	112,683	—	112,683
Net loss attributable to noncontrolling interests	—	—	—	—	—	(24)	(24)
Impact of ASC 842 adoption	—	—	—	—	(2,918)	—	(2,918)
Common units issued as a result of common shares issued by Urban Edge	47,372	354	—	—	(101)	—	253
Equity redemption of OP units	6,861,692	54,748	(6,861,692)	(2,726)	—	—	52,022
Cash redemption of OP units	—	(3,422)	(357,998)	(2,556)	—	—	(5,978)
Limited partnership units issued, net	—	—	276,287	—	—	—	—
Reallocation of noncontrolling interests	—	4,077	—	(56,099)	—	—	(52,022)
Distributions to Partners ($0.66 per unit)	—	—	—	—	(83,916)	—	(83,916)
Share-based compensation expense	—	4,579	—	5,690	—	—	10,269
Share-based awards retained for taxes	(31,276)	(633)	—	—	—	—	(633)
Balance, September 30, 2019	121,223,353	$ 1,017,266	5,793,230	$ 49,756	$ (31,734)	$ 425	$ 1,035,713

[2] Limited partners have a 4.6% common limited partnership interest in the Operating Partnership as of September 30, 2019 in the form of units of interest in the OP Units and LTIP units.

See notes to consolidated financial statements (unaudited).

URBAN EDGE PROPERTIES LP
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(In thousands)

	Nine Months Ended September 30,	
	2019	**2018**
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$ 112,659	$ 109,712
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	65,645	74,025
Casualty and impairment loss, net	9,070	—
Gain on sale of real estate	(68,219)	(52,625)
Gain on sale of lease	(1,849)	—
Gain on extinguishment of debt	—	(2,524)
Amortization of deferred financing costs	2,170	2,159
Amortization of below market leases, net	(13,933)	(29,767)
Amortization of right-of-use assets	6,329	—
Straight-lining of rent	120	(381)
Share-based compensation expense	10,269	6,494
Provision for doubtful accounts	—	2,588
Change in operating assets and liabilities:		
Tenant and other receivables	2,444	(12,812)
Deferred leasing costs	(3,239)	(3,441)
Prepaid and other assets	(2,377)	(1,359)
Accounts payable, accrued expenses and other liabilities	(3,496)	(3,947)
Net cash provided by operating activities	115,593	88,122
CASH FLOWS FROM INVESTING ACTIVITIES		
Real estate development and capital improvements	(71,005)	(90,703)
Acquisition of real estate	—	(4,931)
Proceeds from sale of operating properties	111,440	57,593
Proceeds from sale of operating lease	6,943	—
Insurance proceeds	12,677	1,300
Net cash provided by (used in) investing activities	60,055	(36,741)
CASH FLOWS FROM FINANCING ACTIVITIES		
Debt repayments	(3,907)	(3,153)
Debt issuance costs	(2,643)	—
Distributions to partners	(83,916)	(83,423)
Taxes withheld for vested restricted units	(633)	(385)
Proceeds related to the issuance of common shares	253	315
Payment for redemption of units	(5,978)	—
Net cash used in financing activities	(96,824)	(86,646)
Net increase (decrease) in cash and cash equivalents and restricted cash	78,824	(35,265)
Cash and cash equivalents and restricted cash at beginning of period	457,522	500,841
Cash and cash equivalents and restricted cash at end of period	$ 536,346	$ 465,576

See notes to consolidated financial statements (unaudited).

	Nine Months Ended September 30,	
	2019	2018
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash payments for interest, net of amounts capitalized of $1,277 and $2,769, respectively	$ 48,776	$ 49,549
Cash payments for income taxes	1,589	757
Cash payments for lease liabilities	8,205	—
NON-CASH INVESTING AND FINANCING ACTIVITIES		
Accrued capital expenditures included in accounts payable and accrued expenses	13,444	24,100
Write-off of fully depreciated and impaired assets	43,625	10,407
Operating lease liabilities arising from obtaining right-of-use assets	98,980	—
Mortgage debt forgiven in foreclosure	—	11,537
RECONCILIATION OF CASH AND CASH EQUIVALENTS AND RESTRICTED CASH		
Cash and cash equivalents at beginning of period	$ 440,430	$ 490,279
Restricted cash at beginning of period	17,092	10,562
Cash and cash equivalents and restricted cash at beginning of period	$ 457,522	$ 500,841
Cash and cash equivalents at end of period	$ 441,561	$ 449,307
Restricted cash at end of period	94,785	16,269
Cash and cash equivalents and restricted cash at end of period	$ 536,346	$ 465,576

See notes to consolidated financial statements (unaudited).

1. ORGANIZATION

Urban Edge Properties ("UE", "Urban Edge" or the "Company") (NYSE: UE) is a Maryland real estate investment trust focused on managing, developing, redeveloping, and acquiring retail real estate in urban communities, primarily in the New York metropolitan area. Urban Edge Properties LP ("UELP" or the "Operating Partnership") is a Delaware limited partnership formed to serve as UE's majority-owned partnership subsidiary and to own, through affiliates, all of the Company's real estate properties and other assets. Unless the context otherwise requires, references to "we", "us" and "our" refer to Urban Edge Properties and UELP and their consolidated entities/subsidiaries.

The Operating Partnership's capital includes general and common limited partnership interests in the operating partnership ("OP Units"). As of September 30, 2019, Urban Edge owned approximately 95.4% of the outstanding common OP Units with the remaining limited OP Units held by members of management, Urban Edge's Board of Trustees and contributors of property interests acquired. Urban Edge serves as the sole general partner of the Operating Partnership. The third-party unitholders have limited rights over the Operating Partnership such that they do not have characteristics of a controlling financial interest. As such, the Operating Partnership is considered a variable interest entity ("VIE"), and the Company is the primary beneficiary which consolidates it. The Company's only investment is the Operating Partnership. The VIE's assets can be used for purposes other than the settlement of the VIE's obligations and the Company's partnership interest is considered a majority voting interest.

As of September 30, 2019, our portfolio consisted of 73 shopping centers, four malls and a warehouse park, totaling approximately 15.0 million square feet ("sf").

2. BASIS OF PRESENTATION AND PRINCIPLES OF CONSOLIDATION

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") for interim financial information and with the instructions of Form 10-Q. Certain information and footnote disclosures included in our annual financial statements have been condensed or omitted. In the opinion of management, the consolidated financial statements contain all adjustments, consisting of normal recurring accruals, necessary to present fairly the financial position of the Company and the Operating Partnership and the results of operations and cash flows for the interim periods presented. Operating results for the three and nine months ended September 30, 2019 are not necessarily indicative of the results that may be expected for the fiscal year ending December 31, 2019. Accordingly, these consolidated financial statements should be read in conjunction with our consolidated financial statements and notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2018, as filed with the Securities Exchange Commission ("SEC").

The consolidated balance sheets as of September 30, 2019 and December 31, 2018 reflect the consolidation of wholly-owned subsidiaries and those entities in which we have a controlling financial interest. The consolidated statements of income for the three and nine months ended September 30, 2019 and 2018 include the consolidated accounts of the Company and the Operating Partnership. All intercompany transactions have been eliminated in consolidation.

In accordance with ASC 205 *Presentation of Financial Statements,* the Company reclassified Property rentals and Tenant reimbursement income to Rental revenue on its consolidated statements of income for the three and nine months ended September 30, 2019 and 2018, respectively, as reflected beginning on Form 10-K for the year ended December 31, 2018. Additionally, the Company includes credit losses related to operating lease receivables as a reduction to rental revenue in "Rental revenue" in the consolidated statements of income for the three and nine months ended September 30, 2019 due to the adoption of ("ASU 2016-02") ASC 842 *Leases.* Provision for doubtful accounts are included in "Property operating expenses" for the three and nine months ended September 30, 2018.

The Company includes real estate impairment charges, and casualty losses (gains) resulting from natural disasters in Casualty and impairment loss (gain), net on its consolidated statements of income for the three and nine months ended September 30, 2019 and 2018, respectively, as reflected in this Quarterly Report on Form 10-Q. Refer to Note 9 and Note 10 to the unaudited consolidated financial statements in Part I, Item I of this Quarterly Report on Form 10-Q for information regarding real estate impairment charges and casualty losses (gains), respectively.

Our primary business is the ownership, management, redevelopment, development and operation of retail shopping centers and malls. We do not distinguish our primary business or group our operations on a geographical basis for purposes of measuring performance. The Company's chief operating decision maker reviews operating and financial information for each property on an individual basis and therefore, each property represents an individual operating segment. None of our tenants accounted for more than 10% of our revenue or property operating income. We aggregate all of our properties into one reportable segment due to their similarities with regard to the nature and economics of the properties, tenants and operations, as well as long-term average financial performance.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Recently Issued Accounting Literature — Effective for the fiscal period beginning January 1, 2019, we adopted ("ASU 2016-02") ASC 842 *Leases,* which sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract (i.e. lessees and lessors). In connection with the adoption of ASU 2016-02, we also adopted (i) ASU 2019-01 *Leases (ASC 842): Codification Improvements*, (ii) ASU 2018-20 *Leases (ASC 842): Narrow-Scope Improvements for Lessors*, (iii) ASU 2018-11 *Leases (ASC 842): Targeted Improvements*, (iv) ASU 2018-10 *Codification Improvements to ASC 842, Leases* and (v) ASU 2018-01 *Leases (ASC 842): Land Easement Practical Expedient for Transition to Topic 842.*

We initially applied the standard at the beginning of the period of adoption through the transition method issued by ASU 2018-11 and have presented comparative periods under ASC 840 *Leases*. Due to the effects of applying ASC 842, the Company recognized a $2.9 million cumulative-effect adjustment to its accumulated deficit to adjust reserves on receivables from straight-line rents. The new standard requires lessees to apply a two-model approach, classifying leases as either finance or operating leases based on the principle of whether or not the lease is effectively a financed purchase by the lessee. This classification determines whether lease expense is recognized based on an effective interest method or on a straight-line basis over the term of the lease. A lessee is also required to record a right-of-use ("ROU") asset and a lease liability for all leases with a term of greater than 12 months regardless of their classification. The Company has elected the short-term lease recognition exemption, and therefore, leases with a term of 12 months or less are not recognized on the balance sheet. The new standard requires lessors to account for leases using an approach that is substantially equivalent to guidance for sales-type leases, direct financing leases and operating leases under ASC 840. For purposes of transition, we did not elect the hindsight practical expedient but did elect the land easement practical expedient to not reassess whether existing land easements contain leases and the practical expedient package, which has been applied consistently to all of our leases. As a result of electing the practical expedient package, we did not (i) reassess whether any expired or existing contracts are or contain leases, (ii) reassess the lease classification for any expired or existing leases or (iii) reassess initial direct costs for any existing leases.

From a lessee perspective, the initial adoption on January 1, 2019 resulted in the recognition of operating lease ROU assets and lease liabilities for 24 operating leases with an aggregate balance of $98.5 million and $93.6 million, respectively. On January 1, 2019, we also reclassified $11.9 million of acquired below-market lease intangibles and $7.1 million of accrued rent and adjusted the carrying values of our ROU assets by the corresponding amounts. If a finance lease is commenced in the future, a finance lease ROU asset and finance lease liability will be recognized on the balance sheet. The Company will recognize amortization of the finance lease ROU asset and interest expense on the lease liability. As of September 30, 2019, our operating lease ROU assets and lease liabilities were $83.5 million and $81.4 million, respectively, as presented on our consolidated balance sheet. The standard's adoption has also impacted the presentation of our consolidated income statement due to accounting for the lease and non-lease components as a single lease component for all classes of underlying assets, presented as lease expense on the consolidated statement of income. Prior to the adoption of ASC 842, related lease and non-lease expense amounts were recognized within lease expense, real estate taxes, property operating expenses and general administrative expenses on the consolidated statement of income.

From a lessor perspective, the adoption resulted in additional general and administrative expenses, attributable to internal leasing department costs not meeting the definition of initial direct costs under ASC 842. Capitalized internal leasing costs were $0.5 million for the nine months ended September 30, 2018. The standard's adoption has also impacted the presentation of our consolidated income statement due to accounting for lease and non-lease components as a single lease component, presented as rental revenue on the consolidated statement of income, however there has been no change in the timing of revenue recognition since adoption. Additionally, under the amendments issued in ASU 2018-20, the Company has accounted for common area maintenance expenses paid directly by tenants to third-parties as variable rental revenue and has reported the corresponding expense within property operating expenses. Real estate taxes and insurance expenses paid directly by tenants have not been recognized as rental revenue, real estate taxes and property operating expenses on the consolidated statements of income.

The adoption of this standard has also resulted in additional quantitative and qualitative footnote disclosures (refer to Note 8 Leases).

ASU 2016-13, *Financial Instruments - Credit Losses (ASC 326): Measurement of Credit Losses* will become effective for the fiscal period beginning January 1, 2020. ASU 2016-13 introduces a new model for estimating credit losses for certain types of financial instruments and also modifies the impairment model with new methodology for estimating credits losses. In November 2018, the FASB issued ASU 2018-19 *Codification Improvements to Topic 326, Financial Instruments—Credit Losses*, which included amendments to clarify receivables arising from operating leases are within the scope ASC 842. Due to the adoption of ASC 842, the Company includes credit losses related to operating lease receivables as a reduction to rental revenue in "Rental revenue" in the consolidated statements of income. The Company does not expect the adoption of ASU 2016-13 to have a material impact on our consolidated financial statements.

In August 2018, the FASB issued ASU 2018-13 *Disclosure Framework-Changes to the Disclosure Requirements for Fair Value Measurement* to ASC 820, *Fair Value Measurement*. ASU 2018-13 modifies the disclosure requirements for fair value measurements by removing, modifying, and/or adding certain disclosures. ASU 2018-13 is effective for interim and annual reporting periods in fiscal years beginning after December 15, 2019. We elected to early adopt ASU 2018-13 effective January 1, 2019. The adoption of this update did not have a material impact on our consolidated financial statements and disclosures.

Any other recently issued accounting standards or pronouncements not disclosed above have been excluded as they are not relevant to the Company or the Operating Partnership, or they are not expected to have a material impact on our consolidated financial statements.

4. ACQUISITIONS AND DISPOSITIONS

Acquisitions

During the nine months ended September 30, 2019, no acquisitions were completed by the Company.

As of September 30, 2019, we were under contract to purchase an office building in Maywood, NJ, adjacent to our existing property, Bergen Town Center. The building is subject to a ground lease, in which the Company will acquire the lessee position for a purchase price of $7.1 million. The transaction is scheduled to close by the end of 2019.

As of September 30, 2019, we were also under contract to purchase a retail outparcel in Paramus, NJ, adjacent to our existing property, Bergen Town Center, for a gross purchase price of $6.6 million. The transaction is scheduled to close by the end of 2019.

We are also under contract to purchase one property located in the Boston metropolitan area for a gross purchase price of $24.5 million.

The completion of these transactions are contingent on satisfying closing conditions. The Company’s pending acquisitions will serve as 1031 exchanges for the Company’s dispositions and the required equity will be funded using proceeds from dispositions.

Dispositions

During the three months ended September 30, 2019, we disposed of six properties and received proceeds of $77.6 million, net of selling costs, resulting in a $39.7 million net gain on sale of real estate. During the nine months ended September 30, 2019, we disposed of eight properties and received proceeds of $111.4 million, net of selling costs, resulting in a $68.2 million net gain on sale of real estate.

During the three and nine months ended September 30, 2019, the Company also sold its lessee position in one of its ground leases and received proceeds of $6.9 million, net of selling costs, and derecognized the lease’s ROU asset and corresponding lease liability. We recognized a gain on sale of lease of $1.8 million on our consolidated statements of income during the three and nine months ended September 30, 2019 as a result of the sale.

Real Estate Held for Sale

As of September 30, 2019, our property in Lawnside, NJ was classified as held for sale based on an executed contract of sale with a third-party buyer. The Company classifies properties as held for sale when executed contract contingencies have been satisfied, which signify that the sale is legally binding. The aggregate asset amount of this property was $3.5 million, and was included in prepaid expenses and other assets in our consolidated balance sheets as of September 30, 2019.

5. IDENTIFIED INTANGIBLE ASSETS AND LIABILITIES

Our identified intangible assets (acquired in-place and above-market leases) and liabilities (acquired below-market leases), net of accumulated amortization were $49.5 million and $129.1 million, respectively, as of September 30, 2019 and $68.4 million and $144.3 million, respectively, as of December 31, 2018.

Amortization of acquired below-market leases, net of acquired above-market leases resulted in additional rental income of $2.1 million and $13.9 million for the three and nine months ended September 30, 2019, respectively, and $19.3 million and $29.8 million for the same periods in 2018.

Amortization of acquired in-place leases and customer relationships resulted in additional depreciation and amortization expense of $1.7 million and $5.7 million for the three and nine months ended September 30, 2019, respectively, and $2.7 million and $11.2 million for the same periods in 2018.

The following table sets forth the estimated annual amortization income and expense related to intangible assets and liabilities for the remainder of 2019 and the five succeeding years:

(Amounts in thousands)	**Below-Market**	**Above-Market**	
Year	**Operating Lease Amortization**	**Operating Lease Amortization**	**In-Place Leases**
2019[(1)]	$ 2,402	$ (282)	$ (1,701)
2020	9,547	(996)	(6,124)
2021	9,409	(797)	(4,934)
2022	9,332	(433)	(4,032)
2023	9,285	(327)	(3,702)
2024	9,038	(266)	(3,264)

(1) Remainder of 2019.

6. MORTGAGES PAYABLE

The following is a summary of mortgages payable as of September 30, 2019 and December 31, 2018.

(Amounts in thousands)	Maturity	Interest Rate at September 30, 2019	September 30, 2019	December 31, 2018
First mortgages secured by:				
Variable rate				
Cherry Hill (Plaza at Cherry Hill)[1]	5/24/2022	3.70%	$ 28,930	$ 28,930
Westfield (One Lincoln Plaza)[1]	5/24/2022	3.70%	4,730	4,730
Woodbridge (Plaza at Woodbridge)[1]	5/25/2022	3.70%	55,340	55,340
Jersey City (Hudson Commons)[2]	11/15/2024	4.00%	29,000	29,000
Watchung[2]	11/15/2024	4.00%	27,000	27,000
Bronx (1750-1780 Gun Hill Road)[2]	12/1/2024	4.00%	24,500	24,500
Total variable rate debt			169,500	169,500
Fixed rate				
Montehiedra (senior loan)	7/6/2021	5.33%	83,484	84,860
Montehiedra (junior loan)	7/6/2021	3.00%	30,000	30,000
Bergen Town Center - West, Paramus	4/8/2023	3.56%	300,000	300,000
Bronx (Shops at Bruckner)	5/1/2023	3.90%	11,132	11,582
Jersey City (Hudson Mall)[4]	12/1/2023	5.07%	23,803	24,326
Yonkers Gateway Center[5]	4/6/2024	4.16%	30,524	31,704
Las Catalinas	8/6/2024	4.43%	129,843	130,000
Brick	12/10/2024	3.87%	50,000	50,000
North Plainfield	12/10/2025	3.99%	25,100	25,100
Middletown	12/1/2026	3.78%	31,400	31,400
Rockaway	12/1/2026	3.78%	27,800	27,800
East Hanover (200 - 240 Route 10 West)	12/10/2026	4.03%	63,000	63,000
North Bergen (Tonnelle Ave)	4/1/2027	4.18%	100,000	100,000
Manchester	6/1/2027	4.32%	12,500	12,500
Millburn	6/1/2027	3.97%	23,901	24,000
Totowa	12/1/2027	4.33%	50,800	50,800
Woodbridge (Woodbridge Commons)	12/1/2027	4.36%	22,100	22,100
East Brunswick	12/6/2027	4.38%	63,000	63,000
East Rutherford	1/6/2028	4.49%	23,000	23,000
Hackensack	3/1/2028	4.36%	66,400	66,400
Marlton	12/1/2028	3.86%	37,400	37,400
East Hanover Warehouses	12/1/2028	4.09%	40,700	40,700
Union (2445 Springfield Ave)	12/10/2028	4.01%	45,600	45,600
Freeport (Freeport Commons)	12/10/2029	4.07%	43,100	43,100
Garfield	12/1/2030	4.14%	40,300	40,300
Mt Kisco[3]	11/15/2034	6.40%	13,616	13,987
Total fixed rate debt			1,388,503	1,392,659
Total mortgages payable			1,558,003	1,562,159
Unamortized debt issuance costs			(10,517)	(11,917)
Total mortgages payable, net of unamortized debt issuance costs			$ 1,547,486	$ 1,550,242

(1) Bears interest at one month LIBOR plus 160 bps.

(2) Bears interest at one month LIBOR plus 190 bps.

(3) The mortgage payable balance on the loan secured by Mt Kisco includes $0.9 million and $1.0 million of unamortized debt discount as of September 30, 2019 and December 31, 2018, respectively. The effective interest rate including amortization of the debt discount is 7.33% as of September 30, 2019.

(4) The mortgage payable balance on the loan secured by Hudson Mall includes $1.1 million and $1.2 million of unamortized debt premium as of September 30, 2019 and December 31, 2018, respectively. The effective interest rate including amortization of the debt premium is 3.87% as of September 30, 2019.

(5) The mortgage payable balance on the loan secured by Yonkers Gateway Center includes $0.6 million and $0.7 million of unamortized debt premium as of September 30, 2019 and December 31, 2018, respectively. The effective interest rate including amortization of the debt premium is 3.77% as of September 30, 2019.

The net carrying amount of real estate collateralizing the above indebtedness amounted to approximately $1.2 billion as of September 30, 2019. Our mortgage loans contain covenants that limit our ability to incur additional indebtedness on these properties and in certain circumstances require lender approval of tenant leases and/or yield maintenance upon repayment prior to maturity. As of September 30, 2019, we were in compliance with all debt covenants.

During 2017, our property in Englewood, NJ was transferred to a receiver. On January 31, 2018, our property in Englewood, NJ was sold at a foreclosure sale and on February 23, 2018, the court order was received approving the sale and discharging the receiver of all assets and liabilities related to the property. We recognized a gain on extinguishment of debt of $2.5 million as a result of the forgiveness of outstanding mortgage debt of $11.5 million, which is included in gain on extinguishment of debt in the consolidated statement of income for the nine months ended September 30, 2018.

As of September 30, 2019, the principal repayments for the next five years and thereafter are as follows:

(Amounts in thousands)		
Year Ending December 31,		
2019(1)	$	1,472
2020		7,515
2021		122,645
2022		99,976
2023		344,368
2024		274,316
Thereafter		707,711

(1) Remainder of 2019.

On January 15, 2015, we entered into a $500 million Revolving Credit Agreement (the "Agreement") with certain financial institutions. On March 7, 2017, we amended and extended the Agreement. The amendment increased the credit facility size by $100 million to $600 million and extended the maturity date to March 7, 2021 with two six-month extension options. On July 29, 2019, we entered into a second amendment to the Agreement to extend the maturity date to January 29, 2024 with two six-month extension options. Company borrowings under the Agreement are subject to interest at LIBOR plus 1.05% to 1.50% and an annual facility fee of 15 to 30 basis points. Both the spread over LIBOR and the facility fee are based on our current leverage ratio and are subject to increase if our leverage ratio increases above predefined thresholds. The Agreement contains customary financial covenants including a maximum leverage ratio of 60% and a minimum fixed charge coverage ratio of 1.5x. No amounts have been drawn to date under the Agreement. Financing fees associated with the Agreement of $4.1 million and $2.2 million as of September 30, 2019 and December 31, 2018, respectively, are included in deferred financing fees, net in the consolidated balance sheets.

7. INCOME TAXES

The Company elected to be taxed as a REIT under sections 856-860 of the Internal Revenue Code of 1986, as amended (the "Code"), commencing with the filing of its 2015 tax return for its tax year ended December 31, 2015. With exception to the Company's taxable REIT subsidiary ("TRS"), to the extent the Company meets certain requirements under the Code, the Company will not be taxed on its federal taxable income. If we fail to qualify as a REIT for any taxable year, we will be subject to federal income taxes at regular corporate rates (including any alternative minimum tax, which, for corporations, was repealed under the Tax Cuts and Jobs Act ("TCJA") for tax years beginning after December 31, 2017) and may not be able to qualify as a REIT for the four subsequent taxable years. In addition to its TRS, the Company is subject to certain foreign and state and local income taxes, including a 29% non-resident withholding tax on its two Puerto Rico malls, which are included in income tax expense in the consolidated statements of income. The Company is also subject to certain other taxes, including state and local franchise taxes which are included in general and administrative expenses in the consolidated statements of income.

On December 22, 2017, the TCJA was signed into law. The TCJA amends the Internal Revenue Code to reduce tax rates and modify policies, credits, and deductions for individuals and businesses. Effective January 1, 2018, for businesses, the TCJA reduces the corporate tax rate from a maximum of 35% to a flat 21% rate. Since UE has elected to qualify as a REIT under sections 856-860 of the Internal Revenue Code with intent to distribute 100% of its taxable income and did not have any activities in a Taxable REIT Subsidiary ("TRS") prior to January 1, 2018, there was no impact from the provisions of the TCJA to the Company's financial statements.

On December 31, 2017, the Company elected, for tax purposes, to treat the wholly-owned limited partnership that held its Allentown property as a TRS. A TRS is a corporation, other than a REIT, in which we directly or indirectly hold stock, which has made a joint election with us to be treated as a TRS under Section 856(l) of the Code. A TRS is required to pay regular U.S. federal income tax, and state and local income tax where applicable, as a non-REIT "C" corporation. The Allentown legal entity restructuring resulted in a capital gain recognized for tax purposes in 2017 and a step up in tax basis to the Allentown property resulting in no capital gains recognized for tax purposes in 2018 upon the property's sale on April 26, 2018. The Company's consolidated financial statements for the three and nine months ended September 30, 2018 reflect the TRS' federal and state corporate income taxes associated with the operating activities at the TRS. The tax expense recorded in association with the operating activities of the TRS was $0.2 million for the nine months ended September 30, 2018. As of December 31, 2018, the Allentown TRS has been dissolved and as such, the Company's consolidated financial statements for the three and nine months ended September 30, 2019 do not reflect any corporate income taxes associated with such TRS.

During the nine months ended September 30, 2019, certain non-real estate operating activities, non-qualifying for REIT purposes, commenced through the Company's operating TRS and are subject to federal, state and local income taxes. These income taxes are included in the income tax expense in the consolidated statements of income.

Our two Puerto Rico malls are subject to a 29% non-resident withholding tax which is included in income tax expense in the consolidated statements of income. The Puerto Rico tax expense recorded was $0.1 million for the three months ended September 30, 2019 and 2018, respectively, and $1.2 million and $0.5 million for the nine months ended September 30, 2019 and 2018, respectively. Both properties are held in a special partnership for Puerto Rico tax reporting (the general partner being a qualified REIT subsidiary or "QRS").

The REIT and the other minority members are partners in the Operating Partnership. As such, the partners are required to report their share of taxable income on their tax returns.

8. LEASES

Leases — We have approximately 1,100 operating leases at our retail shopping centers and malls, which generate rental income from tenants and operating cash flows for the Company. Our tenant leases are dependent on the Company, as lessor, agreeing to provide our tenants with the right to control the use of our real estate assets, as lessees. Our real estate assets are comprised of retail shopping centers and malls. Tenants agree to use and control their agreed upon space for their business purposes. Thus, our tenants obtain substantially all of the economic benefits from the use of our shopping center space and have the right to direct how and for what purpose the real estate space is used throughout the period of use. Given these contractual terms, the Company has determined that all tenant contracts of this nature contain a lease. The Company assesses lease classification for each new and modified lease. All new and modified leases commenced in the nine months ended September 30, 2019 have been assessed and classified as operating leases.

Contractual rent increases of renewal options are often fixed at the time of the initial lease agreement which may result in tenants being able to exercise their renewal options at amounts that are less than the fair value of the rent at the date of renewal. In addition to fixed base rents, certain rental income derived from our tenant leases is variable and may be dependent on percentage rent or the Consumer Price Index ("CPI"). Variable lease payments from percentage rents are earned by the Company in the event the tenant's gross sales exceed certain amounts. Terms of percentage rent are agreed upon in the tenant's lease and will vary based on the tenant's sales. Variable lease payments dependent on the CPI, will change in accordance with the corresponding increase or decrease in CPI if negotiated and agreed upon in the tenant's lease. Variable lease payments dependent on percentage rent and the CPI were $0.9 million for the nine months ended September 30, 2019. Variable lease payments also arise from tenant expense reimbursements, which provide for the recovery of all or a portion of the operating expenses, common area maintenance expenses, real estate taxes, insurance and capital improvements of the respective property and amounted to $78.2 million in the nine months ended September 30, 2019. The Company accounts for variable lease payments as "Rental revenue" on the consolidated statement of income in the period in which the changes in facts and circumstances on which the variable lease payments are based occur.

The Company also has 19 properties in its portfolio either completely or partially on land or a building that are owned by third parties. These properties are leased or subleased to us pursuant to ground or building leases, with remaining terms ranging from less than two years to over 80 years and provide us the right to operate each such property. We also lease or sublease real estate for our three corporate offices with remaining terms ranging from one to two years. ROU assets are recorded for these leases, which represent our right to use an underlying asset for the lease term and lease liabilities represent our obligation to make lease payments arising from these leases. ROU assets and lease liabilities are recognized at the lease commencement date based on the estimated present value of lease payments over the lease term. The initial measurement of a ROU asset may differ from the initial measurement of the lease liability due to initial direct costs, prepaid lease payments and lease incentives. As of September 30, 2019, no other contracts have been identified as leases. Our leases often offer renewal options, which we assess against relevant economic factors to determine whether the Company is reasonably certain of exercising or not exercising the option. Lease payments associated with renewal periods, for which the Company has determined are reasonably certain of being exercised, are included in the measurement of the corresponding lease liability and ROU asset. During the nine months ended September 30, 2019, the Company reassessed the lease term of one of its ground leases due to a change in circumstances in our election to renew the ground lease. As a result of this reassessment, the Company remeasured the lease liability by using revised inputs as of the reassessment date and recorded an additional ROU asset and lease liability of $5.0 million, respectively. During the three and nine months ended September 30, 2019, the Company sold its lessee position in one of its operating ground leases for $6.9 million, net of selling costs, and derecognized the lease’s ROU asset and corresponding lease liability. We recognized a gain on sale of lease of $1.8 million on our consolidated statements of income during the three and nine months ended September 30, 2019 as a result of the sale. Additionally, on July 31, 2019, the Company’s lessee position in one of its ground leases expired in accordance with the terms of the lease.

The discount rate applied to measure each ROU asset and lease liability is based on the incremental borrowing rate of the lease due to the rate implicit in the lease not being readily determinable. The Company initially considers the general economic environment and factors in various financing and asset specific secured borrowings so that the overall incremental borrowing rate is appropriate to the intended use of the lease. Certain expenses derived from these leases are variable and are not included in the measurement of the corresponding lease liability and ROU asset, but are recognized in the period in which the obligation for those payments is incurred. These variable lease payments consist of payments for real estate taxes and common area maintenance, which is dependent on projects and activities at each individual property under ground or building lease.

Accounts Receivable and Changes in Collectibility Assessment — Accounts receivable includes unpaid amounts billed to tenants, disputed enforceable charges and accrued revenues for future billings to tenants for property expenses. We periodically evaluate the collectibility of amounts due from tenants and disputed enforceable charges, resulting from the inability of tenants to make required payments under their lease agreements. We recognize changes in the collectibility assessment of these operating leases as adjustments to rental revenue. Management exercises judgment in assessing collectibility and considers payment history and current credit status. Accounts receivable are written-off directly when they are deemed to be uncollectible.

Leases as lessor

We have approximately 1,100 operating leases at our retail shopping centers and malls, which generate rental income from tenants and operating cash flows for the Company. Our tenant base comprises a diverse group of merchants including department stores, supermarkets, discounters, entertainment offerings, health clubs, DIY stores, in-line specialty shops, restaurants and other food and beverage vendors and service providers. Tenant leases for under 10,000 sf generally have lease terms of five years or less. Tenant leases for 10,000 sf or more are considered anchor leases and generally have lease terms of 10 to 25 years, with one or more renewal options available upon expiration of the initial lease term. Contractual rent increases for the renewal options are often fixed at the time of the initial lease agreement which may result in tenants being able to exercise their renewal options at amounts that are less than the fair value of the rent at the date of renewal.

The components of rental revenue for the three and nine months ended September 30, 2019 were as follows:

(Amounts in thousands)	Three Months Ended September 30, 2019	Nine Months Ended September 30, 2019
Rental Revenue		
Fixed lease revenue	$ 66,478	$ 209,858
Variable lease revenue	24,291	79,707
Total rental revenue	$ 90,769	$ 289,565

Maturity analysis of lease payments as lessor

The Company's operating leases are disclosed in the aggregate due to their consistent nature as real estate leases. As of September 30, 2019, the undiscounted cash flows to be received from lease payments of our operating leases on an annual basis for the next five years and thereafter are as follows:

(Amounts in thousands) Year Ending December 31,	
2019[1]	$ 65,142
2020	253,409
2021	234,944
2022	217,097
2023	193,934
2024	160,771
Thereafter	861,213
Total undiscounted cash flows	$ 1,986,510

[1] Remainder of 2019.

As of December 31, 2018, future base rental revenue under non-cancelable operating leases, under ASC 840 as lessor, was as follows:

(Amounts in thousands) Year Ending December 31,	
2019	$ 256,598
2020	235,652
2021	216,247
2022	198,449
2023	176,282
Thereafter	986,865

These future minimum amounts do not include additional rents based on a percentage of tenants' sales and tenant expense reimbursements. For the year ended December 31, 2018, rental revenue from percentage rent was $2.0 million. For the year ended December 31, 2018, rental revenue from tenant expense reimbursements was $108.7 million.

Property, plant and equipment under operating leases as lessor

As of September 30, 2019, substantially all of the Company's real estate assets are subject to operating leases.

Leases as lessee

As of September 30, 2019, the Company had 19 properties in its portfolio either completely or partially on land or a building that was owned by third parties. These properties are leased or subleased to us pursuant to ground or building leases, with remaining terms ranging from less than two years to over 80 years and provide us the right to operate the property. We also lease or sublease real estate for our three corporate offices with remaining terms ranging from one to two years.

The components of lease expense for the three and nine months ended September 30, 2019 were as follows:

(Amounts in thousands)	Three Months Ended September 30, 2019	Nine Months Ended September 30, 2019
Lease expense		
Operating lease cost[1]	$ 2,890	$ 8,998
Variable lease cost	596	2,039
Total lease expense	$ 3,486	$ 11,037

[1] During the three and nine months ended September 30, 2019, the Company recognized sublease income of $4.9 million and $15.1 million, respectively, included in rental revenue on the consolidated statement of income in relation to certain ground and building lease arrangements. Operating lease cost includes amortization of below-market ground lease intangibles and straight-line lease expense.

Supplemental balance sheet information related to leases was as follows:

	September 30, 2019
Supplemental noncash information	
Weighted-average remaining lease term - operating leases	16.1 years
Weighted-average discount rates - operating leases	3.97%

Maturity analysis of lease payments as lessee

The undiscounted cash flows to be paid on an annual basis for the next five years and thereafter are presented in the table below. The total amount of lease payments, on an undiscounted basis, are reconciled to the lease liability on the consolidated balance sheet by considering the present value discount.

(Amounts in thousands)	
Year Ending December 31,	
2019[1]	$ 2,446
2020	9,228
2021	8,639
2022	8,658
2023	8,456
2024	8,463
Thereafter	68,956
Total undiscounted cash flows	114,846
Present value discount	(33,418)
Discounted cash flows	$ 81,428

[1] Remainder of 2019.

As of December 31, 2018, future lease payments under operating lease agreements, including extension options if reasonably assured of being exercised, under ASC 840 as lessee, were as follows:

(Amounts in thousands)	
Year Ending December 31,	
2019	$ 10,640
2020	9,614
2021	8,957
2022	8,982
2023	8,850
Thereafter	85,535

9. FAIR VALUE MEASUREMENTS

ASC 820, *Fair Value Measurement and Disclosures* defines fair value and establishes a framework for measuring fair value. The objective of fair value is to determine the price that would be received upon the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (the exit price). ASC 820 establishes a fair value hierarchy that prioritizes observable and unobservable inputs used to measure fair value into three levels: Level 1 - quoted prices (unadjusted) in active markets that are accessible at the measurement date for assets or liabilities; Level 2 - observable prices based on inputs not quoted in active markets, but corroborated by market data; and Level 3 - unobservable inputs used when little or no market data is available. The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. In determining fair value, we utilize valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible as well as consider counterparty credit risk in our assessment of fair value.

Financial Assets and Liabilities Measured at Fair Value on a Recurring or Non-Recurring Basis

There were no financial assets or liabilities measured at fair value on a recurring or non-recurring basis as of September 30, 2019 and December 31, 2018.

Financial Assets and Liabilities not Measured at Fair Value

Financial assets and liabilities that are not measured at fair value on the consolidated balance sheets include cash and cash equivalents and mortgages payable. Cash and cash equivalents are carried at cost, which approximates fair value. The fair value of mortgages payable is calculated by discounting the future contractual cash flows of these instruments using current risk-adjusted rates available to borrowers with similar credit ratings, which are provided by a third-party specialist. The fair value of cash and cash equivalents is classified as Level 1 and the fair value of mortgages payable is classified as Level 2. The table below summarizes the carrying amounts and fair value of these financial instruments as of September 30, 2019 and December 31, 2018.

	As of September 30, 2019		As of December 31, 2018	
(Amounts in thousands)	**Carrying Amount**	**Fair Value**	**Carrying Amount**	**Fair Value**
Assets:				
Cash and cash equivalents	$ 441,561	$ 441,561	$ 440,430	$ 440,430
Liabilities:				
Mortgages payable(1)	$ 1,558,003	$ 1,599,896	$ 1,562,159	$ 1,543,963

(1) Carrying amounts exclude unamortized debt issuance costs of $10.5 million and $11.9 million as of September 30, 2019 and December 31, 2018, respectively.

Nonfinancial Assets and Liabilities Measured at Fair Value on a Non-Recurring Basis

We assess the carrying value of our properties for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

During the three months ended June 30, 2019, the Company recognized impairment charges of $18.7 million on two retail properties that the Company intends to market and sell within the next two years. The impairment loss was calculated as the difference between the assets' individual carrying values and the estimated aggregated fair values of $28.5 million, less estimated selling costs. We also recognized a $4.0 million impairment charge on an additional property during the three months ended March 31, 2019 as a result of the loss of a significant tenant at the property. The valuation of these properties were based on comparable sale transactions in the properties' surrounding areas. The Company believes the inputs utilized to measure the fair values were reasonable in the context of applicable market conditions, however due to the significance of the unobservable inputs in the overall fair value measures, including market conditions and expectations for growth, the Company determined that such fair value measurements are classified as Level 3. Aggregate impairment charges of $22.7 million are included as an expense within casualty and impairment loss (gain), net on our consolidated statements of income for the nine months ended September 30, 2019.

10. COMMITMENTS AND CONTINGENCIES

There are various legal actions against us in the ordinary course of business. After consultation with legal counsel, the outcome of such matters will not have a material adverse effect on our financial condition, results of operations or cash flows.

Redevelopment

As of September 30, 2019, we had approximately $42.5 million of active development, redevelopment and anchor repositioning projects underway, of which $8.3 million remains to be funded. Based on current plans and estimates, we anticipate the remaining amounts will be expended over the next two years.

Insurance

The Company maintains (i) general liability insurance with limits of $200 million for properties in the U.S. and Puerto Rico and (ii) all-risk property insurance with limits of $500 million per occurrence and in the aggregate for properties in the U.S. and $139 million for properties in Puerto Rico, subject to the terms, conditions, exclusions, deductibles and sub-limits when applicable for certain perils such as floods and earthquakes and (iii) numerous other insurance policies including trustees' and officers' insurance, workers' compensation and automobile-related liabilities insurance. The Company's insurance includes coverage for acts of terrorism but excludes coverage for nuclear, biological, chemical or radiological terrorism events as defined by the Terrorism Risk Insurance Program Reauthorization Act, which expires in December 2020. In addition, the Company maintains coverage for certain cybersecurity losses with limits of $5 million per occurrence and in the aggregate providing first and third-party coverage including network interruption, event management, cyber extortion and claims for media content, security and privacy liability. Insurance premiums are typically charged directly to each of the retail properties and warehouses but not all of the cost of such premiums are recovered. The Company is responsible for deductibles, losses in excess of insurance coverage, and the portion of premiums not reimbursable by tenants at our properties, which could be material.

We continue to monitor the state of the insurance market and the scope and costs of available coverage. We cannot anticipate what coverage will be available on commercially reasonable terms in the future and expect premiums across most coverage lines to increase in light of recent events. The incurrence of uninsured losses, costs or uncovered premiums could materially and adversely affect our business, results of operations and financial condition.

Certain of our loans and other agreements contain customary covenants requiring the maintenance of insurance coverage. Although we believe that we currently have adequate insurance coverage for purposes of these agreements, we may not be able to obtain an equivalent amount of coverage at reasonable costs in the future. If lenders or other counterparties insist on greater coverage than we are able to obtain, such requirement could materially and adversely affect our ability to finance our properties and expand our portfolio.

Tornado-Related Charges

On June 13, 2018, a tornado hit our shopping center in Wilkes-Barre, PA, damaging approximately 13% of the property's gross leasable area. During the nine months ended September 30, 2019, the Company settled the related insurance claim with its carrier for $5.5 million. Of this amount, the Company recognized $4.8 million as a casualty gain in the nine months ended September 30, 2019. As part of the settlement, the Company recognized $0.3 million as business interruption proceeds within rental revenue for the nine months ended September 30, 2019.

Hurricane-Related Charges

On September 20, 2017, Hurricane Maria made landfall, damaging our two properties in Puerto Rico. During the nine months ended September 30, 2018, the Company received $1.5 million in casualty insurance proceeds, which were partially offset by $0.3 million of hurricane related costs, resulting in net casualty gains of $1.2 million included in casualty and impairment loss (gain), net on the accompanying consolidated statements of income.

During the three and nine months ended September 30, 2018, the Company recognized a $0.1 million net casualty gain and $0.4 million of business interruption losses, respectively. For the nine months ended September 30, 2018, losses of $0.8 million pertained to rent abatements due to tenants that had not reopened since the hurricane, recorded as a reduction of rental revenue, offset by a $0.4 million reversal within property operating expenses to provision for doubtful accounts for payments received from tenants on rents previously reserved.

In June 2019, the Company reached a settlement agreement with its carrier regarding its final insurance recovery related to Hurricane Maria for $14.3 million, of which $3.3 million was previously received, subject to deductibles of $2.3 million. We recognized an $8.7 million casualty gain in the nine months ended September 30, 2019 as a result of the remaining insurance proceeds from the settlement agreement for our two malls in Puerto Rico.

Environmental Matters

Each of our properties has been subjected to varying degrees of environmental assessment at various times. Based on these assessments, we have accrued costs of $1.6 million and $1.7 million on our consolidated balance sheets as of September 30, 2019 and December 31, 2018, respectively, for remediation costs for environmental contamination at certain properties. While this accrual reflects our best estimates of the potential costs of remediation at these properties, there can be no assurance that the actual costs will not exceed these amounts. During the nine months ended September 30, 2018, the Company recognized $0.6 million of environmental remediation costs within property operating expenses on the consolidated statements of income. Although we are not aware of any other material environmental contamination, there can be no assurance that the identification of new areas of contamination, changes in the extent or known scope of contamination, the discovery of additional sites, or changes in cleanup requirements would not result in significant costs to us.

Bankruptcies

Although our rental revenue is supported by long-term leases, leases may be rejected in a bankruptcy proceeding and the related tenant stores may permanently vacate prior to lease expiration. In the event a tenant with a significant number of leases or square footage in our shopping centers files for bankruptcy and rejects its leases with us, we could experience a reduction in our revenues. We monitor the operating performance and rent collections of all tenants in our shopping centers, especially those tenants in arrears or operating retail formats that are experiencing significant changes in competition, business practice, or store closings in other locations.

Sears Holdings Corporation ("Sears"), the parent company of Kmart, filed for Chapter 11 bankruptcy protection on October 15, 2018. The Company had four Kmart leases comprising approximately 547,000 sf, which generated $8.5 million in annual rental revenue. In January 2019, Sears announced the acquisition of its assets by ESL Investments ("ESL") for approximately $5.2 billion. Property rents were paid on all four Kmart locations through April 2019. In April 2019, our Kmart leases at Las Catalinas and Huntington, NY were rejected and we recognized a $7.4 million write-off of the below-market intangible liability connected with the lease in Huntington, NY (classified within rental revenues). ESL assumed the Company's remaining two Kmart leases at Montehiedra and at Bruckner Commons. The Company is monitoring the proceedings and considering its alternatives.

During the three and nine months ended September 30, 2019, the Company received $0.1 million and $1.2 million of bankruptcy settlement income in connection with the bankruptcy proceedings of Toys "R" Us Inc. ("Toys "R" Us"). The settlement proceeds were used to offset outstanding credit losses and the remaining proceeds were recorded to other income. Prior to liquidation in 2018, the Company had leases with Toys "R" Us at nine locations with annual gross rents of $7.6 million. No determination has been made as to the amount or timing of additional bankruptcy settlement proceeds, if any, that may be received.

11. PREPAID EXPENSES AND OTHER ASSETS

The following is a summary of the composition of the prepaid expenses and other assets in the consolidated balance sheets:

	Balance at	
(Amounts in thousands)	**September 30, 2019**	**December 31, 2018**
Assets held for sale	$ 3,453	$ —
Other assets	4,289	2,765
Prepaid expenses:		
Real estate taxes	6,513	6,911
Insurance	3,165	2,509
Licenses/fees	1,529	783
Total Prepaid expenses and other assets	$ 18,949	$ 12,968

12. ACCOUNTS PAYABLE, ACCRUED EXPENSES AND OTHER LIABILITIES

The following is a summary of the composition of accounts payable, accrued expenses other liabilities in the consolidated balance sheets:

	Balance at	
(Amounts in thousands)	**September 30, 2019**	**December 31, 2018**
Deferred tenant revenue	$ 27,305	$ 28,697
Accrued capital expenditures and leasing costs	17,669	29,754
Accrued interest payable	9,398	8,950
Security deposits	5,827	5,396
Deferred tax liability, net	5,279	5,532
Accrued payroll expenses	4,941	5,747
Other liabilities and accrued expenses	9,742	7,371
Accrued rent[1]	—	7,070
Total accounts payable, accrued expenses and other liabilities	$ 80,161	$ 98,517

[1] In connection with the adoption of ASC 842 on January 1, 2019, we reclassified $7.1 million of accrued rent and adjusted the carrying values of our ROU assets by the corresponding amount.

13. INTEREST AND DEBT EXPENSE

The following table sets forth the details of interest and debt expense in the consolidated statements of income:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(Amounts in thousands)	**2019**	**2018**	**2019**	**2018**
Interest expense	$ 16,131	$ 16,036	$ 47,699	$ 45,900
Amortization of deferred financing costs	730	720	2,170	2,159
Total Interest and debt expense	$ 16,861	$ 16,756	$ 49,869	$ 48,059

14. EQUITY AND NONCONTROLLING INTEREST

At-The-Market Program

In 2016, the Company established an at-the-market ("ATM") equity program, pursuant to which the Company may offer and sell from time to time its common shares, par value $0.01 per share, with an aggregate gross sales price of up to $250.0 million through a consortium of broker dealers acting as sales agents. During the three and nine months ended September 30, 2019 and 2018, respectively, no common shares were issued under the ATM equity program. The Company's ATM program expired in August 2019. We had no obligation to sell the remaining shares available under the ATM equity program.

Dividends and Distributions

During the three months ended September 30, 2019 and 2018, respectively, the Company declared dividends on our common shares and OP unit distributions of $0.22 per share/unit. During the nine months ended September 30, 2019 and 2018, respectively, the Company declared dividends on our common shares and OP unit distributions of $0.66 per share/unit in the aggregate.

Noncontrolling Interests in Operating Partnership

Redeemable noncontrolling interests reflected on the consolidated balance sheets of the Company are comprised of OP units and limited partnership interests in the Operating Partnership in the form of LTIP unit awards. LTIP unit awards were granted to certain executives pursuant to our 2015 Omnibus Share Plan (the "Omnibus Share Plan") and our 2018 Inducement Equity Plan (the "Inducement Plan"). OP units were issued to contributors in exchange for their property interests in connection with the Company's property acquisitions in 2017.

The total of the OP units and LTIP units represent a 4.7% and 6.2% weighted-average interest in the Operating Partnership for the three and nine months ended September 30, 2019, respectively. Holders of outstanding vested LTIP units may, from and after two years from the date of issuance, redeem their LTIP units for cash, or for the Company's common shares on a one-for-one basis, solely at our election. Holders of outstanding OP units may redeem their units for cash or the Company's common shares on a one-for-one basis, solely at our election. On August 5, 2019, the Company received requests from certain holders of OP units to redeem 357,998 units. The Company elected to satisfy the redemption requests by repurchasing the units at a price of $16.70 per unit, for total cash consideration of $6.0 million.

In connection with the separation from Vornado Realty L.P. ("VRLP"), the Company issued 5.7 million OP units, which represented a 5.4% interest in the Operating Partnership, to VRLP in exchange for interests in VRLP properties contributed by VRLP. On February 28, 2019, the Company issued 5.7 million common shares to VRLP, in exchange for an equal number of OP units after receiving a notice of redemption from VRLP. The issuance is exempt from registration in reliance upon Section 4(a)(2) of the Securities Act of 1933, as amended, on the basis that no public offering was made.

Noncontrolling Interest in Consolidated Subsidiaries

The noncontrolling interest relates to the 5% interest held by others in our property in Walnut Creek, CA (Mount Diablo). The net income attributable to noncontrolling interest is presented separately in our consolidated statements of income.

15. SHARE-BASED COMPENSATION

Share-Based Compensation Expense

Share-based compensation expense, which is included in general and administrative expenses in our consolidated statements of income, is summarized as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(Amounts in thousands)	**2019**	**2018**	**2019**	**2018**
Share-based compensation expense components:				
Restricted share expense	$ 297	$ 525	$ 1,384	$ 1,726
Stock option expense	992	546	3,062	1,650
LTIP expense	1,171	285	3,374	659
Outperformance Plan ("OPP") expense	828	825	2,315	2,365
Deferred share unit ("DSU") expense	22	71	134	94
Total Share-based compensation expense	$ 3,310	$ 2,252	$ 10,269	$ 6,494

Equity award activity during the nine months ended September 30, 2019 included: (i) 276,482 LTIP units granted, (ii) 180,213 stock options granted, (iii) 34,638 restricted shares granted, (iv) 693,441 stock options vested, (v) 96,378 restricted shares vested and (vi) 80,681 LTIP units vested.

2019 Long-Term Incentive Plan

On April 4, 2019, the Compensation Committee of the Board of Trustees of the Company approved the Company's 2019 Long-Term Incentive Plan ("2019 LTI Plan"). The Plan is a multi-year, equity compensation program under which participants, including our Chairman and Chief Executive Officer, have the opportunity to earn awards in the form of LTIP units that vest based on the passage of time (one-third of the program) and performance goals tied to our relative and absolute total shareholder return ("TSR") during the three-year performance period following their grant (two-thirds of the program).

For the performance-based awards under the 2019 LTI Plan, participants, have the opportunity to earn awards in the form of LTIP Units if, and only if, Urban Edge's absolute and relative TSR meets certain criteria over the three-year performance measurement period (the "Performance Period") beginning on February 27, 2019 and ending on February 26, 2022. The Company issued 489,319 LTIP Units under the 2019 LTI Plan.

Under the Absolute TSR component, 40% of the LTIP Units will be earned if the Company's TSR over the Performance Period is equal to 18%, 100% of the LTIP Units will be earned if the Company's TSR over the Performance Period is equal to 27%, and 165% of the LTIP Units will be earned if the Company's TSR over the Performance Period is equal to or greater than 36%. The Relative TSR component is based on the Company's performance compared to a peer group comprised of 14 companies. Under the Relative TSR Component, 40% of the LTIP Units will be earned if the Company's TSR over the Performance Period is equal to the 35th percentile of the peer group, 100% of the LTIP Units will be earned if the Company's TSR over the Performance Period is equal to the 55th percentile of the peer group, and 165% of the LTIP Units will be earned if the Company's TSR over the Performance Period is equal to or above the 75th percentile of the peer group, with earning determined using linear interpolation if between such relative and absolute TSR thresholds. The fair value of the performance-based award portion of the 2019 LTI Plan on the date of grant was $4.3 million using a Monte Carlo simulation to estimate the fair value through a risk-neutral premise.

The time-based awards under the 2019 LTI Plan, also granted in the form of LTIP Units, vest ratably over three years except in the case of our Chairman and Chief Executive Officer, where the vesting is ratably over four years. As of September 30, 2019, the Company granted time-based awards under the 2019 LTI Plan that represent 112,910 LTIP units with a grant date fair value of $2.0 million.

Units Granted to Trustees

On May 9, 2019, certain trustees elected to receive a portion of their compensation in deferred share units and an aggregate of 5,608 shares were granted to those trustees based on the weighted average grant date fair value of $15.60. In addition, certain trustees elected to receive a portion of their compensation in LTIP units and an aggregate of 28,040 LTIP units, were granted to those trustees based on the weighted average grant date fair value of $14.98.

16. EARNINGS PER SHARE AND UNIT

Urban Edge Earnings per Share

We have calculated earnings per share ("EPS") under the two-class method. The two-class method is an earnings allocation methodology whereby EPS for each class of Urban Edge common shares and participating securities is calculated according to dividends declared and participating rights in undistributed earnings. Restricted shares issued pursuant to our share-based compensation program are considered participating securities, and as such have non-forfeitable rights to receive dividends.

The following table sets forth the computation of our basic and diluted earnings per share:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(Amounts in thousands, except per share amounts)	**2019**	**2018**	**2019**	**2018**
Numerator:				
Net income attributable to common shareholders	$ 54,040	$ 24,200	$ 106,148	$ 98,637
Less: Earnings allocated to unvested participating securities	(43)	(44)	(89)	(177)
Net income available for common shareholders - basic	$ 53,997	$ 24,156	$ 106,059	$ 98,460
Impact of assumed conversions:				
OP and LTIP units	—	—	5,883	200
Net income available for common shareholders - dilutive	$ 53,997	$ 24,156	$ 111,942	$ 98,660
Denominator:				
Weighted average common shares outstanding - basic	121,087	113,890	119,259	113,769
Effect of dilutive securities[(1)]:				
Stock options using the treasury stock method	—	78	—	36
Restricted share awards	96	188	102	194
Assumed conversion of OP and LTIP units	—	—	7,128	237
Weighted average common shares outstanding - diluted	121,183	114,156	126,489	114,236
Earnings per share available to common shareholders:				
Earnings per common share - Basic	$ 0.45	$ 0.21	$ 0.89	$ 0.87
Earnings per common share - Diluted	$ 0.45	$ 0.21	$ 0.89	$ 0.86

[(1)] For the three months ended September 30, 2019 and 2018, the effect of the redemption of OP and LTIP units for Urban Edge common shares would have an anti-dilutive effect on the calculation of diluted EPS. Accordingly, the impact of such redemption has not been included in the determination of diluted EPS for these periods.

Operating Partnership Earnings per Unit

The following table sets forth the computation of basic and diluted earnings per unit:

(Amounts in thousands, except per unit amounts)	Three Months Ended September 30, 2019	Three Months Ended September 30, 2018	Nine Months Ended September 30, 2019	Nine Months Ended September 30, 2018
Numerator:				
Net income attributable to unitholders	$ 56,702	$ 26,888	$ 112,683	$ 109,678
Less: net income attributable to participating securities	(43)	(46)	(89)	(190)
Net income available for unitholders	$ 56,659	$ 26,842	$ 112,594	$ 109,488
Denominator:				
Weighted average units outstanding - basic	126,277	126,208	126,387	126,170
Effect of dilutive securities issued by Urban Edge	96	267	102	229
Unvested LTIP units	—	218	1	237
Weighted average units outstanding - diluted	126,373	126,693	126,490	126,636
Earnings per unit available to unitholders:				
Earnings per unit - Basic	$ 0.45	$ 0.21	$ 0.89	$ 0.87
Earnings per unit - Diluted	$ 0.45	$ 0.21	$ 0.89	$ 0.86

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Certain statements contained herein constitute forward-looking statements as such term is defined in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements are not guarantees of future performance. They represent our intentions, plans, expectations and beliefs and are subject to numerous assumptions, risks and uncertainties. Our future results, financial condition and business may differ materially from those expressed in these forward-looking statements. You can find many of these statements by looking for words such as "approximates," "believes," "expects," "anticipates," "estimates," "intends," "plans," "would," "may" or other similar expressions in this Quarterly Report on Form 10-Q. Many of the factors that will determine the outcome of these and our other forward-looking statements are beyond our ability to control or predict; These factors include, among others, the impact of e-commerce; the loss of or bankruptcy of major tenants; general economic conditions and changes in the real estate market in particular; adverse economic conditions in the areas in which our properties are located; natural disasters; potentially higher costs related to our development, redevelopment and anchor repositioning projects, and our ability to lease these projects at projected rates; competition for acquisitions; the loss of key personnel; the availability of financing and changes in, and compliance with, tax law and REIT qualifications. For further discussion of factors that could materially affect the outcome of our forward-looking statements, see "Risk Factors" in Part I, Item 1A, of the Company's Annual Report on Form 10-K for the year ended December 31, 2018 and the other documents filed by the Company with the SEC, including the information contained in this Quarterly Report on Form 10-Q.

For these statements, we claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. You are cautioned not to place undue reliance on our forward-looking statements, which speak only as of the date of this Quarterly Report on Form 10-Q. All subsequent written and oral forward-looking statements attributable to us or any person acting on our behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. We do not undertake any obligation to release publicly any revisions to our forward-looking statements to reflect events or circumstances occurring after the date of this Quarterly Report on Form 10-Q.

The following discussion should be read in conjunction with the consolidated financial statements and notes thereto included in Part I of this Quarterly Report on Form 10-Q.

Overview

Urban Edge Properties ("UE", "Urban Edge" or the "Company") (NYSE: UE) is a Maryland real estate investment trust that manages, develops, redevelops, and acquires retail real estate, primarily in the New York metropolitan area. Urban Edge Properties LP ("UELP" or the "Operating Partnership") is a Delaware limited partnership formed to serve as UE's majority-owned partnership subsidiary and to own, through affiliates, all of the Company's real estate properties and other assets. Unless the context otherwise requires, references to "we", "us" and "our" refer to Urban Edge Properties and UELP and their consolidated entities/subsidiaries.

The Operating Partnership's capital includes general and common limited partnership interests in the operating partnership ("OP Units"). As of September 30, 2019, Urban Edge owned approximately 95.4% of the outstanding common OP Units with the remaining limited OP Units held by members of management, Urban Edge's Board of Trustees and contributors of property interests acquired. Urban Edge serves as the sole general partner of the Operating Partnership.

As of September 30, 2019, our portfolio consisted of 73 shopping centers, four malls and a warehouse park, totaling approximately 15.0 million square feet.

Critical Accounting Policies and Estimates

The Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2018 contains a description of our critical accounting policies, including accounting for real estate and revenue recognition. For the nine months ended September 30, 2019, there were no material changes to these policies, other than the adoption of ASU 2016-02 and updates to the Company's policies on leases, accounts receivable and changes in collectibility assessment described in Note 3 and Note 8 to the unaudited consolidated financial statements in Part 1, Item 1 of this Quarterly Report on Form 10-Q.

Recent Accounting Pronouncements

Refer to Note 3 to the unaudited consolidated financial statements in Part I, Item I of this Quarterly Report on Form 10-Q for information regarding recent accounting pronouncements that may affect us.

Results of Operations

We derive substantially all of our revenue from rents received from tenants under existing leases on each of our properties. This revenue includes fixed base rents, recoveries of expenses that we have incurred and that we pass through to the individual tenants and percentage rents that are based on specified percentages of tenants' revenue, in each case as provided in the respective leases.

Our primary cash expenditures consist of our property operating and capital costs, general and administrative expenses, and interest and debt expense. Property operating expenses include: real estate taxes, repairs and maintenance, management expenses, insurance and utilities; general and administrative expenses include payroll, professional fees, information technology, office expenses and other administrative expenses; and interest and debt expense primarily consist of interest on our mortgage debt. In addition, we incur substantial non-cash charges for depreciation and amortization on our properties. We also capitalize certain expenses, such as taxes, interest and salaries related to properties under development or redevelopment until the property is ready for its intended use.

Our consolidated results of operations often are not comparable from period to period due to the impact of property acquisitions, dispositions, developments, redevelopments and changes in accounting policies. The results of operations of any acquired properties are included in our financial statements as of the date of acquisition.

The following provides an overview of our key financial metrics based on our consolidated results of operations (refer to cash Net Operating Income ("NOI"), same-property cash NOI and Funds From Operations applicable to diluted common shareholders ("FFO") described later in this section):

	Three Months Ended September 30,		Nine Months Ended September 30,	
(Amounts in thousands)	**2019**	**2018**	**2019**	**2018**
Net income	$ 56,700	$ 26,899	$ 112,659	$ 109,712
FFO applicable to diluted common shareholders(1)	38,248	46,342	132,350	130,022
Cash NOI(2)	57,373	50,855	176,851	165,517
Same-property cash NOI(2)	52,144	53,585	150,886	153,739

(1) Refer to page 38 for a reconciliation to the nearest generally accepted accounting principles ("GAAP") measure.
(2) Refer to page 37 for a reconciliation to the nearest GAAP measure.

Development/Redevelopment Activity

The Company has eight active development, redevelopment or anchor repositioning projects with total estimated costs of $42.5 million, of which $34.2 million (or 80%) has been incurred as of September 30, 2019.

The Company completed five redevelopment projects with total estimated costs of $80.4 million during the third quarter:

- Bergen Town Center in Paramus, NJ - expanded center with the addition of Burlington and added new restaurants including Ruth's Chris, Cava Grill, Sticky's Finger Joint and Chopt
- West Branch Commons in Union, NJ - Burlington replaced former Toys "R" Us
- Amherst Commons in Amherst, NY - Burlington replaced former Toys "R" Us
- Briarcliff Commons in Morris Plains, NJ - Renovated façade and added Chick-fil-A and First Watch

Acquisition/Disposition Activity

During the three months ended September 30, 2019, we disposed of six properties and received proceeds of $77.6 million, net of selling costs, resulting in a $39.7 million gain on sale of real estate. During the nine months ended September 30, 2019, we disposed of eight properties and received proceeds of $111.4 million, net of selling costs, resulting in a $68.2 million gain on sale of real estate. During the three and nine months ended September 30, 2019, the Company also sold its lessee position in one of its ground leases and received proceeds of $6.9 million, net of selling costs, resulting in a $1.8 million gain on sale of lease.

As of September 30, 2019, we were under contract to purchase an office building in Maywood, NJ, adjacent to our existing property, Bergen Town Center. The building is subject to a ground lease, in which the Company will acquire the lessee position for a purchase price of $7.1 million. The transaction is scheduled to close by the end of 2019.

As of September 30, 2019, we were also under contract to purchase a retail outparcel in Paramus, NJ, adjacent to our existing property, Bergen Town Center, for a gross purchase price of $6.6 million. The transaction is scheduled to close by the end of 2019.

We are also under contract to purchase one property located in the Boston metropolitan area for a gross purchase price of $24.5 million.

The completion of these transactions are contingent on satisfying closing conditions. The Company's pending acquisitions will serve as 1031 exchanges for the Company's dispositions and the required equity will be funded using proceeds from dispositions.

Equity Activity

Equity award activity during the nine months ended September 30, 2019 included: (i) 276,482 LTIP units granted, (ii) 180,213 stock options granted, (iii) 34,638 restricted shares granted, (iv) 693,441 stock options vested, (v) 96,378 restricted shares vested and (vi) 80,681 LTIP units vested. Refer to Note 15 to the unaudited consolidated financial statements in Part I, Item I of this Quarterly Report on Form 10-Q for more information regarding the Company's equity award activity.

In August, the Company received requests from certain OP unitholders to redeem 357,998 units. The Company elected to satisfy the redemption requests by repurchasing the units at a price of $16.70 per unit, for total cash consideration of $6.0 million.

On April 4, 2019, the Compensation Committee of the Board of Trustees of the Company approved the Company's 2019 Long-Term Incentive Plan ("2019 LTI Plan"). The 2019 LTI Plan is a multi-year, equity compensation program under which participants, including our Chairman and Chief Executive Officer, have the opportunity to earn awards in the form of LTIP units that vest based on the passage of time (one-third of the program) and performance goals tied to our relative and absolute total shareholder return ("TSR") during the three-year performance period following their grant (two-thirds of the program). During the nine months ended September 30, 2019, the Company issued 489,319 performance-based LTIP units and 112,910 time-based LTIP units, respectively, in connection with the 2019 LTI Plan. Refer to Note 15 to the unaudited consolidated financial statements in Part I, Item I of this Quarterly Report on Form 10-Q for more information regarding the 2019 LTI Plan.

Comparison of the Three Months Ended September 30, 2019 to September 30, 2018

Net income for the three months ended September 30, 2019 was $56.7 million, compared to net income of $26.9 million for the three months ended September 30, 2018. The following table summarizes certain line items from our consolidated statements of income that we believe are important in understanding our operations and/or those items which significantly changed in the three months ended September 30, 2019 as compared to the same period of 2018:

	Three Months Ended September 30,		
(Amounts in thousands)	**2019**	**2018**	**Change**
Total revenue	$ 91,243	$ 112,214	$ (20,971)
Real estate taxes	14,490	16,374	(1,884)
Property operating expenses	14,075	22,328	(8,253)
General and administrative	8,353	9,702	(1,349)
Lease expense	3,486	2,722	764
Gain on sale of real estate	39,716	2,185	37,531
Gain on sale of lease	1,849	—	1,849

Total revenue decreased by $21.0 million to $91.2 million in the third quarter of 2019 from $112.2 million in the third quarter of 2018. The decrease is primarily attributable to:

- $16.5 million as a result of the write-off of below-market lease intangible liabilities related to the recaptured Toys "R" Us leases in the third quarter of 2018;
- $2.8 million as a result of property dispositions since the third quarter of 2018;
- $1.9 million decrease in property rentals due to lease terminations and modifications, offset by rent commencements and contractual rent increases since the third quarter of 2018; and
- $0.3 million due to credit losses related to operating lease receivables recognized against rental income in the third quarter of 2019 in accordance with the new lease accounting standard, as compared to being included in property operating expenses in the third quarter of 2018, partially offset by
- $0.3 million increase in lease termination income; and
- $0.2 million increase due to rent abatements in the third quarter of 2018 at our two malls in Puerto Rico and at our property in Wilkes-Barre, PA as a result of natural disasters.

Real estate taxes decreased by $1.9 million to $14.5 million in the third quarter of 2019 from $16.4 million in the third quarter of 2018. The decrease is primarily attributable to:

- $1.3 million due to lower assessed values and tax refunds; and
- $0.6 million as a result of dispositions.

Property operating expenses decreased by $8.3 million to $14.1 million in the third quarter of 2019 from $22.3 million in the third quarter of 2018. The decrease is primarily attributable to:

- $9.5 million lease termination payment to acquire the Toys "R" Us lease at Bruckner Commons in the Bronx, NY in the third quarter of 2018, partially offset by
- $0.7 million of common area maintenance expenses recognized on a gross basis at tenant-maintained centers in accordance with the new lease accounting standard; and
- $0.5 million increase in cleanup and repair costs for vacant spaces.

General and administrative expenses decreased by $1.3 million to $8.4 million in the third quarter of 2019 from $9.7 million in the third quarter of 2018. The decrease is primarily attributable to:

- $1.9 million decrease due to executive transition costs incurred in the third quarter of 2018; and
- $0.4 million decrease in transaction costs, partially offset by
- $1.0 million increase in share-based compensation expense due to additional equity awards granted.

Lease expense increased by $0.8 million to $3.5 million in the third quarter of 2019 from $2.7 million in the third quarter of 2018. The increase is primarily attributable to the recognition of common area maintenance and real estate taxes associated with ground or building leases within lease expense in accordance with the new lease accounting standard, effective January 1, 2019.

We recognized a gain on sale of real estate of $39.7 million in the third quarter of 2019 due to the sale of six operating properties. A gain on sale of real estate of $2.2 million was recognized in the third quarter of 2018 on the sale of a 5.7 acre land parcel at our property, Cherry Hill Commons, in Cherry Hill, NJ.

We recognized a gain of $1.8 million in the third quarter of 2019 due to the sale of our ground lease in Tysons Corner, VA.

Comparison of the Nine Months Ended September 30, 2019 to September 30, 2018

Net income for the nine months ended September 30, 2019 was $112.7 million, compared to net income of $109.7 million for the nine months ended September 30, 2018. The following table summarizes certain line items from our consolidated statements of income that we believe are important in understanding our operations and/or those items which significantly changed in the nine months ended September 30, 2019 as compared to the same period of 2018:

	Nine Months Ended September 30,		
(Amounts in thousands)	**2019**	**2018**	**Change**
Total revenue	$ 291,722	$ 313,237	$ (21,515)
Depreciation and amortization	65,893	73,544	(7,651)
Real estate taxes	45,188	47,736	(2,548)
Property operating expenses	45,552	61,996	(16,444)
General and administrative	28,943	25,579	3,364
Casualty and impairment (loss) gain, net	(9,070)	1,248	(10,318)
Lease expense	11,037	8,210	2,827
Gain on sale of real estate	68,219	52,625	15,594
Gain on sale of lease	1,849	—	1,849
Interest income	7,670	5,943	1,727
Interest and debt expense	49,869	48,059	1,810
Gain on extinguishment of debt	—	2,524	(2,524)
Income tax expense	1,249	741	508

Total revenue decreased by $21.5 million to $291.7 million in the nine months ended September 30, 2019 from $313.2 million in the nine months ended September 30, 2018. The decrease is primarily attributable to:

- $14.2 million decrease in write-offs of below-market lease intangible liabilities related to recaptured leases;
- $5.8 million as a result of property dispositions;
- $2.0 million decrease in property rentals due to lease terminations and modifications, offset by rent commencements and contractual rent increases; and
- $1.1 million due to credit losses related to operating lease receivables recognized against rental income in 2019 in accordance with the new lease accounting standard, effective January 1, 2019, as compared to being included in property operating expenses in 2018, partially offset by;
- $1.0 million increase due to rent abatements in the nine months ended September 30, 2018, recognized at our two malls in Puerto Rico and at our property in Wilkes-Barre, PA as a result of natural disasters; and
- $0.6 million due to an increase in tenant bankruptcy settlement income.

Depreciation and amortization expenses decreased by $7.7 million to $65.9 million in the nine months ended September 30, 2019 from $73.5 million in the nine months ended September 30, 2018. The decrease is primarily attributable to:

- $8.4 million decrease in depreciation and amortization as a result of write-offs of existing tenant improvements and intangible assets related to recaptured leases in the nine months ended September 30, 2018; and
- $0.3 million decrease as a result of property dispositions, partially offset by
- $1.0 million increase from development projects and tenant improvements placed into service.

Real estate taxes decreased by $2.5 million to $45.2 million in the nine months ended September 30, 2019 from $47.7 million in the nine months ended September 30, 2018. The decrease is primarily attributable to:

- $1.4 million decrease due to lower assessed values and tax refunds; and
- $1.1 million decrease as a result of dispositions.

Property operating expenses decreased by $16.4 million to $45.6 million in the nine months ended September 30, 2019 from $62.0 million in the nine months ended September 30, 2018. The decrease is primarily attributable to:

- $15.5 million due to lease termination payments to acquire the Toys “R” Us leases at Bruckner Commons in the Bronx, NY and Hudson Mall in Jersey City, NJ in the nine months ended September 30, 2018;
- $2.5 million due to credit losses recognized in property operating expenses in the nine months ended September 30, 2018 and rental revenue in the nine months ended September 30, 2019;
- $1.1 million due to lower common area maintenance expenses incurred for snow removal in 2019; and

- $0.6 million of environmental remediation costs accrued in the nine months ended September 30, 2018, partially offset by
- $2.2 million of common area maintenance expenses recognized on a gross basis at tenant-maintained centers in accordance with the new lease accounting standard; and
- $1.1 million increase in repair costs for vacant spaces.

General and administrative expenses increased by $3.4 million to $28.9 million in the nine months ended September 30, 2019 from $25.6 million in the nine months ended September 30, 2018. The increase is primarily attributable to:

- $3.4 million increase in share-based compensation expense due to additional equity awards granted;
- $1.1 million increase in professional fees for consulting, recruitment and legal services, partially offset by
- $1.1 million net decrease in executive transition costs, severance and other expenses.

A casualty and impairment loss, net of $9.1 million was recognized in the nine months ended September 30, 2019 attributable to:

- $22.7 million of real estate impairment charges recognized against the carrying values of three properties, partially offset by
- $13.6 million from insurance settlements for Hurricane Maria at our two malls in Puerto Rico and for tornado damage at our shopping center in Wilkes-Barre, PA.

We recognized a $1.2 million casualty and impairment gain in the nine months ended September 30, 2018, comprised of $1.5 million of insurance proceeds, offset by $0.3 million of expenses incurred as a result of Hurricane Maria in Puerto Rico.

Lease expense increased by $2.8 million to $11.0 million in the nine months ended September 30, 2019 from $8.2 million in the nine months ended September 30, 2018. The increase is primarily attributable to the recognition of common area maintenance and real estate taxes associated with ground or building leases within lease expense in accordance with the new lease accounting standard, effective January 1, 2019.

We recognized a gain on sale of real estate of $68.2 million in the nine months ended September 30, 2019 due to the sale of eight operating properties. A gain on sale of real estate of $52.6 million was recognized in the nine months ended September 30, 2018, comprised of $50.4 million as a result of the sale of our property in Allentown, PA and $2.2 million as a result of the sale of a 5.7 acre land parcel at our property, Cherry Hill Commons, in Cherry Hill, NJ.

We recognized a gain of $1.8 million in the nine months ended September 30, 2019 due to the sale of our ground lease in Tysons Corner, VA.

Interest income increased by $1.7 million to $7.7 million in the nine months ended September 30, 2019 from $5.9 million in the nine months ended September 30, 2018. The increase is attributable to an increase in interest rates and higher invested cash balances.

Interest and debt expense increased by $1.8 million to $49.9 million in the nine months ended September 30, 2019 from $48.1 million in the nine months ended September 30, 2018. The increase is primarily attributable to:

- $1.5 million decrease in interest capitalized due to the completion of development projects; and
- $0.6 million increase resulting from higher interest rates on variable rate debt, partially offset by
- $0.3 million decrease due to lower principal balances from monthly payments on fixed rate debt.

We recognized a $2.5 million gain on extinguishment of debt in the nine months ended September 30, 2018 as a result of the foreclosure sale and forgiveness of the $11.5 million mortgage debt secured by our property in Englewood, NJ.

Income tax expense increased by $0.5 million to $1.2 million in the nine months ended September 30, 2019 from $0.7 million in the nine months ended September 30, 2018 primarily attributable to the tax impact from the insurance settlement for our two malls in Puerto Rico related to Hurricane Maria.

Non-GAAP Financial Measures

Throughout this section, we have provided certain information on a "same-property" cash basis which includes the results of operations that were owned and operated for the entirety of the reporting periods being compared totaling 73 properties for the three months ended September 30, 2019 and 2018 and 72 properties for the nine months ended September 30, 2019 and 2018. Information provided on a same-property basis excludes properties that were under development, redevelopment or that involve anchor repositioning where a substantial portion of the gross leasable area is taken out of service and also excludes properties acquired or sold during the periods being compared. While there is judgment surrounding changes in designations, a property is removed from the same-property pool when a property is considered to be a redevelopment property because it is undergoing significant renovation or retenanting pursuant to a formal plan and is expected to have a significant impact on property operating income based on the retenanting that is occurring. A development or redevelopment property is moved back to the same-property pool once a substantial portion of the NOI growth expected from the development or redevelopment is reflected in both the current and comparable prior year period, generally one year after at least 80% of the expected NOI from the project is realized on a cash basis. Acquisitions are moved into the same-property pool once we have owned the property for the entirety of the comparable periods and the property is not under significant development or redevelopment.

We calculate same-property cash NOI using net income as defined by GAAP reflecting only those income and expense items that are reflected in cash NOI, adjusted for the following items: lease termination fees, bankruptcy settlement income, and income and expenses that we do not believe are representative of ongoing operating results, if any.

The most directly comparable GAAP financial measure to cash NOI is net income. Cash NOI excludes certain components from net income in order to provide results that are more closely related to a property's results of operations. We calculate cash NOI by adjusting net income to add back depreciation and amortization expense, general and administrative expenses, casualty and real estate impairment losses and non-cash lease expense, and deduct non-cash rental income resulting from the straight-lining of rents and amortization of acquired below market leases net of above market leases.

We use cash NOI internally to make investment and capital allocation decisions and to compare the unlevered performance of our properties to our peers. Further, we believe cash NOI is useful to investors as a performance measure because, when compared across periods, cash NOI reflects the impact on operations from trends in occupancy rates, rental rates, operating costs and acquisition and disposition activity on an unleveraged basis, providing perspective not immediately apparent from net income. As such, cash NOI assists in eliminating disparities in net income due to the development, redevelopment, acquisition or disposition of properties during the periods presented, and thus provides a more consistent performance measure for the comparison of the operating performance of the Company's properties. Cash NOI and same-property cash NOI should not be considered substitutes for net income and may not be comparable to similarly titled measures employed by others.

Same-property cash NOI decreased by $1.4 million, or (2.7)%, for the three months ended September 30, 2019 as compared to the three months ended September 30, 2018 and decreased by $2.9 million, or (1.9)%, for the nine months ended September 30, 2019 as compared to the nine months ended September 30, 2018.

The following table reconciles net income to cash NOI and same-property cash NOI for the three and nine months ended September 30, 2019 and 2018, respectively.

(Amounts in thousands)	Three Months Ended September 30, 2019	Three Months Ended September 30, 2018	Nine Months Ended September 30, 2019	Nine Months Ended September 30, 2018
Net income	$ 56,700	$ 26,899	$ 112,659	$ 109,712
Management and development fee income from non-owned properties	(280)	(375)	(940)	(1,064)
Other expense (income)	251	(46)	799	(119)
Depreciation and amortization	21,496	21,833	65,893	73,544
General and administrative expense	8,353	9,702	28,943	25,579
Casualty and impairment loss (gain), net[1]	—	58	9,070	(1,248)
Gain on sale of real estate	(39,716)	(2,185)	(68,219)	(52,625)
Gain on sale of lease	(1,849)	—	(1,849)	—
Interest income	(2,706)	(2,388)	(7,670)	(5,943)
Interest and debt expense	16,861	16,756	49,869	48,059
Gain on extinguishment of debt	—	—	—	(2,524)
Income tax expense	53	115	1,249	741
Non-cash revenue and expenses	(1,790)	(19,514)	(12,953)	(28,595)
Cash NOI	57,373	50,855	176,851	165,517
Adjustments:				
Non-same property cash NOI[2]	(4,855)	(6,901)	(24,412)	(27,194)
Tenant bankruptcy settlement income and lease termination income	(374)	(27)	(1,553)	(1,004)
Lease termination payment	—	9,500	—	15,500
Natural disaster related operating loss	—	(6)	—	172
Construction rental abatement	—	164	—	164
Environmental remediation costs	—	—	—	584
Same-property cash NOI	$ 52,144	$ 53,585	$ 150,886	$ 153,739
Cash NOI related to properties being redeveloped	3,415	2,992	17,041	15,162
Same-property cash NOI including properties in redevelopment	$ 55,559	$ 56,577	$ 167,927	$ 168,901

[1] The nine months ended September 30, 2019 reflect real estate impairment losses, offset by insurance proceeds for Hurricane Maria at our two malls in Puerto Rico and for tornado damage at our shopping center in Wilkes-Barre, PA. The nine months ended September 30, 2018 reflect hurricane-related insurance proceeds net of expenses.

[2] Non-same property cash NOI includes cash NOI related to properties being redeveloped and properties acquired or disposed.

Funds From Operations

FFO for the three months ended September 30, 2019 was $38.2 million compared to $46.3 million for the three months ended September 30, 2018 and $132.4 million for the nine months ended September 30, 2019 compared to $130.0 million for the nine months ended September 30, 2018.

We calculate FFO in accordance with the National Association of Real Estate Investment Trusts' ("Nareit") definition. Nareit defines FFO as net income (computed in accordance with GAAP), excluding gains (or losses) from sales of depreciable real estate and land when connected to the main business of a REIT, impairments on depreciable real estate or land related to a REIT's main business, and rental property depreciation and amortization expense. We believe FFO is a meaningful non-GAAP financial measure useful in comparing our levered operating performance from period to period both internally and among our peers because this non-GAAP measure excludes net gains on sales of depreciable real estate, real estate impairment losses, rental property depreciation and amortization expense which implicitly assumes that the value of real estate diminishes predictably over time rather than fluctuating based on market conditions. FFO does not represent cash flows from operating activities in accordance with GAAP, should not be considered an alternative to net income as an indication of our performance, and is not indicative of cash flow as a measure of liquidity or our ability to make cash distributions. FFO may not be comparable to similarly titled measures employed by others.

	Three Months Ended September 30,		Nine Months Ended September 30,	
(Amounts in thousands)	**2019**	**2018**	**2019**	**2018**
Net income	$ 56,700	$ 26,899	$ 112,659	$ 109,712
Less net (income) loss attributable to noncontrolling interests in:				
Operating partnership	(2,662)	(2,688)	(6,535)	(11,041)
Consolidated subsidiaries	2	(11)	24	(34)
Net income attributable to common shareholders	54,040	24,200	106,148	98,637
Adjustments:				
Rental property depreciation and amortization	21,262	21,639	65,233	72,969
Gain on sale of real estate	(39,716)	(2,185)	(68,219)	(52,625)
Real estate impairment loss	—	—	22,653	—
Limited partnership interests in operating partnership[(1)]	2,662	2,688	6,535	11,041
FFO applicable to diluted common shareholders	$ 38,248	$ 46,342	$ 132,350	$ 130,022

[(1)] Represents earnings allocated to LTIP and OP unitholders for unissued common shares which have been excluded for purposes of calculating earnings per diluted share for the periods presented.

Liquidity and Capital Resources

Due to the nature of our business, the cash generated from operations is primarily paid to our shareholders and unitholders of the Operating Partnership in the form of distributions. Our status as a REIT requires that we distribute at least 90% of our REIT taxable income each year. Our Board of Trustees declared a quarterly dividend of $0.22 per common share and OP unit for each of the first three quarters of 2019, or an annual rate of $0.88. We expect to pay regular cash dividends; however, the timing, declaration, amount and payment of distributions to shareholders and unitholders of the Operating Partnership fall within the discretion of our Board of Trustees. Our Board of Trustees' decisions regarding the payment of dividends depends on many factors, such as maintaining our REIT tax status, our financial condition, earnings, capital requirements, debt service obligations, limitations under our financing arrangements, industry practice, legal requirements, regulatory constraints, and other factors.

Property rental income is our primary source of cash flow and is dependent on a number of factors, including our occupancy level and rental rates, as well as our tenants' ability to pay rent. Our properties provide us with a relatively consistent stream of cash flow that enables us to pay operating expenses, debt service and recurring capital expenditures. Other sources of liquidity to fund cash requirements include proceeds from financings, equity offerings and asset sales.

Our short-term liquidity requirements consist of normal recurring operating expenses, lease obligations, regular debt service requirements, recurring expenditures (general & administrative expenses), expenditures related to leasing activity and distributions to shareholders and unitholders of the Operating Partnership. Our long-term capital requirements consist primarily of maturities under our long-term debt agreements, development and redevelopment costs and potential acquisitions.

At September 30, 2019, we had cash and cash equivalents, including restricted cash, of $536.3 million and no amounts drawn on our line of credit. In addition, we had the following sources of capital available:

(Amounts in thousands)		**September 30, 2019**
Revolving credit agreement[(1)]		
Total commitment amount	$	600,000
Available capacity	$	600,000
Maturity		January 29, 2024

(1) Refer to Note 6 to the unaudited consolidated financial statements in Part I, Item I of this Quarterly Report on Form 10-Q.

We have no debt scheduled to mature in 2019 or 2020. We currently believe that cash flows from operations over the next 12 months, together with cash on hand, our revolving credit agreement and our general ability to access the capital markets will be sufficient to finance our operations and fund our debt service requirements and capital expenditures.

Summary of Cash Flows

Cash and cash equivalents including restricted cash was $536.3 million at September 30, 2019, compared to $457.5 million as of December 31, 2018 and $465.6 million as of September 30, 2018, an increase of $78.8 million and $70.8 million, respectively. Our cash flow activities are summarized as follows:

	Nine Months Ended September 30,		
(Amounts in thousands)	**2019**	**2018**	**Increase (Decrease)**
Net cash provided by operating activities	$ 115,593	$ 88,122	$ 27,471
Net cash provided by (used in) investing activities	60,055	(36,741)	96,796
Net cash used in financing activities	(96,824)	(86,646)	(10,178)

Operating Activities

Net cash provided by operating activities primarily consists of cash inflows from rental revenue and cash outflows for property operating expenses, general and administrative expenses and interest and debt expense.

Net cash provided by operating activities of $115.6 million for the nine months ended September 30, 2019 increased by $27.5 million from $88.1 million as of September 30, 2018, driven by $15.5 million of lease termination payments to acquire the Toys "R" Us leases at Bruckner Commons in the Bronx, NY and Hudson Mall in Jersey City, NJ during the nine months ended September 30, 2018. The remaining increase in cash is due to timing of cash receipts and payments related to tenant collections including the impact of recovery income.

Investing Activities

Net cash flow provided by or used in investing activities is impacted by the timing and extent of our real estate development, capital improvements, and acquisition and disposition activities during the period.

Net cash provided by investing activities of $60.1 million for the nine months ended September 30, 2019, increased by $96.8 million compared to net cash used in investing activities of $36.7 million for the nine months ended September 30, 2018 due to (i) $53.8 million increase in cash provided by the sale of properties, (ii) $19.7 million decrease in cash used for real estate development and capital improvements at existing properties, (iii) $11.4 million increase in cash from insurance proceeds for physical property damages received in the nine months ended September 30, 2019, (iv) $6.9 million increase due to the sale of an operating lease and (v) $4.9 million decrease in cash used for acquisitions.

Financing Activities

Net cash flow used in financing activities is impacted by the timing and extent of issuances of debt and equity securities, distributions paid to common shareholders and unitholders of the Operating Partnership as well as principal and other payments associated with our outstanding indebtedness.

Net cash used in financing activities of $96.8 million for the nine months ended September 30, 2019, increased by $10.2 million from $86.6 million for the nine months ended September 30, 2018 due to (i) $6.0 million paid to redeem units in 2019, (ii) $2.6 million of cash used to amend our revolving credit agreement in 2019, (iii) $0.8 million increase in debt repayments, (iv) $0.5 million increase in distributions to shareholders and unitholders and (v) $0.2 million increase in tax withholdings on vested restricted stock.

Financing Activities and Contractual Obligations

Below is a summary of our outstanding debt and weighted average interest rate as of September 30, 2019.

(Amounts in thousands)	**Principal balance at September 30, 2019**	**Weighted Average Interest Rate at September 30, 2019**
Mortgages payable:		
Fixed rate debt	$ 1,388,503	4.12%
Variable rate debt[(1)]	169,500	3.84%
Total mortgages payable	1,558,003	4.09%
Unamortized debt issuance costs	(10,517)	
Total mortgages payable, net of unamortized debt issuance costs	$ 1,547,486	

[(1)] As of September 30, 2019, $80.5 million of our variable rate debt bears interest at one month LIBOR plus 190 bps and $89 million of our variable rate debt bears interest at one month LIBOR plus 160 bps.

The net carrying amount of real estate collateralizing the above indebtedness amounted to approximately $1.2 billion as of September 30, 2019. Our mortgage loans contain covenants that limit our ability to incur additional indebtedness on these properties and in certain circumstances, require lender approval of tenant leases and/or yield maintenance upon repayment prior to maturity. As of September 30, 2019, we were in compliance with all debt covenants.

On January 15, 2015, we entered into a $500 million Revolving Credit Agreement (the "Agreement") with certain financial institutions. On March 7, 2017, we amended and extended the Agreement. The amendment increased the credit facility size by $100 million to $600 million and extended the maturity date to March 7, 2021 with two six-month extension options. On July 29, 2019, we entered into a second amendment to the Agreement to extend the maturity date to January 29, 2024 with two six-month extension options. Company borrowings under the Agreement are subject to interest at LIBOR plus an applicable margin of 1.05% to 1.50% and an annual facility fee of 15 to 30 basis points. Both the spread over LIBOR and the facility fee are based on our current leverage ratio and are subject to increase if our leverage ratio increases above predefined thresholds. The Agreement contains customary financial covenants, including a maximum leverage ratio of 60% and a minimum fixed charge coverage ratio of 1.5x. No amounts have been drawn to date under the Agreement.

In the event that LIBOR is discontinued, the interest rates for our debt following such event will be based on either alternate base rates or agreed upon replacement rates. Such an event would not affect our ability to borrow or maintain already outstanding borrowings, although it could result in higher interest rates.

Capital Expenditures

The following summarizes capital expenditures presented on a cash basis for the nine months ended September 30, 2019 and 2018:

	Nine Months Ended September 30,	
(Amounts in thousands)	**2019**	**2018**
Capital expenditures:		
Development and redevelopment costs[1]	$ 55,640	$ 71,830
Capital improvements[1]	10,736	14,704
Tenant improvements and allowances	4,629	2,388
Total capital expenditures	$ 71,005	$ 88,922

[1] Amounts for the nine months ended September 30, 2019 and 2018 have been reclassified to conform with current period presentation.

As of September 30, 2019, we had approximately $42.5 million of active redevelopment, development and anchor repositioning projects at various stages of completion, a decrease of $154.0 million from $196.5 million of projects as of December 31, 2018. We have advanced these projects and incurred $18.5 million of additional spend since December 31, 2018. We anticipate that these projects will require an additional $8.3 million over the next two years to complete. We expect to fund these projects using cash on hand, proceeds from dispositions, secured debt, or proceeds from issuing equity.

Commitments and Contingencies

Insurance

The Company maintains (i) general liability insurance with limits of $200 million for properties in the U.S. and Puerto Rico and (ii) all-risk property insurance with limits of $500 million per occurrence and in the aggregate for properties in the U.S. and $139 million for properties in Puerto Rico, subject to the terms, conditions, exclusions, deductibles and sub-limits when applicable for certain perils such as floods and earthquakes and (iii) numerous other insurance policies including trustees' and officers' insurance, workers' compensation and automobile-related liabilities insurance. The Company's insurance includes coverage for acts of terrorism but excludes coverage for nuclear, biological, chemical or radiological terrorism events as defined by the Terrorism Risk Insurance Program Reauthorization Act, which expires in December 2020. In addition, the Company maintains coverage for certain cybersecurity losses with limits of $5 million per occurrence and in the aggregate providing first and third-party coverage including network interruption, event management, cyber extortion and claims for media content, security and privacy liability. Insurance premiums are typically charged directly to each of the retail properties and warehouses but not all of the cost of such premiums are recovered. The Company is responsible for deductibles, losses in excess of insurance coverage, and the portion of premiums not reimbursable by tenants at our properties, which could be material.

We continue to monitor the state of the insurance market and the scope and costs of available coverage. We cannot anticipate what coverage will be available on commercially reasonable terms in the future and expect premiums across most coverage lines to increase in light of recent events. The incurrence of uninsured losses, costs or uncovered premiums could materially and adversely affect our business, results of operations and financial condition.

Certain of our loans and other agreements contain customary covenants requiring the maintenance of insurance coverage. Although we believe that we currently have adequate insurance coverage for purposes of these agreements, we may not be able to obtain an equivalent amount of coverage at reasonable costs in the future. If lenders or other counterparties insist on greater coverage than we are able to obtain, such requirement could materially and adversely affect our ability to finance our properties and expand our portfolio.

Tornado-Related Charges

On June 13, 2018, a tornado hit our shopping center in Wilkes-Barre, PA, damaging approximately 13% of the property's gross leasable area. During the nine months ended September 30, 2019, the Company settled the related insurance claim with its carrier for $5.5 million. Of this amount, the Company recognized $4.8 million as a casualty gain in the nine months ended September 30, 2019. As part of the settlement, the Company recognized $0.3 million as business interruption proceeds within rental revenue for the nine months ended September 30, 2019.

Hurricane-Related Charges

On September 20, 2017, Hurricane Maria made landfall, damaging our two properties in Puerto Rico. During the nine months ended September 30, 2018, the Company received $1.5 million in casualty insurance proceeds, which were partially offset by $0.3 million of hurricane related costs, resulting in net casualty gains of $1.2 million included in casualty and impairment loss (gain), net on the accompanying consolidated statements of income.

During the three and nine months ended September 30, 2018, the Company recognized a $0.1 million net casualty gain and $0.4 million of business interruption losses, respectively. For the nine months ended September 30, 2018, losses of $0.8 million pertained to rent abatements due to tenants that had not reopened since the hurricane, recorded as a reduction of rental revenue, offset by a $0.4 million reversal within property operating expenses to provision for doubtful accounts for payments received from tenants on rents previously reserved.

In June 2019, the Company reached a settlement agreement with its carrier regarding its final insurance recovery related to Hurricane Maria for $14.3 million, of which $3.3 million was previously received, subject to deductibles of $2.3 million. We recognized an $8.7 million casualty gain as a result of the settlement agreement related to our two malls in Puerto Rico.

Environmental Matters

Each of our properties has been subjected to varying degrees of environmental assessment at various times. Based on these assessments, we have accrued costs of $1.6 million and $1.7 million on our consolidated balance sheets as of September 30, 2019 and December 31, 2018, respectively, for remediation costs for environmental contamination at certain properties. While this accrual reflects our best estimates of the potential costs of remediation at these properties, there can be no assurance that the actual costs will not exceed these amounts. During the nine months ended September 30, 2018, the Company recognized $0.6 million of environmental remediation costs within property operating expenses on the consolidated statements of income. Although we are not aware of any other material environmental contamination, there can be no assurance that the identification of new areas of contamination, changes in the extent or known scope of contamination, the discovery of additional sites, or changes in cleanup requirements would not result in significant costs to us.

Bankruptcies

Although our rental revenue is supported by long-term leases, leases may be rejected in a bankruptcy proceeding and the related tenant stores may permanently vacate prior to lease expiration. In the event a tenant with a significant number of leases or square footage in our shopping centers files for bankruptcy and rejects its leases with us, we could experience a reduction in our revenues. We monitor the operating performance and rent collections of all tenants in our shopping centers, especially those tenants in arrears or operating retail formats that are experiencing significant changes in competition, business practice, or store closings in other locations.

Sears, the parent company of Kmart, filed for Chapter 11 bankruptcy protection on October 15, 2018. The Company had four Kmart leases comprising approximately 547,000 sf, which generated $8.5 million in annual rental revenue. In January 2019, Sears announced the acquisition of its assets by ESL for approximately $5.2 billion. Property rents were paid on all four Kmart locations through April 2019. In April 2019, our Kmart leases at Las Catalinas and Huntington, NY were rejected and we recognized a $7.4 million write-off of the below-market intangible liability connected with the lease in Huntington, NY (classified within rental revenues). ESL assumed the Company’s remaining two Kmart leases at Montehiedra and at Bruckner Commons. The Company is monitoring the proceedings and considering its alternatives.

During the three and nine months ended September 30, 2019, the Company received $0.1 million and $1.2 million of bankruptcy settlement income in connection with the bankruptcy proceedings of Toys “R” Us. The settlement proceeds were used to offset outstanding credit losses and the remaining proceeds were recorded to other income. Prior to liquidation in 2018, the Company had leases with Toys “R” Us at nine locations with annual rental revenue of $7.6 million. No determination has been made as to the amount or timing of additional bankruptcy settlement proceeds, if any, that may be received.

Inflation and Economic Condition Considerations

Most of our leases contain provisions designed to partially mitigate the impact of inflation. Although inflation has been low in recent periods and has had a minimal impact on the performance of our shopping centers, it is very possible that inflation will increase in future years. Most of our leases require tenants to pay their share of operating expenses, including common area maintenance, real estate taxes and insurance, thereby reducing our exposure to increases in costs and operating expenses resulting from inflation, although some larger tenants have capped the amount of these operating expenses they are responsible for under the lease. A small number of our leases also include percentage rent clauses enabling us to receive additional rent based on tenant sales above a predetermined level, which sales generally increase as prices rise and are typically related to increases in the Consumer Price Index or similar inflation indices.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements as of September 30, 2019 or December 31, 2018.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Interest Rate Risk

We have exposure to fluctuations in interest rates, which are sensitive to many factors that are beyond our control. The following table discusses our exposure to hypothetical changes in market rates of interest on interest expense for our variable rate debt and fixed-rate debt. Interest rate risk amounts were determined by considering the impact of hypothetical interest rates on our debt. This analysis does not take into account all of the factors that may affect our debt, such as the effect that a changing interest rate environment could have on the overall level of economic activity or the action that our management might take to reduce our exposure to the change. This analysis assumes no change in our financial structure. Our exposure to a change in interest rates is summarized in the table below.

	2019			2018	
(Amounts in thousands)	September 30, Balance	Weighted Average Interest Rate	Effect of 1% Change in Base Rates	December 31, Balance	Weighted Average Interest Rate
Variable Rate	$ 169,500	3.84%	$ 1,695	$ 169,500	4.09%
Fixed Rate	1,388,503	4.12%	— [2]	1,392,659	4.12%
	$ 1,558,003 [1]		$ 1,695	$ 1,562,159 [1]	

[1] Excludes unamortized debt issuance costs of $10.5 million and $11.9 million as of September 30, 2019 and December 31, 2018, respectively.

[2] If the weighted average interest rate of our fixed rate debt increased by 1% (i.e. due to refinancing at higher rates), annualized interest expense would have increased by approximately $13.9 million based on outstanding balances as of September 30, 2019.

We may utilize various financial instruments to mitigate the impact of interest rate fluctuations on our cash flows and earnings, including hedging strategies, depending on our analysis of the interest rate environment and the costs and risks of such strategies. As of September 30, 2019, we did not have any hedging instruments in place.

Fair Value of Debt

The estimated fair value of our consolidated debt is calculated based on current market prices and discounted cash flows at the current rate at which similar loans would be made to borrowers with similar credit ratings for the remaining term of such debt. As of September 30, 2019, the estimated fair value of our consolidated debt was $1.6 billion.

Other Market Risks

As of September 30, 2019, we had no material exposure to any other market risks (including foreign currency exchange risk or commodity price risk).

In making this determination and for purposes of the SEC’s market risk disclosure requirements, we have estimated the fair value of our financial instruments at September 30, 2019 based on pertinent information available to management as of that date. Although management is not aware of any factors that would significantly affect the estimated amounts as of September 30, 2019, future estimates of fair value and the amounts which may be paid or realized in the future may differ significantly from amounts presented.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures (Urban Edge Properties)

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

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the design and operation of our disclosure controls and procedures. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of the end of the period covered by this report, our disclosure controls and procedures are effective.

There have not been any changes in our internal control over financial reporting (as defined in Rule 13a-15(f)) that occurred during the three months ended September 30, 2019 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Evaluation of Disclosure Controls and Procedures (Urban Edge Properties LP)

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

The Operating Partnership's management, with the participation of the Chief Executive Officer and Chief Financial Officer of our general partner, evaluated the effectiveness of the design and operation of our disclosure controls and procedures. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer of our general partner concluded that, as of the end of the period covered by this report, our disclosure controls and procedures are effective.

There have not been any changes in our internal control over financial reporting (as defined in Rule 13a-15(f)) that occurred during the three months ended September 30, 2019 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

We are party to various legal actions that arise in the ordinary course of business. In our opinion, after consultation with legal counsel, the outcome of such matters is not expected to have a material adverse effect on our financial position, results of operations or cash flows.

ITEM 1A. RISK FACTORS

Except to the extent additional factual information disclosed elsewhere in this Quarterly Report on Form 10-Q relates to such risk factors (including, without limitation, the matters discussed in Part I, "*Item 2-Management's Discussion and Analysis of Financial Condition and Results of Operations*"), there were no material changes to the risk factors disclosed in Part I, "Item 1A. Risk Factors" of our Annual Report on Form 10-K for the year ended December 31, 2018 filed with the SEC on February 13, 2019.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Urban Edge Properties

(a) Registered Sales of Unregistered Securities: During the three months ended September 30, 2019, we issued 50,000 shares of common shares in exchange for 50,000 OP Units that were held by certain limited partners of our Operating Partnership in connection with certain of our prior acquisitions. OP Units are generally redeemable for cash or, at our discretion, exchangeable into shares of our common stock on a one-for-one basis. The cash redemption amount per OP Unit is based on the market price of a share of our common stock at the time of redemption. These shares of common stock were issued in reliance on an exemption from registration under Section 4(a)(2) of the Securities Act of 1933, as amended. We relied on the exemption under Section 4(a)(2) based upon factual representations received from the limited partners who received the shares of common stock.

(b) Use of Proceeds from Registered Securities: Not applicable.

(c) Issuer Purchases of Equity Securities: Not applicable.

Urban Edge Properties LP

(a) Registered Sales of Unregistered Securities: Not applicable.

(b) Use of Proceeds from Registered Securities: Not applicable.

(c) Issuer Purchases of Equity Securities: Not applicable.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

The exhibits listed below are included in, or incorporated by reference into, this Quarterly Report on Form 10-Q.

INDEX TO EXHIBITS

The following exhibits are included as part of this Quarterly Report on Form 10-Q:

Exhibit Number	Exhibit Description
10.1	Employment Agreement between Urban Edge Properties and Jeffrey S. Olson (incorporated by reference to Exhibit 10.1 to Form 8-K filed August 9, 2019)
10.2	Second Amendment, dated as of July 29, 2019, to Revolving Credit Agreement by and among Urban Edge Properties LP, as Borrower, each of the Banks party thereto, and Wells Fargo Bank, National Association, as Administrative Agent (incorporated by reference to Exhibit 10.1 to Form 10-Q filed July 31, 2019)
31.1*	Certification by the Chief Executive Officer for Urban Edge Properties pursuant to rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2*	Certification by the Chief Financial Officer for Urban Edge Properties pursuant to rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.3*	Certification by the Chief Executive Officer for Urban Edge Properties LP pursuant to rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.4*	Certification by the Chief Financial Officer for Urban Edge Properties LP pursuant to rule 13a-14(a)/15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1**	Certification by the Chief Executive Officer and Chief Financial Officer for Urban Edge Properties pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2**	Certification by the Chief Executive Officer and Chief Financial Officer for Urban Edge Properties LP pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.SCH	Inline XBRL Taxonomy Extension Schema
101.CAL	Inline XBRL Extension Calculation Linkbase
101.LAB	Inline XBRL Extension Labels Linkbase
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase
104	Cover Page Interactive Data File (formatted as inline XBRL with applicable taxonomy extension information contained in Exhibits 101.*)

* Filed herewith

** In accordance with Item 601(b)(32) of Regulation S-K, this Exhibit is not deemed "filed" for purposes of Section 18 of the Exchange Act or otherwise subject to the liabilities of that section. Such certifications will not be deemed incorporated by reference into any filing under the Securities Act or the Exchange Act, except to the extent that the registrant specifically incorporates it by reference.

PART IV

SIGNATURES

Pursuant to the requirements of the Exchange Act, the registrants have duly caused this report to be signed on their behalf by the undersigned thereunto duly authorized.

URBAN EDGE PROPERTIES

(Registrant)

/s/ Mark Langer

Mark Langer, Chief Financial Officer

Date: October 30, 2019

URBAN EDGE PROPERTIES LP

By: Urban Edge Properties, General Partner

/s/ Mark Langer

Mark Langer, Chief Financial Officer

Date: October 30, 2019

EXHIBIT 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, Jeffrey S. Olson, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Urban Edge Properties;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a‑15(e) and 15d‑15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements for external purposes in accordance with generally accepted accounting principles;
   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of trustees (or persons performing the equivalent functions):
   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

October 30, 2019

/s/ Jeffrey S. Olson

Jeffrey S. Olson

Chairman of the Board of Trustees and Chief Executive Officer

EXHIBIT 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, Mark Langer, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Urban Edge Properties;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a‑15(e) and 15d‑15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements for external purposes in accordance with generally accepted accounting principles;
    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of trustees (or persons performing the equivalent functions):
    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

October 30, 2019

/s/ Mark Langer

Mark Langer
Chief Financial Officer

EXHIBIT 31.3

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, Jeffrey S. Olson, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Urban Edge Properties LP;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a‑15(e) and 15d‑15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements for external purposes in accordance with generally accepted accounting principles;
   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of trustees (or persons performing the equivalent functions):
   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

October 30, 2019

/s/ Jeffrey S. Olson

Jeffrey S. Olson

Chairman of the Board of Trustees and Chief Executive Officer of Urban Edge Properties, general partner of registrant

EXHIBIT 31.4

CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, Mark Langer, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Urban Edge Properties LP;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a‑15(e) and 15d‑15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements for external purposes in accordance with generally accepted accounting principles;
   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of trustees (or persons performing the equivalent functions):
   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

October 30, 2019

/s/ Mark Langer

Mark Langer
Chief Financial Officer of Urban Edge Properties, general partner of registrant

EXHIBIT 32.1

CERTIFICATION

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
(Subsection (a) and (b) of Section 1350 of Chapter 63 of Title 18 of the United States Code)

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350 of Chapter 63 of Title 18 of the United States Code), the undersigned officer of Urban Edge Properties, hereby certifies, to such officer's knowledge, that:

The Quarterly Report on Form 10-Q for the period ended September 30, 2019 (the "Report") of Urban Edge Properties fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Urban Edge Properties.

October 30, 2019		/s/ Jeffrey S. Olson
	Name:	Jeffrey S. Olson
	Title:	Chairman of the Board of Trustees and Chief Executive Officer

October 30, 2019		/s/ Mark Langer
	Name:	Mark Langer
	Title:	Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

The foregoing certification is being furnished as an exhibit to the Report pursuant to Item 601(b)(32) of Regulation S-K and Section 906 of the Sarbanes-Oxley Act of 2002 and, accordingly, is not being filed with the Securities and Exchange Commission as part of the Report and is not to be incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Report, irrespective of any general incorporation language contained in such filing).

EXHIBIT 32.2

CERTIFICATION

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
(Subsection (a) and (b) of Section 1350 of Chapter 63 of Title 18 of the United States Code)

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350 of Chapter 63 of Title 18 of the United States Code), the undersigned officer of Urban Edge Properties, hereby certifies, to such officer's knowledge, that:

The Quarterly Report on Form 10-Q for the period ended September 30, 2019 (the "Report") of Urban Edge Properties LP fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Urban Edge Properties LP.

October 30, 2019		/s/ Jeffrey S. Olson
	Name:	Jeffrey S. Olson
	Title:	Chairman of the Board of Trustees and Chief Executive Officer of Urban Edge Properties, general partner of registrant

October 30, 2019		/s/ Mark Langer
	Name:	Mark Langer
	Title:	Chief Financial Officer of Urban Edge Properties, general partner of registrant

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

The foregoing certification is being furnished as an exhibit to the Report pursuant to Item 601(b)(32) of Regulation S-K and Section 906 of the Sarbanes-Oxley Act of 2002 and, accordingly, is not being filed with the Securities and Exchange Commission as part of the Report and is not to be incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Report, irrespective of any general incorporation language contained in such filing).