

KITE REALTY GROUP TRUST

Form 8-K

August 17, 2018

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): August 17, 2018

KITE REALTY GROUP TRUST

(Exact name of registrant as specified in its charter)

Maryland                      1-32268              11-3715772  
(State or other jurisdiction (Commission (IRS Employer  
of incorporation)              File Number) Identification Number)

30 S. Meridian Street  
Suite 1100  
Indianapolis, IN 46204  
(Address of principal executive offices) (Zip Code)

(317) 577-5600  
(Registrant's telephone number, including area code)

Not applicable  
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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 provided pursuant to Section 13(a) of the Exchange Act.



Item 7.01 Regulation FD Disclosure.

Kite Realty Group Trust (the “Company”) has received multiple inquiries from analysts, since its August 2, 2018 earnings conference call, regarding the projected impact of the changes to the standards for lease accounting required by ASU 2016-02, Leases. Specifically, the Company has been asked to quantify the projected impact of the amendment to ASC 340-40, Other Assets and Deferred Costs - Contracts with Customers, which will require that incremental costs of obtaining a contract be recognized as an asset if the entity expects to recover them, which will reduce the leasing costs currently capitalized.

In response to those inquiries, the Company hereby discloses that, at this time, the Company is projecting that this accounting change will result in a reduction to certain capitalized costs, a corresponding increase in general, administrative, and other expenses, and a decrease in amortization expense on the Company’s consolidated statement of operations, with the net magnitude estimated to be approximately \$3 - \$5 million for 2019, although the amount of such impact is highly dependent upon the leasing compensation structures in place at the time of adoption, which may ultimately differ from those assumed by this projection.

The information in this Current Report on Form 8-K is being furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities thereunder. In addition, the information in this Current Report on Form 8-K shall not be incorporated by reference into the filings of the Company under the Securities Act of 1933, as amended (the “Securities Act”), or the Exchange Act.

Cautionary Note About Forward-Looking Statements

Certain statements in this Current Report on Form 8-K that are not historical fact may constitute forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. Such statements are based on assumptions and expectations that may not be realized and are inherently subject to risks, uncertainties and other factors, many of which cannot be predicted with accuracy and some of which might not even be anticipated. Future events and actual results, performance, transactions or achievements, financial or otherwise, may differ materially from the results, performance, transactions or achievements, financial or otherwise, expressed or implied by the forward-looking statements. Risks, uncertainties and other factors that might cause such differences, some of which could be material, include, but are not limited to: national and local economic, business, real estate and other market conditions, particularly in light of low growth in the U.S. economy as well as economic uncertainty caused by fluctuations in the prices of oil and other energy sources and inflationary trends or outlook; financing risks, including the availability of, and costs associated with, sources of liquidity; the Company’s ability to refinance, or extend the maturity dates of, its indebtedness; the level and volatility of interest rates; the financial stability of tenants, including their ability to pay rent and the risk of tenant bankruptcies; the competitive environment in which the Company operates; acquisition, disposition, development and joint venture risks; property ownership and management risks; the Company’s ability to maintain its status as a real estate investment trust for federal income tax purposes; potential environmental and other liabilities; impairment in the value of real estate property the Company owns; the impact of online retail competition and the perception that such competition has on the value of shopping center assets; risks related to the geographical concentration of the Company’s properties in Florida, Indiana and Texas; insurance costs and coverage; risks associated with cybersecurity attacks and the loss of confidential information and other business interruptions; and other factors affecting the real estate industry generally. The Company refers you to the documents filed by the Company from time to time with the Securities and Exchange Commission, specifically the section titled “Risk Factors” in the Company’s and the Operating Partnership’s Annual Report on Form 10-K for the fiscal year ended December 31, 2017, which discuss these and other factors that could adversely affect the Company’s results. The Company undertakes no obligation to publicly update or revise these forward-looking statements, whether

as a result of new information, future events or otherwise.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

KITE REALTY  
GROUP TRUST

Date: August 17, 2018 By: /s/ Scott E. Murray  
Scott E. Murray