



Analyst: Dane Bowler
 Contact: 608-833-7793 dbowler@2ndmarketcapital.com
Kite Realty Group Trust (KRG)
 30 South Meridian Street, Suite 1100
 Indianapolis, IN 46204
<http://www.kiterealty.com>
 (317) 577-5600

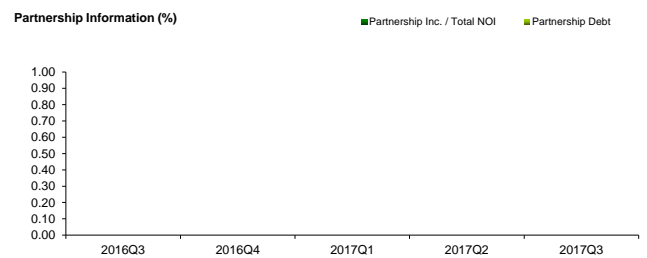
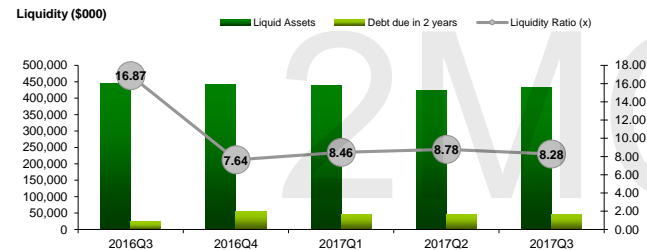
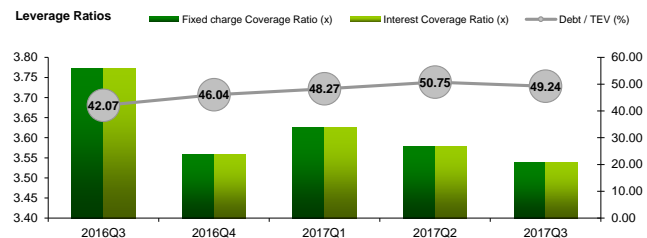
Current Market Information as of 12/27/2017		Closing Price (\$): 19.48	
Shares Outstanding (Shares)	83,594,068	Price Target	\$ 27.00
52 week High - Low (\$)	24.52 - 17.60	Price/ FFO (x)	9.9
Average Daily Volume (Shares)	461,256	Price/ LTM FFO (x)	9.6
Market Value (\$M)	1,628.4	Price/ Trailing-four-quarter EPS (x)	NM
Total Capitalization (\$M)	3,382.0	Prem./Disc to NAV (%)	-28.1
Total Enterprise Value (\$M)	3,349.6	TEV/ Recurring EBITDA (x)	NA
10 Year T Note (%)	2.42	Implied Return	39%

Insider Alignment as of 03/22/2017			
Title	Name	Insider shares (Voting)	%
Chairman & CEO	John A. Kite	909,842	1.08
President & COO	Thomas K. McGowan	363,822	0.44
Executive VP & CFO	Daniel R. Sink	160,422	0.19
Total Shares Held by Insiders		1,583,710	1.87

Note: If multiple insiders share controlling interest in a group of shares, they may both show ownership of those shares in insider ownership data.

Institutional Ownership			
Owner	Shares	%	As of
Vanguard Group Inc.	13,673,824	16.36	09/30/2017
BlackRock Inc.	12,340,234	14.76	09/30/2017
Security Capital Research & Management Inc.	3,841,585	4.60	09/30/2017
FMR LLC	3,543,327	4.24	09/30/2017
State Street Global Advisors Inc.	3,201,393	3.83	09/30/2017
Total - 283 Institutions	82,127,721	97.95	

Current Dividend Information			
		% Change	
Dividend (\$)	0.3175	▲	4.96 Mst Rct Dividend Anncd Date 11/29/2017
Annual Dividend Rate (\$)	1.2700	▲	16.51 Mst Rct Ex-Dividend Date 01/04/2018
LTM Dividends Anncd (\$)	1.2250		Most Recent Div Pay Date 01/12/2018
Current Dividend Yield (%)	6.52		
LTM Dividend Payout Ratio (%)	816.67		

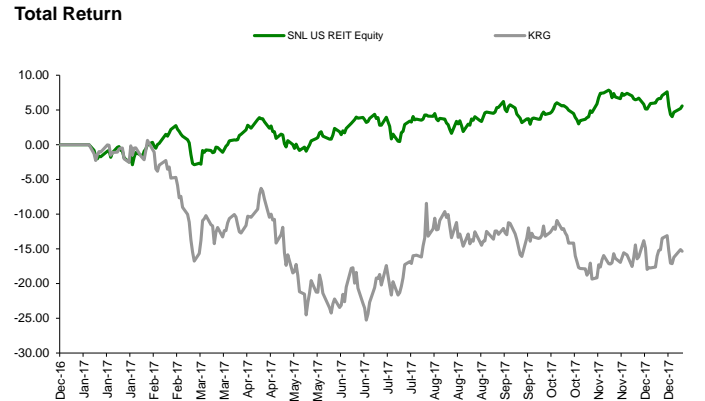


Same Store Analysis	2016Q3	2016Q4	2017Q1	2017Q2	2017Q3
Same Store NOI Change (%)	2.10	3.60	3.10	3.20	3.60
Same Store Rev % Chg (%)	1.29	1.35	2.68	3.79	3.34
Same Store Exp % Chg (%)	-0.99	-4.71	1.55	5.33	2.58
Same-store REV/PAR (\$)	NA	NA	NA	NA	NA
Same-store ADR (\$)	NA	NA	NA	NA	NA
Same Store Occupancy (%)	93.60	93.40	93.90	93.80	93.50

Debt Maturity Schedules for the Period 2017Q3					
	Debt Maturity (\$000)		Principal Payment (\$000)		Principal Payments Inc JV (\$000)
	(%)	(%)	(%)	(%)	(%)
Total Debt	1,681,676		1,681,676		1,681,676
Current Fiscal Year	0	0.00	1,241	0.07	NA
Next Fiscal Year	38,053	2.26	43,219	2.57	NA
Two Years Out	0	0.00	5,975	0.36	NA
Three Years Out	83,655	4.97	87,250	5.19	NA
Four Years Out	368,632	21.92	364,499	21.67	NA
Thereafter	1,184,748	70.45	1,172,904	69.75	NA

Credit Ratings	Rating	Date	Direction	Watch
S&P	BBB-	10/29/2014	Initiate	Outlook Stable
Moody's*	-	-	-	-
Fitch	-	-	-	-

*Senior Unsecured Rating



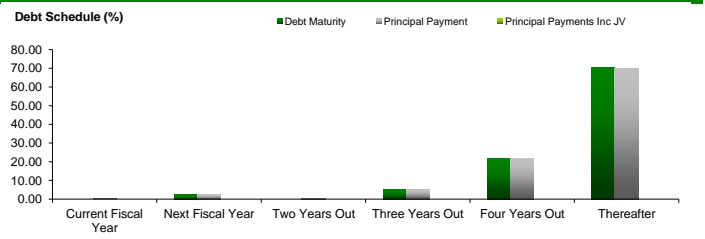
Leverage Analysis	2016Q3	2016Q4	2017Q1	2017Q2	2017Q3
Capitalization (\$M)					
Implied Market Cap	2,369.7	2,007.3	1,839.5	1,620.1	1,733.0
Total Mezzanine Level Items	44.1	40.8	32.7	32.5	32.5
Total Preferred Equity	0.0	0.0	0.0	0.0	0.0
Noncontrolling Interest	0.7	0.7	0.7	0.7	0.7
Total Debt	1,732.3	1,731.1	1,726.9	1,675.1	1,681.7
Prof. OP-FASB 150/Fin 46 Adj.	0.0	0.0	0.0	0.0	0.0
Total Capitalization	4,146.9	3,779.8	3,599.8	3,328.4	3,447.9
(-) Cash & Cash Equivalents	28.8	19.9	22.6	27.6	32.5
Total Enterprise Value	4,118.1	3,759.9	3,577.2	3,300.7	3,415.5
Leverage Ratios (%)					
Debt/ Total Cap	41.77	45.80	47.97	50.33	48.77
Debt / TEV	42.07	46.04	48.27	50.75	49.24
Debt and Preferred/ TEV	42.07	46.04	48.27	50.75	49.24
Total Debt/ Gross Properties	45.00	44.47	44.49	43.64	43.72
Debt/ RE Value	45.90	50.10	52.75	55.68	53.98
Fixed charge Coverage Ratio (x)	3.77	3.56	3.63	3.58	3.54
Interest Coverage Ratio (x)	3.77	3.56	3.63	3.58	3.54
Debt/ EBITDA (x)	7.20	6.80	6.90	6.07	7.12
Debt/Assets	46.94	47.34	47.66	47.18	47.46
NOI/ Debt	15.20	15.13	15.48	15.37	15.24

Liquidity Analysis (\$000)	2016Q3	2016Q4	2017Q1	2017Q2	2017Q3
Cash and Equivalents	28,793	19,874	22,641	27,635	32,465
Revolving Credit Facilities	456,888	500,026	497,287	426,750	440,483
Revolving Credit Facilities Drawn	40,709	76,877	80,906	30,780	38,991
Liquid Assets	444,972	443,023	439,022	423,605	433,957
Debt Due this Fiscal Year	954	11,598	2,831	2,560	1,241
Debt Due during Next Fiscal Year	22,128	43,219	43,219	43,219	43,219
Debt Due this Fiscal Year, Incl. JV	NA	NA	NA	NA	NA
Debt Due during Next Fiscal Year, Incl. JV	NA	NA	NA	NA	NA
Debt due in 2 years	23,082	54,817	47,050	45,779	44,460
Liquidity Ratio (x)	16.87	7.64	8.46	8.78	8.28

Profitability Analysis (%)	2016Q3	2016Q4	2017Q1	2017Q2	2017Q3
Implied Capitalization Rate	7.03	7.01	7.24	7.55	7.91
Rental NOI/ Avg Gross Ppty	6.86	6.77	6.88	6.67	6.67
Operating NOI/ Avg Gross Ppty	0.00	0.00	0.00	0.00	0.00
Total RE NOI/ Avg Gross Ppty	6.86	6.77	6.88	6.67	6.67
Partnership Income/ Total Revenue	NA	NA	NA	NA	NA

Partnership Information (%)	2016Q3	2016Q4	2017Q1	2017Q2	2017Q3
Partnership Inc. / Total NOI	0.00	0.00	0.00	0.00	0.00
Partnership Revenue/ Revenue	0.00	0.00	0.00	0.00	0.00
Partnership Debt	0.00	0.00	0.00	0.00	0.00
Partnership Income/ Avg Partnerships	NA	NA	NA	NA	NA

Debt Analysis (%)	2016Q3	2016Q4	2017Q1	2017Q2	2017Q3
Tax-exempt Debt/ Debt	0.00	0.00	0.00	0.00	0.00
Secured Debt/ Debt	43.31	41.16	40.77	41.92	41.84
Short-term Debt/ Debt	NA	0.67	NA	NA	NA
Long-term Debt/ Debt	NA	99.33	NA	NA	NA
Variable-rate Debt/ Debt	4.83	6.91	7.91	5.15	5.61
Fixed-rate Debt/ Debt	95.17	93.12	92.15	94.92	94.46
Hedged Debt/ Debt	27.40	27.40	26.70	27.51	27.39
Convertible Debt/ Debt	0.00	0.00	0.00	0.00	0.00
Credit Lines Drawn/ Available	8.91	15.37	16.27	7.21	8.85



Property Analysis

Property Financials	2016Q3	2016Q4	2017Q1	2017Q2	2017Q3
# of Properties Tot (Actual)*	120	119	118	117	117
Portfolio Occupancy(Tot) (%)*	95.3	95.5	95.3	94.6	94.6
Total Acquisitions (\$000)	0	0	0	0	0
Total Dispositions (\$000)	0	14,600	23,100	54,600	0
Development Pipeline (\$000)	83,500	86,100	90,800	2,700	8,447
Development Cost Incurred (\$000)	80,213	82,935	85,939	240	501
Net Property Investment (\$000)	3,318,116	3,331,786	3,297,287	3,230,264	3,210,972
Gross Leasable Area (sq. ft.)	23,488,483	23,399,926	23,247,245	#####	23,098,856
Acquisition / Total Assets (%)	0.00	0.00	0.00	0.00	0.00
Disposition / Total Assets (%)	0.00	0.40	0.64	1.54	0.00

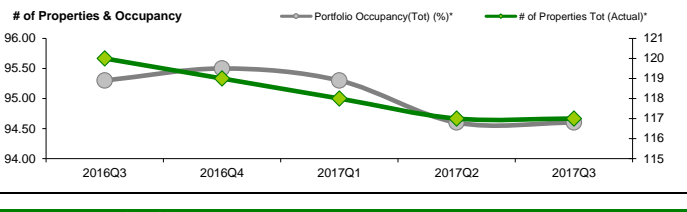
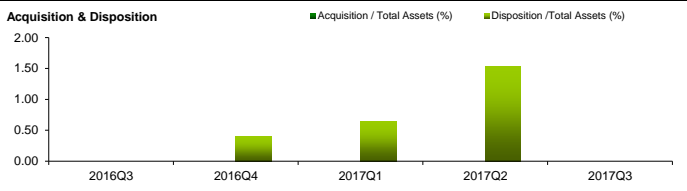
* If total value is filed as NA for all periods by the company, it will give the individual portfolio level information.

Top 10 Markets*				
Name	% of NOI	% of Rev.	% Change SS	Occupancy %
Florida	NA	24.3	NA	NA
Texas	NA	11.9	NA	NA
Indiana	NA	11.7	NA	NA
North Carolina	NA	9.2	NA	NA
Nevada	NA	9.0	NA	NA
Oklahoma	NA	4.6	NA	NA
New York	NA	3.4	NA	NA
Georgia	NA	3.2	NA	NA
New Jersey	NA	2.9	NA	NA
Virginia	NA	2.8	NA	NA

*Based on reported market exposure. SS here stands for Same Store

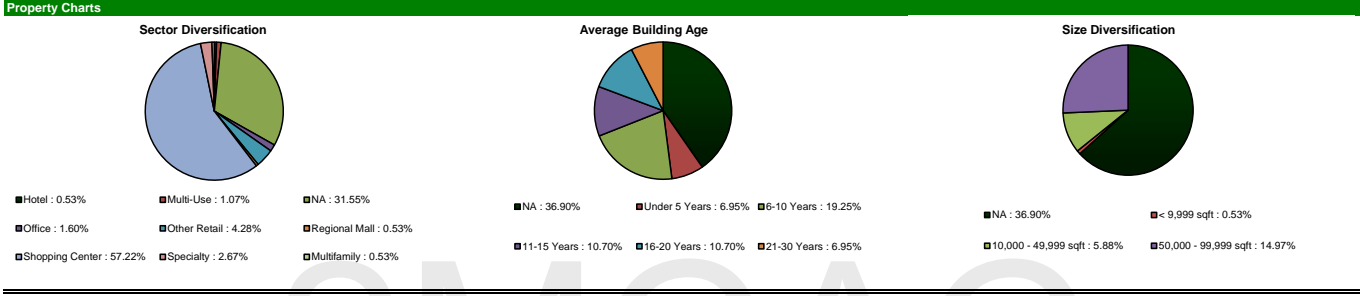
Top 10 Most Recent Acquisitions					
Property Name	Portfolio Acq. Yes/No?	Acq. Date	Owned %	Price (\$000) ¹	Size (Owned Sq. Ft.) ¹
Chapel Hill Shopping Center	No	08/21/2015	100.00	NA	193,052
Livingston Shopping Center	No	07/24/2015	100.00	NA	139,605
Belle Isle Station	No	05/14/2015	100.00	NA	396,439
Colleyville Downs	No	04/01/2015	100.00	NA	200,910
Rampart Commons	No	12/18/2014	100.00	32,300	81,292
Bayonne Crossing	Yes	07/01/2014	100.00	2,100,000	360,045
Bell Oaks Centre	Yes	07/01/2014	100.00	2,100,000	94,958
Branson Hills Plaza	Yes	07/01/2014	100.00	2,100,000	210,201
Cannery Corner	Yes	07/01/2014	78.00	2,100,000	34,688
Centennial Center	Yes	07/01/2014	78.00	2,100,000	669,109

¹ If the transaction is a portfolio acquisition than the price will be a portfolio Acq. Price.



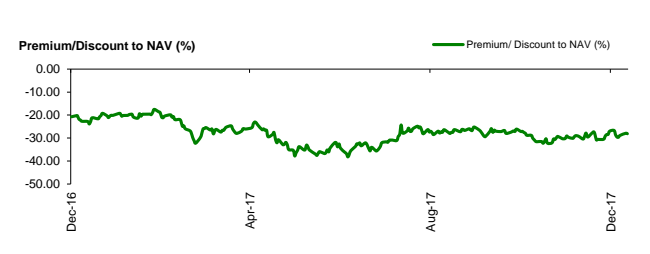
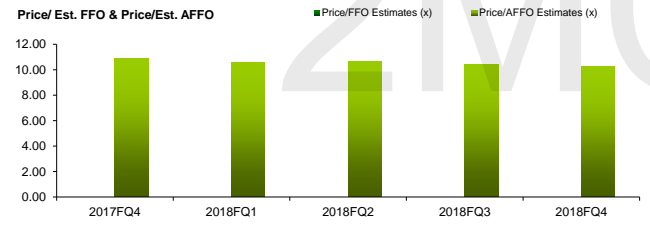
Top 10 Most Recent Dispositions					
Property Name	Portfolio Dis. Yes/No?	Dis. Date	Owned %	Price (\$000) ²	Size (Owned Sq. Ft.) ²
Wheatland Towne Crossing	No	06/27/2017	100.00	NA	194,727
Clay Marketplace	No	05/25/2017	100.00	NA	63,107
The Shops at Village Walk	No	05/25/2017	100.00	NA	78,533
Cove Center	No	03/31/2017	100.00	23,100	155,063
Publix at Saint Cloud	No	12/31/2016	100.00	14,600	78,820
Shops at Oty	No	06/30/2016	100.00	NA	154,845
Cornelius Gateway	No	12/21/2015	80.00	NA	28,640
Four Corner Square	No	12/16/2015	100.00	NA	107,998
Eastside Junction	Yes	03/16/2015	100.00	318,130	79,700
Fairgrounds Crossing	Yes	03/16/2015	100.00	318,130	151,927

² If the transaction is a portfolio sales than the price will be a portfolio disposition Price.



NA = Not Available

Estimates Data



Estimates Information	2017FQ4	2018FQ1	2018FQ2	2018FQ3	2018FQ4
FFO Estimates					
FactSet Mean FFO Estimate (\$)					
FactSet High FFO Estimate (\$)					
FactSet Low FFO Estimate (\$)					
FactSet No. of FFO Estimates (Actual)					
Closing Price (\$)	19.48	19.48	19.48	19.48	19.48
Price/FFO Estimates (x)					
AFFO Estimates					
SNL Mean AFFO Estimate (\$)	0.45	0.46	0.46	0.47	0.48
SNL High AFFO Estimate (\$)	0.48	0.47	0.47	0.48	0.49
SNL Low AFFO Estimate (\$)	0.42	0.44	0.44	0.46	0.46
SNL No. of AFFO Estimates (Actual)	6	5	5	5	5
Price/AFFO Estimates (x)	10.90	10.54	10.68	10.45	10.23
EBITDA Estimates					
FactSet Mean EBITDA Estimate (\$000)					
FactSet High EBITDA Estimate (\$000)					
FactSet Low EBITDA Estimate (\$000)					
FactSet No. of EBITDA Estimates (Actual)					
Shares Outstanding (Shares)	83,594,068	83,594,068	83,594,068	83,594,068	83,594,068
Total Enterprise Value (\$M)	3,349.6	3,349.6	3,349.6	3,349.6	3,349.6
Price/ Est. EBITDA per Share (x)					
Current TEV/ Est. EBITDA (x)					
NAV					
Consensus Estimate					
NAV per Share (\$)	27.10	27.27	29.10	24.92	1.83
Price/ NAV	0.72	0.71	0.67	0.78	
Premium/Discount to NAV (%)	-28.12	-28.57	-33.06	-21.83	
Number of NAV per Share Estimates (actual)	6				

Commentary:

Kite Realty (KRG) has been the same story since we owned it. Fundamentals remain strong and the market price does not reflect the growth. Shopping centers are generally doing better than malls and grocery anchored centers are doing better still. People like to see their food and verify its freshness before they buy so I do not see online grocery ever killing the brick and mortar stores. With people already at its centers for their weekly grocery shopping, the other shops benefit from increased foot traffic. Grocery stores are also good about not cannibalizing sales in the way that some other anchors do. We like the model and KRG is right up there with Brixmor as the best value in the space. Depending on pricing, we could do some flipping between the two, but at this time, I would like to maintain exposure to at least one of them.

The information contained in these documents is confidential, privileged and only for the information of the intended recipient and may not be used, published or redistributed without the prior written consent of 2nd Market Capital Advisory Corporation (2MCAAC). Commentary may contain forward looking statements which are by definition uncertain. Actual results may differ materially from our forecasts or estimations, and 2MCAAC cannot be held liable for the use of and reliance upon the opinions, estimates, forecasts and findings in these documents. The opinions expressed are in good faith and while every care has been taken in preparing these documents, 2MCAAC makes no representations and gives no warranties in respect to these documents, including but not limited to the accuracy or completeness of any information, facts and/or opinions contained therein.