Section 1: 10-Q (10-Q)

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 June 30, 2020

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: 1-11986 (Tanger Factory Outlet Centers, Inc.)
Commission file number: 333-3526-01 (Tanger Properties Limited Partnership)

TANGER FACTORY OUTLET CENTERS, INC.
TANGER PROPERTIES LIMITED PARTNERSHIP
(Exact name of registrant as specified in its charter)

North Carolina	**(Tanger Factory Outlet Centers, Inc.)**	**56-1815473**
North Carolina	**(Tanger Properties Limited Partnership)**	**56-1822494**
(State or other jurisdiction of incorporation or organization)		(I.R.S. Employer Identification No.)

3200 Northline Avenue, Suite 360, Greensboro, NC 27408
(Address of principal executive offices) (Zip Code)
(336) 292-3010
(Registrant's telephone number, including area code)

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

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

Tanger Factory Outlet Centers, Inc.:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Shares, $0.01 par value	SKT	New York Stock Exchange

Tanger Properties Limited Partnership:

None

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.

Tanger Factory Outlet Centers, Inc.	Yes	☒	No	☐
Tanger Properties Limited Partnership	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).

Tanger Factory Outlet Centers, Inc.	Yes	☒	No	☐
Tanger Properties Limited Partnership	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.

Tanger Factory Outlet Centers, Inc.

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

Tanger Properties Limited Partnership

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

Tanger Factory Outlet Centers, Inc.	☐
Tanger Properties Limited Partnership	☐

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

Tanger Factory Outlet Centers, Inc.	Yes ☐ No ☒
Tanger Properties Limited Partnership	Yes ☐ No ☒

As of July 31, 2020, there were 93,472,267 common shares of Tanger Factory Outlet Centers, Inc. outstanding, $.01 par value.

EXPLANATORY NOTE

This report combines the unaudited quarterly reports on Form 10-Q for the quarter ended June 30, 2020 of Tanger Factory Outlet Centers, Inc. and Tanger Properties Limited Partnership. Unless the context indicates otherwise, the term "Company" refers to Tanger Factory Outlet Centers, Inc. and subsidiaries and the term "Operating Partnership" refers to Tanger Properties Limited Partnership and subsidiaries. The terms "we", "our" and "us" refer to the Company or the Company and the Operating Partnership together, as the text requires.

Tanger Factory Outlet Centers, Inc. and subsidiaries is one of the largest owners and operators of outlet centers in the United States and Canada. The Company is a fully-integrated, self-administered and self-managed real estate investment trust ("REIT") which, through its controlling interest in the Operating Partnership, focuses exclusively on developing, acquiring, owning, operating and managing outlet shopping centers. The outlet centers and other assets are held by, and all of the operations are conducted by, the Operating Partnership and its subsidiaries. Accordingly, the descriptions of the business, employees and properties of the Company are also descriptions of the business, employees and properties of the Operating Partnership. As the Operating Partnership is the issuer of our registered debt securities, we are required to present a separate set of financial statements for this entity.

The Company owns the majority of the units of partnership interest issued by the Operating Partnership through its two wholly-owned subsidiaries, Tanger GP Trust and Tanger LP Trust. Tanger GP Trust controls the Operating Partnership as its sole general partner. Tanger LP Trust holds a limited partnership interest. As of June 30, 2020, the Company, through its ownership of Tanger GP Trust and Tanger LP Trust, owned 93,472,267 units of the Operating Partnership and other limited partners (the "Non-Company LPs") collectively owned 4,911,173 Class A common limited partnership units. Each Class A common limited partnership unit held by the Non-Company LPs is exchangeable for one of the Company's common shares, subject to certain limitations to preserve the Company's status as a REIT. Class B common limited partnership units, which are held by Tanger LP Trust, are not exchangeable for common shares of the Company.

Management operates the Company and the Operating Partnership as one enterprise. The management of the Company consists of the same members as the management of the Operating Partnership. These individuals are officers of the Company and employees of the Operating Partnership. The individuals that comprise the Company's Board of Directors are also the same individuals that make up Tanger GP Trust's Board of Trustees.

We believe combining the quarterly reports on Form 10-Q of the Company and the Operating Partnership into this single report results in the following benefits:

- enhancing investors' understanding of the Company and the Operating Partnership by enabling investors to view the business as a whole in the same manner as management views and operates the business;

- eliminating duplicative disclosure and providing a more streamlined and readable presentation since a substantial portion of the disclosure applies to both the Company and the Operating Partnership; and

- creating time and cost efficiencies through the preparation of one combined report instead of two separate reports.

There are only a few differences between the Company and the Operating Partnership, which are reflected in the disclosure in this report. We believe it is important, however, to understand these differences between the Company and the Operating Partnership in the context of how the Company and the Operating Partnership operate as an interrelated consolidated company.

As stated above, the Company is a REIT, whose only material asset is its ownership of partnership interests of the Operating Partnership through its wholly-owned subsidiaries, the Tanger GP Trust and Tanger LP Trust. As a result, the Company does not conduct business itself, other than issuing public equity from time to time and incurring expenses required to operate as a public company. However, all operating expenses incurred by the Company are reimbursed by the Operating Partnership, thus the only material item on the Company's income statement is its equity in the earnings of the Operating Partnership. Therefore, the assets and liabilities and the revenues and expenses of the Company and the Operating Partnership are the same on their respective financial statements, except for immaterial differences related to cash, other assets and accrued liabilities that arise from public company expenses paid by the Company. The Company itself does not hold any indebtedness but does guarantee certain debt of the Operating Partnership, as disclosed in this report.

The Operating Partnership holds all of the outlet centers and other assets, including the ownership interests in consolidated and unconsolidated joint ventures. The Operating Partnership conducts the operations of the business and is structured as a partnership with no publicly traded equity. Except for net proceeds from public equity issuances by the Company, which are contributed to the Operating Partnership in exchange for partnership units, the Operating Partnership generates the capital required through its operations, its incurrence of indebtedness or through the issuance of partnership units.

Noncontrolling interests, shareholders' equity and partners' capital are the main areas of difference between the consolidated financial statements of the Company and those of the Operating Partnership. The limited partnership interests in the Operating Partnership held by the Non-Company LPs are accounted for as partners' capital in the Operating Partnership's financial statements and as noncontrolling interests in the Company's financial statements.

To help investors understand the significant differences between the Company and the Operating Partnership, this report presents the following separate sections, as applicable, for each of the Company and the Operating Partnership:

- Consolidated financial statements;
- The following notes to the consolidated financial statements:
    - Debt of the Company and the Operating Partnership;
    - Shareholders' Equity, if applicable, and Partners' Equity;
    - Earnings Per Share and Earnings Per Unit;
    - Accumulated Other Comprehensive Income of the Company and the Operating Partnership;
- Liquidity and Capital Resources in the Management's Discussion and Analysis of Financial Condition and Results of Operations.

This report also includes separate Item 4. Controls and Procedures sections and separate Exhibit 31 and 32 certifications for each of the Company and the Operating Partnership in order to establish that the Chief Executive Officer and the Chief Financial Officer of each entity have made the requisite certifications and that the Company and Operating Partnership are compliant with Rule 13a-15 or Rule 15d-15 of the Securities Exchange Act of 1934 and 18 U.S.C. §1350.

The separate sections in this report for the Company and the Operating Partnership specifically refer to the Company and the Operating Partnership. In the sections that combine disclosure of the Company and the Operating Partnership, this report refers to actions or holdings as being actions or holdings of the Company. Although the Operating Partnership is generally the entity that enters into contracts and joint ventures and holds assets and debt, reference to the Company is appropriate because the business is one enterprise and the Company operates the business through the Operating Partnership.

The Company currently consolidates the Operating Partnership because it has (1) the power to direct the activities of the Operating Partnership that most significantly impact the Operating Partnership's economic performance and (2) the obligation to absorb losses and the right to receive the residual returns of the Operating Partnership that could be potentially significant. The separate discussions of the Company and the Operating Partnership in this report should be read in conjunction with each other to understand the results of the Company on a consolidated basis and how management operates the Company.

TANGER FACTORY OUTLET CENTERS, INC. AND TANGER PROPERTIES LIMITED PARTNERSHIP

Index

PART I. - FINANCIAL INFORMATION

Item 1 - Financial Statements of Tanger Factory Outlet Centers, Inc.

TANGER FACTORY OUTLET CENTERS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In thousands, except share data, unaudited)

	June 30, 2020	December 31, 2019
Assets		
Rental property:		
Land	$ 266,537	$ 266,537
Buildings, improvements and fixtures	2,571,971	2,630,357
	2,838,508	2,896,894
Accumulated depreciation	(1,032,784)	(1,009,951)
Total rental property, net	1,805,724	1,886,943
Cash and cash equivalents	338,606	16,672
Investments in unconsolidated joint ventures	92,150	94,691
Deferred lease costs and other intangibles, net	94,757	96,712
Operating lease right-of-use assets	83,489	86,575
Prepaids and other assets	149,066	103,618
Total assets	$ 2,563,792	$ 2,285,211
Liabilities and Equity		
Liabilities		
Debt:		
Senior, unsecured notes, net	$ 1,139,585	$ 1,138,603
Unsecured term loan, net	347,003	347,367
Mortgages payable, net	81,897	83,803
Unsecured lines of credit, net	397,407	—
Total debt	1,965,892	1,569,773
Accounts payable and accrued expenses	70,895	79,562
Operating lease liabilities	90,793	91,237
Other liabilities	106,229	88,530
Total liabilities	2,233,809	1,829,102
Commitments and contingencies		
Equity		
Tanger Factory Outlet Centers, Inc.:		
Common shares, $.01 par value, 300,000,000 shares authorized, 93,472,267 and 92,892,260 shares issued and outstanding at June 30, 2020 and December 31 2019, respectively	935	929
Paid in capital	781,485	775,035
Accumulated distributions in excess of net income	(433,396)	(317,263)
Accumulated other comprehensive loss	(35,513)	(25,495)
Equity attributable to Tanger Factory Outlet Centers, Inc.	313,511	433,206
Equity attributable to noncontrolling interests:		
Noncontrolling interests in Operating Partnership	16,472	22,903
Noncontrolling interests in other consolidated partnerships	—	—
Total equity	329,983	456,109
Total liabilities and equity	$ 2,563,792	$ 2,285,211

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

TANGER FACTORY OUTLET CENTERS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except share data, unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2020	2019	2020	2019
Revenues:				
Rental revenues	$ 62,273	$ 112,385	$ 170,831	$ 232,339
Management, leasing and other services	725	1,245	2,168	2,587
Other revenues	992	2,077	2,624	3,936
Total revenues	63,990	115,707	175,623	238,862
Expenses:				
Property operating	28,158	36,726	66,785	79,103
General and administrative	11,566	16,473	24,150	28,618
Impairment charge	—	—	45,675	—
Depreciation and amortization	28,646	31,146	58,063	62,906
Total expenses	68,370	84,345	194,673	170,627
Other income (expense):				
Interest expense	(16,943)	(15,134)	(32,139)	(31,441)
Gain on sale of assets	—	—	—	43,422
Other income (expense)	408	(3,417)	628	(3,193)
Total other income (expense)	(16,535)	(18,551)	(31,511)	8,788
Income (loss) before equity in earnings of unconsolidated joint ventures	(20,915)	12,811	(50,561)	77,023
Equity in earnings (losses) of unconsolidated joint ventures	(2,975)	1,646	(1,448)	3,275
Net income (loss)	(23,890)	14,457	(52,009)	80,298
Noncontrolling interests in Operating Partnership	1,202	(730)	2,629	(4,045)
Noncontrolling interests in other consolidated partnerships	—	—	(190)	(195)
Net income (loss) attributable to Tanger Factory Outlet Centers, Inc.	$ (22,688)	$ 13,727	$ (49,570)	$ 76,058
Basic earnings per common share:				
Net income (loss)	$ (0.25)	$ 0.15	$ (0.54)	$ 0.81
Diluted earnings per common share:				
Net income (loss)	$ (0.25)	$ 0.15	$ (0.54)	$ 0.81

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

TANGER FACTORY OUTLET CENTERS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In thousands, unaudited)

	Three months ended June 30, 2020	Three months ended June 30, 2019	Six months ended June 30, 2020	Six months ended June 30, 2019
Net income (loss)	$ (23,890)	$ 14,457	$ (52,009)	$ 80,298
Other comprehensive income (loss):				
Foreign currency translation adjustments	3,357	5,443	(4,376)	7,392
Change in fair value of cash flow hedges	(498)	(3,613)	(6,174)	(5,565)
Other comprehensive income (loss)	2,859	1,830	(10,550)	1,827
Comprehensive income (loss)	(21,031)	16,287	(62,559)	82,125
Comprehensive (income) loss attributable to noncontrolling interests	1,058	(822)	2,971	(4,331)
Comprehensive income (loss) attributable to Tanger Factory Outlet Centers, Inc.	$ (19,973)	$ 15,465	$ (59,588)	$ 77,794

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

TANGER FACTORY OUTLET CENTERS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(In thousands, except share and per share data, unaudited)

	Common shares	Paid in capital	Accumulated distributions in excess of earnings	Accumulated other comprehensive loss	Equity attributable to Tanger Factory Outlet Centers, Inc.	Noncontrolling interests in Operating Partnership	Noncontrolling interests in other consolidated partnerships	Total equity
Balance, March 31, 2019	$ 941	$ 780,936	$ (276,491)	$ (27,153)	$ 478,233	$ 25,210	$ —	$ 503,443
Net income	—	—	13,727	—	13,727	730	—	14,457
Other comprehensive income	—	—	—	1,738	1,738	92	—	1,830
Compensation under Incentive Award Plan	—	7,078	—	—	7,078	—	—	7,078
Repurchase of 558,399 common shares, including transaction costs	(6)	(9,994)	—	—	(10,000)	—	—	(10,000)
Contributions from noncontrolling interests	—	—	—	—	—	—	18	18
Adjustment for noncontrolling interests in Operating Partnership	—	6	—	—	6	(6)	—	—
Distributions to noncontrolling interests	—	—	—	—	—	—	(18)	(18)
Balance, June 30, 2019	$ 935	$ 778,026	$ (262,764)	$ (25,415)	$ 490,782	$ 26,026	$ —	$ 516,808

	Common shares	Paid in capital	Accumulated distributions in excess of earnings	Accumulated other comprehensive loss	Equity attributable to Tanger Factory Outlet Centers, Inc.	Noncontrolling interests in Operating Partnership	Noncontrolling interests in other consolidated partnerships	Total equity
Balance, December 31, 2018	$ 939	$ 778,845	$ (272,454)	$ (27,151)	$ 480,179	$ 25,356	$ —	$ 505,535
Net income	—	—	76,058	—	76,058	4,045	195	80,298
Other comprehensive income	—	—	—	1,736	1,736	91	—	1,827
Compensation under Incentive Award Plan	—	10,988	—	—	10,988	—	—	10,988
Grant of 242,167 restricted common share awards, net of forfeitures	3	(3)	—	—	—	—	—	—
Repurchase of 558,399 common shares, including transaction costs	(6)	(9,994)	—	—	(10,000)	—	—	(10,000)
Withholding of 81,284 common shares for employee income taxes	(1)	(1,780)	—	—	(1,781)	—	—	(1,781)
Contributions from noncontrolling interests	—	—	—	—	—	—	36	36
Adjustment for noncontrolling interests in Operating Partnership	—	(30)	—	—	(30)	30	—	—
Common dividends ($0.705 per share)	—	—	(66,368)	—	(66,368)	—	—	(66,368)
Distributions to noncontrolling interests	—	—	—	—	—	(3,496)	(231)	(3,727)
Balance, June 30, 2019	$ 935	$ 778,026	$ (262,764)	$ (25,415)	$ 490,782	$ 26,026	$ —	$ 516,808

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

TANGER FACTORY OUTLET CENTERS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(In thousands, except share and per share data, unaudited)

	Common shares	Paid in capital	Accumulated distributions in excess of earnings	Accumulated other comprehensive loss	Equity attributable to Tanger Factory Outlet Centers, Inc.	Noncontrolling interests in Operating Partnership	Noncontrolling interests in other consolidated partnerships	Total equity
Balance, March 31, 2020	$ 931	$ 778,062	$ (410,532)	$ (38,228)	$ 330,233	$ 17,425	$ —	$ 347,658
Net loss	—	—	(22,688)	—	(22,688)	(1,202)	—	(23,890)
Other comprehensive income	—	—	—	2,715	2,715	144	—	2,859
Compensation under Incentive Award Plan	—	3,532	—	—	3,532	—	—	3,532
Issuance of 6,258 deferred shares	—	—	—	—	—	—	—	—
Grant of 389,308 restricted common share awards, net of forfeitures	4	(4)	—	—	—	—	—	—
Adjustment for noncontrolling interests in Operating Partnership	—	(105)	—	—	(105)	105	—	—
Common dividends	—	—	(176)	—	(176)	—	—	(176)
Balance, June 30, 2020	$ 935	$ 781,485	$ (433,396)	$ (35,513)	$ 313,511	$ 16,472	$ —	$ 329,983

	Common shares	Paid in capital	Accumulated distributions in excess of earnings	Accumulated other comprehensive loss	Equity attributable to Tanger Factory Outlet Centers, Inc.	Noncontrolling interests in Operating Partnership	Noncontrolling interests in other consolidated partnerships	Total equity
Balance, December 31, 2019	$ 929	$ 775,035	$ (317,263)	$ (25,495)	$ 433,206	$ 22,903	$ —	$ 456,109
Net income (loss)	—	—	(49,570)	—	(49,570)	(2,629)	190	(52,009)
Other comprehensive loss	—	—	—	(10,018)	(10,018)	(532)	—	(10,550)
Compensation under Incentive Award Plan	—	7,421	—	—	7,421	—	—	7,421
Grant of 630,346 restricted common share awards, net of forfeitures	6	(6)	—	—	—	—	—	—
Issuance of 6,258 deferred shares	—	—	—	—	—	—	—	—
Withholding of 56,597 common shares for employee income taxes	—	(736)	—	—	(736)	—	—	(736)
Contributions from noncontrolling interests	—	—	—	—	—	—	72	72
Adjustment for noncontrolling interests in Operating Partnership	—	(229)	—	—	(229)	229	—	—
Common dividends ($0.7125 per share)	—	—	(66,563)	—	(66,563)	—	—	(66,563)
Distributions to noncontrolling interests	—	—	—	—	—	(3,499)	(262)	(3,761)
Balance, June 30, 2020	$ 935	$ 781,485	$ (433,396)	$ (35,513)	$ 313,511	$ 16,472	$ —	$ 329,983

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

TANGER FACTORY OUTLET CENTERS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands, unaudited)

	Six months ended June 30, 2020	Six months ended June 30, 2019
OPERATING ACTIVITIES		
Net income (loss)	$ (52,009)	$ 80,298
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	58,063	62,906
Impairment charge	45,675	—
Amortization of deferred financing costs	1,590	1,497
Gain on sale of assets	—	(43,422)
Equity in (earnings) losses of unconsolidated joint ventures	1,448	(3,275)
Equity-based compensation expense	7,219	10,799
Amortization of debt (premiums) and discounts, net	237	220
Amortization (accretion) of market rent rate adjustments, net	411	753
Straight-line rent adjustments	677	(4,886)
Distributions of cumulative earnings from unconsolidated joint ventures	2,092	3,154
Other non-cash	—	3,638
Changes in other assets and liabilities:		
Other assets	(35,587)	(577)
Accounts payable and accrued expenses	(15,572)	(18,384)
Net cash provided by operating activities	14,244	92,721
INVESTING ACTIVITIES		
Additions to rental property	(16,476)	(22,402)
Additions to investments in unconsolidated joint ventures	(5,601)	(1,695)
Net proceeds from sale of assets	—	128,248
Additions to non-real estate assets	(1,191)	(480)
Distributions in excess of cumulative earnings from unconsolidated joint ventures	3,093	12,303
Additions to deferred lease costs	(1,655)	(4,119)
Other investing activities	5,009	4,476
Net cash provided by (used) in investing activities	(16,821)	116,331
FINANCING ACTIVITIES		
Cash dividends paid	(66,563)	(66,368)
Distributions to noncontrolling interests in Operating Partnership	(3,499)	(3,496)
Proceeds from revolving credit facility	634,030	207,500
Repayments of revolving credit facility	(234,200)	(334,100)
Repayments of notes, mortgages and loans	(1,758)	(1,661)
Repurchase of common shares, including transaction costs	—	(10,000)
Employee income taxes paid related to shares withheld upon vesting of equity awards	(736)	(1,781)
Additions to deferred financing costs	(1,797)	(65)
Proceeds from other financing activities	72	36
Payment for other financing activities	(835)	(805)
Net cash provided by (used) in financing activities	324,714	(210,740)
Effect of foreign currency rate changes on cash and cash equivalents	(203)	(16)
Net increase (decrease) in cash and cash equivalents	321,934	(1,704)
Cash and cash equivalents, beginning of period	16,672	9,083
Cash and cash equivalents, end of period	$ 338,606	$ 7,379

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

Item 1 - Financial Statements of Tanger Properties Limited Partnership

TANGER PROPERTIES LIMITED PARTNERSHIP AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In thousands, except unit data, unaudited)

	June 30, 2020	December 31, 2019
Assets		
Rental property:		
Land	$ 266,537	$ 266,537
Buildings, improvements and fixtures	2,571,971	2,630,357
	2,838,508	2,896,894
Accumulated depreciation	(1,032,784)	(1,009,951)
Total rental property, net	1,805,724	1,886,943
Cash and cash equivalents	338,426	16,519
Investments in unconsolidated joint ventures	92,150	94,691
Deferred lease costs and other intangibles, net	94,757	96,712
Operating lease right-of-use assets	83,489	86,575
Prepaids and other assets	148,931	103,374
Total assets	$ 2,563,477	$ 2,284,814
Liabilities and Equity		
Liabilities		
Debt:		
Senior, unsecured notes, net	$ 1,139,585	$ 1,138,603
Unsecured term loan, net	347,003	347,367
Mortgages payable, net	81,897	83,803
Unsecured lines of credit, net	397,407	—
Total debt	1,965,892	1,569,773
Accounts payable and accrued expenses	70,580	79,165
Operating lease liabilities	90,793	91,237
Other liabilities	106,229	88,530
Total liabilities	2,233,494	1,828,705
Commitments and contingencies		
Equity		
Partners' Equity:		
General partner, 1,000,000 units outstanding at June 30, 2020 and December 31, 2019	3,192	4,435
Limited partners, 4,911,173 and 4,911,173 Class A common units, and 92,472,267 and 91,892,260 Class B common units outstanding at June 30, 2020 and December 31, 2019, respectively	364,229	478,562
Accumulated other comprehensive loss	(37,438)	(26,888)
Total partners' equity	329,983	456,109
Noncontrolling interests in consolidated partnerships	—	—
Total equity	329,983	456,109
Total liabilities and equity	$ 2,563,477	$ 2,284,814

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

TANGER PROPERTIES LIMITED PARTNERSHIP AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per unit data, unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2020	2019	2020	2019
Revenues:				
Rental revenues	$ 62,273	$ 112,385	$ 170,831	$ 232,339
Management, leasing and other services	725	1,245	2,168	2,587
Other revenues	992	2,077	2,624	3,936
Total revenues	63,990	115,707	175,623	238,862
Expenses:				
Property operating	28,158	36,726	66,785	79,103
General and administrative	11,566	16,473	24,150	28,618
Impairment charge	—	—	45,675	—
Depreciation and amortization	28,646	31,146	58,063	62,906
Total expenses	68,370	84,345	194,673	170,627
Other income (expense):				
Interest expense	(16,943)	(15,134)	(32,139)	(31,441)
Gain on sale of assets	—	—	—	43,422
Other income (expense)	408	(3,417)	628	(3,193)
Total other income (expense)	(16,535)	(18,551)	(31,511)	8,788
Income (loss) before equity in earnings of unconsolidated joint ventures	(20,915)	12,811	(50,561)	77,023
Equity in earnings (losses) of unconsolidated joint ventures	(2,975)	1,646	(1,448)	3,275
Net income (loss)	(23,890)	14,457	(52,009)	80,298
Noncontrolling interests in consolidated partnerships	—	—	(190)	(195)
Net income (loss) available to partners	(23,890)	14,457	(52,199)	80,103
Net income (loss) available to limited partners	(23,649)	14,311	(51,669)	79,294
Net income (loss) available to general partner	$ (241)	$ 146	$ (530)	$ 809
Basic earnings per common unit:				
Net income (loss)	$ (0.25)	$ 0.15	$ (0.54)	$ 0.81
Diluted earnings per common unit:				
Net income (loss)	$ (0.25)	$ 0.15	$ (0.54)	$ 0.81

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

TANGER PROPERTIES LIMITED PARTNERSHIP AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In thousands, unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2020	2019	2020	2019
Net income (loss)	$ (23,890)	$ 14,457	$ (52,009)	$ 80,298
Other comprehensive income (loss):				
Foreign currency translation adjustments	3,357	5,443	(4,376)	7,392
Changes in fair value of cash flow hedges	(498)	(3,613)	(6,174)	(5,565)
Other comprehensive income (loss)	2,859	1,830	(10,550)	1,827
Comprehensive income (loss)	(21,031)	16,287	(62,559)	82,125
Comprehensive (income) loss attributable to noncontrolling interests in consolidated partnerships	—	—	(190)	(195)
Comprehensive income (loss) attributable to the Operating Partnership	$ (21,031)	$ 16,287	$ (62,749)	$ 81,930

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

TANGER PROPERTIES LIMITED PARTNERSHIP AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EQUITY
(In thousands, except unit and per unit data, unaudited)

	General partner	Limited partners	Accumulated other comprehensive loss	Total partners' equity	Noncontrolling interests in consolidated partnerships	Total equity
Balance, March 31, 2019	$ 5,227	$ 526,850	$ (28,634)	$ 503,443	$ —	$ 503,443
Net income	146	14,311	—	14,457	—	14,457
Other comprehensive income	—	—	1,830	1,830	—	1,830
Compensation under Incentive Award Plan	—	7,078	—	7,078	—	7,078
Repurchase of 558,399 units, including transaction costs	—	(10,000)	—	(10,000)	—	(10,000)
Reclassification of general and limited partner interest	(355)	355	—	—	—	—
Contributions from noncontrolling interests	—	—	—	—	18	18
Distributions to noncontrolling interests	—	—	—	—	(18)	(18)
Balance, June 30, 2019	$ 5,018	$ 538,594	$ (26,804)	$ 516,808	$ —	$ 516,808

	General partner	Limited partners	Accumulated other comprehensive loss	Total partners' equity	Noncontrolling interests in consolidated partnerships	Total equity
Balance, December 31, 2018	$ 4,914	$ 529,252	$ (28,631)	$ 505,535	$ —	$ 505,535
Net income	809	79,294	—	80,103	195	80,298
Other comprehensive income	—	—	1,827	1,827	—	1,827
Compensation under Incentive Award Plan	—	10,988	—	10,988	—	10,988
Grant of 242,167 restricted common share awards by the Company	—	—	—	—	—	—
Repurchase of 558,399 units, including transaction costs	—	(10,000)	—	(10,000)	—	(10,000)
Withholding of 81,284 common units for employee income taxes	—	(1,781)	—	(1,781)	—	(1,781)
Contributions from noncontrolling interests	—	—	—	—	36	36
Common distributions ($0.705 per common unit)	(705)	(69,159)	—	(69,864)	—	(69,864)
Distributions to noncontrolling interests	—	—	—	—	(231)	(231)
Balance, June 30, 2019	$ 5,018	$ 538,594	$ (26,804)	$ 516,808	$ —	$ 516,808

TANGER PROPERTIES LIMITED PARTNERSHIP AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF EQUITY
(In thousands, except unit and per unit data, unaudited)

	General partner	Limited partners	Accumulated other comprehensive loss	Total partners' equity	Noncontrolling interests in consolidated partnerships	Total equity
Balance, March 31, 2020	$ 3,433	$ 384,522	$ (40,297)	$ 347,658	$ —	$ 347,658
Net loss	(241)	(23,649)	—	(23,890)	—	(23,890)
Other comprehensive income	—	—	2,859	2,859	—	2,859
Compensation under Incentive Award Plan	—	3,532	—	3,532	—	3,532
Grant of 389,308 restricted common share awards by the Company	—	—	—	—	—	—
Issuance of 6,258 deferred units	—	—	—	—	—	—
Common distributions	—	(176)	—	(176)	—	(176)
Balance, June 30, 2020	$ 3,192	$ 364,229	$ (37,438)	$ 329,983	$ —	$ 329,983

	General partner	Limited partners	Accumulated other comprehensive loss	Total partners' equity	Noncontrolling interests in consolidated partnerships	Total equity
Balance, December 31, 2019	$ 4,435	$ 478,562	$ (26,888)	$ 456,109	$ —	$ 456,109
Net income (loss)	(530)	(51,669)	—	(52,199)	190	(52,009)
Other comprehensive loss	—	—	(10,550)	(10,550)	—	(10,550)
Compensation under Incentive Award Plan	—	7,421	—	7,421	—	7,421
Grant of 630,346 restricted common share awards by the Company	—	—	—	—	—	—
Issuance of 6,258 deferred units	—	—	—	—	—	—
Withholding of 56,597 common units for employee income taxes	—	(736)	—	(736)	—	(736)
Contributions from noncontrolling interests	—	—	—	—	72	72
Common distributions ($0.7125 per common unit)	(713)	(69,349)	—	(70,062)	—	(70,062)
Distributions to noncontrolling interests	—	—	—	—	(262)	(262)
Balance, June 30, 2020	$ 3,192	$ 364,229	$ (37,438)	$ 329,983	$ —	$ 329,983

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

TANGER PROPERTIES LIMITED PARTNERSHIP AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands, unaudited)

	Six months ended June 30, 2020	Six months ended June 30, 2019
OPERATING ACTIVITIES		
Net income (loss)	$ (52,009)	$ 80,298
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	58,063	62,906
Impairment charge	45,675	—
Amortization of deferred financing costs	1,590	1,497
Gain on sale of assets	—	(43,422)
Equity in (earnings) losses of unconsolidated joint ventures	1,448	(3,275)
Equity-based compensation expense	7,219	10,799
Amortization of debt (premiums) and discounts, net	237	220
Amortization (accretion) of market rent rate adjustments, net	411	753
Straight-line rent adjustments	677	(4,886)
Distributions of cumulative earnings from unconsolidated joint ventures	2,092	3,154
Other non-cash	—	3,638
Changes in other assets and liabilities:		
Other assets	(35,696)	(562)
Accounts payable and accrued expenses	(15,490)	(18,341)
Net cash provided by operating activities	14,217	92,779
INVESTING ACTIVITIES		
Additions to rental property	(16,476)	(22,402)
Additions to investments in unconsolidated joint ventures	(5,601)	(1,695)
Net proceeds from sale of assets	—	128,248
Additions to non-real estate assets	(1,191)	(480)
Distributions in excess of cumulative earnings from unconsolidated joint ventures	3,093	12,303
Additions to deferred lease costs	(1,655)	(4,119)
Other investing activities	5,009	4,476
Net cash provided by (used) in investing activities	(16,821)	116,331
FINANCING ACTIVITIES		
Cash distributions paid	(70,062)	(69,864)
Proceeds from revolving credit facility	634,030	207,500
Repayments of revolving credit facility	(234,200)	(334,100)
Repayments of notes, mortgages and loans	(1,758)	(1,661)
Repurchase of units, including transaction costs	—	(10,000)
Employee income taxes paid related to shares withheld upon vesting of equity awards	(736)	(1,781)
Additions to deferred financing costs	(1,797)	(65)
Proceeds from other financing activities	72	36
Payment for other financing activities	(835)	(805)
Net cash provided by (used) in financing activities	324,714	(210,740)
Effect of foreign currency on cash and cash equivalents	(203)	(16)
Net increase (decrease) in cash and cash equivalents	321,907	(1,646)
Cash and cash equivalents, beginning of period	16,519	8,991
Cash and cash equivalents, end of period	$ 338,426	$ 7,345

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

1. Business

Tanger Factory Outlet Centers, Inc. and subsidiaries is one of the largest owners and operators of outlet centers in the United States and Canada. We are a fully-integrated, self-administered and self-managed real estate investment trust ("REIT") which, through our controlling interest in the Operating Partnership, focuses exclusively on developing, acquiring, owning, operating and managing outlet shopping centers. As of June 30, 2020, we owned and operated 32 consolidated outlet centers, with a total gross leasable area of approximately 12.1 million square feet. We also had partial ownership interests in 7 unconsolidated outlet centers totaling approximately 2.2 million square feet, including 3 outlet centers in Canada.

Our outlet centers and other assets are held by, and all of our operations are conducted by, Tanger Properties Limited Partnership and subsidiaries. Accordingly, the descriptions of our business, employees and properties are also descriptions of the business, employees and properties of the Operating Partnership. Unless the context indicates otherwise, the term "Company" refers to Tanger Factory Outlet Centers, Inc. and subsidiaries and the term, "Operating Partnership", refers to Tanger Properties Limited Partnership and subsidiaries. The terms "we", "our" and "us" refer to the Company or the Company and the Operating Partnership together, as the text requires.

The Company owns the majority of the units of partnership interest issued by the Operating Partnership through its two wholly-owned subsidiaries, Tanger GP Trust and Tanger LP Trust. Tanger GP Trust is the sole general partner of the Operating Partnership. Tanger LP Trust holds a limited partnership interest. As of June 30, 2020, the Company, through its ownership of Tanger GP Trust and Tanger LP Trust, owned 93,472,267 units of the Operating Partnership and other limited partners (the "Non-Company LPs") collectively owned 4,911,173 Class A common limited partnership units. Each Class A common limited partnership unit held by the Non-Company LPs is exchangeable for one of the Company's common shares, subject to certain limitations to preserve the Company's REIT status. Class B common limited partnership units, which are held by Tanger LP Trust, are not exchangeable for common shares of the Company.

2. Summary of Significant Accounting Policies

Basis of Presentation

The unaudited consolidated financial statements included herein have been prepared pursuant to accounting principles generally accepted in the United States of America and should be read in conjunction with the consolidated financial statements and notes thereto of the Company's and the Operating Partnership's combined Annual Report on Form 10-K for the year ended December 31, 2019. The December 31, 2019 balance sheet data in this Form 10-Q was derived from audited financial statements. Certain information and note disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted pursuant to the SEC's rules and regulations, although management believes that the disclosures are adequate to make the information presented not misleading. In the opinion of management, all adjustments (consisting only of normal recurring adjustments) necessary for a fair presentation of the financial statements for the interim periods have been made. The results of interim periods are not necessarily indicative of the results for a full year.

The Company currently consolidates the Operating Partnership because it has (1) the power to direct the activities of the Operating Partnership that most significantly impact the Operating Partnership's economic performance and (2) the obligation to absorb losses and the right to receive the residual returns of the Operating Partnership that could be potentially significant.

We consolidate properties that are wholly-owned and properties where we own less than 100% but control such properties. Control is determined using an evaluation based on accounting standards related to the consolidation of voting interest entities and variable interest entities ("VIE"). For joint ventures that are determined to be a VIE, we consolidate the entity where we are deemed to be the primary beneficiary. Determination of the primary beneficiary is based on whether an entity has (1) the power to direct the activities of the VIE that most significantly impact the entity's economic performance, and (2) the obligation to absorb losses of the entity that could potentially be significant to the VIE or the right to receive benefits from the entity that could potentially be significant to the VIE. Our determination of the primary beneficiary considers all relationships between us and the VIE, including management agreements and other contractual arrangements.

Investments in real estate joint ventures that we do not control but may exercise significant influence on are accounted for using the equity method of accounting. These investments are recorded initially at cost and subsequently adjusted for our equity in the joint venture's net income or loss, cash contributions, distributions and other adjustments required under the equity method of accounting.

For certain investments in real estate joint ventures, we record our equity in the venture's net income or loss under the hypothetical liquidation at book value ("HLBV") method of accounting due to the structures and the preferences we receive on the distributions from our joint ventures pursuant to the respective joint venture agreements for those joint ventures. Under this method, we recognize income and loss in each period based on the change in liquidation proceeds we would receive from a hypothetical liquidation of our investment based on depreciated book value. Therefore, income or loss may be allocated disproportionately as compared to the ownership percentages due to specified preferred return rate thresholds and may be more or less than actual cash distributions received and more or less than what we may receive in the event of an actual liquidation.

We separately report investments in joint ventures for which accumulated distributions have exceeded investments in, and our share of net income or loss of, the joint ventures within other liabilities in the consolidated balance sheets because we are committed to provide further financial support to these joint ventures. The carrying amount of our investments in the Charlotte, Columbus, Galveston/Houston, and National Harbor joint ventures are less than zero because of financing or operating distributions that were greater than net income, as net income includes non-cash charges for depreciation and amortization.

"Noncontrolling interests in the Operating Partnership" reflects the Non-Company LP's percentage ownership of the Operating Partnership's units. "Noncontrolling interests in other consolidated partnerships" consist of outside equity interests in partnerships or joint ventures not wholly-owned by the Company or the Operating Partnership that are consolidated with the financial results of the Company and Operating Partnership because the Operating Partnership exercises control over the entities that own the properties. Noncontrolling interests are initially recorded in the consolidated balance sheets at fair value based upon purchase price allocations. Income is allocated to the noncontrolling interests based on the allocation provisions within the partnership or joint venture agreements.

Accounts Receivable

Historically, our accounts receivable from tenants has not been material; however, given the impacts from coronavirus ("COVID-19") discussed below, our net accounts receivable balance, which is recorded in other assets on the consolidated balance sheet, has increased from approximately $4.8 million at December 31, 2019 to approximately $42.0 million at June 30, 2020. Straight-line rent adjustments recorded as a receivable in other assets on the consolidated balance sheets were approximately $61.2 million and $61.6 million as of June 30, 2020 and December 31, 2019, respectively. Individual leases are assessed for collectability and upon the determination that the collection of rents is not probable, accrued rent and accounts receivable are reduced as an adjustment to rental revenue. Revenue from leases where collection is deemed to be less than probable is recorded on a cash basis until collectability is determined to be probable. Further we assess whether operating lease receivables, at a portfolio level, are appropriately valued based upon an analysis of balances outstanding, historical bad debt levels and current economic trends including discussions with tenants for potential lease amendments. Our estimate of the collectability of accrued rents and accounts receivable is based on the best information available to us at the time of preparing the financial statements.

The duration of the COVID 19 pandemic, recent tenant bankruptcies and other significant uncertainties with the economy required significant judgment to be used when estimating the collection of rents through June 30, 2020. See Note 3 for amounts we recorded as a reduction of revenues for uncollectible accounts.

Impairment of Long-Lived Assets

Rental property held and used by us is reviewed for impairment in the event that facts and circumstances indicate that the carrying amount of an asset may not be recoverable. In such an event, we compare the estimated future undiscounted cash flows associated with the asset to the asset's carrying amount, and if less, recognize an impairment loss in an amount by which the carrying amount exceeds its fair value.

During the first quarter of 2020, we determined that the estimated future undiscounted cash flows of our Foxwoods outlet center, Mashantucket, Connecticut did not exceed the property's carrying value due to a decline in forecasted operating results. Therefore, we recorded a $45.7 million non-cash impairment charge in our consolidated statement of operations which equaled the excess of the property's carrying value over its estimated fair value. See Note 5 for discussion of the impairment of the Saint-Sauveur, Quebec outlet center in our Canadian unconsolidated joint venture during the quarter ended June 30, 2020.

If the effects of the COVID-19 pandemic cause economic and market conditions to continue to deteriorate or if our expected holding periods for assets change, subsequent tests for impairment could result in additional impairment charges in the future. We can provide no assurance that material impairment charges with respect to our investment properties will not occur during the remaining quarters in 2020 or future periods.

3. COVID-19 Pandemic

The current novel COVID-19 pandemic has had, and will continue to have, repercussions across local, national and global economies and financial markets. COVID-19 has impacted all states where our tenants operate their businesses or where our properties are located and measures taken to prevent or remediate COVID-19, including “shelter-in place” or “stay-at-home” orders or other quarantine mandates issued by local, state or federal authorities, have had an adverse effect on our business and the businesses of our tenants. The full extent of the adverse impact on, among other things, our results of operations, liquidity (including our ability to access capital markets), the possibility of future impairments of long-lived assets or our investments in unconsolidated joint ventures, our compliance with debt covenants, our ability to renew and re-lease our leased space, the outlook for the retail environment, bankruptcies and potential further bankruptcies or other store closings and our ability to develop, acquire, dispose or lease properties for our portfolio, is unknown and will depend on future developments, which are highly uncertain and cannot be predicted. Our results of operations, liquidity and cash flows have been and may continue to be in the future materially affected.

Our outlet centers have not closed throughout the pandemic, but have been operating under reduced hours since late April when the first stores began to reopen. Our outlet centers may experience additional short-term store closures as retailers implement additional safety protocols at specific locations impacted by increased exposure to COVID-19.

While our outlet centers remained open, retailers began closing their stores in our outlet centers in mid-March and by April 6, 2020, substantially all of the stores in our portfolio were closed as a result of mandates by order of local and state authorities. By June 15, 2020, in store shopping for non essential retail was allowed in every market in which our centers are located.

A number of our tenants have requested rent deferrals, rent abatements or other types of rent relief during this pandemic. As a response, in late March 2020, we offered all tenants in our consolidated portfolio the option to defer 100% of April and May rents interest free, payable in equal installments due in January and February of 2021.

The following table sets forth information regarding the status of rents billed during the second quarter as of June 30, 2020 (In thousands):

Second Quarter Rents Billed: [1]		As of June 30, 2020	% of Rents
Rents collected	$	22,899	23%
Unmodified rents expected to be collected[2]	$	19,469	20%
Rents deferred [3]	$	25,558	26%
Under negotiation	$	5,389	6%
One-time rent concessions in exchange for amendments to lease structure	$	13,852	14%
Bankruptcy related, primarily pre-petition rents	$	8,894	9%
At risk due to tenant financial weakness	$	1,447	2%
Total rents billed	$	97,508	100%

(1) Excludes variable revenue which is derived from tenant sales and lease termination fees.

(2) In July 2020, we collected $9.7 million of these rents.

(3) Includes rents deferred with substantially all payments due in 2021, for which the majority is due in January/February of 2021.

During the three months ended June 30. 2020, we wrote off approximately 25% of second quarter rents, of which 9% is related to bankruptcies 2% related to other uncollectible accounts due to financial weakness and 14% related to one-time concessions in exchange for landlord-favorable amendments to lease structure. In addition, for both the three and six months ended June 30,2020, we recorded a $9.7 million reserve for a portion of deferred and under negotiation billings that are expected to become uncollectible in future periods. Further, we recognized a write-off of revenue of approximately $3.7 million of straight-line rents associated with the tenant bankruptcies and uncollectible accounts. We are closely monitoring changes in the collectability assessment of our tenant receivables as a result of certain tenants suffering adverse financial consequences due to COVID-19 and should our estimates change, there could be material modifications to our revenues in future periods.

Given the economic environment as a result of COVID-19, a select number of our tenants underwent liquidity hardships and filed for Chapter 11 bankruptcy protection in the second and third quarter to date of 2020. Although some of these tenants intend to exit the Chapter 11 bankruptcy process and resume operations, the outcomes of such proceedings are unknown and we are currently exploring leasing alternatives for stores we expect to close. Recent Chapter 11 bankruptcy filings include, but not limited to, J. Crew Group, Inc. (filed in May 2020) and Brooks Brothers, Lucky Brand Jeans, New York and Company and Ascena Retail Group, Inc. (all filed in July, 2020). Substantially all of the rents billed to these tenants during the second quarter (which were approximately 93% of the rents included in the table above under the caption “Bankruptcy related, primarily pre-petition rents”) were written off as uncollectible rent as of June 30, 2020.

In March 2020, to increase liquidity, preserve financial flexibility and help meet our obligations for a sustained period of time, we drew down substantially all of the available capacity under our $600.0 million unsecured lines of credit. In June 2020, we repaid $200.0 million of the outstanding balances bringing the outstanding balance to $399.8 million. Additionally, subsequent to June 30, 2020 through July 31, 2020, we repaid an additional $320.0 million.

We also took steps to reduce cash outflows, including the reduction or deferral of certain operating costs, temporary base salary reductions for our named executive officers and other employees, and the reduction of certain other general and administrative expenses. During the second quarter, these reductions reduced cash outflows by approximately $11.0 million, including $1.0 million of general and administrative and $10.0 million of property operating expenses. In July 2020, we restored the above mentioned salary reductions.

We also deferred our Nashville pre-development-stage project and certain other planned capital expenditures. We paid the dividend that was declared in January 2020 as scheduled on May 15, 2020. Given the uncertainty related to the pandemic’s near and potential long-term impact, the Company’s Board of Directors temporarily suspended dividend distributions to conserve approximately $35.0 million in cash per quarter and preserve our balance sheet strength and flexibility. The Board continues to evaluate the potential for future dividend distributions on a quarterly basis. We expect to remain in compliance with REIT taxable income distribution requirements for the 2020 tax year.

4. Disposition of Properties

Disposition of Properties

During the six months ended June 30, 2019, we closed on the sale of four non-core outlet centers for total gross proceeds of $130.5 million.

The following table sets forth certain summarized information regarding properties and land outparcels sold during the six months ended June 30, 2019:

Property	Location	Date Sold	Square Feet (in 000's)	Net Sales Proceeds (in 000's)	Gain on Sale (in 000's)
Nags Head, Ocean City, Park City, and Williamsburg	Nags Head, NC, Ocean City, MD, Park City, UT, and Williamsburg, IA	March 2019	878	$ 128,248	$ 43,422

The rental properties sold did not meet the criteria to be reported as discontinued operations.

5. Investments in Unconsolidated Real Estate Joint Ventures

The equity method of accounting is used to account for each of the individual joint ventures. We have an ownership interest in the following unconsolidated real estate joint ventures:

	As of June 30, 2020				
Joint Venture	Outlet Center Location	Ownership %	Square Feet (in 000's)	Carrying Value of Investment (in millions)	Total Joint Venture Debt, Net (in millions)[1]
Investments included in investments in unconsolidated joint ventures:					
RioCan Canada	Various	50.0%	765	$ 92.1	$ —
				$ 92.1	
Investments included in other liabilities:					
Columbus[2]	Columbus, OH	50.0%	355	$ (3.9)	$ 85.0
Charlotte[2]	Charlotte, NC	50.0%	399	(13.1)	99.6
National Harbor[2]	National Harbor, MD	50.0%	341	(7.8)	94.5
Galveston/Houston [2]	Texas City, TX	50.0%	353	(20.0)	79.9
				$ (44.8)	

Joint Venture	Outlet Center Location	Ownership %	Square Feet (in 000's)	Carrying Value of Investment (in millions)	Total Joint Venture Debt, Net (in millions)(1)
		As of December 31, 2019			
Investments included in investments in unconsolidated joint ventures:					
RioCan Canada	Various	50.0%	764	$ 94.7	$ 9.2
				$ 94.7	
Investments included in other liabilities:					
Columbus(2)	Columbus, OH	50.0%	355	$ (3.5)	$ 85.0
Charlotte(2)	Charlotte, NC	50.0%	399	(13.0)	99.5
National Harbor(2)	National Harbor, MD	50.0%	341	(5.9)	94.4
Galveston/Houston (2)	Texas City, TX	50.0%	353	(19.7)	79.9
				$ (42.1)	

(1) Net of debt origination costs of $1.1 million as of June 30, 2020 and net of debt origination cost and including premiums of $1.1 million as of December 31, 2019.

(2) The negative carrying value is due to distributions exceeding contributions and increases or decreases from our equity in earnings of the joint venture.

Fees we received for various services provided to our unconsolidated joint ventures were recognized in management, leasing and other services as follows (in thousands):

	Three months ended June 30, 2020	Three months ended June 30, 2019	Six months ended June 30, 2020	Six months ended June 30, 2019
Fee:				
Management and marketing	$ 143	$ 561	$ 685	$ 1,128
Leasing and other fees	15	9	35	40
Expense reimbursements from unconsolidated joint ventures	566	675	1,448	1,419
Total Fees	$ 724	$ 1,245	$ 2,168	$ 2,587

Galveston/Houston

In June 2020, in response to the COVID 19 impact on the property, the Galveston/Houston joint venture amended its mortgage loan. The loan modification amended the first one-year extension option to provide for two six-month options (the "First Extension" and "Second Extension", respectively). Under the loan modification, the joint venture is prohibited from making partner distributions during the term of the First Extension. If the joint venture exercises all available options, the loan would mature in July 2022. The joint venture exercised its First Extension option to extend the mortgage loan for six months to January 2021.

RioCan Canada

In May 2020, the joint venture's mortgage loan for the outlet center in Saint-Sauveur matured and the joint venture repaid the approximately $8.3 million owed in full.

During June 2020, the Rio-Can joint venture recognized an impairment charge related to its Saint-Sauveur property in Quebec. The impairment charge was primarily driven by deterioration of net operating income caused by market competition and the COVID-19 pandemic.

The table below summarizes the impairment charge taken during the second quarter of 2020 (in thousands):

	Outlet Center	Impairment Charge[1] Total	Our Share
2020	Saint-Sauveur	$ 6,181	$ 3,091

(1) The fair value was determined using an income approach considering the prevailing market income capitalization rates for similar assets.

Our investments in real estate joint ventures are reduced by the percentage of the profits earned for leasing and development services associated with our ownership interest in each joint venture. Our carrying value of investments in unconsolidated joint ventures differs from our share of the assets reported in the "Summary Balance Sheets - Unconsolidated Joint Ventures" shown below due to adjustments to the book basis, including intercompany profits on sales of services that are capitalized by the unconsolidated joint ventures. The differences in basis (totaling $3.7 million and $3.8 million as of June 30, 2020 and December 31, 2019, respectively) are amortized over the various useful lives of the related assets.

Condensed combined summary financial information of unconsolidated joint ventures accounted for using the equity method is as follows (in thousands):

Condensed Combined Balance Sheets - Unconsolidated Joint Ventures	June 30, 2020	December 31, 2019
Assets		
Land	$ 87,402	$ 90,859
Buildings, improvements and fixtures	457,969	477,061
Construction in progress	4,495	4,779
	549,866	572,699
Accumulated depreciation	(133,199)	(132,860)
Total rental property, net	416,667	439,839
Cash and cash equivalents	9,274	19,750
Deferred lease costs and other intangibles, net	5,554	6,772
Prepaids and other assets	26,888	17,789
Total assets	$ 458,383	$ 484,150
Liabilities and Owners' Equity		
Mortgages payable, net	$ 358,923	$ 368,032
Accounts payable and other liabilities	15,627	17,173
Total liabilities	374,550	385,205
Owners' equity	83,833	98,945
Total liabilities and owners' equity	$ 458,383	$ 484,150

Condensed Combined Statements of Operations - Unconsolidated Joint Ventures	Three months ended June 30, 2020	Three months ended June 30, 2019	Six months ended June 30, 2020	Six months ended June 30, 2019
Revenues	$ 16,475	$ 23,575	$ 38,512	$ 47,038
Expenses:				
Property operating	6,860	9,611	15,989	19,400
General and administrative	123	62	262	152
Asset impairment	6,181	—	6,181	—
Depreciation and amortization	5,903	6,317	11,809	12,427
Total expenses	19,067	15,990	34,241	31,979
Other income (expense):				
Interest expense	(3,232)	(4,138)	(6,967)	(8,272)
Other income	6	60	61	126
Total other income (expense)	(3,226)	(4,078)	$ (6,906)	$ (8,146)
Net income (loss)	$ (5,818)	$ 3,507	$ (2,635)	$ 6,913
The Company and Operating Partnership's share of:				
Net income (loss)	$ (2,975)	$ 1,646	$ (1,448)	$ 3,275
Depreciation and amortization (real estate related)	$ 3,017	$ 3,265	$ 6,035	$ 6,395

6. Debt Guaranteed by the Company

All of the Company's debt is held by the Operating Partnership and its consolidated subsidiaries.

The Company guarantees the Operating Partnership's obligations with respect to its unsecured lines of credit which have a total borrowing capacity of $600.0 million. The Company also guarantees the Operating Partnership's unsecured term loan.

The Operating Partnership had the following principal amounts outstanding on the debt guaranteed by the Company (in thousands):

	As of June 30, 2020	As of December 31, 2019
Unsecured lines of credit	$ 399,830	$ —
Unsecured term loan	$ 350,000	$ 350,000

7. Debt of the Operating Partnership

The debt of the Operating Partnership consisted of the following (in thousands):

	Stated Interest Rate(s)	Maturity Date	As of June 30, 2020 Principal	As of June 30, 2020 Book Value[1]	As of December 31, 2019 Principal	As of December 31, 2019 Book Value[1]
Senior, unsecured notes:						
Senior notes	3.875%	December 2023	$ 250,000	$ 247,635	$ 250,000	$ 247,308
Senior notes	3.750%	December 2024	250,000	248,309	250,000	248,127
Senior notes	3.125%	September 2026	350,000	346,492	350,000	346,215
Senior notes	3.875%	July 2027	300,000	297,149	300,000	296,953
Mortgages payable:						
Atlantic City [2][3]	5.14% - 7.65%	November 2021-December 2026	29,151	30,575	30,909	32,531
Southaven	LIBOR + 1.80%	April 2021	51,400	51,322	51,400	51,272
Unsecured term loan	LIBOR[4] + 1.00%	April 2024	350,000	347,003	350,000	347,367
Unsecured lines of credit	LIBOR[4] + 1.00%	October 2021 [5]	399,830	397,407	—	—
			$ 1,980,381	$ 1,965,892	$ 1,582,309	$ 1,569,773

(1) Including premiums and net of debt discount and debt origination costs.
(2) The effective interest rate assigned during the purchase price allocation to the Atlantic City mortgages assumed during the acquisition in 2011 was 5.05%.
(3) Principal and interest due monthly with remaining principal due at maturity.
(4) If the LIBOR is less than 0.25% per annum, the rate will be deemed to be 0.25%.
(5) Unsecured lines of credit have a one-year extension option to extend maturity to October 2022.

Certain of our properties, which had a net book value of approximately $169.5 million at June 30, 2020, serve as collateral for mortgages payable. We maintain unsecured lines of credit that provide for borrowings of up to $600.0 million. The unsecured lines of credit include a $20.0 million liquidity line and a $580.0 million syndicated line. The syndicated line may be increased up to $1.2 billion through an accordion feature in certain circumstances.

We provide guarantees to lenders for our joint ventures which include standard non-recourse carve out indemnifications for losses arising from items such as but not limited to fraud, physical waste, payment of taxes, environmental indemnities, misapplication of insurance proceeds or security deposits and failure to maintain required insurance. For construction and term loans, we may include a guaranty of completion as well as a principal guaranty ranging from 5% to 100% of principal. The principal guarantees include terms for release or reduction based upon satisfactory completion of construction and performance targets including occupancy thresholds and minimum debt service coverage tests. As of June 30, 2020, the maximum amount of unconsolidated joint venture debt guaranteed by the Company was $16.4 million.

The unsecured lines of credit and senior unsecured notes include covenants that require the maintenance of certain ratios, including debt service coverage and leverage, and limit the payment of dividends such that dividends and distributions will not exceed funds from operations, as defined in the agreements, for the prior fiscal year on an annual basis or 95% of funds from operations on a cumulative basis. As of June 30, 2020, we believe we were in compliance with all of our debt covenants.

Lines of credit and Term Loan Covenant Modifications

In June 2020, we amended the debt agreements for our lines of credit and bank term loan, primarily to improve future covenant flexibility. The amendments, among other things, allow us to access the existing surge leverage provision, which provides for an increase to the maximum thresholds to 65% from 60% for total leverage and unsecured leverage, for twelve months starting July 1, 2020, during which time share repurchases are prohibited. Additionally, the leverage covenants are determined based on the calculation period which is modified to be based on the immediately preceding three calendar month period annualized for the calculation date occurring on December 31, 2020; the immediately preceding six calendar month period annualized for the calculation date occurring on March 31, 2021; the immediately preceding nine calendar month period annualized for the calculation date occurring on June 30, 2021; and for all other calculation dates occurring during the term on the agreement, the immediately preceding twelve calendar month period. Some definitional modifications related to the calculation of certain covenants are permanent, including the netting of cash balances in excess of $30.0 million (or debt maturing in the next 24 months, if less) as well as using adjusted EBITDA, which adds back general and administrative expenses not attributable to the subsidiaries or properties and deducts a management fee of 3% of rental revenues in liability and asset calculations for certain covenants. The amendments revised the interest rate to provide a LIBOR floor of 0.25% for the portions of the lines of credit and bank term loan that are not fixed with an interest rate swap. Although the amended covenants provide additional flexibility and we expect to remain in compliance with such covenants, the potential impacts from COVID 19 are highly uncertain and therefore could impact covenant compliance in the future.

Unsecured Lines of Credit

In March 2020, in response to the COVID-19 pandemic, we drew down approximately $599.8 million under our unsecured lines of credit to increase liquidity and preserve financial flexibility to help ensure that we are able to meet our obligations for a sustained period. In June 2020, we repaid $200.0 million of the outstanding balances bringing the outstanding balance to $399.8 million. Additionally, subsequent to June 30, 2020 through July 31, 2020, we repaid an additional $320.0 million.

Interest Rate Spread over LIBOR

In February 2020, due to a change in our credit rating, our interest rate spread over LIBOR on our $600.0 million unsecured line of credit facility increased from 0.875% to 1.0% and our annual facility fee increased from 0.15% to 0.20%. In addition, our interest rate spread over LIBOR on our $350.0 million unsecured term loan increased from 0.90% to 1.0%.

Debt Maturities

Maturities of the existing long-term debt as of June 30, 2020 for the next five years and thereafter are as follows (in thousands):

Calendar Year		Amount
For the remainder of 2020	$	1,808
2021		457,023
2022		4,436
2023		254,768
2024		605,140
Thereafter		657,206
Subtotal		1,980,381
Net discount and debt origination costs		(14,489)
Total	$	1,965,892

Given the financial implications of COVID-19, we have considered our short-term (one year or less from the date of filing these financial statements) liquidity needs and the adequacy of our estimated cash flows from operating activities and other financing sources to meet these needs. These other sources include but are not limited to: existing cash, ongoing relationships with certain financial institutions, our ability to sell debt or issue equity subject to market conditions and proceeds from the potential sale of non-core assets. We believe that we have access to the necessary financing to fund our short-term liquidity needs.

8. Derivative Financial Instruments

The following table summarizes the terms and fair values of our derivative financial instruments, as well as their classifications within the consolidated balance sheets (notional amounts and fair values in thousands):

Effective Date	Maturity Date	Notional Amount	Bank Pay Rate	Company Fixed Pay Rate	Fair Value June 30, 2020	Fair Value December 31, 2019
Assets (Liabilities)[1]:						
Interest rate swaps:						
April 13, 2016	January 1, 2021	175,000	1 month LIBOR	1.03%	$ (789)	$ 1,018
March 1, 2018	January 31, 2021	40,000	1 month LIBOR	2.47%	(543)	(376)
August 14, 2018	January 1, 2021	150,000	1 month LIBOR	2.20%	(1,585)	(896)
July 1, 2019	February 1, 2024	25,000	1 month LIBOR	1.75%	(1,408)	(170)
January 1, 2021	February 1, 2024	150,000	1 month LIBOR	0.60%	(2,035)	—
January 1, 2021	February 1, 2024	$ 100,000	1 month LIBOR	0.22%	$ (238)	—
Total		$ 640,000			$ (6,598)	$ (424)

(1) Asset balances are recorded in prepaids and other assets on the consolidated balance sheets and liabilities are recorded in other liabilities on the consolidated balance sheets.

The derivative financial instruments are comprised of interest rate swaps, which are designated and qualify as cash flow hedges, each with a separate counterparty. We do not use derivatives for trading or speculative purposes and currently do not have any derivatives that are not designated as hedges.

Changes in the fair value of derivatives designated and qualifying as cash flow hedges is recorded in accumulated other comprehensive loss and subsequently reclassified into earnings in the period that the hedged forecasted transaction affects earnings.

The following table represents the effect of the derivative financial instruments on the accompanying consolidated financial statements (in thousands):

	Three months ended June 30, 2020	Three months ended June 30, 2019	Six months ended June 30, 2020	Six months ended June 30, 2019
Interest Rate Swaps:				
Amount of loss recognized in other comprehensive income (loss) on derivative	$ (498)	$ (3,613)	$ (6,174)	$ (5,565)

9. Fair Value Measurements

Fair value guidance establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value. These tiers are defined as follows:

Tier	Description
Level 1	Observable inputs such as quoted prices in active markets
Level 2	Inputs other than quoted prices in active markets that are either directly or indirectly observable
Level 3	Unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions

Fair Value Measurements on a Recurring Basis

The following table sets forth our assets and liabilities that are measured at fair value within the fair value hierarchy (in thousands):

	Total	Level 1 Quoted Prices in Active Markets for Identical Assets or Liabilities	Level 2 Significant Observable Inputs	Level 3 Significant Unobservable Inputs
Fair value as of June 30, 2020:				
Assets:				
Short-term government securities (cash and cash equivalents)	$ 339,156	$ 339,156	$ —	$ —
Total assets	$ 339,156	$ 339,156	$ —	$ —
Liabilities:				
Interest rate swaps (other liabilities)	$ 6,598	$ —	$ 6,598	$ —
Total liabilities	$ 6,598	$ —	$ 6,598	$ —

	Total	Level 1 Quoted Prices in Active Markets for Identical Assets or Liabilities	Level 2 Significant Observable Inputs	Level 3 Significant Unobservable Inputs
Fair value as of December 31, 2019:				
Asset:				
Interest rate swaps (prepaids and other assets)	$ 1,018	$ —	$ 1,018	$ —
Total assets	$ 1,018	$ —	$ 1,018	$ —
Liabilities:				
Interest rate swaps (other liabilities)	$ 1,442	$ —	$ 1,442	$ —
Total liabilities	$ 1,442	$ —	$ 1,442	$ —

Short-term government securities

Short-term government securities are highly liquid investments, which are classified as Level 1 in the fair value hierarchy because they are valued using quoted market prices in an active market.

Interest rate swaps

Fair values of interest rate swaps are estimated using Level 2 inputs based on current market data received from financial sources that trade such instruments and are based on prevailing market data and derived from third party proprietary models based on well recognized financial principles including counterparty risks, credit spreads and interest rate projections, as well as reasonable estimates about relevant future market conditions.

Fair Value Measurements on a Nonrecurring Basis

The following table sets forth our assets that are measured at fair value on a nonrecurring basis within the fair value hierarchy (in thousands):

	Total	Level 1 Quoted Prices in Active Markets for Identical Assets or Liabilities	Level 2 Significant Observable Inputs	Level 3 Significant Unobservable Inputs
Fair value as of March 31,2020:				
Asset:				
Long-lived assets	$ 60,000	$ —	$ —	$ 60,000

During the first quarter 2020, we recorded a $45.7 million impairment charge in our consolidated statement of operations which equaled the excess of the carrying value of our Foxwoods outlet center over its estimated fair value. The estimated fair value was based on the income approach. The income approach involves discounting the estimated income stream and reversion (presumed sale) value of a property over an estimated holding period to a present value at a risk-adjusted rate. Discount rates and terminal capitalization rates utilized in this approach were derived from property-specific information, market transactions and other financial and industry data. The terminal capitalization rate and discount rate are significant unobservable inputs in determining the fair value. The terminal capitalization rate used in the calculation was 7.8% and the discount rate used was 8.5%. These inputs are classified under Level 3 in the fair value hierarchy above. Should the significant assumptions utilized above to determine fair value continue to deteriorate, additional impairments in the future could be possible.

Other Fair Value Disclosures

The estimated fair value within the fair value hierarchy and recorded value of our debt consisting of senior unsecured notes, unsecured term loans, secured mortgages and unsecured lines of credit were as follows (in thousands):

	June 30, 2020	December 31, 2019
Level 1 Quoted Prices in Active Markets for Identical Assets or Liabilities	$ —	$ —
Level 2 Significant Observable Inputs	1,091,262	1,169,481
Level 3 Significant Unobservable Inputs	832,143	434,333
Total fair value of debt	$ 1,923,405	$ 1,603,814
Recorded value of debt	$ 1,965,892	$ 1,569,773

Our senior unsecured notes are publicly-traded which provides quoted market rates. However, due to the limited trading volume of these notes, we have classified these instruments as Level 2 in the hierarchy. Our other debt is classified as Level 3 given the unobservable inputs utilized in the valuation. Our unsecured term loan, unsecured lines of credit and variable interest rate mortgages are all LIBOR based instruments. When selecting the discount rates for purposes of estimating the fair value of these instruments, we evaluated the original credit spreads and do not believe that the use of them differs materially from current credit spreads for similar instruments and therefore the recorded values of these debt instruments is considered their fair value.

The carrying values of cash and cash equivalents, receivables, accounts payable, accrued expenses and other assets and liabilities are reasonable estimates of their fair values because of the short maturities of these instruments.

10. Shareholders' Equity of the Company

Dividend Declaration

In January 2020, the Company's Board of Directors declared a $0.355 cash dividend per common which was paid during the first quarter of 2020 to each shareholder of record on January 31, 2020, and the Trustees of Tanger GP Trust declared a $0.355 cash distribution per Operating Partnership unit to the Operating Partnership's unitholders.

Also in January 2020, the Company's Board of Directors declared a $0.3575 cash dividend per common share payable on May 15, 2020 to each shareholder of record on April 30, 2020, and the Trustees of Tanger GP Trust declared a $0.3575 cash distribution per Operating Partnership unit to the Operating Partnership's unitholders. A liability in the amount of approximately $35.1 million was recorded in accounts payable and accrued expenses in the consolidated balance sheet as of March 31, 2020.

In January 2019, the Company's Board of Directors declared a $0.35 cash dividend per common which was paid during the first quarter of 2019, to each shareholder of record on January 31, 2019, and the Trustees of Tanger GP Trust declared a $0.35 cash distribution per Operating Partnership unit to the Operating Partnership's unitholders.

In February 2019, the Company's Board of Directors declared a $0.355 cash dividend per common share payable on May 15, 2019 to each shareholder of record on April 30, 2019, and the Trustees of Tanger GP Trust declared a $0.355 cash distribution per Operating Partnership unit to the Operating Partnership's unitholders. A liability in the amount of approximately $35.2 million was recorded in accounts payable and accrued expenses in the consolidated balance sheet as of March 31, 2019.

Share Repurchase Program

In February 2019, the Company's Board of Directors authorized the repurchase of an additional $44.3 million of our outstanding common shares for an aggregate authorization of $169.3 million until May 2021. Repurchases may be made from time to time through open market, privately-negotiated, structured or derivative transactions (including accelerated share repurchase transactions), or other methods of acquiring shares. The Company intends to structure open market purchases to occur within pricing and volume requirements of Rule 10b-18. The Company may, from time to time, enter into Rule 10b5-1 plans to facilitate the repurchase of its shares under this authorization. The Company did not repurchase any shares for the periods ended June 30, 2020. The remaining amount authorized to be repurchased under the program as of June 30, 2020 was approximately $80.0 million. The Company intends to temporarily suspend share repurchases for at least the twelve months starting July 1, 2020 as the June 2020 amendments to our debt agreements for our lines of credit and bank term loan prohibit share repurchases during such time and in order to preserve our liquidity position.

Shares repurchased were follows:

	Three months ended June 30,		Six months ended June 30,	
	2020	2019	2020	2019
Total number of shares purchased	—	558,399	—	558,399
Average price paid per share	$ —	$ 17.89	$ —	$ 17.89
Total price paid exclusive of commissions and related fees (in thousands)	$ —	$ 9,989	$ —	$ 9,989

11. Partners' Equity of the Operating Partnership

All units of partnership interest issued by the Operating Partnership have equal rights with respect to earnings, dividends and net assets. When the Company issues common shares upon the exercise of options, the grant of restricted common share awards, or the exchange of Class A common limited partnership units, the Operating Partnership issues a corresponding Class B common limited partnership unit to Tanger LP Trust, a wholly-owned subsidiary of the Company. Likewise, when the Company repurchases its outstanding common shares, the Operating Partnership repurchases a corresponding Class B common limited partnership unit held by Tanger LP Trust.

The following table sets forth the changes in outstanding partnership units for the three and six months ended June 30, 2020 and June 30, 2019:

		Limited Partnership Units		
	General Partnership Units	Class A	Class B	Total
Balance March 31, 2019	1,000,000	4,960,684	93,102,666	98,063,350
Repurchase of units	—	—	(558,399)	(558,399)
Balance June 30, 2019	1,000,000	4,960,684	92,544,267	97,504,951
Balance December 31, 2018	1,000,000	4,960,684	92,941,783	97,902,467
Grant of restricted common share awards by the Company, net of forfeitures	—	—	242,167	242,167
Repurchase of units	—	—	(558,399)	(558,399)
Units withheld for employee income taxes	—	—	(81,284)	(81,284)
Balance June 30, 2019	1,000,000	4,960,684	92,544,267	97,504,951
Balance March 31, 2020	1,000,000	4,911,173	92,076,701	96,987,874
Grant of restricted common share awards by the Company, net of forfeitures	—	—	389,308	389,308
Issuance of deferred units	—	—	6,258	6,258
Balance June 30, 2020	1,000,000	4,911,173	92,472,267	97,383,440
Balance December 31, 2019	1,000,000	4,911,173	91,892,260	96,803,433
Grant of restricted common share awards by the Company, net of forfeitures	—	—	630,346	630,346
Issuance of deferred units	—	—	6,258	6,258
Units withheld for employee income taxes	—	—	(56,597)	(56,597)
Balance June 30, 2020	1,000,000	4,911,173	92,472,267	97,383,440

12. Earnings Per Share of the Company

The following table sets forth a reconciliation of the numerators and denominators in computing the Company's earnings per share (in thousands, except per share amounts):

	Three months ended June 30,		Six months ended June 30,	
	2020	2019	2020	2019
Numerator:				
Net income (loss) attributable to Tanger Factory Outlet Centers, Inc.	$ (22,688)	$ 13,727	$ (49,570)	$ 76,058
Less allocation of earnings to participating securities	(176)	(114)	(692)	(725)
Net income (loss) available to common shareholders of Tanger Factory Outlet Centers, Inc.	$ (22,864)	$ 13,613	$ (50,262)	$ 75,333
Denominator:				
Basic weighted average common shares	92,632	93,187	92,569	93,245
Diluted weighted average common shares	92,632	93,187	92,569	93,245
Basic earnings per common share:				
Net income (loss)	$ (0.25)	$ 0.15	$ (0.54)	$ 0.81
Diluted earnings per common share:				
Net income (loss)	$ (0.25)	$ 0.15	$ (0.54)	$ 0.81

We determine diluted earnings per share based on the weighted average number of common shares outstanding combined with the incremental weighted average shares that would have been outstanding assuming all potentially dilutive securities were converted into common shares at the earliest date possible.

Notional units granted under our equity compensation plan are considered contingently issuable common shares and are included in earnings per share if the effect is dilutive using the treasury stock method and the common shares would be issuable if the end of the reporting period were the end of the contingency period. For both the three and six months ended June 30, 2020 approximately 1.7 million notional units were excluded from the computation and for both the three and six months ended June 30, 2019, approximately 1.1 million notional units were excluded from the computation because these notional units either would not have been issuable if the end of the reporting period were the end of the contingency period or as they were anti-dilutive.

With respect to outstanding options, the effect of dilutive common shares is determined using the treasury stock method, whereby outstanding options are assumed exercised at the beginning of the reporting period and the exercise proceeds from such options and the average measured but unrecognized compensation cost during the period are assumed to be used to repurchase our common shares at the average market price during the period. For both the three and six months ended June 30, 2020 approximately 1.5 million options were excluded from the computation, as they were anti-dilutive. For both the three and six months ended June 30, 2019 approximately 526,000 options were excluded from the computation, as they were anti-dilutive.

The assumed exchange of the partnership units held by the Non-Company LPs as of the beginning of the year, which would result in the elimination of earnings allocated to the noncontrolling interest in the Operating Partnership, would have no impact on earnings per share since the allocation of earnings to a common limited partnership unit, as if exchanged, is equivalent to earnings allocated to a common share.

Certain of the Company's unvested restricted common share awards contain non-forfeitable rights to dividends or dividend equivalents. The impact of these unvested restricted common share awards on earnings per share has been calculated using the two-class method whereby earnings are allocated to the unvested restricted common share awards based on dividends declared and the unvested restricted common shares' participation rights in undistributed earnings. Unvested restricted common shares that do not contain non-forfeitable rights to dividends or dividend equivalents are included in the diluted earnings per share computation if the effect is dilutive, using the treasury stock method.

13. Earnings Per Unit of the Operating Partnership

The following table sets forth a reconciliation of the numerators and denominators in computing earnings per unit (in thousands, except per unit amounts):

	Three months ended June 30,		Six months ended June 30,	
	2020	2019	2020	2019
Numerator:				
Net income (loss) attributable to partners of the Operating Partnership	$ (23,890)	$ 14,457	$ (52,199)	$ 80,103
Less allocation of earnings to participating securities	(176)	(114)	(692)	(725)
Net income (loss) available to common unitholders of the Operating Partnership	$ (24,066)	$ 14,343	$ (52,891)	$ 79,378
Denominator:				
Basic weighted average common units	97,543	98,147	97,480	98,205
Diluted weighted average common units	97,543	98,147	97,480	98,205
Basic earnings per common unit:				
Net income (loss)	$ (0.25)	$ 0.15	$ (0.54)	$ 0.81
Diluted earnings per common unit:				
Net income (loss)	$ (0.25)	$ 0.15	$ (0.54)	$ 0.81

We determine diluted earnings per unit based on the weighted average number of common units outstanding combined with the incremental weighted average units that would have been outstanding assuming all potentially dilutive securities were converted into common units at the earliest date possible. There were no securities which had a dilutive effect on earnings per common unit for the three and six months ended June 30, 2020 and 2019.

Notional units granted under our equity compensation plan are considered contingently issuable common units and are included in earnings per unit if the effect is dilutive using the treasury stock method and the common units would be issuable if the end of the reporting period were the end of the contingency period. For both the three and six months ended June 30, 2020 approximately 1.7 million notional units were excluded from the computation and for both the three and six months ended June 30, 2019 approximately 1.1 million notional units were excluded from the computation because these notional units either would not have been issuable if the end of the reporting period were the end of the contingency period or as they were anti-dilutive.

With respect to outstanding options, the effect of dilutive common units is determined using the treasury stock method, whereby outstanding options are assumed exercised at the beginning of the reporting period and the exercise proceeds from such options and the average measured but unrecognized compensation cost during the period are assumed to be used to repurchase our common units at the average market price during the period. The market price of a common unit is considered to be equivalent to the market price of a Company common share. For both the three and six months ended June 30, 2020, approximately 1.5 million options were excluded from the computation. For both the three and six months ended June 30, 2019, approximately 526,000 options were excluded from the computation as they were anti-dilutive.

Certain of the Company’s unvested restricted common share awards contain non-forfeitable rights to distributions or distribution equivalents. The impact of the corresponding unvested restricted unit awards on earnings per unit has been calculated using the two-class method whereby earnings are allocated to the unvested restricted unit awards based on distributions declared and the unvested restricted units’ participation rights in undistributed earnings. Unvested restricted common units that do not contain non-forfeitable rights to dividends or dividend equivalents are included in the diluted earnings per unit computation if the effect is dilutive, using the treasury stock method.

14. Equity-Based Compensation of the Company

We have a shareholder approved equity-based compensation plan, the Incentive Award Plan of Tanger Factory Outlet Centers, Inc. and Tanger Properties Limited Partnership (as amended and restated on April 4, 2014), as amended (the "Plan"), which covers our non-employee directors, officers, employees and consultants. Per the Operating Partnership agreement, when a common share is issued by the Company, the Operating Partnership issues one corresponding unit of partnership interest to the Company's wholly-owned subsidiaries. Therefore, when the Company grants an equity-based award, the Operating Partnership treats each award as having been granted by the Operating Partnership. In the discussion below, the term "we" refers to the Company and the Operating Partnership together and the term "shares" is meant to also include corresponding units of the Operating Partnership.

We recorded equity-based compensation expense in general and administrative expenses in our consolidated statements of operations as follows (in thousands):

	Three months ended June 30,		Six months ended June 30,	
	2020	2019	2020	2019
Restricted common shares [(1)]	$ 1,895	$ 4,627	$ 4,121	$ 7,140
Notional unit performance awards [(1)]	1,461	2,314	2,982	3,576
Options	75	41	116	84
Total equity-based compensation	$ 3,431	$ 6,982	$ 7,219	$ 10,800

(1) The three and six months ended June 30, 2019 include the accelerated recognition of compensation cost related to the planned retirement of an executive officer.

Equity-based compensation expense capitalized as a part of rental property and deferred lease costs were as follows (in thousands):

	Three months ended June 30,		Six months ended June 30,	
	2020	2019	2020	2019
Equity-based compensation expense capitalized	$ 101	$ 96	$ 202	$ 188

Option Awards

In April 2020, Stephen Yalof became the President and Chief Operating Officer of the Company. As part of his employment, Mr. Yalof was granted 1.0 million options that have an exercise price of $7.15 per share, which equaled the closing market price of a common share of the Company on the day prior to the grant date. The options expire 10 years from the date of grant and 25% of the options become exercisable on December 31, 2020 with the remaining options vesting ratably on each December 31st through 2023, in each case, contingent upon continued employment with the Company through the applicable vesting date (subject to acceleration upon certain terminations of employment). The fair value of each option grant was estimated on the date of grant using the Black-Scholes option pricing model, which resulted in a weighted average grant date fair value per share of $0.42 and included the following weighted-average assumptions: expected dividend yield 9.86%; expected life of 7.9 years; expected volatility of 30%; a risk-free rate of 0.60%; and forfeiture rate 0.0%.

Restricted Common Share and Restricted Share Unit Awards

During February 2020, the Company granted approximately 399,000 restricted common shares and restricted share units to the Company's non-employee directors and the Company's senior executive officers. The grant date fair value of the awards ranged from $12.03 to $13.75 per share. The restricted common shares vest ratably over a three year period on January 4th of each year for non-employee directors and on February 15th of each year for senior executive officers. For the restricted shares units issued to our Chief Executive Officer, the award agreements require him to hold shares or units issued to him for a minimum of three years following vesting or the share issuance date, as applicable. Compensation expense related to the amortization of the deferred compensation is being recognized in accordance with the vesting schedule of the restricted shares.

Also in April 2020, Mr. Yalof was granted 389,308 restricted common shares with a grant date fair value of $7.15 per share. The restricted common shares vest ratably over a three year period, with one-third of the restricted common shares vesting on each anniversary of the grant date, beginning on April 10, 2021, contingent upon continued employment with the Company through the applicable vesting date (subject to acceleration upon certain terminations of employment).

For certain shares that vest during the period, we withhold shares with value equivalent up to the employees' maximum statutory obligation for the applicable income and other employment taxes, and remit cash to the appropriate taxing authorities. The total number of shares withheld upon vesting were approximately 57,000 and 81,000 for the six months ended June 30, 2020 and 2019, respectively. The total number of shares withheld was based on the value of the restricted common shares on the vesting date as determined by our closing share price on the day prior to the vesting date. Total amounts paid for the employees' tax obligation to taxing authorities were $736,000 and $1.8 million for the six months ended June 30, 2020 and 2019, respectively. These amounts are reflected as financing activities within the consolidated statements of cash flows.

2020 Outperformance Plan

During February 2020, the Compensation Committee of the Company approved the general terms of the Tanger Factory Outlet Centers, Inc. 2020 Outperformance Plan (the "2020 OPP") covering the Company's senior executive officers whereby a maximum of approximately 697,000 restricted common shares may be earned if certain share price appreciation goals are achieved over a three year measurement period. The 2020 OPP is a long-term incentive compensation plan. Recipients may earn units which may convert into restricted common shares of the Company based on the Company's absolute share price appreciation (or absolute total shareholder return) and its share price appreciation relative to its peer group (or relative total shareholder return) over a three-year measurement period. Any shares earned at the end of the three-year measurement period are subject to a time-based vesting schedule, with 50% of the shares vesting immediately following the measurement period, and the remaining 50% vesting one year thereafter, contingent upon continued employment with the Company through the vesting date (unless terminated prior thereto (a) by the Company without cause, (b) by participant for good reason or, with respect to our Chief Executive Officer, retirement or (c) due to death or disability).

The following table sets forth 2020 OPP performance targets and other relevant information about the 2020 OPP:

Performance targets [1]	
Absolute portion of award:	
Percent of total award	33.3%
Absolute total shareholder return range	36.8% - 52.1%
Percentage of units to be earned	20% - 100%
Relative portion of award:	
Percent of total award	66.7%
Percentile rank of peer group range [2]	30th - 80th
Percentage of units to be earned	20% - 100%
Maximum number of restricted common shares that may be earned [3]	902,167
February grant date fair value per share	$ 7.30
April grant date fair value per share [3]	$ 3.11

(1) The number of restricted common shares received under the 2020 OPP will be determined on a pro-rata basis by linear interpolation between total shareholder return thresholds, both for absolute total shareholder return and for relative total shareholder return amongst the Company's peer group.

(2) The peer group is based on companies included in the FTSE NAREIT Retail Index.

(3) In April 2020, Mr. Yalof was awarded 205,480 notional units under the 2020 OPP. These awards have the same terms as the awards our executive officers received in February 2020.

The fair values of the 2020 OPP awards granted during the six months ended June 30, 2020 were determined at the grant dates using a Monte Carlo simulation pricing model and the following assumptions:

Risk free interest rate [(1)]	1.4%
Expected dividend yield [(2)]	8.4%
Expected volatility [(3)]	29%

(1) Represents the interest rate as of the grant date on US treasury bonds having the same life as the estimated life of the restricted unit grants.
(2) The dividend yield is calculated utilizing the dividends paid for the previous five-year period.
(3) Based on a mix of historical and implied volatility for our common shares and the common shares of our peer index companies over the measurement period.

15. Accumulated Other Comprehensive Income (Loss) of the Company

The following table presents changes in the balances of each component of accumulated comprehensive loss for the three and six months ended June 30, 2020 (in thousands):

	Tanger Factory Outlet Centers, Inc. Accumulated Other Comprehensive Income (Loss)			Noncontrolling Interest in Operating Partnership Accumulated Other Comprehensive Income (Loss)		
	Foreign Currency	Cash flow hedges	Total	Foreign Currency	Cash flow hedges	Total
Balance March 31, 2020	$ (32,437)	$ (5,791)	$ (38,228)	$ (1,759)	$ (310)	$ (2,069)
Other comprehensive income (loss) before reclassifications	3,188	(1,565)	1,623	169	(83)	86
Reclassification out of accumulated other comprehensive income (loss) into interest expense for cash flow hedges	—	1,092	1,092	—	58	58
Balance June 30, 2020	$ (29,249)	$ (6,264)	$ (35,513)	$ (1,590)	$ (335)	$ (1,925)

	Tanger Factory Outlet Centers, Inc. Accumulated Other Comprehensive Income (Loss)			Noncontrolling Interest in Operating Partnership Accumulated Other Comprehensive Income (Loss)		
	Foreign Currency	Cash flow hedges	Total	Foreign Currency	Cash flow hedges	Total
Balance December 31, 2019	$ (25,094)	$ (401)	$ (25,495)	$ (1,369)	$ (24)	$ (1,393)
Other comprehensive loss before reclassifications	(4,155)	(6,953)	(11,108)	(221)	(369)	(590)
Reclassification out of accumulated other comprehensive income (loss) into interest expense	—	1,090	1,090	—	58	58
Balance June 30, 2020	$ (29,249)	$ (6,264)	$ (35,513)	$ (1,590)	$ (335)	$ (1,925)

The following table presents changes in the balances of each component of accumulated comprehensive income (loss) for the three and six months ended June 30, 2019 (in thousands):

	Tanger Factory Outlet Centers, Inc. Accumulated Other Comprehensive Income (Loss)			Noncontrolling Interest in Operating Partnership Accumulated Other Comprehensive Income (Loss)		
	Foreign Currency	Cash flow hedges	Total	Foreign Currency	Cash flow hedges	Total
Balance March 31, 2019	$ (30,759)	$ 3,606	$ (27,153)	$ (1,672)	$ 191	$ (1,481)
Other comprehensive income (loss) before reclassifications	1,714	(2,683)	(969)	91	(143)	(52)
Reclassification out of accumulated other comprehensive income (loss) into other income (expense) for foreign currency and interest expense for cash flow hedges	3,454	(747)	2,707	184	(40)	144
Balance June 30, 2019	$ (25,591)	$ 176	$ (25,415)	$ (1,397)	$ 8	$ (1,389)

	Tanger Factory Outlet Centers, Inc. Accumulated Other Comprehensive Income (Loss)			Noncontrolling Interest in Operating Partnership Accumulated Other Comprehensive Income (Loss)		
	Foreign Currency	Cash flow hedges	Total	Foreign Currency	Cash flow hedges	Total
Balance December 31, 2018	$ (32,610)	$ 5,459	$ (27,151)	$ (1,770)	$ 290	$ (1,480)
Other comprehensive income (loss) before reclassifications	3,565	(3,849)	(284)	189	(205)	(16)
Reclassification out of accumulated other comprehensive income (loss) into other income (expense) for foreign currency and interest expense for cash flow hedges	3,454	(1,434)	2,020	184	(77)	107
Balance June 30, 2019	$ (25,591)	$ 176	$ (25,415)	$ (1,397)	$ 8	$ (1,389)

We expect within the next twelve months to reclassify into earnings as an increase to interest expense approximately $1.6 million of the amounts recorded within accumulated other comprehensive loss related to the interest rate swap agreements in effect as of June 30, 2020.

16. Accumulated Other Comprehensive Income (Loss) of the Operating Partnership

The following table presents changes in the balances of each component of accumulated comprehensive loss for the three and six months ended June 30, 2020 (in thousands):

	Foreign Currency	Cash flow hedges	Accumulated Other Comprehensive Income (Loss)
Balance March 31, 2020	$ (34,196)	$ (6,101)	$ (40,297)
Other comprehensive income (loss) before reclassifications	3,357	(1,648)	1,709
Reclassification out of accumulated other comprehensive income (loss) into interest expense for cash flow hedges	—	1,150	1,150
Balance June 30, 2020	$ (30,839)	$ (6,599)	$ (37,438)

	Foreign Currency	Cash flow hedges	Accumulated Other Comprehensive Income (Loss)
Balance December 31, 2019	$ (26,463)	$ (425)	$ (26,888)
Other comprehensive loss before reclassifications	(4,376)	(7,322)	(11,698)
Reclassification out of accumulated other comprehensive income (loss) into interest expense	—	1,148	1,148
Balance June 30, 2020	$ (30,839)	$ (6,599)	$ (37,438)

The following table presents changes in the balances of each component of accumulated comprehensive income (loss) for the three and six months ended June 30, 2019 (in thousands):

	Foreign Currency	Cash flow hedges	Accumulated Other Comprehensive Income (Loss)
Balance March 31, 2019	$ (32,431)	$ 3,797	$ (28,634)
Other comprehensive income (loss) before reclassifications	1,805	(2,826)	(1,021)
Reclassification out of accumulated other comprehensive income (loss) into other income (expense) for foreign currency and interest expense for cash flow hedges	3,638	(787)	2,851
Balance June 30, 2019	$ (26,988)	$ 184	$ (26,804)

	Foreign Currency	Cash flow hedges	Accumulated Other Comprehensive Income (Loss)
Balance December 31, 2018	$ (34,380)	$ 5,749	$ (28,631)
Other comprehensive income (loss) before reclassifications	3,754	(4,054)	(300)
Reclassification out of accumulated other comprehensive income (loss) into other income (expense) for foreign currency and interest expense for cash flow hedges	3,638	(1,511)	2,127
Balance June 30, 2019	$ (26,988)	$ 184	$ (26,804)

We expect within the next twelve months to reclassify into earnings as an increase to interest expense approximately $1.6 million of the amounts recorded within accumulated other comprehensive loss related to the interest rate swap agreements in effect as of June 30, 2020.

17. Lease Agreements

As of June 30, 2020, we were the lessor to over 2,300 stores in our 32 consolidated outlet centers, under operating leases with initial terms that expire from 2020 to 2035, with certain agreements containing extension options. We also have certain agreements that require tenants to pay their portion of reimbursable expenses such as common area expenses, utilities, insurance and real estate taxes.

The components of rental revenues are as follows (in thousands):

	Three months ended June 30,		Six months ended June 30,	
	2020	2019	2020	2019
Rental revenues - fixed	$ 48,515	$ 89,262	$ 135,448	$ 182,721
Rental revenues - variable (1)	13,758	23,123	35,383	49,618
Rental revenues	$ 62,273	$ 112,385	$ 170,831	$ 232,339

(1) Primarily includes rents based on a percentage of tenant sales volume and reimbursable expenses such as common area expenses, utilities, insurance and real estate taxes.

18. Supplemental Cash Flow Information

We purchase capital equipment and incur costs relating to construction of facilities, including tenant finishing allowances. Expenditures included in accounts payable and accrued expenses were as follows (in thousands):

	As of June 30, 2020	As of June 30, 2019
Costs relating to construction included in accounts payable and accrued expenses	$ 22,106	$ 13,822

Interest paid, net of interest capitalized was as follows (in thousands):

	Six months ended June 30,	
	2020	2019
Interest paid	$ 29,749	$ 29,284

19. New Accounting Pronouncements

Recently issued accounting standards

On March 12, 2020, the FASB issued Accounting Standards Update (“ASU”) 2020-04, Reference Rate Reform (Topic 848) - Facilitation of the Effects of Reference Rate Reform on Financial Reporting, which provides optional expedients and exceptions for applying GAAP to contracts, hedging relationships and other transactions that reference LIBOR or other reference rates expected to be discontinued because of reference rate reform. This ASU is effective as of March 12, 2020 through December 31, 2022. We have not adopted any of the optional expedients or exceptions through June 30, 2020, but will continue to evaluate the possible adoption of any such expedients or exceptions during the effective period as circumstances evolve.

Recently adopted accounting standards

In April 2020, the Financial Accounting Standards Board ("FASB") staff issued a question and answer document (the "Lease Modification Q&A") focused on the application of lease accounting guidance to lease concessions provided as a result of the COVID-19 pandemic. Under existing accounting lease guidance under ASC 842, the Company would have to determine, on a lease by lease basis, if a lease concession was the result of a new arrangement reached with the tenant (treated within the lease modification accounting framework) or if a lease concession was under the enforceable rights and obligations within the existing lease agreement (precluded from applying the lease modification accounting framework). The Lease Modification Q&A allows the Company, if certain criteria have been met, to bypass the lease by lease analysis, and instead make an accounting policy election to account for COVID-19 related lease concessions as either a lease modification or a negative variable adjustment to rental revenue. The Lease Modification Q&A allows the Company to determine accounting policy elections at a disaggregated level, and the elections should be applied consistently by either the type of concession or another reasonable disaggregated level. We have evaluated and elected to apply the Lease Modification Q&A to eligible lease concessions. We applied modification accounting to individual leases that did not qualify for the concession. As a result, we have made the following policy elections by the type of concession agreed to with the respective tenant.

Rent Deferrals

We will account for rental deferrals using the receivables model as described within the Lease Modification Q&A. Under the receivables model, we will continue to recognize lease revenue in a manner that is unchanged from the original lease agreement and continue to recognize lease receivables and rental revenue during the deferral period.

Rent Abatements

We will account for rental abatements as negative variable adjustments to rental revenue as described within the Lease Modification Q&A. We will recognize negative variable rent for the current period reduction of rental revenue associated with any lease concessions we provide.

See Notes 2 and 3, for additional details on the impact of the Lease Modification Q&A on the Company's consolidated financial statements.

In August 2018, the FASB issued ASU 2018-13, Fair Value Measurement (Topic 820): Disclosure Framework - Changes to the Disclosure Requirements for Fair Value Measurement. ASU 2018-13 is intended to improve the effectiveness of disclosures required by entities regarding recurring and nonrecurring fair value measurements. ASU 2018-13 is effective for reporting periods beginning after December 15, 2019, with early adoption permitted. The adoption of ASU 2018-13 did not have a material impact on our consolidated financial statements.

In June 2016, the FASB issued ASU No. 2016-13 to amend the accounting for credit losses for certain financial instruments. Under the new guidance, an entity recognizes its estimate of expected credit losses as an allowance, which the FASB believes will result in more timely recognition of such losses. In November 2018, the FASB released ASU No. 2018-19 "Codification Improvements to Topic 326, Financial Instruments - Credit Losses." This ASU clarifies that receivables arising from operating leases are not within the scope of Subtopic 326-20 "Financial Instruments - Credit Losses." Instead, impairment of receivables arising from operating leases should be accounted for under Subtopic 842-30 "Leases - Lessor." ASU 2016-13 is effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. The adoption of this new guidance did not have a material impact on our consolidated financial statements.

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

The discussion of our results of operations reported in the unaudited, consolidated statements of operations compares the three and six months ended June 30, 2020 with the three and six months ended June 30, 2019. The results of operations discussion is combined for Tanger Factory Outlet Centers, Inc. and Tanger Properties Limited Partnership because the results are virtually the same for both entities. The following discussion should be read in conjunction with the unaudited consolidated financial statements appearing elsewhere in this report. Historical results and percentage relationships set forth in the unaudited, consolidated statements of operations, including trends which might appear, are not necessarily indicative of future operations. Unless the context indicates otherwise, the term “Company” refers to Tanger Factory Outlet Centers, Inc. and subsidiaries and the term “Operating Partnership” refers to Tanger Properties Limited Partnership and subsidiaries. The terms “we”, “our” and “us” refer to the Company or the Company and the Operating Partnership together, as the text requires.

Cautionary Statements

Certain statements made in this Management's Discussion and Analysis of Financial Condition and Results of Operations below are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act. We intend such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Reform Act of 1995 and included this statement for purposes of complying with these safe harbor provisions. Forward-looking statements, which are based on certain assumptions and describe our future plans, strategies, beliefs and expectations, are generally identifiable by use of the words "believe", "expect", "intend", "anticipate", "estimate", "project", or similar expressions. Such forward-looking statements include, but are not limited to, statements regarding: the expected impact of the novel coronavirus (“COVID-19”) pandemic on our business, financial results and financial condition; our ability to raise additional capital, including via future issuances of equity and debt, and the use of proceeds from such issuances; our results of operations and financial condition; capital expenditure and working capital needs and the funding thereof; the repurchase of the Company's common shares, including the potential use of a 10b5-1 plan to facilitate repurchases; future dividend payments; the possibility of future asset impairments; potential developments, expansions, renovations, acquisitions or dispositions of outlet centers; compliance with debt covenants; renewal and re-lease of leased space; the outlook for the retail environment, potential bankruptcies, and other store closings; the outcome of legal proceedings arising in the normal course of business; and real estate joint ventures. You should not rely on forward-looking statements since they involve known and unknown risks, uncertainties and other important factors which are, in some cases, beyond our control and which could materially affect our actual results, performance or achievements.

Currently, one of the most significant factors, however, is the adverse effect of the COVID-19 pandemic, on the financial condition, results of operations, cash flows, compliance with debt covenants and performance of the Company and its tenants, the real estate market and the global economy and financial markets. The extent to which COVID-19 impacts the Company and its tenants will depend on future developments, which are highly uncertain and cannot be predicted with confidence, including the scope, severity and duration of the pandemic, the actions taken to contain the pandemic or mitigate its impact, and the direct and indirect economic effects of the pandemic and containment measures, among others. Moreover, you should interpret many of the risks identified in this report, as well as the risks set forth below, as being heightened as a result of the ongoing and numerous adverse impacts of COVID-19.

Other important factors which may cause actual results to differ materially from current expectations include, but are not limited to: our inability to develop new outlet centers or expand existing outlet centers successfully; risks related to the economic performance and market value of our outlet centers; the relative illiquidity of real property investments; impairment charges affecting our properties; our dispositions of assets may not achieve anticipated results; competition for the acquisition and development of outlet centers, and our inability to complete outlet centers we have identified; environmental regulations affecting our business; risk associated with a possible terrorist activity or other acts or threats of violence, public health crises and threats to public safety; our dependence on rental income from real property; our dependence on the results of operations of our retailers; the fact certain of our lease agreements include co-tenancy and/or sales-based provisions that may allow a tenant to pay reduced rent and/or terminate a lease prior to its natural expiration; the fact that certain of our properties are subject to ownership interests held by third parties, whose interests may conflict with ours; risks related to uninsured losses; risks related to changes in consumer spending habits; risks associated with our Canadian investments; risks associated with attracting and retaining key personnel; risks associated with debt financing; risk associated with our guarantees of debt for, or other support we may provide to, joint venture properties; the effectiveness of our interest rate hedging arrangements; uncertainty relating to the potential phasing out of LIBOR; risk associated with our interest rate hedging arrangements; risk associated to uncertainty related to determination of LIBOR; our potential failure to qualify as a REIT; our legal obligation to make distributions to our shareholders; legislative or regulatory actions that could adversely affect our shareholders; our dependence on distributions from the Operating Partnership to meet our financial obligations, including dividends; the risk of a cyber-attack or an act of cyber-terrorism and other important factors which may cause actual results to differ materially from current expectations include, but are not limited to, those set forth under Item 1A - “Risk Factors” in the Company’s and the Operating Partnership’s Annual Report on Form 10-K for the year ended December 31, 2019, as updated in Part II, Item 1A- “Risk Factors” in this Quarterly Report on Form 10-Q.

General Overview

As of June 30, 2020, we had 32 consolidated outlet centers in 19 states totaling 12.1 million square feet. We also had 7 unconsolidated outlet centers in 6 states or provinces totaling 2.2 million square feet.

The table below details our new developments, expansions and dispositions of consolidated and unconsolidated outlet centers that significantly impacted our results of operations and liquidity from January 1, 2019 to June 30, 2020 (square feet in thousands):

		Consolidated Outlet Centers		Unconsolidated Joint Venture Outlet Centers	
Outlet Center	Quarter Opened/Disposed	Square Feet	Number of Outlet Centers	Square Feet	Number of Outlet Centers
As of January 1, 2019		12,923	36	2,371	8
Dispositions:					
Nags Head	First Quarter	(82)	(1)	—	—
Ocean City	First Quarter	(200)	(1)	—	—
Park City	First Quarter	(320)	(1)	—	—
Williamsburg	First Quarter	(276)	(1)	—	—
Bromont	Second Quarter	—	—	(161)	(1)
Other		3	—	2	—
As of December 31, 2019		12,048	32	2,212	7
Other		3	—	—	—
As of June 30, 2020		12,051	32	2,212	7

The following table summarizes certain information for our existing outlet centers in which we have an ownership interest as of June 30, 2020. Except as noted, all properties are fee owned.

Consolidated Outlet Centers Location	Legal Ownership %	Square Feet	% Occupied
Deer Park, New York	100	739,110	98
Riverhead, New York [(1)]	100	729,778	93
Rehoboth Beach, Delaware [(1)]	100	557,353	94
Foley, Alabama	100	554,587	89
Atlantic City, New Jersey [(1) (3)]	100	489,718	79
San Marcos, Texas	100	471,816	96
Sevierville, Tennessee [(1)]	100	447,815	100
Savannah, Georgia	100	429,089	95
Myrtle Beach Hwy 501, South Carolina	100	426,523	96
Jeffersonville, Ohio	100	411,904	83
Glendale, Arizona (Westgate)	100	410,751	97
Myrtle Beach Hwy 17, South Carolina [(1)]	100	403,425	99
Charleston, South Carolina	100	386,328	96
Lancaster, Pennsylvania	100	375,857	91
Pittsburgh, Pennsylvania	100	373,863	94
Commerce, Georgia	100	371,408	98
Grand Rapids, Michigan	100	357,119	90
Fort Worth, Texas	100	351,741	98
Daytona Beach, Florida	100	351,721	98
Branson, Missouri	100	329,861	99
Southaven, Mississippi [(2) (3)]	50	324,717	98
Locust Grove, Georgia	100	321,082	95
Gonzales, Louisiana	100	321,066	95
Mebane, North Carolina	100	318,886	100
Howell, Michigan	100	314,438	84
Mashantucket, Connecticut (Foxwoods) [(1)]	100	311,511	91
Tilton, New Hampshire	100	250,107	89
Hershey, Pennsylvania	100	249,696	99
Hilton Head II, South Carolina	100	206,564	98
Hilton Head I, South Carolina	100	181,670	97
Terrell, Texas	100	177,800	87
Blowing Rock, North Carolina	100	104,009	84
Totals		12,051,313	94

(1) These properties or a portion thereof are subject to a ground lease.

(2) Based on capital contribution and distribution provisions in the joint venture agreement, we expect our economic interest in the venture's cash flow to be greater than our legal ownership percentage. We currently receive substantially all the economic interest of the property.

(3) Property encumbered by mortgage. See Notes 6 and 7 to the consolidated financial statements for further details of our debt obligations.

Unconsolidated joint venture properties Location	Legal Ownership %	Square Feet	% Occupied
Charlotte, North Carolina [1]	50	398,676	96
Ottawa, Ontario	50	357,218	96
Columbus, Ohio [1]	50	355,245	96
Texas City, Texas (Galveston/Houston) [1]	50	352,705	92
National Harbor, Maryland [1]	50	341,156	97
Cookstown, Ontario	50	307,895	99
Saint-Sauveur, Quebec [1]	50	99,405	88
Total		2,212,300	95

(1) Property encumbered by mortgage. See Note 5 to the consolidated financial statements for further details of the joint venture debt obligations.

Leasing Activity

The tables below show changes in rent (base rent and common area maintenance ("CAM")) for leases for new stores that opened or renewals that started during the respective trailing twelve month periods ended June 30, 2020 and 2019:

Trailing twelve months ended June 30, 2020[1],[2]

	# of Leases	Square Feet (in 000's)	Average Annual Straight-line Rent (psf)	Average Tenant Allowance (psf)	Average Initial Term (in years)	Net Average Annual Straight-line Rent (psf) [3]
Re-tenant	111	510	$ 35.67	$ 48.85	7.72	$ 29.34
Renewal	185	935	$ 27.36	$ 0.95	3.91	$ 27.12

Trailing twelve months ended June 30, 2019[1],[2]

	# of Leases	Square Feet (in 000's)	Average Annual Straight-line Rent (psf)	Average Tenant Allowance (psf)	Average Initial Term (in years)	Net Average Annual Straight-line Rent (psf) [3]
Re-tenant	83	420	$ 33.93	$ 43.37	8.65	$ 28.92
Renewal	255	1,200	$ 34.58	$ 0.58	3.78	$ 34.43

(1) Excludes license agreements, seasonal tenants, and month-to-month leases.

(2) Excludes outlet centers sold in March 2019 (Nags Head, Ocean City, Park City, and Williamsburg Outlets Centers).

(3) Net average annual straight-line base rent is calculated by dividing the average tenant allowance costs per square foot by the average initial term and subtracting this calculated number from the average straight-line base rent per year amount. The average annual straight-line base rent disclosed in the table above includes all concessions, abatements and reimbursements of rent to tenants. The average tenant allowance disclosed in the table above includes other landlord costs.

COVID-19 Pandemic

The current COVID-19 pandemic has had, and will continue to have, repercussions across local, national and global economies and financial markets. COVID-19 has impacted all states where our tenants operate their businesses or where our properties are located and measures taken to prevent or remediate COVID-19, including “shelter-in-place” or “stay-at-home” orders or other quarantine mandates issued by local, state or federal authorities, have had an adverse effect on our business and the businesses of our tenants. The full extent of the adverse impact on our results of operations, liquidity (including our ability to access capital markets), the possibility of future impairments of long-lived assets or our investments in unconsolidated joint ventures, our compliance with debt covenants, our ability to renew and re-lease our leased space, the outlook for the retail environment, bankruptcies and potential further bankruptcies or other store closings and our ability to develop, acquire, dispose or lease properties for our portfolio, is unknown and will depend on future developments, which are highly uncertain and cannot be predicted. Our results of operations, liquidity and cash flows have been and could may continue to be in the future be materially affected.

Many of our tenants operate in industries that depend on in-person interactions with their customers to be profitable and to fund their obligations under lease agreements with us. Measures taken to prevent or remediate COVID-19, including “shelter-in-place” or “stay-at-home” orders or other quarantine mandates , with respect to virtually all of our tenants, (i) prevented our tenants from being able to open their stores and conduct business or limited the hours in which they may conduct business, (ii) decreased or prevented our tenants’ customers’ willingness or ability to frequent their businesses, and/or (iii) impacted supply chains from local, national and international suppliers or otherwise delayed the delivery of inventory or other materials necessary for our tenants’ operations, all of which have adversely affected, and are likely to continue to adversely affect, their ability to maintain profitability and make rental payments to us under their leases. Tenants have also, as a result of such public health crisis, orders or mandates and the resulting economic downturn, requested rent deferrals, rent abatement or early termination of their leases and may be forced to temporarily or permanently close or declare bankruptcy which could reduce our cash flows and negatively affect our ability to pay dividends. Specifically, as a result of COVID-19 and various governmental orders currently in place, a number of our tenants either closed their business or operated with limited operations and/or have submitted requests for rent relief or failed to pay rent. Certain other of our tenants have declared bankruptcy as discussed below. In addition, state, local or industry-initiated efforts, such as tenant rent freezes or suspension of a landlord’s ability to enforce evictions, may also affect our ability to collect rent or enforce remedies for the failure to pay rent. We believe our tenants do not have a clear contractual right to cease paying rent due to government mandated closures and we intend to enforce our rights under the lease agreements. However, COVID-19 and the related governmental orders present fairly novel situations for which the ultimate legal outcome cannot be assured and it is possible future governmental action could impact our rights under the lease agreements. The extent of future tenant requests and actions and the impact on our results of operations and cash flows is uncertain and cannot be predicted at this time. Some states are experiencing a resurgence of the COVID-19 pandemic, which has resulted in mandatory closures in certain markets. None of our outlet centers are in these markets. However, if store closures were to occur again in our markets this could have a material adverse impact on our financial position and results.

Our outlet centers have not closed throughout the pandemic, but have been operating under reduced hours since late April when the first stores began to reopen. Our outlet centers may experience additional short-term store closures as retailers implement additional safety protocols at specific locations impacted by increased exposure to COVID-19.

While our outlet centers remained open, retailers began closing their stores in our outlet centers in mid-March and by April 6, 2020, substantially all of the stores in our portfolio were closed as a result of mandates by order of local and state authorities. Reopened stores as a percentage of total leased stores improved over time as mandates were lifted, from 1% on April 6, 2020 to 56% on June 3, 2020 to 72% on June 14, 2020. By June 15, 2020, in-store shopping for non-essential retail was allowed in every market in which our centers are located. As of June 30, 2020, 88% of total occupied stores in our consolidated portfolio had reopened, representing 88% of leased square footage and 87% of annualized base rent. As of July 31, 2020, 95% of total occupied stores in our consolidated portfolio had reopened, representing 95% of leased square footage and 95% of annualized base rent.

A number of our tenants have requested rent deferrals, rent abatements or other types of rent relief during this pandemic. As a response, in late March 2020, we offered all tenants in our consolidated portfolio the option to defer 100% of April and May rents interest free, payable in equal installments due in January and February of 2021.

The following table sets forth information regarding the status of rents billed during the second quarter (in thousands):

Second Quarter Rents billed:		Rents	% of Rents
Rents collected as of July 31, 2020	$	32,580	33%
Unmodified rents expected to be collected		9,788	10%
Rents deferred		25,558	26%
Under negotiation		5,389	6%
One-time rent concessions in exchange for amendments to lease structure		13,852	14%
Bankruptcy related, primarily pre-petition rents		8,894	9%
At risk due to tenant financial weakness		1,447	2%
Total rents billed	$	97,508	100%

During the three months ended June 30. 2020, we wrote off approximately 25% of second quarter rents, of which 9% is related to bankruptcies 2% related to other uncollectible accounts due to financial weakness and 14% related to one-time concessions in exchange for landlord-favorable amendments to lease structure. In addition, during the three and six months ended June 30,2020, we recorded a $9.7 million reserve for a portion of deferred and under negotiation billings that are expected to become uncollectible in future periods. Further, we recognized a write-off of revenue of approximately $3.7 million of straight-line rents associated with the tenant bankruptcies and uncollectible accounts. We are closely monitoring changes in the collectability assessment of our tenant receivables as a result of certain tenants suffering adverse financial consequences due to COVID-19 and should our estimates change, there could be material modifications to our revenues in future periods.

As of July 31, 2020, we had collected 72% of July rents billed.

Given the economic environment as a result of COVID-19, a select number of our tenants underwent liquidity hardships and filed for Chapter 11 bankruptcy protection in the second and third quarter to date of 2020. Although some of these tenants intend to exit the Chapter 11 bankruptcy process and resume operations, the outcomes of such proceedings are unknown and we are currently exploring leasing alternatives for stores we expect to close. Recent Chapter 11 bankruptcy filings include, but not limited to, J. Crew Group, Inc. (filed in May 2020) and Brooks Brothers, Lucky Brand Jeans, New York and Company and Ascena Retail Group, Inc. (all filed in July 2020). Substantially all of the rents billed to these tenants during the second quarter (which were approximately 93% of the rents included in the table above under the caption “Bankruptcy related, primarily pre-petition rents”) were written off as uncollectible rent as of June 30, 2020.

Due to the potential impact of COVID-19 and related bankruptcies and brand-wide restructurings, our revenues may be significantly lower in the second half of 2020 than the comparable period in 2019. The extent of the impact to our results of operations and cash flows is uncertain and cannot be predicted at this time. While our preference is to work with our tenant partners to reach a financial resolution that maintains occupancy and positions both parties for long-term growth, certain tenants may close a number of their stores or seek significant rent reductions. The Company reserves all rights under its lease agreements and will pursue legal remedies to collect rent as appropriate. However, the impact of the COVID–19 pandemic on our tenants' ability to pay rent has had and could have a significant impact in future periods.

In March 2020, to increase liquidity, preserve financial flexibility and help meet our obligations for a sustained period of time until there is more clarity regarding the impact and duration of the pandemic, we drew down substantially all of the available capacity under our $600.0 million unsecured lines of credit. In June 2020, we repaid $200.0 million of the outstanding balances under our lines of credit. Additionally, subsequent to June 30, 2020 through July 31, 2020, we repaid an additional $320.0 million.

We also took steps to reduce cash outflows, including the reduction or deferral of certain operating and general and administrative expenses, which included temporary base salary reductions for our named executive officers and other employees, During the second quarter, these reductions reduced cash outflows by approximately $11.0 million, including $1.0 million of general and administrative and $10.0 million of property operating expenses. In July 2020, we restored the above mentioned salary reductions.

We also deferred our Nashville pre-development-stage project and certain other planned capital expenditures. We paid the dividend that was declared in January 2020 as scheduled on May 15, 2020. Given the uncertainty related to the pandemic's near and potential long-term impact, the Company's Board of Directors temporarily suspended dividend distributions to conserve approximately $35.0 million in cash per quarter and preserve our balance sheet strength and flexibility. The Board continues to evaluate the potential for future dividend distributions on a quarterly basis. We expect to remain in compliance with REIT taxable income distribution requirements for the 2020 tax year.

The extent to which the COVID-19 pandemic continues to impact our future financial condition, results of operations and cash flows will depend on future developments which are highly uncertain and cannot be predicted with confidence, including the scope, severity and duration of the pandemic, the actions taken to contain the pandemic or mitigate its impact, and the direct and indirect economic effects of the pandemic and containment measures, among others. Accordingly, the impact of the COVID-19 pandemic on our rental revenue for the second half of 2020 and thereafter cannot be determined at present. The situation surrounding the COVID-19 pandemic remains fluid, and we are continuing to manage our response in collaboration with tenants, government officials and business partners and assess potential impacts to our financial position and operating results, as well as potential adverse developments in our business. For further information regarding the impact of COVID-19 on us, see Part II, Item 1A titled "Risk Factors."

RESULTS OF OPERATIONS

Comparison of the three months ended June 30, 2020 to the three months ended June 30, 2019

NET INCOME (LOSS)

Net income (loss) in the 2020 period decreased $38.3 million to a net loss of $23.9 million as compared to a net income of $14.5 million for the 2019 period. The decrease in net income is due to the following:

- significant revenue reductions caused by the COVID-19 pandemic discussed above, and
- a decrease in equity in earnings (losses) of unconsolidated joint ventures from the impact of COVID-19, which also includes our share of an impairment charge totaling $3.1 million in the 2020 period related to the Saint-Sauveur, Quebec outlet center in our Canadian joint venture.

The decrease in net income was partially offset by the following:

- decreased operating costs in the 2020 period due to lower operating and advertising costs as a result of COVID-19 government mandated store closures,
- a $4.4 million charge in the 2019 period related to the accelerated recognition of compensation cost as a result of a transition agreement with the Company's former President and Chief Operating Officer in connection with his retirement (the "COO Transition Agreement"), and
- a $3.6 million foreign currency loss recorded in the 2019 period upon the sale of the Bromont outlet center by the RioCan joint venture.

RENTAL REVENUES

Rental revenues decreased $50.1 million in the 2020 period compared to the 2019 period. The following table sets forth the changes in various components of rental revenues (in thousands):

	2020	2019	Increase/ (Decrease)
Rental revenues from existing properties	$ 63,265	$ 109,360	$ (46,095)
Rental revenues from properties disposed	—	20	(20)
Straight-line rent adjustments	(2,549)	2,916	(5,465)
Lease termination fees	1,513	269	1,244
Amortization of above and below market rent adjustments, net	44	(180)	224
	$ 62,273	$ 112,385	$ (50,112)

Rental revenues decreased largely due to the impact of the $33.9 million COVID-19 pandemic-related revenue reduction discussed above. Further, we recognized a write-off revenue of approximately $3.7 million of straight-line rents associated with the tenant bankruptcies and uncollectible accounts. Revenues for the quarter were also impacted as a result of space recaptured totaling approximately 48,000 square feet within our consolidated portfolio during the three months from the early termination of leases related to bankruptcies and brand-wide restructurings by retailers, compared to 105,000 square feet for the three months ended June 30, 2019. In addition, variable revenue which is derived from tenant sales was negatively impacted by mandatory closures of several centers during the second quarter of 2020 as a result of the COVID-19 pandemic.

MANAGEMENT, LEASING AND OTHER SERVICES

Management, leasing and other services decreased $520,000 in the 2020 period compared to the 2019 period. The following table sets forth the changes in various components of management, leasing and other services (in thousands):

	2020	2019	Increase/ (Decrease)
Management and marketing	$ 143	$ 561	$ (418)
Leasing and other fees	15	9	6
Expense reimbursements from unconsolidated joint ventures	566	675	(109)
	$ 724	$ 1,245	$ (521)

Management, leasing and other service revenue decreased in the 2020 period due to reduced management fee income from unconsolidated joint ventures which are earned on a cash basis. The COVID-19 pandemic resulted in materially lower tenant payments during the 2020 period which resulted in lower management fees.

OTHER REVENUES

Other revenues decreased $1.1 million in the 2020 period compared to the 2019 period primarily due to reductions in variable vending and other revenue sources due to the mandatory closure of the vast majority of stores in our outlet centers by local and state authorities for a portion of the 2020 period.

PROPERTY OPERATING EXPENSES

Property operating expenses decreased $8.6 million in the 2020 period compared to the 2019 period. The following table sets forth the changes in various components of property operating expenses (in thousands):

	2020	2019	Increase/ (Decrease)
Property operating expenses from existing properties	$ 27,210	$ 35,382	$ (8,172)
Expenses related to unconsolidated joint ventures	566	675	(109)
Other property operating expenses	382	669	(287)
	$ 28,158	$ 36,726	$ (8,568)

The decrease in property operating expenses at existing properties reflect the lower costs needed to operate and advertise the centers while stores were closed under government mandates in response to the COVID-19 pandemic.

GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses decreased $4.9 million in the 2020 period compared to the 2019 period, primarily as a result of a $4.4 million charge in the 2019 period related to the COO Transition Agreement. In addition, as a result of COVID-19, the compensation costs of our executive officers and other employees were temporarily reduced during the 2020 period through salary and wage reductions and government assistance programs and virtually all travel and entertainment expenses were eliminated. These reductions were partially offset by higher expenses related to legal and professional fees.

DEPRECIATION AND AMORTIZATION

Depreciation and amortization costs decreased $2.5 million in the 2020 period compared to the 2019 period, primarily due to the lower basis of our Foxwoods and Jeffersonville properties as a result of the impairments recorded.

INTEREST EXPENSE

Interest expense increased $1.8 million in the 2020 period compared to the 2019 period as a result of our borrowing approximately $599.8 million under our lines of credit to increase liquidity and preserve financial flexibility as a result of the COVID-19 pandemic. In June 2020, we repaid $200.0 million of these borrowings.

OTHER INCOME (EXPENSE)

In May 2019, the RioCan joint venture closed on the sale of its outlet center in Bromont for net proceeds of approximately $6.4 million. Our share of the proceeds was approximately $3.2 million. As a result of this transaction, we recorded a foreign currency loss of approximately $3.6 million in other income (expense), which had been previously recorded in other comprehensive income.

EQUITY IN EARNINGS (LOSSES) OF UNCONSOLIDATED JOINT VENTURES

Equity in earnings (losses) of unconsolidated joint ventures decreased approximately $4.6 million in the 2020 period compared to the 2019 period. In the table below, information set forth for properties disposed includes the RioCan joint venture’s Bromont outlet center, which was sold in May 2019.

	2020	2019	Increase/ (Decrease)
Equity in earnings (losses) from existing properties	$ (2,975)	$ 1,639	$ (4,614)
Equity in earnings from property disposed	—	7	(7)
	$ (2,975)	$ 1,646	$ (4,621)

Equity in earnings (losses) from existing properties includes our share of an impairment charge totaling $3.1 million in the 2020 period related to the Saint-Sauveur, Quebec outlet center in our Canadian joint venture. The impairment charge was primarily driven by deterioration of net operating income caused by market competition and the COVID-19 pandemic. Equity in earnings (losses) of unconsolidated joint ventures from existing properties also decreased due to the impact of COVID-19 on revenues.

Comparison of the six months ended June 30, 2020 to the six months ended June 30, 2019

NET INCOME (LOSS)

Net income decreased $132.3 million in the 2020 period to net loss of $52.0 million as compared to net income of $80.3 million for the 2019 period. The decrease in income is primarily due to:

- significant revenue reductions caused by the COVID-19 pandemic discussed above,
- the $43.4 million gain recorded on the sale of four outlet centers in March 2019,
- the loss of revenues from the four outlet centers sold in March 2019,
- the $45.7 million impairment charge recognized in March 2020 on the outlet center in Mashantucket, Connecticut and
- a decrease in equity in earnings (losses), which includes our share of an impairment charge totaling $3.1 million in the 2020 period related to the Saint-Sauveur, Quebec outlet center in our Canadian joint venture.

The decrease in net income was partially offset by the following:

- decreased operating costs in the 2020 period due to lower operating and advertising costs as a result of COVID-19 government mandated store closures,
- a $4.4 million charge in the 2019 period related to the COO Transition Agreement, and
- a $3.6 million foreign currency loss recorded in the 2019 period upon the sale of the Bromont property by the RioCan Canada joint venture.

In the tables below, information set forth for properties disposed includes the four outlet centers sold in late March 2019.

RENTAL REVENUES

Rental revenues decreased $61.5 million in the 2020 period compared to the 2019 period. The following table sets forth the changes in various components of rental revenues (in thousands):

	2020	2019	Increase/ (Decrease)
Rental revenues from existing properties	$ 170,057	$ 220,182	$ (50,125)
Rental revenues from properties disposed	—	6,422	(6,422)
Straight-line rent adjustments	(677)	4,886	(5,563)
Lease termination fees	1,677	1,399	278
Amortization of above and below market rent adjustments, net	(226)	(550)	324
	$ 170,831	$ 232,339	$ (61,508)

Rental revenues decreased largely due to the impact of the $33.9 million COVID-19 pandemic-related revenue reduction in the second quarter as discussed above. Further, we recognized a write-off revenue of approximately $3.7 million of straight-line rents associated with the tenant bankruptcies and uncollectible accounts. Revenues for the six months were also impacted as a result of space recaptured totaling approximately 380,000 square feet within our consolidated portfolio during the six months ended June 30, 2020 from the early termination of leases related to bankruptcies and brand-wide restructurings by retailers, compared to 187,000 square feet for the six months ended June 30, 2019. In addition, variable revenue which is derived from tenant sales was negatively impacted by mandatory closures of several centers for the first half of 2020 as a result of the COVID-19 pandemic.

MANAGEMENT, LEASING AND OTHER SERVICES

Management, leasing and other services decreased $419,000 in the 2020 period compared to the 2019 period. The following table sets forth the changes in various components of management, leasing and other services (in thousands):

	2020	2019	Increase/ (Decrease)
Management and marketing	$ 685	$ 1,128	$ (443)
Leasing and other fees	35	40	(5)
Expense reimbursements from unconsolidated joint ventures	1,448	1,419	29
Total Fees	$ 2,168	$ 2,587	$ (419)

Management, leasing and other service revenue decreased in the 2020 period due to reduced management fee income from unconsolidated joint ventures which are earned on a cash basis. The COVID-19 pandemic resulted in materially lower tenant payments during the 2020 period which resulted in lower management fees.

OTHER REVENUES

Other revenues decreased $1.3 million in the 2020 period as compared to the 2019 period. The following table sets forth the changes in other revenues (in thousands):

	2020	2019	Increase/ (Decrease)
Other revenues from existing properties	$ 2,624	$ 3,873	$ (1,249)
Other revenues from property disposed	—	63	(63)
	$ 2,624	$ 3,936	$ (1,312)

Other revenues from existing properties decreased primarily due to reductions in variable vending and other revenue sources due to the mandatory closure of a vast majority of stores in our outlet centers by local and state authorities for a portion of the 2020 period.

PROPERTY OPERATING EXPENSES

Property operating expenses decreased $12.3 million in the 2020 period as compared to the 2019 period. The following table sets forth the changes in various components of property operating expenses (in thousands):

	2020	2019	Increase/ (Decrease)
Property operating expenses from existing properties	$ 64,503	$ 73,863	$ (9,360)
Property operating expenses from property disposed	—	2,598	(2,598)
Expenses related to unconsolidated joint ventures	1,448	1,419	29
Other property operating expense	834	1,223	(389)
	$ 66,785	$ 79,103	$ (12,318)

The decrease in property operating expenses at existing properties reflect the lower costs needed to operate and advertise the centers while stores were closed under government mandates in response to the COVID-19 pandemic.

GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses decreased $4.5 million in the 2020 period compared to the 2019 period primarily as a result of a $4.4 million charge in the 2019 period related to the COO Transition Agreement. In addition as a result of COVID-19, the compensation costs of our executive officers and other employees were temporarily reduced during the 2020 period through salary and wage reductions and government assistance programs and virtually all travel and entertainment expenses were eliminated. These reductions were partially offset by higher expenses related to legal and professional fees.

IMPAIRMENT CHARGE

During the first quarter of 2020, we determined that the estimated future undiscounted cash flows of our Foxwoods outlet center in Mashantucket, Connecticut did not exceed the property's carrying value due to a decline in operating results. Therefore, we recorded a $45.7 million non-cash impairment charge in our consolidated statement of operations for the 2020 period which equaled the excess of the property's carrying value over its estimated fair value.

DEPRECIATION AND AMORTIZATION

Depreciation and amortization costs decreased $4.8 million in the 2020 period compared to the 2019 period. The following table sets forth the changes in various components of depreciation and amortization costs from the 2019 period to the 2020 period (in thousands):

	2020	2019	Increase/ (Decrease)
Depreciation and amortization expenses from existing properties	$ 58,063	$ 61,650	$ (3,587)
Depreciation and amortization from property disposed	—	1,256	(1,256)
	$ 58,063	$ 62,906	$ (4,843)

Depreciation and amortization decreased at our existing properties primarily due to the lower basis of our Foxwoods and Jeffersonville properties as a result of impairments recorded.

INTEREST EXPENSE

Interest expense increased $0.7 million in the 2020 period compared to the 2019 period as a result of our borrowing approximately $599.8 million under our lines of credit to increase liquidity and preserve financial flexibility as a result of the COVID-19 pandemic. In June 2020, we repaid $200.0 million of these borrowings.

GAIN ON SALE OF ASSETS

In March 2019, we sold four outlet centers for net proceeds of approximately $128.2 million, which resulted in a gain on sale of assets of $43.4 million. The proceeds from the sale of these unencumbered assets were used to pay down balances outstanding under our unsecured lines of credit.

OTHER INCOME (EXPENSE)

In May 2019, the RioCan joint venture closed on the sale of its outlet center in Bromont for net proceeds of approximately $6.4 million. Our share of the proceeds was approximately $3.2 million. As a result of this transaction, we recorded a foreign currency loss of approximately $3.6 million in other income (expense), which had been previously recorded in other comprehensive income.

EQUITY IN EARNINGS (LOSSES) OF UNCONSOLIDATED JOINT VENTURES

Equity in earnings (losses) of unconsolidated joint ventures decreased approximately $4.7 million in the 2020 period compared to the 2019 period. In the table below, information set forth for properties disposed includes the Bromont outlet center in our Canadian joint venture, which was sold in May 2019.

	2020	2019	Increase/ (Decrease)
Equity in earnings (losses) from existing properties	$ (1,448)	$ 3,267	$ (4,715)
Equity in earnings from property disposed	—	8	(8)
	$ (1,448)	$ 3,275	$ (4,723)

Equity in earnings (losses) from existing properties includes our share of an impairment charge totaling $3.1 million in the 2020 period related to the Saint-Sauveur, Quebec outlet center in our Canadian joint venture. The impairment charge was primarily driven by deterioration of net operating income caused by market competition and the COVID-19 pandemic. Equity in earnings (losses) of unconsolidated joint ventures from existing properties also decreased due to the impact of COVID-19 on revenues.

LIQUIDITY AND CAPITAL RESOURCES OF THE COMPANY

In this “Liquidity and Capital Resources of the Company” section, the term “the Company” refers only to Tanger Factory Outlet Centers, Inc. on an unconsolidated basis, excluding the Operating Partnership.

The Company’s business is operated primarily through the Operating Partnership. The Company issues public equity from time to time, but does not otherwise generate any capital itself or conduct any business itself, other than incurring certain expenses in operating as a public company, which are fully reimbursed by the Operating Partnership. The Company does not hold any indebtedness, and its only material asset is its ownership of partnership interests of the Operating Partnership. The Company’s principal funding requirement is the payment of dividends on its common shares. The Company’s principal source of funding for its dividend payments is distributions it receives from the Operating Partnership.

Through its ownership of the sole general partner of the Operating Partnership, the Company has the full, exclusive and complete responsibility for the Operating Partnership’s day-to-day management and control. The Company causes the Operating Partnership to distribute all, or such portion as the Company may in its discretion determine, of its available cash in the manner provided in the Operating Partnership’s partnership agreement. The Company receives proceeds from equity issuances from time to time, but is required by the Operating Partnership’s partnership agreement to contribute the proceeds from its equity issuances to the Operating Partnership in exchange for partnership units of the Operating Partnership.

We are a well-known seasoned issuer with a shelf registration that expires in March 2021 that allows the Company to register unspecified various classes of equity securities and the Operating Partnership to register unspecified, various classes of debt securities. As circumstances warrant, the Company may issue equity from time to time on an opportunistic basis, dependent upon market conditions and available pricing. The Operating Partnership may use the proceeds to repay debt, including borrowings under its lines of credit, to develop new or existing properties, to make acquisitions of properties or portfolios of properties, to invest in existing or newly created joint ventures or for general corporate purposes.

The liquidity of the Company is dependent on the Operating Partnership’s ability to make sufficient distributions to the Company. The Operating Partnership is a party to loan agreements with various bank lenders that require the Operating Partnership to comply with various financial and other covenants before it may make distributions to the Company. The Company also guarantees some of the Operating Partnership’s debt. If the Operating Partnership fails to fulfill its debt requirements, which trigger the Company’s guarantee obligations, then the Company may be required to fulfill its cash payment commitments under such guarantees. However, the Company’s only material asset is its investment in the Operating Partnership.

The Company believes the Operating Partnership’s sources of working capital, specifically its cash flow from operations and cash on hand, are adequate for it to make its distribution payments to the Company and, in turn, for the Company to make any minimum dividend payments to its shareholders and to finance its continued operations, growth strategy and additional expenses we expect to incur for at least the next twelve months. However, there can be no assurance that the Operating Partnership’s sources of capital will continue to be available at all or in amounts sufficient to meet its needs, including its ability to make distribution payments to the Company. The unavailability of capital could adversely affect the Operating Partnership’s ability to pay its distributions to the Company which will, in turn, adversely affect the Company’s ability to pay cash dividends to its shareholders. Our ability to access capital on favorable terms as well as to use cash from operations to continue to meet our liquidity needs, all of which are highly uncertain and cannot be predicted, could be affected by various risks and uncertainties, including, but not limited to, the effects of the COVID-19 pandemic and other risks detailed in Part II, Item 1A titled “Risk Factors.”

For the Company to maintain its qualification as a REIT, it must pay dividends to its shareholders aggregating annually at least 90% of its taxable income (excluding capital gains). While historically the Company has satisfied this distribution requirement by making cash distributions to its shareholders, it may choose to satisfy this requirement by making distributions of cash or other property, including, in limited circumstances, the Company’s own shares.

As a result of this distribution requirement, the Operating Partnership cannot rely on retained earnings to fund its on-going operations to the same extent that other companies whose parent companies are not real estate investment trusts can. The Company may need to continue to raise capital in the equity markets to fund the Operating Partnership's working capital needs, as well as potential new developments, expansions and renovations of existing properties, acquisitions, or investments in existing or newly created joint ventures.

The Company currently consolidates the Operating Partnership because it has (1) the power to direct the activities of the Operating Partnership that most significantly impact the Operating Partnership's economic performance and (2) the obligation to absorb losses and the right to receive the residual returns of the Operating Partnership that could be potentially significant. The Company does not have significant assets other than its investment in the Operating Partnership. Therefore, the assets and liabilities and the revenues and expenses of the Company and the Operating Partnership are the same on their respective financial statements, except for immaterial differences related to cash, other assets and accrued liabilities that arise from public company expenses paid by the Company. However, all debt is held directly or indirectly at the Operating Partnership level, and the Company has guaranteed some of the Operating Partnership's unsecured debt as discussed below. Because the Company consolidates the Operating Partnership, the section entitled "Liquidity and Capital Resources of the Operating Partnership" should be read in conjunction with this section to understand the liquidity and capital resources of the Company on a consolidated basis and how the Company is operated as a whole.

In February 2019, the Company's Board of Directors authorized the repurchase of an additional $44.3 million of our outstanding common shares for an aggregate authorization of $169.3 million until May 2021. Repurchases may be made from time to time through open market, privately-negotiated, structured or derivative transactions (including accelerated share repurchase transactions), or other methods of acquiring shares. The Company intends to structure any open market purchases to occur within pricing and volume requirements of Rule 10b-18. The Company may, from time to time, enter into Rule 10b5-1 plans to facilitate the repurchase of its shares under this authorization. However, the Company intends to temporarily suspend share repurchases for at least the twelve months starting July 1, 2020 as the June 2020 amendments to our debt agreements for our lines of credit and bank term loan prohibit share repurchases during such time and in order to preserve our liquidity position.

Shares repurchased were as follows:

	Three months ended June 30,		Six months ended June 30,	
	2020	2019	2020	2019
Total number of shares purchased	—	558,399	—	558,399
Average price paid per share	$ —	$ 17.89	$ —	$ 17.89
Total price paid exclusive of commissions and related fees (in thousands)	$ —	$ 9,989	$ —	$ 9,989

The remaining amount authorized to be repurchased under the program as of June 30, 2020 was approximately $80.0 million.

In January 2020, the Company's Board of Directors declared a $0.355 cash dividend per common share payable on February 14, 2020 to each shareholder of record on January 31, 2020, and the Trustees of Tanger GP Trust declared a $0.355 cash distribution per Operating Partnership unit to the Operating Partnership's unitholders.

Additionally in January 2020, the Company's Board of Directors declared a quarterly cash dividend of $0.3575 per common share payable on May 15, 2020 to holders of record on April 30, 2020, and the Trustees of Tanger GP Trust declared a cash distribution of $0.3575 per Operating Partnership unit to the Operating Partnership's unitholders.

In June 2020, we amended our debt agreements for our lines of credit and bank term loan. These amendments prohibit repurchases of our common shares during the twelve months starting July 1, 2020.

Given the uncertainty related to the pandemic's near and potential long-term impact, the Company's Board of Directors temporarily suspended dividend distributions to conserve approximately $35.0 million in cash per quarter and preserve our balance sheet strength and flexibility. The Board continues to evaluate the potential for future dividend distributions on a quarterly basis. We expect to remain in compliance with REIT taxable income distribution requirements for the 2020 tax year.

LIQUIDITY AND CAPITAL RESOURCES OF THE OPERATING PARTNERSHIP

General Overview

In this "Liquidity and Capital Resources of the Operating Partnership" section, the terms "we", "our" and "us" refer to the Operating Partnership or the Operating Partnership and the Company together, as the text requires.

Property rental income represents our primary source to pay property operating expenses, debt service, capital expenditures and distributions, excluding non-recurring capital expenditures and acquisitions. To the extent that our cash flow from operating activities is insufficient to cover such non-recurring capital expenditures and acquisitions, we finance such activities from borrowings under our unsecured lines of credit, to the extent available, or from the proceeds from the Operating Partnership's debt offerings and the Company's equity offerings.

We believe we achieve a strong and flexible financial position by attempting to: (1) maintain a conservative leverage position relative to our portfolio when pursuing new development, expansion and acquisition opportunities, (2) extend and sequence debt maturities, (3) manage our interest rate risk through a proper mix of fixed and variable rate debt, (4) maintain access to liquidity by using our unsecured lines of credit in a conservative manner and (5) preserve internally generated sources of capital by strategically divesting of underperforming assets and maintaining a conservative distribution payout ratio. We manage our capital structure to reflect a long term investment approach and utilize multiple sources of capital to meet our requirements.

Our ability to access capital on favorable terms as well as to use cash from operations to continue to meet our liquidity needs, all of which are highly uncertain and cannot be predicted, could be affected by various risks and uncertainties, including, but not limited to, the effects of the COVID-19 pandemic and other risks detailed in Part II, Item 1A titled "Risk Factors."

In late March, we offered all tenants in our consolidated portfolio the option to defer 100% of April and May rents interest free, payable in equal installments due in January and February of 2021. For details of our expected collection of rents billed in the second quarter and in July, see "Management's Discussion and Analysis of Financial Condition and Results of Operations-COVID-19 Pandemic".

Cash Flows

The following table sets forth our changes in cash flows (in thousands):

	Six months ended June 30,		
	2020	2019	Change
Net cash provided by operating activities	$ 14,217	$ 92,779	$ (78,562)
Net cash provided by (used in) investing activities	(16,821)	116,331	(133,152)
Net cash provided by (used) in financing activities	324,714	(210,740)	535,454
Effect of foreign currency rate changes on cash and equivalents	(203)	(16)	(187)
Net increase (decrease) in cash and cash equivalents	$ 321,907	$ (1,646)	$ 323,553

Operating Activities

The decrease in net cash provided by operating activities was primarily due to reduced revenues, uncollected and deferred contractual rents as a result of COVID-19. See "Management's Discussion and Analysis of Financial Condition and Results of Operations-COVID-19 Pandemic". In addition, the decrease was also due to the sale of the four outlet centers in the 2019 period and lower average occupancy and rent modifications for certain tenants.

Investing Activities

The primary cause for the decrease in net cash provided by investing activities was due to the net proceeds of approximately $128.2 million from the sale of the four outlet centers in the 2019 period. In addition, during the 2020 period we had lower distributions in excess of cumulative earnings from unconsolidated joint ventures due to the COVID-19 pandemic.

Financing Activities

The primary cause for the increase in net cash provided by financing activities was due to the $599.8 million draw down under our unsecured lines of credit in March 2020 in response to the COVID-19 pandemic. In June 2020, we repaid $200.0 million of the outstanding balances bringing the outstanding balance to $399.8 million. In addition, in the prior year we used the proceeds from the sale of our Nags Head, Ocean City, Park City and Williamsburg outlet centers to pay down our unsecured lines of credit.

Capital Expenditures

The following table details our capital expenditures (in thousands):

	Six months ended June 30, 2020	Six months ended June 30, 2019	Change
Capital expenditures analysis:			
New outlet center developments and expansions	$ 942	$ 4,010	$ (3,068)
Major outlet center renovations	3,932	290	3,642
Second generation tenant allowances	6,368	6,050	318
Other capital expenditures	5,271	10,293	(5,022)
	16,513	20,643	(4,130)
Conversion from accrual to cash basis	(37)	1,759	(1,796)
Additions to rental property-cash basis	$ 16,476	$ 22,402	$ (5,926)

- New developments and expansions decreased due to a suspension of major development projects because of the uncertainty caused by the COVID-19 pandemic. The 2019 period included expenditures related to finalizing the expansion in our Lancaster, PA outlet center and other first generation tenant allowances throughout the portfolio.

- Major outlet center renovations in the 2020 period includes costs related to bringing two magnate tenants to our Lancaster, PA outlet center.

- Other capital expenditures decreased in the 2020 period as we decided to defer all capital projects except essential and life-safety projects due to the expected impact on cash flows caused by the COVID-19 pandemic.

Potential Future Developments, Acquisitions and Dispositions

We are in the initial study period for potential new developments, including a potential site in Nashville, Tennessee. We may also use joint venture arrangements to develop other potential sites. Given the uncertainties of the COVID-19 Pandemic, we have temporarily deferred the Nashville project. Accordingly, there can be no assurance that these potential future projects will ultimately be developed.

In the case of projects to be wholly-owned by us, we expect to fund these projects from amounts available under our unsecured lines of credit, but may also fund them with capital from additional public debt and equity offerings. For projects to be developed through joint venture arrangements, we may use collateralized construction loans to fund a portion of the project, with our share of the equity requirements funded from sources described above. See “Off-Balance Sheet Arrangements” for a discussion of unconsolidated joint venture development activities.

We intend to continue to grow our portfolio by developing, expanding or acquiring additional outlet centers. However, you should note that any developments or expansions that we, or a joint venture that we have an ownership interest in, have planned or anticipated may not be started or completed as scheduled, or may not result in accretive net income or funds from operations (“FFO”). See the section “Non-GAAP Supplemental Earnings Measures - Funds From Operations” below for further discussion of FFO. In addition, we regularly evaluate acquisition or disposition proposals and engage from time to time in negotiations for acquisitions or dispositions of properties. We may also enter into letters of intent for the purchase or sale of properties. Any prospective acquisition or disposition that is being evaluated or which is subject to a letter of intent may not be consummated, or if consummated, may not result in an increase in earnings or liquidity.

Financing Arrangements

In March 2020, in response to the COVID-19 pandemic, we drew down approximately $599.8 million under our unsecured lines of credit to increase liquidity and preserve financial flexibility to help ensure that we are able to meet our obligations for a sustained period. In June 2020, we repaid $200.0 million of the outstanding balances bringing the outstanding balance to $399.8 million. Additionally, subsequent to June 30, 2020 through July 31, 2020, we repaid an additional $320.0 million.

As of June 30, 2020, unsecured borrowings represented 96% of our outstanding debt and 92% of the gross book value of our real estate portfolio was unencumbered. The Company guarantees the Operating Partnership’s obligations under our lines of credit.

We intend to retain the ability to raise additional capital, including public debt or equity, to pursue attractive investment opportunities that may arise and to otherwise act in a manner that we believe to be in the best interests of our shareholders and unitholders. The Company and Operating Partnership are well-known seasoned issuers with a joint shelf registration statement on Form S-3, expiring in March 2021, that allows us to register unspecified amounts of different classes of securities. To generate capital to reinvest into other attractive investment opportunities, we may also consider the use of additional operational and developmental joint ventures, the sale or lease of outparcels on our existing properties and the sale of certain properties that do not meet our long-term investment criteria. Based on cash provided by operations, existing lines of credit, ongoing relationships with certain financial institutions and our ability to sell debt or issue equity subject to market conditions, we believe that we have access to the necessary financing to fund the planned capital expenditures for at least the next twelve months.

We anticipate that adequate cash will be available to fund our operating and administrative expenses, regular debt service obligations, and the payment of dividends in accordance with REIT requirements in both the short and long-term. Although we receive most of our rental payments on a monthly basis, distributions to shareholders and unitholders are typically made quarterly and interest payments on the senior, unsecured notes are made semi-annually. Amounts accumulated for such payments will be used in the interim to reduce the outstanding borrowings under our existing unsecured lines of credit or invested in short-term money market or other suitable instruments.

The extent to which the COVID-19 pandemic continues to impact our financial condition, results of operations and cash flows will depend on future developments which are highly uncertain and cannot be predicted with confidence, including the scope, severity and duration of the pandemic, the actions taken to contain the pandemic or mitigate its impact, and the direct and indirect economic effects of the pandemic and containment measures, among others. As of July 31, 2020, our total liquidity was approximately $564 million, including cash and cash equivalents on our balance sheet and unused capacity under its lines of credit. Based on estimated monthly cash expenditures of approximately $24 million (excluding dividends and debt maturities) for the remainder of 2020, we expect to have sufficient liquidity to meet our obligations for at least the next 12 months. For further discussion of COVID-19, please see “Management’s Discussion and Analysis of Financial Condition and Results of Operations-COVID-19 Pandemic”.

We believe our current balance sheet position is financially sound; however, due to the economic uncertainty caused by the COVID-19 pandemic and the inherent uncertainty and unpredictability of the capital and credit markets, we can give no assurance that affordable access to capital will exist between now and when our next significant debt matures, which is our unsecured lines of credit. The unsecured lines of credit expire in October 2021, with a one-year extension option whereby we may extend the maturity to October 2022.

The interest rate spreads associated with our unsecured lines of credit and our unsecured term loan are based on the higher of our two investment grade credit ratings. Changes to our credit ratings could cause our interest rate spread to adjust accordingly. In February 2020, due to a change in our credit rating, our interest rate spread over LIBOR on our $600.0 million unsecured line of credit facility increased from 0.875% to 1.0% and our annual facility fee increased from 0.15% to 0.20%. In addition, our interest rate spread over LIBOR on our $350.0 million unsecured term loan increased from 0.90% to 1.0%.

The Operating Partnership's debt agreements require the maintenance of certain ratios, including debt service coverage and leverage, and limit the payment of dividends such that dividends and distributions will not exceed funds from operations, as defined in the agreements, for the prior fiscal year on an annual basis or 95% on a cumulative basis.

In June 2020, we amended the debt agreements for our lines of credit and bank term loan, primarily to improve future covenant flexibility. The amendments, among other things, allow us to access the existing surge leverage provision, which provides for an increase to the maximum thresholds to 65% from 60% for total leverage and unsecured leverage, for twelve months starting July 1, 2020, during which time share repurchases are prohibited. Additionally, the leverage covenants are determined based on the calculation period which is modified to be based on the immediately preceding three calendar month period annualized for the calculation date occurring on December 31, 2020; the immediately preceding six calendar month period annualized for the calculation date occurring on March 31, 2021; the immediately preceding nine calendar month period annualized for the calculation date occurring on June 30, 2021; and for all other calculation dates occurring during the term on the agreement, the immediately preceding twelve calendar month period. Some definitional modifications related to the calculation of certain covenants are permanent, including the netting of cash balances in excess of $30.0 million (or debt maturing in the next 24 months, if less) as well as using adjusted EBITDA, which adds back general and administrative expenses not attributable to the subsidiaries or properties and deducts a management fee of 3% of rental revenues in liability and asset calculations for certain covenants. The amendments revised the interest rate to provide a LIBOR floor of 0.25% for the portions of the lines of credit and bank term loan that are not fixed with an interest rate swap. Although the amended covenants provide additional flexibility and we expect to remain in compliance with such covenants, the potential impacts from COVID 19 are highly uncertain and therefore could impact covenant compliance in the future.

We have historically been and currently are in compliance with all of our debt covenants. While the amendments discussed above will provide additional covenant flexibility, the financial impact of the COVID-19 pandemic could potentially negatively impact our future compliance with financial covenants of our credit facilities, term loan and other debt agreements and result in a default and potentially an acceleration of indebtedness. Our continued compliance with these covenants depends on many factors and could be impacted by current or future economic conditions associated with the COVID-19 pandemic. Failure to comply with these covenants would result in a default which, if we were unable to cure or obtain a waiver from the lenders, could accelerate the repayment obligations. Further, in the event of default, the Company may be restricted from paying dividends to its shareholders in excess of dividends required to maintain its REIT qualification. Accordingly, an event of default could have a material and adverse impact on us. As a result, we have considered our short-term (one year or less from the date of filing these financial statements) liquidity needs and the adequacy of our estimated cash flows from operating activities and other financing sources to meet these needs. These other sources include but are not limited to: existing cash, ongoing relationships with certain financial institutions, our ability to sell debt or issue equity subject to market conditions and proceeds from the potential sale of non-core assets. We believe that we have access to the necessary financing to fund our short-term liquidity needs.

As of June 30, 2020, we believe our most restrictive covenants are contained in our senior, unsecured notes. Key financial covenants and their covenant levels, which are calculated based on contractual terms, include the following:

Senior unsecured notes financial covenants	Required	Actual
Total consolidated debt to adjusted total assets	<60%	53%
Total secured debt to adjusted total assets	<40%	3%
Total unencumbered assets to unsecured debt	>150%	180%

In addition key financial covenants for our line of credit and term loan, include the following:

	Required	Actual
Total Liabilities to Total Adjusted Asset Value	<60%	42%
Secured Indebtedness to Adjusted Unencumbered Asset Value	<35%	5%
EBITDA to Fixed Charges	>1.5	3.5
Total Unsecured Indebtedness to Adjusted Unencumbered Asset Value	<60%	37%
Unencumbered Interest Coverage Ratio	>1.5	4.1

Depending on the future economic impact of COVID-19, other convents related to credit facilities, term loans, and other debt obligations could become one of our most restrictive covenants.

CONTRACTUAL OBLIGATIONS

There were no material changes in our commitments during the six months ended June 30, 2020 under contractual obligations from those disclosed in our Annual Report on Form 10-K for the year ended December 31, 2019, other than the following updates to our contractual obligations for debt and interest payments over the next five years and thereafter as of June 30, 2020 (in thousands):

Contractual Obligations	Remainder of 2020	2021 [1]	2022	2023	2024	Thereafter	Total
Debt [2]	$ 1,808	$ 457,023	$ 4,436	$ 254,768	$ 605,140	$ 657,206	$ 1,980,381
Interest payments [3]	$ 31,909	$ 58,246	$ 52,022	$ 50,883	$ 34,838	$ 48,516	$ 276,414

(1) Includes the unsecured lines of credit, which expire in October 2021, with a one-year extension option whereby we may extend the maturity to October 2022.

(2) These amounts represent total future cash payments related to debt obligations outstanding as of June 30, 2020

(3) These amounts represent future interest payments related to our debt obligations based on the fixed and variable interest rates specified in the associated debt agreements, including the effects of our interest rate swaps. All of our variable rate debt agreements are based on the one month LIBOR rate, thus for purposes of calculating future interest amounts on variable interest rate debt, the one month LIBOR rate as of June 30, 2020 was used.

OFF-BALANCE SHEET ARRANGEMENTS

We have partial ownership interests in seven unconsolidated outlet centers totaling approximately 2.2 million square feet, including three outlet centers in Canada. See Note 5 to the consolidated financial statements for details of our individual joint ventures, including, but not limited to, carrying values of our investments, fees we receive for services provided to the joint ventures, recent development and financing transactions and condensed combined summary financial information.

We may elect to fund cash needs of a joint venture through equity contributions (generally on a basis proportionate to our ownership interests), advances or partner loans, although such funding is not typically required contractually or otherwise. We separately report investments in joint ventures for which accumulated distributions have exceeded investments in, and our share of net income or loss of, the joint ventures within other liabilities in the consolidated balance sheets because we are committed and intend to provide further financial support to these joint ventures. We believe our joint ventures will be able to fund their operating and capital needs for the next twelve months based on their sources of working capital, specifically cash flow from operations, access to contributions from partners, and ability to refinance debt obligations, including the ability to exercise upcoming extensions of near term maturities.

Our joint ventures are typically encumbered by a mortgage on the joint venture property. We provide guarantees to lenders for our joint ventures which include standard non-recourse carve out indemnifications for losses arising from items such as but not limited to fraud, physical waste, payment of taxes, environmental indemnities, misapplication of insurance proceeds or security deposits and failure to maintain required insurance. A default by a joint venture under its debt obligations may expose us to liability under the guaranty. For construction and mortgage loans, we may include a guaranty of completion as well as a principal guaranty ranging from 5% to 100% of principal. The principal guarantees include terms for release based upon satisfactory completion of construction and performance targets including occupancy thresholds and minimum debt service coverage tests. Our joint ventures may contain make whole provisions in the event that demands are made on any existing guarantees.

Debt of unconsolidated joint ventures

The following table details information regarding the outstanding debt of the unconsolidated joint ventures and guarantees of such debt provided by us as of June 30, 2020 (dollars in millions):

Joint Venture	Total Joint Venture Debt	Maturity Date	Interest Rate	Percent Guaranteed by the Operating Partnership	Maximum Guaranteed Amount by the Company
Charlotte	$ 100.0	July 2028	4.27%	—%	$ —
Columbus[(1)]	85.0	November 2020	LIBOR + 1.65%	7.5%	6.4
Galveston/Houston [(2)]	80.0	January 2021	LIBOR + 1.65%	12.5%	10.0
National Harbor	95.0	January 2030	4.63%	—%	—
Debt origination costs	(1.1)				
	$ 358.9				$ 16.4

(1) We intend to extend the loan using our one-year extension option to November 2021.

(2) In June 2020, in response to the COVID 19 impact on the property, the Galveston/Houston joint venture amended its mortgage loan. The loan modification amended the first one-year extension option to provide for two six-month options (the “First Extension” and “Second Extension”, respectively). Under the loan modification, the joint venture is prohibited from making partner distributions during the term of the First Extension. If the joint venture exercises all available options, the loan would mature in July 2022. The joint venture exercised its First Extension option to extend the mortgage loan for six months to January 2021.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Refer to our 2019 Annual Report on Form 10-K of the Company and the Operating Partnership for a discussion of our critical accounting policies which include principles of consolidation, acquisition of real estate, cost capitalization, impairment of long-lived assets and revenue recognition. Other than noted below, there have been no material changes to these policies in 2020.

If the effects of the COVID-19 pandemic cause economic and market conditions to continue to deteriorate or if our expected holding period for assets change, subsequent tests for impairment could result in additional impairment charges in the future. We can provide no assurance that material impairment charges with respect to our investment properties will not occur during the remaining quarters in 2020 or future periods.

Historically, our accounts receivable from tenants has not been material; however, given the impacts from coronavirus (“COVID-19”) discussed below, our net accounts receivable balance, which is recorded in other assets on the consolidated balance sheet, has increased from approximately $4.8 million at December 31, 2019 to approximately $42.0 million at June 30, 2020. Straight-line rent adjustments recorded as a receivable in other assets on the consolidated balance sheets were approximately $61.2 million and $61.6 million as of June 30, 2020 and December 31, 2019, respectively. Individual leases are assessed for collectiblility and upon the determination that the collection of rents is probable, accrued rent and accounts receivable are reduced as an adjustment to rental revenue. Revenue from leases where collection is deemed to be less than probable is recorded on a cash basis until collectiblility is determined to be probable. Further we assess whether operating lease receivables, at a portfolio level, are appropriately valued based upon an analysis of balances outstanding, historical bad debt levels and current economic trends including discussions with tenants for potential lease amendments. Our estimate of the collectability of accrued rents and accounts receivable is based on the best information available to us at the time of preparing the financial statements.

The duration of the COVID 19 pandemic, recent tenant bankruptcies and other significant uncertainties with the economy required significant judgment to be used when estimating the collection of rents through June 30, 2020. During the three months ended June 30. 2020, we wrote off approximately 25% of second quarter rents, of which 9% is related to bankruptcies 2% related to other uncollectible accounts due to financial weakness and 14% related to one-time concessions in exchange for landlord-favorable amendments to lease structure. In addition, for both the three and six months ended June 30,2020, we recorded a $9.7 million reserve for a portion of deferred and under negotiation billings that are expected to potentially become uncollectible in future periods. Further, we recognized a write-off revenue of approximately $3.7 million of straight-line rents associated with the tenant bankruptcies and uncollectible accounts.

After considering current write-offs and reserves for rents we do not expect to collect, the accounts receivables associated with deferred rental payments and unresolved leases of $21.3 million represent the greatest uncertainty with regards to our estimation of collectability. As a result of this uncertainty, there is a risk that a significant reduction in revenues could be recorded in the future if our assessment of collectability changes in subsequent periods.

In April 2020, the Financial Accounting Standards Board (“FASB”) staff issued a question and answer document (the “Lease Modification Q&A”) focused on the application of lease accounting guidance to lease concessions provided as a result of the COVID-19 pandemic. Under existing lease guidance, we would have to determine, on a lease by lease basis, if a lease concession was the result of a new arrangement reached with the tenant (treated within the lease modification accounting framework) or if a lease concession was under the enforceable rights and obligations within the existing lease agreement (precluded from applying the lease modification accounting framework). The Lease Modification Q&A allows the Company, if certain criteria have been met, to bypass the lease by lease analysis, and instead elect to either apply the lease modification accounting framework or not, with such election applied consistently to leases with similar characteristics and similar circumstances. The Lease Modification Q&A allows the Company to determine accounting policy elections at a disaggregated level, and the elections should be applied consistently by either the type of concession, underlying asset class or another reasonable disaggregated level. We have evaluated and elected to apply the Lease Modification Q&A. As a result, we have made the following policy elections based on the type of concession agreed to with the respective tenant.

Rent Deferrals

We will account for rental deferrals using the receivables model as described within the Lease Modification Q&A. Under the receivables model, we will continue to recognize lease revenue in a manner that is unchanged from the original lease agreement and continue to recognize lease receivables and rental revenue during the deferral period.

Rent Abatements

We will account for rental abatements using the negative variable income model as described within the Lease Modification Q&A. Under the negative variable income model, we will recognize negative variable rent for the current period reduction of rental revenue associated with any lease concessions we provide.

NON-GAAP SUPPLEMENTAL MEASURES

Beginning with the three months ended March 31, 2020, we have elected to supplement our disclosure with three additional non-GAAP measures, Adjusted EBITDA, EBITDAre and Adjusted EBITDAre (each as defined below), that are commonly provided in the REIT industry. See “Adjusted EBITDA, EBITDAre and Adjusted EBITDAre” below for more information. We also now refer to Adjusted Funds from Operations (“AFFO”) as Core Funds From Operations (“Core FFO”), but there has been no change to the definition of this measure.

Funds From Operations

Funds From Operations (“FFO”) is a widely used measure of the operating performance for real estate companies that supplements net income (loss) determined in accordance with generally accepted accounting principles in the United States (“GAAP”). We determine FFO based on the definition set forth by the National Association of Real Estate Investment Trusts (“NAREIT”), of which we are a member. In December 2018, NAREIT issued “NAREIT Funds From Operations White Paper - 2018 Restatement” which clarifies, where necessary, existing guidance and consolidates alerts and policy bulletins into a single document for ease of use. NAREIT defines FFO as net income (loss) available to the Company’s common shareholders computed in accordance with GAAP, excluding (i) depreciation and amortization related to real estate, (ii) gains or losses from sales of certain real estate assets, (iii) gains and losses from change in control, (iv) impairment write-downs of certain real estate assets and investments in entities when the impairment is directly attributable to decreases in the value of depreciable real estate held by the entity and (v) after adjustments for unconsolidated partnerships and joint ventures calculated to reflect FFO on the same basis.

FFO is intended to exclude historical cost depreciation of real estate as required by GAAP which assumes that the value of real estate assets diminishes ratably over time. Historically, however, real estate values have risen or fallen with market conditions. Because FFO excludes depreciation and amortization of real estate assets, gains and losses from property dispositions and extraordinary items, it provides a performance measure that, when compared year over year, reflects the impact to operations from trends in occupancy rates, rental rates, operating costs, development activities and interest costs, providing perspective not immediately apparent from net income (loss).

We present FFO because we consider it an important supplemental measure of our operating performance. In addition, a portion of cash bonus compensation to certain members of management is based on our FFO or Core FFO, which is described in the section below. We believe it is useful for investors to have enhanced transparency into how we evaluate our performance and that of our management. In addition, FFO is frequently used by securities analysts, investors and other interested parties in the evaluation of REITs, many of which present FFO when reporting their results. FFO is also widely used by us and others in our industry to evaluate and price potential acquisition candidates. We believe that FFO payout ratio, which represents regular distributions to common shareholders and unit holders of the Operating Partnership expressed as a percentage of FFO, is useful to investors because it facilitates the comparison of dividend coverage between REITs. NAREIT has encouraged its member companies to report their FFO as a supplemental, industry-wide standard measure of REIT operating performance.

FFO has significant limitations as an analytical tool, and you should not consider it in isolation, or as a substitute for analysis of our results as reported under GAAP. Some of these limitations are:

- FFO does not reflect our cash expenditures, or future requirements, for capital expenditures or contractual commitments;
- FFO does not reflect changes in, or cash requirements for, our working capital needs;
- Although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and FFO does not reflect any cash requirements for such replacements; and
- Other companies in our industry may calculate FFO differently than we do, limiting its usefulness as a comparative measure.

Because of these limitations, FFO should not be considered as a measure of discretionary cash available to us to invest in the growth of our business or our dividend paying capacity. We compensate for these limitations by relying primarily on our GAAP results and using FFO only as a supplemental measure.

Core Funds From Operations

We present Core FFO (formerly referred to as AFFO) as a supplemental measure of our performance. We define Core FFO as FFO further adjusted to eliminate the impact of certain items that we do not consider indicative of our ongoing operating performance. These further adjustments are itemized in the table below, if applicable. You are encouraged to evaluate these adjustments and the reasons we consider them appropriate for supplemental analysis. In evaluating Core FFO you should be aware that in the future we may incur expenses that are the same as or similar to some of the adjustments in this presentation. Our presentation of Core FFO should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items.

We present Core FFO because we believe it assists investors and analysts in comparing our performance across reporting periods on a consistent basis by excluding items that we do not believe are indicative of our core operating performance. In addition, we believe it is useful for investors to have enhanced transparency into how we evaluate management's performance and the effectiveness of our business strategies. We use Core FFO when certain material, unplanned transactions occur as a factor in evaluating management's performance and to evaluate the effectiveness of our business strategies, and may use Core FFO when determining incentive compensation.

Core FFO has limitations as an analytical tool. Some of these limitations are:

- Core FFO does not reflect our cash expenditures, or future requirements, for capital expenditures or contractual commitments;
- Core FFO does not reflect changes in, or cash requirements for, our working capital needs;
- Although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and Core FFO does not reflect any cash requirements for such replacements;
- Core FFO does not reflect the impact of certain cash charges resulting from matters we consider not to be indicative of our ongoing operations; and
- Other companies in our industry may calculate Core FFO differently than we do, limiting its usefulness as a comparative measure.

Because of these limitations, Core FFO should not be considered in isolation or as a substitute for performance measures calculated in accordance with GAAP. We compensate for these limitations by relying primarily on our GAAP results and using Core FFO only as a supplemental measure.

Below is a reconciliation of net income to FFO and Core FFO available to common shareholders (in thousands, except per share amounts):

	Three months ended June 30, 2020	Three months ended June 30, 2019	Six months ended June 30, 2020	Six months ended June 30, 2019
Net income (loss)	$ (23,890)	$ 14,457	$ (52,009)	$ 80,298
Adjusted for:				
Depreciation and amortization of real estate assets - consolidated	28,057	30,550	56,858	61,698
Depreciation and amortization of real estate assets - unconsolidated joint ventures	3,017	3,265	6,035	6,395
Impairment charge - consolidated	—	—	45,675	—
Foreign currency loss from sale of joint venture property	—	3,641	—	3,641
Impairment charge - unconsolidated joint ventures	3,091	—	3,091	—
Gain on sale of assets	—	—	—	(43,422)
FFO	10,275	51,913	59,650	108,610
FFO attributable to noncontrolling interests in other consolidated partnerships	—	—	(190)	(195)
Allocation of earnings to participating securities	(281)	(410)	(692)	(1,021)
FFO available to common shareholders [1]	$ 9,994	$ 51,503	$ 58,768	$ 107,394
As further adjusted for:				
Compensation related to executive officer retirement [2]	—	4,371	—	4,371
Impact of above adjustment to the allocation of earnings to participating securities	—	(35)	—	(35)
Core FFO available to common shareholders [1]	$ 9,994	$ 55,839	$ 58,768	$ 111,730
FFO available to common shareholders per share - diluted [1]	$ 0.10	$ 0.52	$ 0.60	$ 1.09
Core FFO available to common shareholders per share - diluted [1]	$ 0.10	$ 0.57	$ 0.60	$ 1.14
Weighted Average Shares:				
Basic weighted average common shares	92,632	93,187	92,569	93,245
Diluted weighted average common shares (for earnings per share computations)	92,632	93,187	92,569	93,245
Exchangeable operating partnership units	4,911	4,960	4,911	4,960
Diluted weighted average common shares (for FFO per share computations) [1]	97,543	98,147	97,480	98,205

(1) Assumes the Class A common limited partnership units of the Operating Partnership held by the noncontrolling interests are exchanged for common shares of the Company. Each Class A common limited partnership unit is exchangeable for one of the Company’s common shares, subject to certain limitations to preserve the Company’s REIT status.

(2) Represents the accelerated recognition of compensation cost entitled to be received by the Company’s former President and Chief Operating Officer per the terms of a transition agreement executed in connection with his retirement.

Portfolio Net Operating Income and Same Center NOI

We present portfolio net operating income (“Portfolio NOI”) and same center net operating income (“Same Center NOI”) as supplemental measures of our operating performance. Portfolio NOI represents our property level net operating income which is defined as total operating revenues less property operating expenses and excludes termination fees and non-cash adjustments including straight-line rent, net above and below market rent amortization, impairment charges and gains or losses on the sale of assets recognized during the periods presented. We define Same Center NOI as Portfolio NOI for the properties that were operational for the entire portion of both comparable reporting periods and which were not acquired, or subject to a material expansion or non-recurring event, such as a natural disaster, during the comparable reporting periods.

We believe Portfolio NOI and Same Center NOI are non-GAAP metrics used by industry analysts, investors and management to measure the operating performance of our properties because they provide performance measures directly related to the revenues and expenses involved in owning and operating real estate assets and provide a perspective not immediately apparent from net income (loss), FFO or Core FFO. Because Same Center NOI excludes properties developed, redeveloped, acquired and sold; as well as non-cash adjustments, gains or losses on the sale of outparcels and termination rents; it highlights operating trends such as occupancy levels, rental rates and operating costs on properties that were operational for both comparable periods. Other REITs may use different methodologies for calculating Portfolio NOI and Same Center NOI, and accordingly, our Portfolio NOI and Same Center NOI may not be comparable to other REITs.

Portfolio NOI and Same Center NOI should not be considered alternatives to net income (loss) or as an indicator of our financial performance since they do not reflect the entire operations of our portfolio, nor do they reflect the impact of general and administrative expenses, acquisition-related expenses, interest expense, depreciation and amortization costs, other non-property income and losses, the level of capital expenditures and leasing costs necessary to maintain the operating performance of our properties, or trends in development and construction activities which are significant economic costs and activities that could materially impact our results from operations. Because of these limitations, Portfolio NOI and Same Center NOI should not be viewed in isolation or as a substitute for performance measures calculated in accordance with GAAP. We compensate for these limitations by relying primarily on our GAAP results and using Portfolio NOI and Same Center NOI only as supplemental measures.

Below is a reconciliation of net income to Portfolio NOI and Same Center NOI for the consolidated portfolio (in thousands):

	Three months ended June 30,		Six months ended June 30,	
	2020	2019	2020	2019
Net income (loss)	$ (23,890)	$ 14,457	$ (52,009)	$ 80,298
Adjusted to exclude:				
Equity in (earnings) losses of unconsolidated joint ventures	2,975	(1,646)	1,448	(3,275)
Interest expense	16,943	15,134	32,139	31,441
Gain on sale of assets	—	—	—	(43,422)
Other (income) expense	(408)	3,417	(628)	3,193
Impairment charge	—	—	45,675	—
Depreciation and amortization	28,646	31,146	58,063	62,906
Other non-property expense	323	180	461	331
Corporate general and administrative expenses	11,715	16,635	24,294	28,767
Non-cash adjustments[(1)]	2,621	(2,628)	1,119	(4,100)
Lease termination fees	(1,514)	(269)	(1,677)	(1,399)
Portfolio NOI	37,411	76,426	108,885	154,740
Non-same center NOI[(2)]	—	(23)	—	(4,108)
Same Center NOI	$ 37,411	$ 76,403	$ 108,885	$ 150,632

(1) Non-cash items include straight-line rent, above and below market rent amortization, straight-line rent expense on land leases and gains or losses on outparcel sales, as applicable.

(2) Excluded from Same Center NOI:

Outlet centers sold:	
Nags Head, Ocean City, Park City, and Williamsburg	March 2019

Adjusted EBITDA, EBITDAre and Adjusted EBITDAre

We present Earnings Before Interest, Taxes, Depreciation and Amortization (“EBITDA”) as adjusted for items described below (“Adjusted EBITDA”), EBITDA for Real Estate (“EBITDAre”) and Adjusted EBITDAre, all non-GAAP measures, as supplemental measures of our operating performance. Each of these measures is defined as follows:

We define Adjusted EBITDA as net income (loss) available to the Company’s common shareholders computed in accordance with GAAP before interest expense, income taxes, depreciation and amortization, gains and losses on sale of operating properties and joint venture properties, gains and losses on change of control, impairment write-downs of depreciated property and of investment in unconsolidated joint ventures caused by a decrease in value of depreciated property in the affiliate, compensation related to executive officer retirement, gains and losses on extinguishment of debt, net and other items that we do not consider indicative of the Company's ongoing operating performance.

We determine EBITDAre based on the definition set forth by NAREIT, which is defined as net income (loss) available to the Company’s common shareholders computed in accordance with GAAP before interest expense, income taxes, depreciation and amortization, gains and losses on sale of operating properties, gains and losses on change of control and impairment write-downs of depreciated property and of investment in unconsolidated joint ventures caused by a decrease in value of depreciated property in the affiliate and after adjustments to reflect our share of the EBITDAre of unconsolidated joint ventures.

Adjusted EBITDAre is defined as EBITDAre excluding gains and losses on extinguishment of debt, net, compensation related to executive officer retirement and other items that that we do not consider indicative of the Company's ongoing operating performance.

We present Adjusted EBITDA, EBITDAre and Adjusted EBITDAre as we believe they are useful for investors, creditors and rating agencies as they provide additional performance measures that are independent of a Company’s existing capital structure to facilitate the evaluation and comparison of the Company’s operating performance to other REITs and provide a more consistent metric for comparing the operating performance of the Company’s real estate between periods.

Adjusted EBITDA, EBITDAre and Adjusted EBITDAre have significant limitations as analytical tools, including:

- They do not reflect our interest expense;
- They do not reflect gains or losses on sales of operating properties or impairment write-downs of depreciated property and of investment in unconsolidated joint ventures caused by a decrease in value of depreciated property in the affiliate;
- Adjusted EBITDA and Adjusted EBITDAre do not reflect gains and losses on extinguishment of debt and other items that may affect operations; and
- Other companies in our industry may calculate these measures differently than we do, limiting its usefulness as a comparative measure.

Because of these limitations, Adjusted EBITDA, EBITDAre and Adjusted EBITDAre should not be considered in isolation or as a substitute for performance measures calculated in accordance with GAAP. We compensate for these limitations by relying primarily on our GAAP results and using Adjusted EBITDA, EBITDAre and Adjusted EBITDAre only as supplemental measures.

Below is a reconciliation of Net Income to Adjusted EBITDA (in thousands):

	Three months ended June 30, 2020	Three months ended June 30, 2019	Six months ended June 30, 2020	Six months ended June 30, 2019
Net income (loss)	**$ (23,890)**	**$ 14,457**	**$ (52,009)**	**$ 80,298**
Adjusted to exclude:				
Interest expense	16,943	15,134	32,139	31,441
Depreciation and amortization	28,646	31,146	58,063	62,906
Impairment charge - consolidated	—	—	45,675	—
Impairment charge - unconsolidated joint ventures	3,091	—	3,091	—
Loss on sale of joint venture property, including foreign currency effect	—	3,641	—	3,641
Gain on sale of assets	—	—	—	(43,422)
Compensation related to executive officer retirement	—	4,371	—	4,371
Adjusted EBITDA	**$ 24,790**	**$ 68,749**	**$ 86,959**	**$ 139,235**

Below is a reconciliation of Net Income to EBITDAre (in thousands):

	Three months ended June 30, 2020	Three months ended June 30, 2019	Six months ended June 30, 2020	Six months ended June 30, 2019
Net income (loss)	**$ (23,890)**	**$ 14,457**	**$ (52,009)**	**$ 80,298**
Adjusted to exclude:	—	—		
Interest expense	16,943	15,134	32,139	31,441
Depreciation and amortization	28,646	31,146	58,063	62,906
Impairment charge - consolidated	—	—	45,675	—
Impairment charge - unconsolidated joint ventures	3,091	—	3,091	—
Loss on sale of joint venture property, including foreign currency effect	—	3,641	—	3,641
Gain on sale of assets	—	—	—	(43,422)
Pro-rata share of interest expense - unconsolidated joint ventures	1,616	2,069	3,484	4,135
Pro-rata share of depreciation and amortization - unconsolidated joint ventures	3,018	3,265	6,035	6,343
EBITDAre	**$ 29,424**	**$ 69,712**	**$ 96,478**	**$ 145,342**
Compensation related to executive officer retirement	—	4,371	—	4,371
Adjusted EBITDAre	**$ 29,424**	**$ 74,083**	**$ 96,478**	**$ 149,713**

ECONOMIC CONDITIONS AND OUTLOOK

We are closely monitoring the impact of the COVID-19 pandemic on all aspects of our business and geographies, including how it will impact our tenants and business partners. For a complete discussion of the impact the pandemic is having on our current operations, the steps we have taken to increase liquidity and preserve financial flexibility and the uncertainties around our future operations and financial condition, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations-COVID-19 Pandemic”.

The majority of our leases contain provisions designed to mitigate the impact of inflation. Such provisions include clauses for the escalation of base rent and clauses enabling us to receive percentage rentals based on tenants’ gross sales (above predetermined levels) which generally increase as prices rise. A component of most leases includes a pro-rata share or escalating fixed contributions by the tenant for property operating expenses, including common area maintenance, real estate taxes, insurance and advertising and promotion, thereby reducing exposure to increases in costs and operating expenses resulting from inflation.

A portion of our rental revenues are derived from rents that directly depend on the sales volume of certain tenants. Accordingly, declines in these tenants’ sales would reduce the income produced by our properties. If the sales or profitability of our retail tenants decline sufficiently, whether due to a change in consumer preferences, health concerns, legislative changes that increase the cost of their operations or otherwise, such tenants may be unable to pay their existing rents as such rents would represent a higher percentage of their sales. As a result of the COVID-19 pandemic, we have seen reductions in rental revenues as a result of declines in the sales volumes of certain tenants.

Our outlet centers typically include well-known, national, brand name companies. By maintaining a broad base of well-known tenants and a geographically diverse portfolio of properties located across the United States, we believe we reduce our operating and leasing risks. No one tenant (including affiliates) accounts for more than 8% of our square feet or 6% of our rental revenues.

Due to the relatively short-term nature of our tenants’ leases, a significant portion of the leases in our portfolio come up for renewal each year. As of January 1, 2020, we had approximately 1.7 million square feet, or 14% of our consolidated portfolio at that time coming up for renewal during 2020. As of June 30, 2020, we had renewed approximately 57% of this space. In addition, for the rolling twelve months ended June 30, 2020, we completed renewals and re-tenanted space totaling 1.4 million square feet at a blended 1.1% decrease in average base rental rates compared to the expiring rates.

The current challenging retail environment has impacted our business as our operations are subject to the operating results and operating decisions of our retail tenants. As is typical in the retail industry, certain tenants have closed, or will close, certain stores by terminating their lease prior to its contractual expiration or as a result of filing for protection under bankruptcy laws, or may request modifications to their existing lease terms. We have recaptured approximately 380,000 square feet within our consolidated portfolio during the six months ended June 30, 2020 related to bankruptcies and brand-wide restructurings by retailers, compared to 187,000 square feet for the six months ended June 30, 2019. We expect other store closings or rent modifications to impact our operating results in 2020.

In addition, the current environment has negatively impacted certain retailers, in particular some who were already pressured prior to the pandemic. Year to date, 14 retailers on our tenant roster have declared bankruptcy or announced a brand-wide restructuring. As most of these are in process, we don’t yet know what the ultimate impact of store closures, timing, lease adjustments or potential early termination fees will be.

These announcements range from small tenants with only one store in our portfolio, to more significant ones. The following retailers account for more than 1% of our consolidated annualized base rent (“ABR”).

- Ascena Brands is our second largest tenant with 96 stores in our consolidated portfolio comprising 534,000 square feet and contributing approximately 4.7 points of ABR. They filed for Chapter 11 bankruptcy at the end of July, and they have provided a preliminary store closing list which includes roughly a third of their stores in our consolidated portfolio;
- Brooks Brothers comprises 23 stores in our consolidated portfolio with 135,000 square feet, and contributes approximately 1.4% to our ABR;
- J Crew comprises 26 stores with 140,000 square feet, and contributes approximately 1.4% to our consolidated ABR; and

- G-III Apparel has announced a brand-wide restructuring, including its intention to close all of its Wilsons and Bass stores. There are currently 38 Wilsons & Bass stores in our consolidated portfolio, comprising 184,000 square feet and 1.6% of our ABR.

The remaining tenants that have filed for bankruptcy protection have a total of 46 stores in our consolidated portfolio, comprise 183,000 square feet of GLA and account for 1.9% of ABR. We expect that the outcomes will include some combination of stores remaining open, store closures at lease expiration, early closures and potential lease adjustments.

The remaining tenants that have announced brand-wide restructurings account for a total of 45 stores in our consolidated portfolio, comprise 134,000 square feet of GLA and 1.5% of ABR. With regard to the restructurings, we have received or anticipate receiving substantial lease termination fees.

Due to store closures, tenant bankruptcies and rent adjustments that may result from the impact of the COVID-19 pandemic, our Same Center NOI for 2020 compared to 2019 has been and may continue to be adversely impacted.

We believe outlet stores will continue to be a profitable and fundamental distribution channel for many brand name manufacturers. While we continue to attract and retain additional tenants, if we were unable to successfully renew or re-lease a significant amount of this space on favorable economic terms or in a timely manner, the loss in rent and our Same Center NOI could be further negatively impacted in 2020 and 2021. Occupancy at our consolidated centers was 93.8% and 96.0% as of June 30, 2020 and 2019, respectively. As a result of COVID-19, occupancy could be negatively impacted in 2020 and 2021.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Market Risk

We are exposed to various market risks, including changes in interest rates. Market risk is the potential loss arising from adverse changes in market rates and prices, such as interest rates. We may periodically enter into certain interest rate protection and interest rate swap agreements to effectively convert existing floating rate debt to a fixed rate basis. We do not enter into derivatives or other financial instruments for trading or speculative purposes.

Interest Rate Risk

We may periodically enter into certain interest rate protection and interest rate swap agreements to effectively convert existing floating rate debt to a fixed rate basis. We do not enter into derivatives or other financial instruments for trading or speculative purposes. We currently have interest rate swap agreements to fix the interest rates on outstanding debt with notional amounts totaling $390.0 million. In addition, we have forward starting interest rate swaps totaling $250.0 million that begin in January 2021. See Note 8 to the consolidated financial statements for additional details related to our outstanding derivatives.

As of June 30, 2020, 21% of our outstanding consolidated debt, excluding the amount of variable rate debt with interest rate protection agreements in place, had variable interest rates and therefore was subject to market fluctuations. A change in the LIBOR index of 100 basis points would result in an increase or decrease of approximately $4.1 million in interest expense on an annual basis. The information presented herein is merely an estimate and has limited predictive value. As a result, the ultimate effect upon our operating results of interest rate fluctuations will depend on the interest rate exposures that arise during the period, our hedging strategies at that time and future changes in the level of interest rates.

The estimated fair value and recorded value of our debt consisting of senior unsecured notes, unsecured term loans, secured mortgages and unsecured lines of credit were as follows (in thousands):

	June 30, 2020	December 31, 2019
Fair value of debt	$ 1,923,405	$ 1,603,814
Recorded value of debt	$ 1,965,892	$ 1,569,773

A 100 basis point increase from prevailing interest rates at June 30, 2020 and December 31, 2019 would result in a decrease in fair value of total consolidated debt of approximately $53.5 million and $62.9 million, respectively. Refer to Note 9 to the consolidated financial statements for a description of our methodology in calculating the estimated fair value of debt. Considerable judgment is necessary to develop estimated fair values of financial instruments. Accordingly, the estimates presented herein are not necessarily indicative of the amounts we could realize on the disposition of the financial instruments. In addition, the COVID-19 pandemic may impact markets, rates, behavior and other estimates used in the above scenarios.

Foreign Currency Risk

We are also exposed to foreign currency risk on investments in outlet centers that are located in Canada. Our currency exposure is concentrated in the Canadian Dollar. To mitigate some of the risk related to changes in foreign currency, cash flows received from our Canadian joint ventures are either reinvested to fund ongoing Canadian development activities, if applicable, or converted to US dollars and utilized to repay amounts outstanding under our unsecured lines of credit. We generally do not hedge currency translation exposures.

Item 4. Controls and Procedures

Tanger Factory Outlet Centers, Inc. Controls and Procedures

The Company's management carried out an evaluation, with the participation of the Company's Chief Executive Officer and Chief Financial Officer of the effectiveness of the Company's disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) as of June 30, 2020. Based on this evaluation, the Company's Chief Executive Officer and Chief Financial Officer have concluded that the Company's disclosure controls and procedures were effective as of June 30, 2020. There were no changes to the Company's internal control over financial reporting during the quarter ended June 30, 2020, that materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Tanger Properties Limited Partnership Controls and Procedures

The management of the Operating Partnership's general partner carried out an evaluation, with the participation of the Chief Executive Officer and the Vice-President and Treasurer (Principal Financial Officer) of the Operating Partnership's general partner, of the effectiveness of the Operating Partnership's disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) as of June 30, 2020. Based on this evaluation, the Chief Executive Officer of the Operating Partnership's general partner, and the Vice-President and Treasurer of the Operating Partnership's general partner, have concluded that the Operating Partnership's disclosure controls and procedures were effective as of June 30, 2020. There were no changes to the Operating Partnership's internal control over financial reporting during the quarter ended June 30, 2020, that materially affected, or are reasonably likely to materially affect, the Operating Partnership's internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

The Company and the Operating Partnership are, from time to time, engaged in a variety of legal proceedings arising in the normal course of business. Although the results of these legal proceedings cannot be predicted with certainty, management believes that the final outcome of such proceedings will not have a material adverse effect on our results of operations or financial condition.

Item 1A. Risk Factors

The following information updates the risk factors disclosed in the “Risk Factors” section of our Annual Report on Form 10-K for the year ended December 31, 2019. Except for the additional risk factors provided below, there have been no material changes in the Company's risk factors from those disclosed in the 2019 Form 10-K.

The current COVID-19 pandemic has negatively affected and will likely continue to negatively affect our business, financial condition, liquidity and results of operations and those of our tenants.

The current COVID-19 pandemic has had, and likely will continue to have, repercussions across local, national and global economies and financial markets. COVID-19 has impacted all states where our tenants operate their businesses or where our properties are located and measures taken to prevent or remediate COVID-19, including “shelter-in place” or “stay-at-home” orders or other quarantine mandates issued by local, state or federal authorities, have had an adverse effect on our business and the businesses of our tenants. The full extent of the adverse impact on our results of operations, liquidity (including our ability to access capital markets), and our ability to develop, acquire, dispose or lease properties for our portfolio, is unknown and will depend on future developments, which are highly uncertain and cannot be predicted. Our results of operations, liquidity and cash flows may continue to be materially affected.

Many of our tenants operate in industries that depend on in-person interactions with their customers to be profitable and to fund their obligations under lease agreements with us. Measures taken to prevent or remediate COVID-19, including “shelter-in-place” or “stay-at-home” orders or other quarantine mandates, with respect to some portion of our tenants, (i) prevented our tenants from being able to open their stores and conduct business or limited the hours in which they may conduct business, and/or (ii) decreased or prevented our tenants’ customers’ willingness or ability to frequent their businesses. Tenants have also, as a result of such public health crisis, orders or mandates and any resulting economic downturn, requested rent deferrals, rent abatement or early termination of their leases and may continue to do so. In addition, tenants have and may continue to be forced to temporarily or permanently close or declare bankruptcy which could reduce our cash flows and negatively affect our ability to pay dividends. Specifically, as a result of COVID-19 and various governmental orders currently in place, a significant number of our tenants either closed their business or operated with limited operations and/or have submitted requests for rent relief or failed to pay rent. In addition, state, local or industry-initiated efforts, such as tenant rent freezes or suspension of a landlord’s ability to enforce evictions, may also affect our ability to collect rent or enforce remedies for the failure to pay rent. In late March 2020, we offered all tenants in our consolidated portfolio the option to defer 100% of April and May 2020 rents interest free, payable in equal installments due in January and February of 2021.

We are closely monitoring changes in the collectability assessment of our tenant receivables as a result of certain tenants suffering adverse financial consequences due to COVID-19 and should our estimates change, there could be material modifications to our revenues in future periods. We believe our tenants do not have a clear contractual right to cease paying rent due to government mandated closures and we intend to enforce our rights under the lease agreements. However, COVID-19 and the related governmental orders present fairly novel situations for which the ultimate legal outcome cannot be assured and it is possible future governmental action could impact our rights under the lease agreements. The extent of tenant requests and actions and the impact to the Company’s results of operations and cash flows is uncertain and cannot be predicted.

The extent to which the COVID-19 pandemic continues to impact our financial condition, results of operations and cash flows will depend on future developments which are highly uncertain and cannot be predicted with confidence, including the scope, severity and duration of the pandemic, the actions taken to contain the pandemic or mitigate its impact, and the direct and indirect economic effects of the pandemic and containment measures, among others. The impact of the COVID-19 pandemic on our rental revenue for the second half of 2020 and thereafter cannot, however, be determined at present. The situation surrounding the COVID-19 pandemic remains fluid, and we are continuing to manage our response in collaboration with tenants, government officials and business partners and assessing potential impacts to our financial position and operating results, as well as potential adverse developments in our business.

The COVID-19 pandemic, or a future pandemic, could also have material and adverse effects on our ability to successfully operate and on our financial condition, results of operations and cash flows due to, among other factors:

- the reduced economic activity that could result in a prolonged recession and may consequently negatively impact consumer discretionary spending;
- difficulty accessing debt and equity capital on attractive terms, or at all, deteriorations in our credit ratings, and a severe disruption and instability in the global financial markets or deteriorations in credit and financing conditions may affect our access to capital necessary to fund business operations or address maturing liabilities on a timely basis and our tenants' ability to fund their business operations and meet their obligations to us;
- the financial impact of the COVID-19 pandemic could negatively impact our future compliance with financial covenants of our credit facility and other debt agreements and result in a default and potentially an acceleration of indebtedness, which non-compliance could negatively impact our liquidity;
- any impairment in value of our tangible or intangible assets which could be recorded as a result of a weaker economic conditions;
- a general decline in business activity and demand for real estate transactions could adversely affect our ability or desire to grow our portfolio of properties;
- a deterioration in our or our tenants' ability to operate in affected areas or delays in the supply of products or services to us or our tenants from vendors that are needed for our or our tenants' efficient operations could adversely affect our operations and those of our tenants;
- a significant increase in the number of tenants that file for Chapter 11 bankruptcy;
- adverse impacts from requiring most employees to work remotely, such as reductions in productivity and heightened cybersecurity risks; and
- the potential negative impact on the health of our personnel, particularly if a significant number of them are impacted, could result in a deterioration in our ability to ensure business continuity during this disruption.

Cyber-attacks or acts of cyber-terrorism could disrupt our business operations and information technology systems or result in the loss or exposure of confidential or sensitive customer, employee or Company information.

Our information technology systems have been and may in the future be attacked or breached by individuals or organizations intending to obtain sensitive data regarding our business, customers, employees, tenants or other third parties with whom we do business or disrupt our business operations and information technology systems. A security compromise of our information technology systems or business operations could occur through cyber attacks or cyber-intrusions over the Internet, malware, computer viruses, attachments to e-mails, persons inside our organization, or persons with access to systems inside our organization. Like many companies, we have experienced intrusions and threats to data and information technology systems, and the risk of a future security breach or disruption, particularly through cyber attacks or cyber-intrusion, including by computer hackers, foreign governments, and cyber terrorists, has generally increased as the number, intensity and sophistication of attempted attacks and intrusions from around the world have increased. We use information technology systems to manage our outlet centers and other business processes. Disruption of those systems could adversely impact our ability to operate our business to provide timely service to our customers and maintain our relationships with our tenants. Accordingly, if such an attack or act of terrorism were to occur, our operations and financial results could be adversely affected. In addition, we use our information technology systems to protect confidential or sensitive customer, employee and Company information developed and maintained in the normal course of our business. Certain of these systems have been attacked, and any attack on such systems that results in the unauthorized release or loss of customer, employee or other confidential or sensitive data could have a material adverse effect on our business reputation, increase our costs and expose us to material legal claims and liability. If the unauthorized release or loss of customer, employee or other confidential or sensitive data were to occur, our operations and financial results and our share price could be adversely affected.

While we maintain some of our own critical information technology systems, we also depend on third parties to provide important information technology services relating to several key business functions, such as payroll, electronic communications and certain accounting and finance functions. Our measures to prevent, detect and mitigate these threats, including password protection, firewalls, backup servers, threat monitoring and periodic penetration testing, may not be successful in preventing a data breach or limiting the effects of a breach. Furthermore, the security measures employed by third-party service providers may prove to be ineffective at preventing breaches of their systems.

Item 6. Exhibits

Exhibit Number	Exhibit Descriptions
10.1	Employment Agreement of Stephen Yalof Dated April 6, 2020 (Incorporated by reference to Exhibit 10.1 to the Company's and Operating Partnership's Current Report on Form 8-K dated April 10, 2020.)
10.2	First Amendment to Employment Agreement of Stephen Yalof Dated April 9, 2020 (Incorporated by reference to Exhibit 10.2 to the Company's and Operating Partnership's Current Report on Form 8-K dated April 10, 2020.)
10.3	Amended and Restated Employment Agreement of Steven B. Tanger Dated April 28, 2020 (Incorporated by reference to Exhibit 10.1 to the Company's and Operating Partnership's Current Report on Form 8-K dated April 29, 2020.)
10.4	Form of Inducement Restricted Share Award Agreement between the Company and Stephen Yalof (Incorporated by reference to Exhibit 99.1 to the Company's Registration Statement on Form S-8 dated April 10, 2020).
10.5	Inducement Option Award Agreement between the Company and Stephen Yalof, dated April 10, 2020 (Incorporated by reference to Exhibit 10.5 of the Company's and Operating Partnership's Quarterly Report on Form 10-Q for the quarter ended March 31, 2020.)
10.6	Amendment to Amended and Restated Employment Agreement for Lisa J. Morrison as of June 5, 2020 (Incorporated by reference to Exhibit 10.1 to the Company's and Operating Partnership's Current Report on Form 8-K dated June 8, 2020.)
10.7	Amendment to Employment Agreement for Chad D. Perry as of June 5, 2020 (Incorporated by reference to Exhibit 10.2 to the Company's and Operating Partnership's Current Report on Form 8-K dated June 8, 2020.)
10.8	Amendment to Amended and Restated Employment Agreement for Virginia R. Summerell as of June 5, 2020 (Incorporated by reference to Exhibit 10.3 to the Company's and Operating Partnership's Current Report on Form 8-K dated June 8, 2020.)
10.9	Amendment to Amended and Restated Employment Agreement for Carrie A. Warren as of June 5, 2020 (Incorporated by reference to Exhibit 10.4 to the Company's and Operating Partnership's Current Report on Form 8-K dated June 8 2020.)
10.10	Amendment to Amended and Restated Employment Agreement for James F. Williams as of June 5, 2020 (Incorporated by reference to Exhibit 10.5 to the Company's and Operating Partnership's Current Report on Form 8-K dated June 8 2020.)
10.11	Amendment to Employment Agreement for Charles A. Worsham as of June 8, 2020 (Incorporated by reference to Exhibit 10.6 to the Company's and Operating Partnership's Current Report on Form 8-K dated June 5, 2020.)
10.12	June 2020 Modification relating to the Operating Partnership's Third Amended and Restated Credit Agreement (Incorporated by reference to Exhibit 10.1 to the Company's and Operating Partnership's Current Report on Form 8-K dated June 16, 2020.)
10.13	June 2020 Modification relating to the Operating Partnership's Third Amended and Restated Liquidity Credit Agreement (Incorporated by reference to Exhibit 10.2 to the Company's and Operating Partnership's Current Report on Form 8-K dated June 16, 2020.)
10.14	First Amendment to Second Amended an Restated Term Loan Agreement (Incorporated by reference to Exhibit 10.3 to the Company's and Operating Partnership's Current Report on Form 8-K dated June 16, 2020.)
31.1*	Principal Executive Officer Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 302 of the Sarbanes - Oxley Act of 2002 for Tanger Factory Outlet Centers, Inc.
31.2*	Principal Financial Officer Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 302 of the Sarbanes - Oxley Act of 2002 for Tanger Factory Outlet Centers, Inc. -
31.3*	Principal Executive Officer Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 302 of the Sarbanes - Oxley Act of 2002 for Tanger Properties Limited Partnership. -

31.4*	Principal Financial Officer Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 302 of the Sarbanes - Oxley Act of 2002 for Tanger Properties Limited Partnership.
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32.1**	Principal Executive Officer Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes - Oxley Act of 2002 for Tanger Factory Outlet Centers, Inc.
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32.2**	Principal Financial Officer Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes - Oxley Act of 2002 for Tanger Factory Outlet Centers, Inc.
	-
32.3**	Principal Executive Officer Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes - Oxley Act of 2002 for Tanger Properties Limited Partnership.
	-
32.4**	Principal Financial Officer Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes - Oxley Act of 2002 for Tanger Properties Limited Partnership.
101.INS*	Inline XBRL Instance Document - the Instance Document does not appear in the interactive data file because its XBRL tags are embedded within the Inline XBRL document.
101.SCH*	Inline XBRL Taxonomy Extension Schema Document
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document
104*	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Filed herewith.

** Furnished herewith.

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 thereunto duly authorized.

DATE: August 10, 2020

TANGER FACTORY OUTLET CENTERS, INC.

By: /s/ James F. Williams

James F. Williams

Executive Vice President and Chief Financial Officer

TANGER PROPERTIES LIMITED PARTNERSHIP

By: TANGER GP TRUST, its sole general partner

By: /s/ James F. Williams

James F. Williams

Vice President and Treasurer (Principal Financial Officer)

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Section 2: EX-31.1 (EXHIBIT 31.1)

Exhibit 31.1

I, Steven B. Tanger, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Tanger Factory Outlet Centers, Inc. for the period ended June 30, 2020;

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(s) 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 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(s) 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 directors (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.

Date: August 10, 2020

/s/ Steven B. Tanger
Steven B. Tanger
Chief Executive Officer
Tanger Factory Outlet Centers, Inc.

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Section 3: EX-31.2 (EXHIBIT 31.2)

Exhibit 31.2

I, James F. Williams, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Tanger Factory Outlet Centers, Inc. for the period ended June 30, 2020;

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(s) 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 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(s) 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 directors (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.

Date: August 10, 2020

/s/ James F. Williams
James F. Williams
Executive Vice-President and Chief Financial Officer
Tanger Factory Outlet Centers, Inc.

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Section 4: EX-31.3 (EXHIBIT 31.3)

Exhibit 31.3

I, Steven B. Tanger, certify that:

1 I have reviewed this quarterly report on Form 10-Q of Tanger Properties Limited Partnership for the period ended June 30, 2020;

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(s) 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 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(s) 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 directors (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.

Date: August 10, 2020

/s/ Steven B. Tanger
Steven B. Tanger
Chief Executive Officer
Tanger GP Trust, sole general partner of the Operating Partnership

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Section 5: EX-31.4 (EXHIBIT 31.4)

Exhibit 31.4

I, James F. Williams, certify that:

1 I have reviewed this quarterly report on Form 10-Q of Tanger Properties Limited Partnership for the period ended June 30, 2020;

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(s) 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 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(s) 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 directors (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.

Date: August 10, 2020

/s/ James F. Williams

James F. Williams
Vice-President and Treasurer
Tanger GP Trust, sole general partner of the Operating Partnership
(Principal Financial Officer)

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Section 6: EX-32.1 (EXHIBIT 32.1)

Exhibit 32.1

Certification of Chief Executive Officer

Pursuant to 18 U.S.C. § 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Tanger Factory Outlet Centers, Inc. (the "Company") hereby certifies, to such officer's knowledge, that:

(i) the accompanying Quarterly Report on Form 10-Q of the Company for the period ended June 30, 2020 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 10, 2020

/s/ Steven B. Tanger

Steven B. Tanger
Chief Executive Officer
Tanger Factory Outlet Centers, Inc.

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Section 7: EX-32.2 (EXHIBIT 32.2)

Exhibit 32.2

Certification of Chief Financial Officer

Pursuant to 18 U.S.C. § 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Tanger Factory Outlet Centers, Inc. (the "Company") hereby certifies, to such officer's knowledge, that:

(i) the accompanying Quarterly Report on Form 10-Q of the Company for the period ended June 30, 2020 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 10, 2020

/s/ James F. Williams

James F. Williams
Executive Vice President and Chief Financial Officer Tanger Factory Outlet Centers, Inc.

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Section 8: EX-32.3 (EXHIBIT 32.3)

Exhibit 32.3

Certification of Chief Executive Officer

Pursuant to 18 U.S.C. § 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Tanger Properties Limited Partnership (the "Operating Partnership") hereby certifies, to such officer's knowledge, that:

(i) the accompanying Quarterly Report on Form 10-Q of the Operating Partnership for the period ended June 30, 2020 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Operating Partnership.

Date: August 10, 2020

/s/ Steven B. Tanger

Steven B. Tanger
Chief Executive Officer

Tanger GP Trust, sole general partner of the Operating Partnership

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Section 9: EX-32.4 (EXHIBIT 32.4)

Exhibit 32.4

Certification of Principal Financial Officer

Pursuant to 18 U.S.C. § 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Tanger Properties Limited Partnership (the "Operating Partnership") hereby certifies, to such officer's knowledge, that:

(i) the accompanying Quarterly Report on Form 10-Q of the Operating Partnership for the period ended June 30, 2020 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Operating Partnership.

Date: August 10, 2020

/s/ James F. Williams
James F. Williams
Vice President and Treasurer
Tanger GP Trust, sole general partner of the Operating Partnership
(Principal Financial Officer)

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