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, 2024
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: 1-13087 (BXP, Inc.)
Commission File Number: 0-50209 (Boston Properties Limited Partnership)

BXP, INC.
BOSTON PROPERTIES LIMITED PARTNERSHIP

(Exact name of Registrants as specified in its charter)

BXP, Inc.	**Delaware** (State or other jurisdiction of incorporation or organization)	**04-2473675** (I.R.S. Employer Identification Number)
Boston Properties Limited Partnership	**Delaware** (State or other jurisdiction of incorporation or organization)	**04-3372948** (I.R.S. Employer Identification Number)

Prudential Center, 800 Boylston Street, Suite 1900, Boston, Massachusetts 02199-8103
(Address of principal executive offices) (Zip Code)

(617) 236-3300
(Registrants' telephone number, including area code)

BOSTON PROPERTIES, INC.
(Former name or former address, if changed since last report)

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

Registrant	Title of each class	Trading Symbol(s)	Name of each exchange on which registered
BXP, Inc.	Common Stock, par value $0.01 per share	BXP	New York Stock Exchange

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

BXP, Inc.: Yes ☒ No ☐ Boston 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).

BXP, Inc.: Yes ☒ No ☐ Boston 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.

BXP, Inc.:
Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐ Emerging growth company ☐

Boston 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.

BXP, Inc. ☐ Boston Properties Limited Partnership ☐

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

BXP, Inc.: Yes ☐ No ☒ Boston Properties Limited Partnership: Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

BXP, Inc. **(Registrant)**	**Common Stock, par value $0.01 per share** **(Class)**	**157,933,760** **(Outstanding on July 31, 2024)**

EXPLANATORY NOTE

This report combines the Quarterly Reports on Form 10-Q for the period ended June 30, 2024 of BXP, Inc. and Boston Properties Limited Partnership. Unless stated otherwise or the context otherwise requires, references to “BXP” mean BXP, Inc. (formerly known as Boston Properties, Inc.), a Delaware corporation and real estate investment trust (“REIT”), and references to “BPLP” and the “Operating Partnership” mean Boston Properties Limited Partnership, a Delaware limited partnership. Effective July 1, 2024, BXP amended its certificate of incorporation to change its name from Boston Properties, Inc. to BXP, Inc. BPLP is the entity through which BXP conducts substantially all of its business and owns, either directly or through subsidiaries, substantially all of its assets. BXP is the sole general partner and also a limited partner of BPLP. As the sole general partner of BPLP, BXP has exclusive control of BPLP’s day-to-day management. Therefore, unless stated otherwise or the context requires, references to the “Company,” “we,” “us” and “our” refer collectively to BXP, BPLP and those subsidiaries consolidated by BXP.

As of June 30, 2024, BXP owned an approximate 89.1% ownership interest in BPLP. The remaining approximate 10.9% interest was owned by limited partners. The other limited partners of BPLP (1) contributed their direct or indirect interests in properties to BPLP in exchange for common units of limited partnership interest in BPLP or (2) received long-term incentive plan units of BPLP pursuant to BXP’s Stock Option and Incentive Plans, or both. Under the limited partnership agreement of BPLP, unitholders may present their common units of BPLP for redemption at any time (subject to restrictions agreed upon at the time of issuance of the units that may restrict such right for a period of time, generally one year from issuance). Upon presentation of a common unit for redemption, BPLP must redeem the unit for cash equal to the then value of a share of BXP’s common stock. In lieu of a cash redemption by BPLP, however, BXP may elect to acquire any common units so tendered by issuing shares of BXP common stock in exchange for the common units. If BXP so elects, its common stock will be exchanged for common units on a one-for-one basis. This one-for-one exchange ratio is subject to specified adjustments to prevent dilution. BXP generally expects that it will elect to issue its common stock in connection with each such presentation for redemption rather than having BPLP pay cash. With each such exchange or redemption, BXP’s percentage ownership in BPLP will increase. In addition, whenever BXP issues shares of its common stock other than to acquire common units of BPLP, BXP must contribute any net proceeds it receives to BPLP and BPLP must issue to BXP a number of common units of BPLP that equals the number of shares of BXP common stock so issued. This structure is commonly referred to as an umbrella partnership REIT, or UPREIT.

The Company believes that combining the Quarterly Reports on Form 10-Q of BXP and BPLP into this single report:

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

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

Shareholders’ equity, partners’ capital and noncontrolling interests are the main areas of difference between the consolidated financial statements of BXP and BPLP. The limited partners of BPLP are accounted for as partners’ capital in BPLP’s financial statements and as noncontrolling interests in BXP’s financial statements. The noncontrolling interests in BPLP's financial statements include the interests of unaffiliated partners in various consolidated partnerships. The noncontrolling interests in BXP's financial statements include the same noncontrolling interests in BPLP and limited partners of BPLP. The differences between shareholders' equity and partners' capital result from differences in the equity issued by each of BXP and BPLP.

In addition, the consolidated financial statements of BXP and BPLP differ in total real estate assets resulting from previously applied acquisition accounting by BXP for the issuance of common stock in connection with non-sponsor redemptions of common units of BPLP. This accounting resulted in a step-up of the real estate assets of BXP at the time of such redemptions, resulting in a difference between the net real estate of BXP as compared to BPLP of approximately $239.5 million, or 1.2% at June 30, 2024, and a corresponding difference in depreciation expense, impairment losses and gains on sales of real estate upon the sale of these properties having an allocation of the real estate step-up. The acquisition accounting was nullified on a prospective basis beginning in 2009 as a result of the Company's adoption of a new accounting standard requiring any subsequent redemptions to be accounted for solely as an equity transaction.

To help investors better understand the key differences between BXP and BPLP, the following items in this report present information separately for BXP and BPLP:

- Item 1. Financial Statements (unaudited), which includes the following specific disclosures for BXP and BPLP:
    - Note 3. Real Estate;
    - Note 10. Stockholders' Equity / Partners' Capital;
    - Note 11. Segment Information; and
    - Note 12. Earnings Per Share / Common Unit
- Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations and Liquidity and Capital Resources, includes information specific to each entity, where applicable.

This report also includes separate Part I - Item 4. Controls and Procedures and Part II - Item 2. Unregistered Sales of Equity Securities and Use of Proceeds sections for each of BXP and BPLP, as well as separate Exhibits 31 and 32 certifications for each of BXP and BPLP.

BXP, INC. AND BOSTON PROPERTIES LIMITED PARTNERSHIP
FORM 10-Q
for the quarter ended June 30, 2024
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PART I. FINANCIAL INFORMATION

ITEM 1—Financial Statements.

BXP, INC.
CONSOLIDATED BALANCE SHEETS
(unaudited and in thousands, except for share and par value amounts)

	June 30, 2024	December 31, 2023
ASSETS		
Real estate, at cost (amounts related to variable interest entities (“VIEs”) of $7,490,887 and $7,054,075 at June 30, 2024 and December 31, 2023, respectively)	$ 27,273,494	$ 26,749,209
Right of use assets - finance leases (amounts related to VIEs of $21,000 and $21,000 at June 30, 2024 and December 31, 2023, respectively)	372,896	401,680
Right of use assets - operating leases (amounts related to VIEs of $149,605 and $158,885 at June 30, 2024 and December 31, 2023, respectively)	344,292	324,298
Less: accumulated depreciation (amounts related to VIEs of $(1,570,934) and $(1,501,483) at June 30, 2024 and December 31, 2023, respectively)	(7,198,566)	(6,881,728)
Total real estate	20,792,116	20,593,459
Cash and cash equivalents (amounts related to VIEs of $378,992 and $245,317 at June 30, 2024 and December 31, 2023, respectively)	685,376	1,531,477
Cash held in escrows (amounts related to VIEs of $6,805 and $22,160 at June 30, 2024 and December 31, 2023, respectively)	52,125	81,090
Investments in securities	36,844	36,337
Tenant and other receivables, net (amounts related to VIEs of $17,481 and $27,987 at June 30, 2024 and December 31, 2023, respectively)	82,145	122,407
Note receivable, net	3,155	1,714
Related party note receivable, net	88,779	88,779
Sales-type lease receivable, net	14,182	13,704
Accrued rental income, net (amounts related to VIEs of $416,840 and $401,159 at June 30, 2024 and December 31, 2023, respectively)	1,414,622	1,355,212
Deferred charges, net (amounts related to VIEs of $193,650 and $175,383 at June 30, 2024 and December 31, 2023, respectively)	800,099	760,421
Prepaid expenses and other assets (amounts related to VIEs of $14,753 and $11,824 at June 30, 2024 and December 31, 2023, respectively)	86,188	64,230
Investments in unconsolidated joint ventures	1,418,817	1,377,319
Total assets	$ 25,474,448	$ 26,026,149
LIABILITIES AND EQUITY		
Liabilities:		
Mortgage notes payable, net (amounts related to VIEs of $3,279,606 and $3,277,185 at June 30, 2024 and December 31, 2023, respectively)	$ 4,371,478	$ 4,166,379
Unsecured senior notes, net	9,797,220	10,491,617
Unsecured line of credit	—	—
Unsecured term loan, net	698,776	1,198,301
Unsecured commercial paper	500,000	—
Lease liabilities - finance leases (amounts related to VIEs of $20,864 and $20,794 at June 30, 2024 and December 31, 2023, respectively)	375,601	417,961
Lease liabilities - operating leases (amounts related to VIEs of $151,643 and $145,826 at June 30, 2024 and December 31, 2023, respectively)	385,842	350,391
Accounts payable and accrued expenses (amounts related to VIEs of $103,662 and $59,667 at June 30, 2024 and December 31, 2023, respectively)	372,484	458,329
Dividends and distributions payable	172,172	171,176
Accrued interest payable	112,107	133,684
Other liabilities (amounts related to VIEs of $95,202 and $115,275 at June 30, 2024 and December 31, 2023, respectively)	398,525	445,947
Total liabilities	17,184,205	17,833,785

BXP, INC.
CONSOLIDATED BALANCE SHEETS
(unaudited and in thousands, except for share and par value amounts)

	June 30, 2024	December 31, 2023
Commitments and contingencies (See Note 8)		
Redeemable deferred stock units— 128,584 and 119,471 units outstanding at redemption value at June 30, 2024 and December 31, 2023, respectively	7,916	8,383
Equity:		
Stockholders' equity attributable to BXP, Inc.:		
Excess stock, $0.01 par value, 150,000,000 shares authorized, none issued or outstanding	—	—
Preferred stock, $0.01 par value, 50,000,000 shares authorized, none issued or outstanding	—	—
Common stock, $0.01 par value, 250,000,000 shares authorized, 157,176,741 and 157,019,766 issued and 157,097,841 and 156,940,866 outstanding at June 30, 2024 and December 31, 2023, respectively	1,571	1,569
Additional paid-in capital	6,768,686	6,715,149
Dividends in excess of earnings	(964,518)	(816,152)
Treasury common stock at cost, 78,900 shares at June 30, 2024 and December 31, 2023	(2,722)	(2,722)
Accumulated other comprehensive loss	(155)	(21,147)
Total stockholders' equity attributable to BXP, Inc.	5,802,862	5,876,697
Noncontrolling interests:		
Common units of Boston Properties Limited Partnership	677,789	666,580
Property partnerships	1,801,676	1,640,704
Total equity	8,282,327	8,183,981
Total liabilities and equity	$ 25,474,448	$ 26,026,149

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

BXP, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited and in thousands, except for per share amounts)

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Revenue				
Lease	$ 790,555	$ 761,733	$ 1,579,145	$ 1,518,608
Parking and other	34,615	26,984	66,831	50,993
Hotel	14,812	13,969	22,998	22,070
Development and management services	6,352	9,858	12,506	18,838
Direct reimbursements of payroll and related costs from management services contracts	4,148	4,609	8,441	9,844
Total revenue	850,482	817,153	1,689,921	1,620,353
Expenses				
Operating				
Rental	321,426	291,036	635,583	582,344
Hotel	9,839	8,161	15,854	14,832
General and administrative	44,109	44,175	94,127	99,977
Payroll and related costs from management services contracts	4,148	4,609	8,441	9,844
Transaction costs	189	308	702	1,219
Depreciation and amortization	219,542	202,577	438,258	411,311
Total expenses	599,253	550,866	1,192,965	1,119,527
Other income (expense)				
Income (loss) from unconsolidated joint ventures	(5,799)	(6,668)	13,387	(14,237)
Interest and other income (loss)	10,788	17,343	25,317	28,284
Gains from investments in securities	315	1,571	2,587	3,236
Unrealized gain on non-real estate investment	58	124	454	383
Impairment loss	—	—	(13,615)	—
Interest expense	(149,642)	(142,473)	(311,533)	(276,680)
Net income	106,949	136,184	213,553	241,812
Net income attributable to noncontrolling interests				
Noncontrolling interests in property partnerships	(17,825)	(19,768)	(35,046)	(38,428)
Noncontrolling interest—common units of the Operating Partnership	(9,509)	(12,117)	(19,009)	(21,169)
Net income attributable to BXP, Inc.	$ 79,615	$ 104,299	159,498	182,215
Basic earnings per common share attributable to BXP, Inc.				
Net income	$ 0.51	$ 0.67	$ 1.02	$ 1.16
Weighted average number of common shares outstanding	157,039	156,826	157,011	156,815
Diluted earnings per common share attributable to BXP, Inc.				
Net income	$ 0.51	$ 0.66	$ 1.01	$ 1.16
Weighted average number of common and common equivalent shares outstanding	157,291	157,218	157,210	157,131

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

BXP, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(unaudited and in thousands)

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Net income	$ 106,949	$ 136,184	$ 213,553	$ 241,812
Other comprehensive income:				
Effective portion of interest rate contracts	936	14,965	17,287	8,427
Amortization of interest rate contracts (1)	3,081	1,674	6,441	3,349
Other comprehensive income	4,017	16,639	23,728	11,776
Comprehensive income	110,966	152,823	237,281	253,588
Net income attributable to noncontrolling interests	(27,334)	(31,885)	(54,055)	(59,597)
Other comprehensive income attributable to noncontrolling interests	(552)	(1,831)	(2,736)	(1,463)
Comprehensive income attributable to BXP, Inc.	$ 83,080	$ 119,107	$ 180,490	$ 192,528

(1) Amounts reclassified from comprehensive income primarily to interest expense within BXP, Inc.'s Consolidated Statements of Operations.

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

BXP, INC.
CONSOLIDATED STATEMENTS OF EQUITY
(unaudited and in thousands)

	Common Stock		Additional Paid-in Capital	Dividends in Excess of Earnings	Treasury Stock, at cost	Accumulated Other Comprehensive Loss	Noncontrolling Interests - Common Units	Noncontrolling Interests - Property Partnerships	Total
	Shares	Amount							
Equity, March 31, 2024	157,049	$ 1,570	$ 6,752,648	$ (890,177)	$ (2,722)	$ (3,620)	$ 684,969	$ 1,734,904	$ 8,277,572
Redemption of operating partnership units to common stock	41	1	1,450	—	—	—	(1,451)	—	—
Allocated net income for the period	—	—	—	79,615	—	—	9,509	17,825	106,949
Dividends/distributions declared	—	—	—	(153,956)	—	—	(18,842)	—	(172,798)
Net activity from stock option and incentive plan	8	—	2,499	—	—	—	14,041	—	16,540
Proceeds from sale of interest in property partnerships and contributions from noncontrolling interests in property partnerships	—	—	1,244	—	—	—	—	66,237	67,481
Distributions to noncontrolling interests in property partnerships	—	—	—	—	—	—	—	(17,434)	(17,434)
Effective portion of interest rate contracts	—	—	—	—	—	835	101	—	936
Amortization of interest rate contracts	—	—	—	—	—	2,630	307	144	3,081
Reallocation of noncontrolling interest	—	—	10,845	—	—	—	(10,845)	—	—
Equity, June 30, 2024	157,098	$ 1,571	$ 6,768,686	$ (964,518)	$ (2,722)	$ (155)	$ 677,789	$ 1,801,676	$ 8,282,327
Equity, March 31, 2023	156,830	$ 1,568	$ 6,549,314	$ (467,159)	$ (2,722)	$ (18,214)	$ 691,627	$ 1,552,070	$ 8,306,484
Redemption of operating partnership units to common stock	16	1	598	—	—	—	(599)	—	—
Allocated net income for the period	—	—	—	104,325	—	—	12,091	19,768	136,184
Dividends/distributions declared	—	—	—	(153,716)	—	—	(18,376)	—	(172,092)
Net activity from stock option and incentive plan	8	—	(110)	—	—	—	14,052	—	13,942
Distributions to noncontrolling interests in property partnerships	—	—	—	—	—	—	—	(14,614)	(14,614)
Effective portion of interest rate contracts	—	—	—	—	—	13,435	1,530	—	14,965
Amortization of interest rate contracts	—	—	—	—	—	1,373	157	144	1,674
Reallocation of noncontrolling interest	—	—	11,359	—	—	—	(11,359)	—	—
Equity, June 30, 2023	156,854	$ 1,569	$ 6,561,161	$ (516,550)	$ (2,722)	$ (3,406)	$ 689,123	$ 1,557,368	$ 8,286,543

BXP, INC.
CONSOLIDATED STATEMENTS OF EQUITY
(unaudited and in thousands)

	Common Stock		Additional Paid-in Capital	Dividends in Excess of Earnings	Treasury Stock, at cost	Accumulated Other Comprehensive Loss	Noncontrolling Interests - Common Units	Noncontrolling Interests - Property Partnerships	Total
	Shares	Amount							
Equity, December 31, 2023	156,941	$ 1,569	$ 6,715,149	$ (816,152)	$ (2,722)	$ (21,147)	$ 666,580	$ 1,640,704	$ 8,183,981
Redemption of operating partnership units to common stock	77	2	2,752	—	—	—	(2,754)	—	—
Allocated net income for the period	—	—	—	159,498	—	—	19,009	35,046	213,553
Dividends/distributions declared	—	—	—	(307,864)	—	—	(37,706)	—	(345,570)
Shares issued pursuant to stock purchase plan	8	—	600	—	—	—	—	—	600
Net activity from stock option and incentive plan	72	—	4,761	—	—	—	28,310	—	33,071
Proceeds from sale of interest in property partnerships and contributions from noncontrolling interests in property partnerships	—	—	47,326	—	—	—	—	163,097	210,423
Distributions to noncontrolling interests in property partnerships	—	—	—	—	—	—	—	(37,459)	(37,459)
Effective portion of interest rate contracts	—	—	—	—	—	15,481	1,806	—	17,287
Amortization of interest rate contracts	—	—	—	—	—	5,511	642	288	6,441
Reallocation of noncontrolling interest	—	—	(1,902)	—	—	—	1,902	—	—
Equity, June 30, 2024	157,098	$ 1,571	$ 6,768,686	$ (964,518)	$ (2,722)	$ (155)	$ 677,789	$ 1,801,676	$ 8,282,327
Equity, December 31, 2022	156,758	$ 1,568	$ 6,539,147	$ (391,356)	$ (2,722)	$ (13,718)	$ 683,583	$ 1,547,317	$ 8,363,819
Redemption of operating partnership units to common stock	21	1	793	—	—	—	(794)	—	—
Allocated net income for the period	—	—	—	182,215	—	—	21,169	38,428	241,812
Dividends/distributions declared	—	—	—	(307,409)	—	—	(36,737)	—	(344,146)
Shares issued pursuant to stock purchase plan	9	—	586	—	—	—	—	—	586
Net activity from stock option and incentive plan	66	—	3,338	—	—	—	38,023	—	41,361
Contributions from noncontrolling interests in property partnerships	—	—	—	—	—	—	—	7,555	7,555
Distributions to noncontrolling interests in property partnerships	—	—	—	—	—	—	—	(36,220)	(36,220)
Effective portion of interest rate contracts	—	—	—	—	—	7,565	862	—	8,427
Amortization of interest rate contracts	—	—	—	—	—	2,747	314	288	3,349
Reallocation of noncontrolling interest	—	—	17,297	—	—	—	(17,297)	—	—
Equity, June 30, 2023	156,854	$ 1,569	$ 6,561,161	$ (516,550)	$ (2,722)	$ (3,406)	$ 689,123	$ 1,557,368	$ 8,286,543

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

BXP, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited and in thousands)

	Six months ended June 30, 2024	Six months ended June 30, 2023
Cash flows from operating activities:		
Net income	$ 213,553	$ 241,812
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	438,258	411,311
Impairment loss	13,615	—
Amortization of right of use assets - operating leases	1,785	929
Amortization of sales type lease	(488)	—
Amortization of above and below market leases	(2,947)	—
Non-cash compensation expense	35,187	41,524
(Income) loss from unconsolidated joint ventures	(13,387)	14,237
Distributions of net cash flow from operations of unconsolidated joint ventures	21,153	11,437
Gains from investments in securities	(2,587)	(3,236)
Allowance for current expected credit losses (gains)	36	264
Non-cash portion of interest expense	14,172	14,940
Unrealized gain on non-real estate investment	(454)	(383)
Change in assets and liabilities:		
Tenant and other receivables, net	39,743	3,721
Accrued rental income, net	(52,590)	(42,965)
Prepaid expenses and other assets	(16,985)	(24,758)
Right of use assets - operating lease	(750)	—
Lease liabilities - operating leases	(997)	140
Accounts payable and accrued expenses	(24,650)	6,320
Accrued interest payable	(21,637)	7,314
Other liabilities	(32,922)	(21,773)
Tenant leasing costs	(42,449)	(47,651)
Total adjustments	351,106	371,371
Net cash provided by operating activities	564,659	613,183
Cash flows from investing activities:		
Construction in progress	(313,602)	(235,331)
Building and other capital improvements	(66,799)	(78,344)
Tenant improvements	(117,848)	(135,743)
Acquisition of real estate (net of cash received upon consolidation)	6,086	—
Capital contributions to unconsolidated joint ventures	(60,461)	(103,595)
Capital distributions from unconsolidated joint ventures	—	7,350
Investment in non-real estate investments	(625)	(733)
Issuance of note receivables (including related party)	(1,423)	(10,500)
Investments in securities, net	1,168	2,032
Net cash used in investing activities	(553,504)	(554,864)
Cash flows from financing activities:		
Repayments of mortgage notes payable	(2,019)	—
Proceeds from unsecured senior notes	—	747,727
Repayment / redemption of unsecured senior notes	(700,000)	—
Borrowings on unsecured term loan	—	1,200,000
Payments on finance lease obligations	(5,999)	—

BXP, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited and in thousands)

	Six months ended June 30,	
	2024	**2023**
Repayment of unsecured term loan	(500,000)	(730,000)
Borrowings on commercial paper program	1,859,075	—
Repayments on commercial paper program	(1,359,075)	—
Deferred financing costs	(2,633)	(12,339)
Net activity from equity transactions	(2,136)	(39)
Dividends and distributions	(344,574)	(343,325)
Proceeds from sale of interest in property partnerships and contributions from noncontrolling interests in property partnerships	208,599	7,555
Distributions to noncontrolling interests in property partnerships	(37,459)	(36,220)
Net cash provided by (used in) financing activities	(886,221)	833,359
Net increase (decrease) in cash and cash equivalents and cash held in escrows	(875,066)	891,678
Cash and cash equivalents and cash held in escrows, beginning of period	1,612,567	736,812
Cash and cash equivalents and cash held in escrows, end of period	$ 737,501	$ 1,628,490
Reconciliation of cash and cash equivalents and cash held in escrows:		
Cash and cash equivalents, beginning of period	$ 1,531,477	$ 690,333
Cash held in escrows, beginning of period	81,090	46,479
Cash and cash equivalents and cash held in escrows, beginning of period	$ 1,612,567	$ 736,812
Cash and cash equivalents, end of period	$ 685,376	$ 1,581,575
Cash held in escrows, end of period	52,125	46,915
Cash and cash equivalents and cash held in escrows, end of period	$ 737,501	$ 1,628,490
Supplemental disclosures:		
Cash paid for interest (net of amounts capitalized)	$ 342,409	$ 273,214
Interest capitalized	$ 19,717	$ 21,153
Non-cash investing and financing activities:		
Write-off of fully depreciated real estate	$ (57,999)	$ (85,878)
Change in real estate included in accounts payable and accrued expenses	$ (48,896)	$ 25,562
Right of use assets obtained in exchange for lease liabilities - operating lease	$ 30,631	$ —
Lease liability - finance lease reversal for re-assessment event	$ (38,491)	$ —
Right of use asset - finance lease reversal for re-assessment event	$ (28,962)	$ —
Non-cash distributions to noncontrolling interests in property partnerships, net	$ 60,410	$ —
Capitalized operating lease costs	$ 15,098	$ —
Investment in unconsolidated joint ventures eliminated upon consolidation	$ (11,834)	$ —
Mortgage note payable recorded upon consolidation	$ 207,093	$ —
Real estate and intangibles recorded upon consolidation	$ (220,015)	$ —
Dividends and distributions declared but not paid	$ 172,172	$ 171,465
Conversions of noncontrolling interests to stockholders' equity	$ 2,754	$ 794
Issuance of restricted securities to employees and non-employee directors	$ 43,366	$ 47,885

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

BOSTON PROPERTIES LIMITED PARTNERSHIP
CONSOLIDATED BALANCE SHEETS
(unaudited and in thousands, except for unit amounts)

		June 30, 2024		December 31, 2023
ASSETS				
Real estate, at cost (amounts related to variable interest entities (“VIEs”) of $7,490,887 and $7,054,075 at June 30, 2024 and December 31, 2023, respectively)	$	26,907,229	$	26,382,944
Right of use assets - finance leases (amounts related to VIEs of $21,000 and $21,000 at June 30, 2024 and December 31, 2023, respectively)		372,896		401,680
Right of use assets - operating leases (amounts related to VIEs of $149,605 and $158,885 at June 30, 2024 and December 31, 2023, respectively)		344,292		324,298
Less: accumulated depreciation (amounts related to VIEs of $(1,570,934) and $(1,501,483) at June 30, 2024 and December 31, 2023, respectively)		(7,071,799)		(6,758,361)
Total real estate		20,552,618		20,350,561
Cash and cash equivalents (amounts related to VIEs of $378,992 and $245,317 at June 30, 2024 and December 31, 2023, respectively)		685,376		1,531,477
Cash held in escrows (amounts related to VIEs of $6,805 and $22,160 at June 30, 2024 and December 31, 2023, respectively)		52,125		81,090
Investments in securities		36,844		36,337
Tenant and other receivables, net (amounts related to VIEs of $17,481 and $27,987 at June 30, 2024 and December 31, 2023, respectively)		82,145		122,407
Note receivable, net		3,155		1,714
Related party note receivable, net		88,779		88,779
Sales-type lease receivable, net		14,182		13,704
Accrued rental income, net (amounts related to VIEs of $416,840 and $401,159 at June 30, 2024 and December 31, 2023, respectively)		1,414,622		1,355,212
Deferred charges, net (amounts related to VIEs of $193,650 and $175,383 at June 30, 2024 and December 31, 2023, respectively)		800,099		760,421
Prepaid expenses and other assets (amounts related to VIEs of $14,753 and $11,824 at June 30, 2024 and December 31, 2023, respectively)		86,188		64,230
Investments in unconsolidated joint ventures		1,418,817		1,377,319
Total assets	$	25,234,950	$	25,783,251
LIABILITIES AND CAPITAL				
Liabilities:				
Mortgage notes payable, net (amounts related to VIEs of $3,279,606 and $3,277,185 at June 30, 2024 and December 31, 2023, respectively)	$	4,371,478	$	4,166,379
Unsecured senior notes, net		9,797,220		10,491,617
Unsecured line of credit		—		—
Unsecured term loan, net		698,776		1,198,301
Unsecured commercial paper		500,000		—
Lease liabilities - finance leases (amounts related to VIEs of $20,864 and $20,794 at June 30, 2024 and December 31, 2023, respectively)		375,601		417,961
Lease liabilities - operating leases (amounts related to VIEs of $151,643 and $145,826 at June 30, 2024 and December 31, 2023, respectively)		385,842		350,391
Accounts payable and accrued expenses (amounts related to VIEs of $103,662 and $59,667 at June 30, 2024 and December 31, 2023, respectively)		372,484		458,329
Dividends and distributions payable		172,172		171,176
Accrued interest payable		112,107		133,684
Other liabilities (amounts related to VIEs of $95,202 and $115,275 at June 30, 2024 and December 31, 2023, respectively)		398,525		445,947
Total liabilities		17,184,205		17,833,785

BOSTON PROPERTIES LIMITED PARTNERSHIP
CONSOLIDATED BALANCE SHEETS
(unaudited and in thousands, except for unit amounts)

	June 30, 2024	December 31, 2023
Commitments and contingencies (See Note 8)		
Redeemable deferred stock units— 128,584 and 119,471 units outstanding at redemption value at June 30, 2024 and December 31, 2023, respectively	7,916	8,383
Noncontrolling interests:		
Redeemable partnership units— 16,454,712 and 16,508,277 common units and 2,681,580 and 2,065,861 long term incentive units outstanding at redemption value at June 30, 2024 and December 31, 2023, respectively	1,230,848	1,347,575
Capital:		
Boston Properties Limited Partnership partners’ capital— 1,762,341 and 1,755,150 general partner units and 155,335,500 and 155,185,716 limited partner units outstanding at June 30, 2024 and December 31, 2023, respectively	5,010,460	4,973,951
Accumulated other comprehensive loss	(155)	(21,147)
Total partners’ capital	5,010,305	4,952,804
Noncontrolling interests in property partnerships	1,801,676	1,640,704
Total capital	6,811,981	6,593,508
Total liabilities and capital	$ 25,234,950	$ 25,783,251

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

BOSTON PROPERTIES LIMITED PARTNERSHIP
CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited and in thousands, except for per unit amounts)

	Three months ended June 30,		Six months ended June 30,	
	2024	**2023**	**2024**	**2023**
Revenue				
Lease	$ 790,555	$ 761,733	$ 1,579,145	$ 1,518,608
Parking and other	34,615	26,984	66,831	50,993
Hotel	14,812	13,969	22,998	22,070
Development and management services	6,352	9,858	12,506	18,838
Direct reimbursements of payroll and related costs from management services contracts	4,148	4,609	8,441	9,844
Total revenue	850,482	817,153	1,689,921	1,620,353
Expenses				
Operating				
Rental	321,426	291,036	635,583	582,344
Hotel	9,839	8,161	15,854	14,832
General and administrative	44,109	44,175	94,127	99,977
Payroll and related costs from management services contracts	4,148	4,609	8,441	9,844
Transaction costs	189	308	702	1,219
Depreciation and amortization	217,839	200,895	434,858	407,767
Total expenses	597,550	549,184	1,189,565	1,115,983
Other income (expense)				
Income (loss) from unconsolidated joint ventures	(5,799)	(6,668)	13,387	(14,237)
Interest and other income (loss)	10,788	17,343	25,317	28,284
Gains from investments in securities	315	1,571	2,587	3,236
Unrealized gain on non-real estate investment	58	124	454	383
Impairment loss	—	—	(13,615)	—
Interest expense	(149,642)	(142,473)	(311,533)	(276,680)
Net income	108,652	137,866	216,953	245,356
Net income attributable to noncontrolling interests				
Noncontrolling interests in property partnerships	(17,825)	(19,768)	(35,046)	(38,428)
Net income attributable to Boston Properties Limited Partnership	$ 90,827	$ 118,098	$ 181,907	$ 206,928
Basic earnings per common unit attributable to Boston Properties Limited Partnership				
Net income	$ 0.52	$ 0.68	$ 1.04	$ 1.18
Weighted average number of common units outstanding	175,408	174,748	175,332	174,693
Diluted earnings per common unit attributable to Boston Properties Limited Partnership				
Net income	$ 0.52	$ 0.67	$ 1.04	$ 1.18
Weighted average number of common and common equivalent units outstanding	175,660	175,140	175,531	175,009

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

BOSTON PROPERTIES LIMITED PARTNERSHIP
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(unaudited and in thousands)

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Net income	$ 108,652	$ 137,866	$ 216,953	$ 245,356
Other comprehensive income:				
Effective portion of interest rate contracts	936	14,965	17,287	8,427
Amortization of interest rate contracts (1)	3,081	1,674	6,441	3,349
Other comprehensive income	4,017	16,639	23,728	11,776
Comprehensive income	112,669	154,505	240,681	257,132
Comprehensive income attributable to noncontrolling interests	(17,969)	(19,912)	(35,334)	(38,716)
Comprehensive income attributable to Boston Properties Limited Partnership	$ 94,700	$ 134,593	$ 205,347	$ 218,416

(1) Amounts reclassified from comprehensive income primarily to interest expense within Boston Properties Limited Partnership's Consolidated Statements of Operations.

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

BOSTON PROPERTIES LIMITED PARTNERSHIP
CONSOLIDATED STATEMENTS OF CAPITAL AND NONCONTROLLING INTERESTS
(unaudited and in thousands)

	Units		Capital				
	General Partner	Limited Partner	Partners' Capital (General and Limited Partners)	Accumulated Other Comprehensive Loss	Noncontrolling Interests - Property Partnerships	Total Capital	Noncontrolling Interests - Redeemable Partnership Units
Equity, March 31, 2024	1,762	155,287	$ 5,004,678	$ (3,620)	$ 1,734,904	$ 6,735,962	$ 1,300,409
Net activity from contributions and unearned compensation	—	8	2,499	—	—	2,499	14,041
Allocated net income for the period	—	—	81,318	—	17,825	99,143	9,509
Distributions	—	—	(153,956)	—	—	(153,956)	(18,842)
Conversion of redeemable partnership units	—	41	1,451	—	—	1,451	(1,451)
Adjustment to reflect redeemable partnership units at redemption value	—	—	73,226	—	—	73,226	(73,226)
Effective portion of interest rate contracts	—	—	—	835	—	835	101
Amortization of interest rate contracts	—	—	—	2,630	144	2,774	307
Proceeds from sale of interest in property partnerships and contributions from noncontrolling interests in property partnerships	—	—	1,244	—	66,237	67,481	—
Distributions to noncontrolling interests in property partnerships	—	—	—	—	(17,434)	(17,434)	—
Equity, June 30, 2024	1,762	155,336	$ 5,010,460	$ (155)	$ 1,801,676	$ 6,811,981	$ 1,230,848
Equity, March 31, 2023	1,755	155,075	$ 5,449,936	$ (18,214)	$ 1,552,070	$ 6,983,792	$ 1,074,648
Net activity from contributions and unearned compensation	—	7	(110)	—	—	(110)	14,052
Allocated net income for the period	—	—	106,007	—	19,768	125,775	12,091
Distributions	—	—	(153,716)	—	—	(153,716)	(18,376)
Conversion of redeemable partnership units	—	16	599	—	—	599	(599)
Adjustment to reflect redeemable partnership units at redemption value	—	—	(51,550)	—	—	(51,550)	51,550
Effective portion of interest rate contracts	—	—	—	13,435	—	13,435	1,530
Amortization of interest rate contracts	—	—	—	1,373	144	1,517	157
Distributions to noncontrolling interests in property partnerships	—	—	—	—	(14,614)	(14,614)	—
Equity, June 30, 2023	1,755	155,098	$ 5,351,166	$ (3,406)	$ 1,557,368	$ 6,905,128	$ 1,135,053

BOSTON PROPERTIES LIMITED PARTNERSHIP
CONSOLIDATED STATEMENTS OF CAPITAL AND NONCONTROLLING INTERESTS
(unaudited and in thousands)

	Units		Capital				
	General Partner	Limited Partner	Partners' Capital (General and Limited Partners)	Accumulated Other Comprehensive Loss	Noncontrolling Interests - Property Partnerships	Total Capital	Noncontrolling Interests - Redeemable Partnership Units
Equity, December 31, 2023	1,755	155,185	$ 4,973,951	$ (21,147)	$ 1,640,704	$ 6,593,508	$ 1,347,575
Net activity from contributions and unearned compensation	5	76	5,361	—	—	5,361	28,310
Allocated net income for the period	—	—	162,898	—	35,046	197,944	19,009
Distributions	—	—	(307,864)	—	—	(307,864)	(37,706)
Conversion of redeemable partnership units	2	75	2,754	—	—	2,754	(2,754)
Adjustment to reflect redeemable partnership units at redemption value	—	—	126,034	—	—	126,034	(126,034)
Effective portion of interest rate contracts	—	—	—	15,481	—	15,481	1,806
Amortization of interest rate contracts	—	—	—	5,511	288	5,799	642
Proceeds from sale of interest in property partnerships and contributions from noncontrolling interests in property partnerships	—	—	47,326	—	163,097	210,423	—
Distributions to noncontrolling interests in property partnerships	—	—	—	—	(37,459)	(37,459)	—
Equity, June 30, 2024	1,762	155,336	$ 5,010,460	$ (155)	$ 1,801,676	$ 6,811,981	$ 1,230,848
Equity, December 31, 2022	1,750	155,008	$ 5,299,428	$ (13,718)	$ 1,547,317	$ 6,833,027	$ 1,280,886
Net activity from contributions and unearned compensation	5	69	3,922	—	—	3,922	38,025
Allocated net income for the period	—	—	185,759	—	38,428	224,187	21,169
Distributions	—	—	(307,409)	—	—	(307,409)	(36,737)
Conversion of redeemable partnership units	—	21	794	—	—	794	(794)
Adjustment to reflect redeemable partnership units at redemption value	—	—	168,672	—	—	168,672	(168,672)
Effective portion of interest rate contracts	—	—	—	7,565	—	7,565	862
Amortization of interest rate contracts	—	—	—	2,747	288	3,035	314
Contributions from noncontrolling interests in property partnerships	—	—	—	—	7,555	7,555	—
Distributions to noncontrolling interests in property partnerships	—	—	—	—	(36,220)	(36,220)	—
Equity, June 30, 2023	1,755	155,098	$ 5,351,166	$ (3,406)	$ 1,557,368	$ 6,905,128	$ 1,135,053

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

BOSTON PROPERTIES LIMITED PARTNERSHIP
CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited and in thousands)

	Six months ended June 30,	
	2024	**2023**
Cash flows from operating activities:		
Net income	$ 216,953	$ 245,356
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	434,858	407,767
Impairment loss	13,615	—
Amortization of right of use assets - operating leases	1,785	929
Amortization of sales type lease	(488)	—
Amortization of above and below market leases	(2,947)	—
Non-cash compensation expense	35,187	41,524
(Income) loss from unconsolidated joint ventures	(13,387)	14,237
Distributions of net cash flow from operations of unconsolidated joint ventures	21,153	11,437
Gains from investments in securities	(2,587)	(3,236)
Allowance for current expected credit losses (gains)	36	264
Non-cash portion of interest expense	14,172	14,940
Unrealized gain on non-real estate investment	(454)	(383)
Change in assets and liabilities:		
Tenant and other receivables, net	39,743	3,721
Accrued rental income, net	(52,590)	(42,965)
Prepaid expenses and other assets	(16,985)	(24,758)
Right of use assets - operating lease	(750)	—
Lease liabilities - operating leases	(997)	140
Accounts payable and accrued expenses	(24,650)	6,320
Accrued interest payable	(21,637)	7,314
Other liabilities	(32,922)	(21,773)
Tenant leasing costs	(42,449)	(47,651)
Total adjustments	347,706	367,827
Net cash provided by operating activities	564,659	613,183
Cash flows from investing activities:		
Construction in progress	(313,602)	(235,331)
Building and other capital improvements	(66,799)	(78,344)
Tenant improvements	(117,848)	(135,743)
Acquisition of real estate (net of cash received upon consolidation)	6,086	—
Capital contributions to unconsolidated joint ventures	(60,461)	(103,595)
Capital distributions from unconsolidated joint ventures	—	7,350
Investment in non-real estate investments	(625)	(733)
Issuance of note receivables (including related party)	(1,423)	(10,500)
Investments in securities, net	1,168	2,032
Net cash used in investing activities	(553,504)	(554,864)
Cash flows from financing activities:		
Repayments of mortgage notes payable	(2,019)	—
Proceeds from unsecured senior notes	—	747,727
Repayment / redemption of unsecured senior notes	(700,000)	—
Borrowings on unsecured term loan	—	1,200,000

BOSTON PROPERTIES LIMITED PARTNERSHIP
CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited and in thousands)

	Six months ended June 30, 2024	Six months ended June 30, 2023
Payments on finance lease obligations	(5,999)	—
Repayment of unsecured term loan	(500,000)	(730,000)
Borrowings on commercial paper program	1,859,075	—
Repayments on commercial paper program	(1,359,075)	—
Deferred financing costs	(2,633)	(12,339)
Net activity from equity transactions	(2,136)	(39)
Distributions	(344,574)	(343,325)
Proceeds from sale of interest in property partnerships and contributions from noncontrolling interests in property partnerships	208,599	7,555
Distributions to noncontrolling interests in property partnerships	(37,459)	(36,220)
Net cash provided by (used in) financing activities	(886,221)	833,359
Net increase (decrease) in cash and cash equivalents and cash held in escrows	(875,066)	891,678
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Cash held in escrows, beginning of period	81,090	46,479
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Cash and cash equivalents, end of period	$ 685,376	$ 1,581,575
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Supplemental disclosures:		
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Interest capitalized	$ 19,717	$ 21,153
Non-cash investing and financing activities:		
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Change in real estate included in accounts payable and accrued expenses	$ (48,896)	$ 25,562
Right of use assets obtained in exchange for lease liabilities - operating lease	$ 30,631	$ —
Lease liability - finance lease reversal for re-assessment event	$ (38,491)	$ —
Right of use asset - finance lease reversal for re-assessment event	$ (28,962)	$ —
Non-cash distributions to noncontrolling interests in property partnerships, net	$ 60,410	$ —
Capitalized operating lease costs	$ 15,098	$ —
Investment in unconsolidated joint ventures eliminated upon consolidation	$ (11,834)	$ —
Mortgage notes payable recorded upon consolidation	$ 207,093	$ —
Real estate and intangibles recorded upon consolidation	$ (220,015)	$ —
Distributions declared but not paid	$ 172,172	$ 171,465
Conversions of redeemable partnership units to partners’ capital	$ 2,754	$ 794
Issuance of restricted securities to employees and non-employee directors	$ 43,366	$ 47,885

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

BXP, INC. AND BOSTON PROPERTIES LIMITED PARTNERSHIP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Organization

BXP is a fully integrated, self-administered and self-managed REIT. BXP is the sole general partner of BPLP, its operating partnership, and at June 30, 2024, owned an approximate 89.1% (89.4% at December 31, 2023) general and limited partnership interest in BPLP. Effective July 1, 2024, BXP amended its certificate of incorporation to change its name from Boston Properties, Inc. to BXP, Inc. Unless stated otherwise or the context requires, the “Company” refers to BXP and its subsidiaries, including BPLP and its consolidated subsidiaries. Partnership interests in BPLP include:

- common units of partnership interest (also referred to as “OP Units”) and
- long term incentive units of partnership interest (also referred to as “LTIP Units”)

Unless specifically noted otherwise, all references to OP Units exclude units held by BXP. A holder of an OP Unit may present the OP Unit to BPLP for redemption at any time (subject to restrictions agreed upon at the time of issuance of OP Units to particular holders that may restrict such redemption right for a period of time, generally one year from issuance). Upon presentation of an OP Unit for redemption, BPLP is obligated to redeem the OP Unit for cash equal to the value of a share of common stock of BXP (“Common Stock”). In lieu of such cash redemption, BXP may elect to acquire the OP Unit for one share of Common Stock. Because the number of shares of Common Stock outstanding at all times equals the number of OP Units that BXP owns, one share of Common Stock is generally the economic equivalent of one OP Unit, and the quarterly distribution that may be paid to the holder of an OP Unit equals the quarterly dividend that may be paid to the holder of a share of Common Stock.

The Company uses LTIP Units as a form of time-based, restricted equity compensation and as a form of performance-based equity compensation for employees, and has previously granted LTIP Units in the form of (1) 2012 outperformance plan awards (“2012 OPP Units”) and (2) 2013 - 2024 multi-year, long-term incentive program awards (also referred to as “MYLTIP Units”), each of which, upon the satisfaction of certain performance-based and time-based vesting conditions, is convertible into one OP Unit. The three-year measurement periods for the 2012 OPP Units and the 2013 - 2021 MYLTIP Units have ended and BXP’s total stockholder return (“TSR”) was sufficient for employees to earn and therefore become eligible to vest in a portion of the awards. Unless and until they are earned, the rights, preferences and privileges of the 2022 - 2024 MYLTIP Units differ from other LTIP Units granted to employees (including the 2012 OPP Units and the 2013 - 2021 MYLTIP Units, which have been earned). Therefore, unless specifically noted otherwise, all references to LTIP Units exclude the 2022 - 2024 MYLTIP Units. LTIP Units (including the earned 2012 OPP Units and the earned 2013 - 2021 MYLTIP Units), whether vested or not, receive the same quarterly per unit distributions as OP Units, which equal per share dividends on Common Stock (See Notes 9 and 13).

Properties

At June 30, 2024, the Company owned or had joint venture interests in a portfolio of 186 commercial real estate properties (the “Properties”) aggregating approximately 53.5 million net rentable square feet of primarily premier workplaces, including 10 properties under construction/redevelopment totaling approximately 3.1 million net rentable square feet. At June 30, 2024, the Properties consisted of:

- 164 office and life sciences properties (including seven properties under construction/redevelopment);
- 14 retail properties (including one property under construction);
- seven residential properties (including two properties under construction); and
- one hotel.

The Company considers premier workplaces to be well-located buildings that are modern structures or have been modernized to compete with newer buildings and professionally managed and maintained. As such, these properties attract high-quality tenants and command upper-tier rental rates.

2. Summary of Significant Accounting Policies

BXP does not have any other significant assets, liabilities or operations, other than its investment in BPLP, nor does it have employees of its own. BPLP, not BXP, generally executes all significant business relationships other than transactions involving securities of BXP. All majority-owned subsidiaries and joint ventures over which the Company has financial and operating control and variable interest entities (“VIEs”) in which the Company has determined it is the primary beneficiary are included in the consolidated financial statements. All significant intercompany balances and transactions have been eliminated in consolidation. The Company accounts for all other unconsolidated joint ventures using the equity method of accounting. Accordingly, the Company's share of the earnings of these joint ventures and companies is included in consolidated net income.

The accompanying interim financial statements are unaudited; however, the financial statements have been prepared in accordance with generally accepted accounting principles ("GAAP") for interim financial information and in conjunction with the rules and regulations of the Securities and Exchange Commission (the "SEC"). Accordingly, they do not include all of the disclosures required by GAAP for complete financial statements. In the opinion of management, all adjustments (consisting solely of normal recurring matters) necessary for a fair statement of the financial statements for these interim periods have been included. The results of operations for the interim periods are not necessarily indicative of the results to be obtained for other interim periods or for the full fiscal year. The year-end consolidated balance sheet data was derived from audited financial statements, but does not include all disclosure required by GAAP. These financial statements should be read in conjunction with the Company's financial statements and notes thereto contained in the Company's Annual Report in the Company's Form 10-K for its fiscal year ended December 31, 2023.

The Company bases its estimates on historical experience and on various other assumptions that it considers to be reasonable under the circumstances, including the impact of extraordinary events such as a pandemic, the results of which form the basis for making significant judgments about the carrying values of assets and liabilities, assessments of future collectability, and other areas of the financial statements that are impacted by the use of estimates. Actual results may differ from these estimates under different assumptions or conditions.

Variable Interest Entities (VIEs)

Consolidated VIEs are those for which the Company is considered to be the primary beneficiary of a VIE. The primary beneficiary is the entity that has a controlling financial interest in the VIE, which is defined by the entity having both of the following characteristics: (1) the power to direct the activities that, when taken together, most significantly impact the VIE's performance and (2) the obligation to absorb losses or the right to receive the returns from the VIE that could potentially be significant to the VIE. The assets of each VIE are only available to satisfy such VIE's respective liabilities. The Company has identified nine entities that are VIEs as of June 30, 2024 and has determined that it is the primary beneficiary for all of these entities as of June 30, 2024.

Consolidated Variable Interest Entities

As of June 30, 2024, BXP has identified nine consolidated VIEs, including BPLP. Excluding BPLP, the consolidated VIEs consisted of (i) the following five in-service properties: 767 Fifth Avenue (the General Motors Building), Times Square Tower, 601 Lexington Avenue, Atlantic Wharf Office Building and 100 Federal Street, (ii) 343 Madison Avenue, which is categorized as land held for future development and (iii) 290 Binney Street and 300 Binney Street, which are currently under development / redevelopment.

The Company consolidates these VIEs because it is the primary beneficiary. The third parties' interests in these consolidated entities (excluding BPLP's interest) are reflected as noncontrolling interests in property partnerships in the accompanying consolidated financial statements (See Note 9).

In addition, BXP's only significant asset is its investment in BPLP and, consequently, substantially all of BXP's assets and liabilities are the assets and liabilities of BPLP.

Variable Interest Entities Not Consolidated

As of June 30, 2024, the Company does not have any unconsolidated joint ventures that are classified as VIEs.

Fair Value Measurements

The Company follows the authoritative guidance for fair value measurements when valuing its financial instruments for disclosure purposes. The table below presents for June 30, 2024 and December 31, 2023, the financial instruments that are being valued for disclosure purposes as well as the Level at which they are categorized as defined in Accounting Standards Codification ("ASC") 820 "Fair Value Measurements and Disclosures" ("ASC 820").

Financial Instrument	Level
3-Month United States Treasury Bills	Level 1
Unsecured commercial paper	Level 1
Investment in securities	Level 1
Unsecured senior notes (1)	Level 1
Related party note receivable	Level 3
Notes receivable	Level 3
Sales-type lease receivable	Level 3
Mortgage notes payable	Level 3
Unsecured line of credit	Level 3
Unsecured term loan	Level 3

(1) If trading volume for the period is low, the valuation could be categorized as Level 2.

Because the Company’s valuations of its financial instruments are based on the above Levels and involve the use of estimates, the actual fair values of its financial instruments may differ materially from those estimates. In addition, the Company’s estimated fair values for these instruments as of the end of the applicable reporting period are not projections of, nor necessarily indicative of, estimated or actual fair values in future reporting periods.

At December 31, 2023, the Company had outstanding three-month United States Treasury Bills with a maturity date of January 30, 2024 that were classified as held to maturity because the Company determined that it had the positive intent and ability to hold to maturity. Because these securities were considered a short-term investment, they are reflected at amortized cost within Cash and Cash Equivalents on the Consolidated Balance Sheets. At December 31, 2023, the amortized cost of these securities was approximately $302.7 million. There were no such securities outstanding at June 30, 2024.

At June 30, 2024, the Company had $500.0 million outstanding under its unsecured commercial paper program (See Note 6). Due to their short-term maturity and because they bear interest at market rates, the fair value of the Company’s commercial paper borrowings is approximately the carrying amount.

The Company’s investment in non-real estate investments is shown within Prepaid and Other Assets on the Consolidated Balance Sheets and was approximately $5.8 million and $4.6 million at June 30, 2024 and December 31, 2023, respectively. The non-real estate investments utilize net asset value as the practical expedient.

Non-Recurring Fair Value

The following table presents the aggregate carrying value of the Company's non-recurring fair value financial instruments and the Company's corresponding estimate of fair value as of June 30, 2024 and December 31, 2023 (in thousands):

	June 30, 2024		December 31, 2023	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
3-Month United States Treasury Bills (1)	$ —	$ —	$ 302,746	$ 302,746
Related party note receivable, net	$ 88,779	$ 90,538	$ 88,779	$ 90,593
Note receivable, net	3,155	3,099	1,714	1,677
Sales-type lease receivable, net	14,182	13,491	13,704	13,338
Total	$ 106,116	$ 107,128	$ 104,197	$ 105,608
Mortgage notes payable, net	$ 4,371,478	$ 3,894,606	$ 4,166,379	$ 3,705,513
Unsecured senior notes, net	9,797,220	8,903,772	10,491,617	9,697,393
Unsecured line of credit	—	—	—	—
Unsecured term loan, net	698,776	700,000	1,198,301	1,196,945
Unsecured commercial paper	500,000	500,000	—	—
Total	$ 15,367,474	$ 13,998,378	$ 15,856,297	$ 14,599,851

(1) Per the guidance in ASC 326 "Financial Instruments — Credit Losses" ("ASC 326"), the Company concluded that the risk of nonpayment is nonexistent because the U.S. Government has a long history with no credit losses and, therefore, no credit loss allowance was recorded.

At March 31, 2024, the Company evaluated the expected hold period for a portion of its Shady Grove property, consisting of 2 Choke Cherry Road, 2094 Gaither Road and a land parcel, located in Rockville, Maryland. Based on a shorter-than-expected hold period, the Company reduced the carrying value of a portion of the property that the Company anticipates selling to a third-party developer to its estimated fair value at March 31, 2024. As a result, during the six months ended June 30, 2024, each of BXP and BPLP recognized an impairment loss of approximately $13.6 million. The Company's estimated fair value utilized Level 3 inputs and was based on a pending offer from a third party (See Note 3).

Recurring Fair Value

Derivatives

In addition to the financial instruments noted above, the Company uses interest rate swap agreements to manage its interest rate risk (See Note 7). The valuation of these instruments is determined using widely accepted valuation techniques, including discounted cash flow analysis on the expected cash flows of each derivative. This analysis reflects the contractual terms of the derivatives, including the period to maturity, and uses observable market-based inputs, including interest rate curves. To comply with the provisions of ASC 820, the Company incorporates credit valuation adjustments to appropriately reflect both its own nonperformance risk and the respective counterparty's nonperformance risk in the fair value measurements. Although the Company has determined that the majority of the inputs used to value its derivatives fall within Level 2 of the fair value hierarchy, the credit valuation adjustments associated with its derivatives utilize Level 3 inputs, such as estimates of current credit spreads to evaluate the likelihood of default by the Company and its counterparties. The Company assessed the significance of the impact of the credit valuation adjustments on the overall valuation of its derivative positions and determined that the credit valuation adjustments were not significant to the overall valuation of its derivatives. As a result, the Company has determined that its derivative valuations in their entirety are classified in Level 2 of the fair value hierarchy.

The following table presents the aggregate fair value of the Company’s interest rate swaps as of June 30, 2024 and December 31, 2023 (in thousands):

Fair value	**June 30, 2024**	**December 31, 2023**
Interest rate swaps	$ 12,070	$ 1,976

Investments

The Company accounts for investments in equity securities at fair value, with gains or losses resulting from changes in fair value recognized currently in earnings. The Company maintains deferred compensation plans that are designed to allow officers and non-employee directors of BXP to defer a portion of the officer’s current income or the non-employee director’s current compensation on a pre-tax basis and receive a tax-deferred return on these deferrals based on the performance of specific investments selected by the officer or non-employee director. The Company’s obligation under the plans is that of an unsecured promise to pay the deferred compensation to the plan participants in the future. At June 30, 2024 and December 31, 2023, the Company had maintained approximately $36.5 million and $36.1 million, respectively, in separate accounts, which are not restricted as to their use. The Company recognized gains of approximately $0.3 million and $1.6 million on its investments in the accounts associated with the Company’s deferred compensation plans during the three months ended June 30, 2024 and June 30, 2023, respectively, and approximately $2.6 million and $3.2 million during the six months ended June 30, 2024 and June 30, 2023, respectively, primarily due to the observable change in fair value.

3. Real Estate

BXP

Real estate consisted of the following at June 30, 2024 and December 31, 2023 (in thousands):

	June 30, 2024	**December 31, 2023**
Land	$ 5,317,032	$ 5,251,224
Right of use assets - finance leases (1)	372,896	401,680
Right of use assets - operating leases (1)	344,292	324,298
Land held for future development (2)	675,191	697,061
Buildings and improvements	16,759,079	16,607,756
Tenant improvements	3,710,439	3,592,172
Furniture, fixtures and equipment	54,397	53,716
Construction in progress	757,356	547,280
Total	27,990,682	27,475,187
Less: Accumulated depreciation	(7,198,566)	(6,881,728)
	$ 20,792,116	$ 20,593,459

(1) See Note 4.
(2) Includes pre-development costs.

BPLP

Real estate consisted of the following at June 30, 2024 and December 31, 2023 (in thousands):

	June 30, 2024	December 31, 2023
Land	$ 5,222,323	$ 5,156,515
Right of use assets - finance leases (1)	372,896	401,680
Right of use assets - operating leases (1)	344,292	324,298
Land held for future development (2)	675,191	697,061
Buildings and improvements	16,487,523	16,336,200
Tenant improvements	3,710,439	3,592,172
Furniture, fixtures and equipment	54,397	53,716
Construction in progress	757,356	547,280
Total	27,624,417	27,108,922
Less: Accumulated depreciation	(7,071,799)	(6,758,361)
	$ 20,552,618	$ 20,350,561

(1) See Note 4.
(2) Includes pre-development costs.

Acquisition

On January 8, 2024, the Company completed the acquisition of its joint venture partner's 50% economic ownership interest in the joint venture that owns 901 New York Avenue, located in Washington, DC. At acquisition, the total net equity acquired was $20.0 million, which includes $10.0 million in cash that the Company paid for the joint venture partner's 50% economic ownership interest in the joint venture. The property is subject to existing mortgage indebtedness of approximately $207.1 million (See Note 6). The acquisition resulted in the Company recording a gain upon consolidation of approximately $21.8 million, which is the difference between the fair value of the previously held equity method investment immediately prior to the consolidation of $10.0 million, less the Company's costs basis of approximately $(11.8) million. The gain on consolidation is included within income (loss) from unconsolidated joint ventures in the Consolidated Statement of Operations.

The total net assets acquired is equal to (1) the total net equity acquired of $20.0 million, which includes $10.0 million in cash that the Company paid for the joint venture partner's 50% economic ownership interest in the joint venture plus (2) $207.1 million of debt assumed, less (3) net working capital acquired of approximately $7.1 million. The following table summarizes the allocation of the fair value of the net assets the Company received at the date of acquisition for 901 New York Avenue (in thousands):

Land and site improvements	$ 65,808
Building and improvements	56,882
Tenant improvements	16,088
In-place lease intangibles	72,621
Above-market lease intangibles	2,757
Below-market lease intangibles	(2,515)
Mortgage note payable adjustment	8,374
Net assets acquired	$ 220,015

The following table summarizes the estimated annual amortization of the acquired in-place lease intangibles, and the acquired above- and below-market lease intangibles for 901 New York Avenue from January 8, 2024 through the remainder of 2024 and each of the next five succeeding fiscal years (in thousands):

	Acquired In-Place Lease Intangibles	Acquired Above-Market Lease Intangibles	Acquired Below-Market Lease Intangibles
Period from January 8, 2024 through December 31, 2024	$ 10,364	$ 607	$ 252
2025	9,030	454	257
2026	6,494	238	257
2027	6,265	201	257
2028	6,069	186	257
2029	6,076	186	251

The following table summarizes the weighted-average useful life of the acquired in-place lease intangibles and the acquired above- and below-market lease intangibles for 901 New York Avenue as of the acquisition date (in years):

	Acquired In-Place Lease Intangibles	Acquired Above-Market Lease Intangibles	Acquired Below-Market Lease Intangibles
Weighted-average useful life	6.7	4.0	9.8

901 New York Avenue contributed approximately $16.3 million of revenue and $4.6 million of net loss to the Company for the period from January 8, 2024 through June 30, 2024. 901 New York Avenue is a premier workplace consisting of approximately 524,000 net rentable square feet.

Development

On February 12, 2024, the Company commenced the development of a residential project at 121 Broadway Street in Cambridge, Massachusetts that is adjacent to its development projects at 290 Binney Street and 300 Binney Street. 121 Broadway will consist of 439 residential units aggregating approximately 492,000 net rentable square feet. There can be no assurance that the Company will complete development of the project on the terms and schedule currently contemplated or at all.

On April 5, 2024, the Company completed and fully placed in-service 760 Boylston Street, an approximately 118,000 net rentable square foot retail redevelopment located in Boston, Massachusetts.

Pending Disposition and Impairment

At March 31, 2024, the Company evaluated the expected hold period for a portion of its Shady Grove property, consisting of 2 Choke Cherry Road, 2094 Gaither Road and a land parcel, located in Rockville, Maryland. Based on a shorter-than-expected hold period, the Company reduced the carrying value of a portion of the property that the Company anticipates selling to a third-party developer to its estimated fair value at March 31, 2024. As a result, each of BXP and BPLP recognized an impairment loss of approximately $13.6 million during the six months ended June 30, 2024. The Company’s estimated fair value was based on Level 3 inputs as defined in ASC 820 and on a pending offer from a third-party. On May 7, 2024, the Company entered into the agreement with the third-party developer for an aggregate gross sale price of approximately $24.8 million (See Note 14). 2 Choke Cherry Road and 2094 Gaither Road are two vacant office properties aggregating approximately 143,000 net rentable square feet that were taken out of service and held for redevelopment. The disposition is subject to satisfaction of customary closing conditions and there can be no assurance that this transaction will be consummated on the terms currently contemplated or at all.

4. Leases

Lessor

The following table summarizes the components of lease revenue recognized under the Company’s operating and sales-type leases for the three and six months ended June 30, 2024 and 2023 and included within the Company's Consolidated Statements of Operations (in thousands):

	Three months ended June 30,		Six months ended June 30,	
Lease Revenue	**2024**	**2023**	**2024**	**2023**
Fixed contractual payments	$ 651,730	$ 629,189	$ 1,300,620	$ 1,250,835
Variable lease payments	138,579	132,315	278,037	267,318
Sales-type lease revenue	246	229	488	455
	$ 790,555	$ 761,733	$ 1,579,145	$ 1,518,608

Lessee

On March 28, 2024, the Company entered into a 90-year air rights lease with the Massachusetts Department of Transportation for an approximately 61,000 square foot site at the parking garage located at 100 Clarendon Street and the concourse level of the Massachusetts Bay Transportation Authority’s Back Bay Station (the “Station”). The lease requires annual base rental payments of $250,000 until the commencement of construction, as defined in the lease. If the Company commences construction of a project on the site on or before August 1, 2028, then a final fixed rental payment is due in accordance with the lease at that time. After August 1, 2028, if the Company commences construction of a project on the site, then a final rental payment based on the then current fair market value will be due at that time. In addition, the lease requires annual payments of $500,000 through 2033 to fund maintenance and improvements to the Station. The Company has assumed that it will begin construction on the site on or before August 1, 2028. The incremental borrowing rate for this lease is 6.57% per annum. The net present value of the ground lease payments is approximately $23.2 million. The Company classifies this lease as an operating lease. As a result, the Company recorded a Right of Use Assets – Operating Leases and Lease Liabilities – Operating Leases of approximately $23.9 million and $23.2 million, respectively, on its Consolidated Balance Sheets at March 31, 2024. The ground lease had operating lease costs of approximately $87,000 for the three months ended June 30, 2024 and for the period from March 28, 2024 through June 30, 2024.

The following table provides a maturity analysis for the air rights operating lease as of March 28, 2024 (in thousands):

	Operating
Period from March 28, 2024 through December 31, 2024	$ —
2025	750
2026	750
2027	750
2028	25,826
2029	500
Thereafter	2,000
Total lease payments	30,576
Less: Interest portion	7,391
Present value of lease payments	$ 23,185

The Company has a ground lease for the land underlying its residential property, The Skylyne, in Oakland, California. The Skylyne is a residential property consisting of 402 residential units and supporting retail space totaling approximately 331,000 net rentable square feet. The ground lease has approximately 92-years remaining (including extension options) and provides the Company with the right to purchase the land subject to certain conditions. When the lease was executed in 2017, the purchase option was considered a bargain purchase option and, as a result, the Company classified it as a finance lease and the Company assumed the lessor would exercise its right to require the Company to purchase the land in May 2024 for approximately $38.7 million. In May 2024 and as of the date of this report, the lessor has not exercised this option and the Company reassessed the accounting for the ground lease and determined that the purchase option continues to be considered a bargain purchase option and the ground lease will continue to be accounted for as a finance lease. The lease requires monthly base rental payments of a nominal amount until the purchase occurs, which the Company now estimates will be in 2030. As a result of the reassessment, the lease liability was remeasured and reduced to approximately $0.1 million. In conjunction with the reduction in the lease liability, the right of use asset was reduced to $0 and the difference between the lease liability and right of use asset of approximately $9.5 million was recorded as a decrease to interest expense for the three and six months ended June 30, 2024. There can be no assurance that this transaction will be consummated on the terms currently contemplated or at all.

5. Investments in Unconsolidated Joint Ventures

The investments in unconsolidated joint ventures consist of the following at June 30, 2024 and December 31, 2023:

Entity	Properties	Nominal % Ownership	Carrying Value of Investment (1) June 30, 2024	Carrying Value of Investment (1) December 31, 2023
			(in thousands)	
Square 407 Limited Partnership	Market Square North	50.00 %	$ (12,160)	$ (5,996)
901 New York, LLC	901 New York Avenue	25.00 % (2)	—	(11,764)
WP Project Developer LLC	Wisconsin Place Land and Infrastructure	33.33 % (3)	30,099	30,375
500 North Capitol Venture LLC	500 North Capitol Street, NW	30.00 %	(11,198)	(10,253)
501 K Street LLC	1001 6th Street	50.00 %	45,923	44,774
Podium Developer LLC	The Hub on Causeway - Podium	50.00 %	44,223	45,201
Residential Tower Developer LLC	Hub50House	50.00 %	42,547	40,235
Hotel Tower Developer LLC	The Hub on Causeway - Hotel Air Rights	50.00 %	13,863	13,494
Office Tower Developer LLC	100 Causeway Street	50.00 %	56,602	57,660
1265 Main Office JV LLC	1265 Main Street	50.00 %	3,562	3,585
BNY Tower Holdings LLC	Dock 72	50.00 % (4)	(8,154)	(11,890)
CA-Colorado Center, LLC	Colorado Center	50.00 %	235,144	237,815
7750 Wisconsin Avenue LLC	7750 Wisconsin Avenue	50.00 %	49,445	50,064
BP-M 3HB Venture LLC	3 Hudson Boulevard	25.00 %	114,223	115,103
Platform 16 Holdings LP	Platform 16	55.00 %	55,689	45,564
Gateway Portfolio Holdings LLC	Gateway Commons	50.00 %	388,599	376,834
Rosecrans-Sepulveda Partners 4, LLC	Beach Cities Media Campus	50.00 %	27,049	27,034
Safeco Plaza REIT LLC	Safeco Plaza	33.67 % (5)	46,222	44,734
360 PAS Holdco LLC	360 Park Avenue South	71.11 % (6)	58,546	42,988
PR II/BXP Reston Gateway LLC	Skymark - Reston Next Residential	20.00 %	15,496	15,184
751 Gateway Holdings LLC	751 Gateway	49.00 %	98,117	93,411
200 Fifth Avenue JV LLC	200 Fifth Avenue	26.69 %	75,108	75,718
ABXP Worldgate Investments LLC	13100 and 13150 Worldgate Drive	50.00 %	18,360	17,546
			$ 1,387,305	$ 1,337,416

(1) Investments with deficit balances aggregating approximately $31.5 million and $39.9 million at June 30, 2024 and December 31, 2023, respectively, are included within Other Liabilities in the Company’s Consolidated Balance Sheets.
(2) At December 31, 2023, the Company’s economic ownership was approximately 50%. On January 8, 2024, the Company completed the acquisition of its joint venture partner’s 50% economic ownership interest for a gross purchase price of $10.0 million, as described in Note 3 and this Note 5. Since then, the Company accounts for its assets, liabilities and operations on a consolidated basis.

(3) The Company's wholly-owned subsidiary that owns Wisconsin Place Office also owns a 33.33% interest in the joint venture entity that owns the land, parking garage and infrastructure of the project.
(4) This property includes net equity balances from the amenity joint venture.
(5) The Company's ownership includes (1) a 33.0% direct interest in the joint venture, and (2) an additional 1% interest in each of the two entities through which each partner owns its interest in the joint venture.
(6) The Company's ownership includes (1) a 35.79% direct interest in the joint venture, (2) an additional 35.02% indirect ownership in the joint venture, and (3) an additional 1% interest in the entity through which the partner owns its interest in the joint venture.

Certain of the Company's unconsolidated joint venture agreements include provisions whereby, at certain specified times, each partner has the right to initiate a purchase or sale of its interest in the joint ventures. Under certain of the Company's joint venture agreements, if certain return thresholds are achieved, the partners or the Company will be entitled to an additional promoted interest or payments.

The combined summarized balance sheets of the Company's unconsolidated joint ventures are as follows:

	June 30, 2024	December 31, 2023
	(in thousands)	
ASSETS		
Real estate and development in process, net (1)	$ 5,749,980	$ 5,811,763
Other assets (2)	648,481	682,291
Total assets	$ 6,398,461	$ 6,494,054
LIABILITIES AND MEMBERS'/PARTNERS' EQUITY		
Mortgage and notes payable, net	$ 3,184,773	$ 3,351,873
Other liabilities (3)	295,510	361,357
Members'/Partners' equity	2,918,178	2,780,824
Total liabilities and members'/partners' equity	$ 6,398,461	$ 6,494,054
Company's share of equity	$ 1,330,301	$ 1,278,483
Basis differentials (4)	57,004	58,933
Carrying value of the Company's investments in unconsolidated joint ventures (5)	$ 1,387,305	$ 1,337,416

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(1) At June 30, 2024 and December 31, 2023, this amount included right of use assets - operating leases totaling approximately $19.5 million and $20.1 million, respectively.
(2) At June 30, 2024 and December 31, 2023, this amount included sales-type lease receivable, net totaling approximately $14.0 million and $13.9 million, respectively.
(3) At June 30, 2024 and December 31, 2023, this amount included lease liabilities - operating leases totaling approximately $30.5 million.
(4) This amount represents the aggregate difference between the Company's historical cost basis and the basis reflected at the joint venture level, which is typically amortized over the life of the related assets and liabilities. Basis differentials result from impairments of investments, acquisitions through joint ventures with no change in control and upon the transfer of assets that were previously owned by the Company into a joint venture. In addition, certain acquisition, transaction and other costs may not be reflected in the net assets at the joint venture level. The Company's basis differences include:

Property	June 30, 2024	December 31, 2023
	(in thousands)	
Colorado Center	$ 297,474	$ 298,906
200 Fifth Avenue	53,949	58,308
Gateway Commons	50,312	48,971
Safeco Plaza	(29,279)	(29,678)
360 Park Avenue South	(115,181)	(116,534)
Dock 72	(93,775)	(95,521)
Platform 16	(142,680)	(143,052)

These basis differentials (excluding land) will be amortized over the remaining lives of the related assets and liabilities.

(5) Investments with deficit balances aggregating approximately $31.5 million and $39.9 million at June 30, 2024 and December 31, 2023, respectively, are reflected within Other Liabilities in the Company's Consolidated Balance Sheets.

The combined summarized statements of operations of the Company's unconsolidated joint ventures are as follows:

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
	(in thousands)			
Total revenue (1)	$ 120,152	$ 164,771	$ 250,546	$ 316,194
Expenses				
Operating	46,453	61,023	95,649	118,229
Transaction costs	5	27	8	101
Depreciation and amortization	38,396	51,233	77,819	101,211
Total expenses	84,854	112,283	173,476	219,541
Other income (expense)				
Loss from early extinguishment of debt	—	(3)	—	(3)
Interest expense	(43,299)	(58,799)	(86,862)	(116,049)
Unrealized gain on derivative instruments	848	14,457	10,960	3,847
Net income (loss)	$ (7,153)	$ 8,143	$ 1,168	$ (15,552)
Company's share of net income (loss)	$ (2,744)	$ 639	$ 214	$ (6,263)
Gain on sale / consolidation	—	—	21,696	—
Basis differential (2)	(3,055)	(7,307)	(8,523)	(7,974)
Income (loss) from unconsolidated joint ventures	$ (5,799)	$ (6,668)	$ 13,387	$ (14,237)

(1) Includes straight-line rent adjustments of approximately $6.2 million and $6.9 million for the three months ended June 30, 2024 and 2023, respectively, and approximately $13.8 million and $13.2 million for the six months ended June 30, 2024 and 2023, respectively.

(2) Includes depreciation and amortization of approximately $3.0 million and $3.7 million for the three months ended June 30, 2024 and 2023, respectively, and approximately $5.9 million and $7.4 million for the six months ended June 30, 2024 and 2023, respectively. Includes unrealized gain on derivative instruments of approximately $0.2 million and $3.9 million for the three months ended June 30, 2024 and 2023, respectively, and approximately $2.9 million and $1.0 million for the six months ended June 30, 2024 and 2023, respectively. Includes straight-line rent adjustments of approximately $0.3 million and $0.4 million for the three months ended June 30, 2024 and 2023, respectively, and approximately $0.6 million and $0.7 million for the six months ended June 30, 2024 and 2023, respectively. Also includes net above-/below-market rent adjustments of approximately $0.2 million for the three months ended June 30, 2024 and 2023, respectively, and approximately $0.4 million for the six months ended June 30, 2024 and 2023.

On January 2, 2024, a joint venture in which the Company has a 50% interest partially placed in-service 651 Gateway, an approximately 327,000 net rentable square foot laboratory/life sciences project in South San Francisco, California. The property is approximately 21% pre-leased as of July 31, 2024.

On January 8, 2024, the Company acquired its joint venture partner's 50% economic ownership interest in the joint venture that owns 901 New York Avenue, located in Washington, DC, for a gross purchase price of $10.0 million in cash (See Note 3). Prior to the acquisition, the Company had a 50% economic ownership interest in the joint venture and accounted for it under the equity method of accounting. The acquisition resulted in the Company having full ownership of the joint venture such that the Company now accounts for its assets, liabilities, and operations on a consolidated basis in its financial statements instead of under the equity method of accounting and as a result recognized a gain on consolidation of approximately $21.8 million.

On February 6, 2024, a joint venture in which the Company owns a 25% interest extended the maturity date of the loan collateralized by its 3 Hudson Boulevard property. At the time of the extension, the loan had an outstanding principal balance totaling $80.0 million and was scheduled to mature on February 9, 2024. The extended loan was scheduled to mature on May 9, 2024. On May 8, 2024, the loan was extended 30 days and on June 7, 2024, the loan was extended an additional 60 days. The extended loan continues to bear interest at a variable rate equal to Term SOFR plus approximately 3.61% per annum and is scheduled to mature on August 7, 2024. As of June 30, 2024, the loan had an outstanding balance, including accrued interest, of approximately $112.8 million. The Company is the lender of the loan and the loan is reflected as Related Party Note Receivables, Net on the

Company's Consolidated Balance Sheets. 3 Hudson Boulevard consists of land and improvements held for future development located in New York, New York.

On February 9, 2024, a joint venture in which the Company owns a 50% interest exercised an option to extend the maturity date of the construction loan collateralized by its 7750 Wisconsin Avenue property. The construction loan had a total commitment amount of approximately $252.6 million. The extended loan continues to bear interest at a variable rate equal to Term SOFR plus 1.35% per annum and matures on April 26, 2025. At the time of the extension, the loan had an outstanding balance totaling approximately $251.6 million and was scheduled to mature on April 26, 2024. 7750 Wisconsin Avenue is a premier workplace with approximately 736,000 net rentable square feet located in Bethesda, Maryland.

6. Debt

Mortgage Notes Payable

On January 8, 2024, the Company acquired its joint venture partner's 50% economic ownership interest in the joint venture that owns 901 New York Avenue located in Washington, DC (See Note 3). The property is subject to existing mortgage indebtedness. At acquisition, the mortgage loan had an outstanding principal balance of approximately $207.1 million, bore interest at 3.61% per annum and was scheduled to mature on January 5, 2025. The mortgage loan was recorded at a fair value of approximately $198.7 million. On January 11, 2024, the Company modified the mortgage loan to provide for two extension options totaling five years of additional term, each subject to certain conditions.

Unsecured Senior Notes

The following summarizes the unsecured senior notes outstanding as of June 30, 2024 (dollars in thousands):

	Coupon/Stated Rate	Effective Rate(1)	Principal Amount	Maturity Date(2)
7 Year Unsecured Senior Notes	3.200 %	3.350 %	$ 850,000	January 15, 2025
10 Year Unsecured Senior Notes	3.650 %	3.766 %	1,000,000	February 1, 2026
10 Year Unsecured Senior Notes	2.750 %	3.495 %	1,000,000	October 1, 2026
5 Year Unsecured Senior Notes	6.750 %	6.924 %	750,000	December 1, 2027
10 Year Unsecured Senior Notes	4.500 %	4.628 %	1,000,000	December 1, 2028
10 Year Unsecured Senior Notes	3.400 %	3.505 %	850,000	June 21, 2029
10.5 Year Unsecured Senior Notes	2.900 %	2.984 %	700,000	March 15, 2030
10.75 Year Unsecured Senior Notes	3.250 %	3.343 %	1,250,000	January 30, 2031
11 Year Unsecured Senior Notes	2.550 %	2.671 %	850,000	April 1, 2032
12 Year Unsecured Senior Notes	2.450 %	2.524 %	850,000	October 1, 2033
10.7 Year Unsecured Senior Notes	6.500 %	6.619 %	750,000	January 15, 2034
Total principal			9,850,000	
Less:				
Net unamortized discount			11,934	
Deferred financing costs, net			40,846	
Total			$ 9,797,220	

(1) Yield on issuance date including the effects of discounts on the notes, settlements of interest rate contracts and the amortization of financing costs.
(2) No principal amounts are due prior to maturity.

On February 1, 2024, BPLP repaid $700.0 million in aggregate principal amount of its 3.800% senior notes due February 1, 2024. The repayment was completed with available cash and the $600.0 million proceeds from the mortgage loan entered into on October 26, 2023. The repayment price was approximately $713.3 million, which was equal to the stated principal plus approximately $13.3 million of accrued and unpaid interest to, but not including, the repayment date. Excluding the accrued and unpaid interest, the repayment price was equal to the principal amount being repaid.

Unsecured Credit Facility

BPLP's unsecured revolving credit facility (the "2021 Credit Facility") provides for borrowings of up to $2.0 billion, as described below in this Note 6, through BPLP's revolving facility, subject to customary conditions. The 2021 Credit Facility matures on June 15, 2026 and includes a sustainability-linked pricing component. Under the 2021 Credit Facility, BPLP had the option to increase the original total commitment of $1.5 billion by up to an additional $500.0 million by increasing the amount of the Revolving Facility and/or by incurring one or more term loans, in each case, subject to syndication of the increase and other conditions (the "Accordion Option"). On September 28, 2023, BPLP exercised a portion of the Accordion Option which increased the then maximum borrowing amount under the 2021 Credit Facility from $1.5 billion to $1.815 billion. On April 29, 2024, BPLP exercised the remainder of the Accordion Option and further increased the maximum borrowing amount under the 2021 Credit Facility to $2.0 billion. All other terms of the 2021 Credit Facility remain unchanged.

At June 30, 2024, BPLP had no amount outstanding under the 2021 Credit Facility. The 2021 Credit Facility is used as a backstop for BPLP's $500.0 million unsecured commercial paper program (See "*Unsecured Commercial Paper"* below). As such, BPLP intends to maintain, at a minimum, availability under the 2021 Credit Facility in an amount equal to the amount of unsecured commercial paper notes outstanding.

Unsecured Term Loan

On January 4, 2023, BPLP entered into a credit agreement that provided for a $1.2 billion unsecured term loan facility (the "2023 Unsecured Term Loan"). Upon entry into the credit agreement, BPLP exercised its option to draw $1.2 billion under the 2023 Unsecured Term Loan.

On April 29, 2024, BPLP repaid $500.0 million of the outstanding balance under the 2023 Unsecured Term Loan from the proceeds of its unsecured commercial paper program (see "*Unsecured Commercial Paper*" below). At June 30, 2024, BPLP had $700.0 million of principal outstanding under the 2023 Unsecured Term Loan.

Under the credit agreement governing the 2023 Unsecured Term Loan, BPLP may, at any time prior to the maturity date, increase total commitments by up to an additional $300.0 million in aggregate principal amount by increasing the existing 2023 Unsecured Term Loan or incurring one or more additional term loans, in each case, subject to syndication of the increase and other conditions. The 2023 Unsecured Term Loan had an initial maturity date of May 16, 2024, with one 12-month extension option, subject to customary conditions. On May 16, 2024, BPLP exercised its option to extend the maturity date of the 2023 Unsecured Term Loan to May 16, 2025. All other terms of the 2023 Unsecured Term Loan remain unchanged.

Unsecured Commercial Paper

On April 17, 2024, BPLP established an unsecured commercial paper program. Under the terms of the program, BPLP may issue, from time to time, unsecured commercial paper notes up to a maximum aggregate amount outstanding at any one time of $500.0 million with varying maturities of up to one year. Amounts available under the unsecured commercial paper program may be borrowed, repaid, and re-borrowed from time to time. The notes are sold in private placements and rank pari passu with all of BPLP's other unsecured senior indebtedness, including its outstanding senior notes. The commercial paper program is backstopped by available capacity under the 2021 Credit Facility. As of June 30, 2024, BPLP had an aggregate of $500.0 million of unsecured commercial paper notes outstanding that bore interest at a weighted-average rate of approximately 5.60% per annum and had a weighted-average maturity of 49 days, from the issuance date.

7. Derivative Instruments and Hedging Activities

BPLP's agreements with the swap derivative counterparties contain provisions whereby if BPLP defaults on the underlying indebtedness, including defaults where repayment of the indebtedness has not been accelerated by the lender, then BPLP could also be declared in default of the swap derivative obligation. As of June 30, 2024, the Company had not posted any collateral related to the agreements.

Effective Hedge Instruments

BPLP assesses the effectiveness of its hedges both at inception and on an ongoing basis. If the hedges are deemed to be effective, the fair value is recorded in "Accumulated other comprehensive loss" in the Company's Consolidated Balance Sheets and is subsequently reclassified into "Interest expense" in the Company's Consolidated Statements of Operations in the period that the hedged forecasted transactions affect earnings. BPLP's derivative financial instruments are cash flow hedges that are designated as effective hedges, and they are carried at their estimated fair value on a recurring basis (See Note 2). The Company did not incur ineffectiveness during the three and six months ended June 30, 2024.

BPLP's and SMBP LLC's interest rate swap contracts consisted of the following at June 30, 2024 (dollars in thousands):

Derivative Instrument	Aggregate Notional Amount	Effective Date	Maturity Date	Strike Rate Range Low		Strike Rate Range High	Balance Sheet Location	Fair Value
BPLP:								
Interest Rate Swaps	$ 600,000	December 15, 2023	October 26, 2028	3.790 %	—	3.798 %	Prepaid expenses and other assets	$ 6,768
SMBP LLC (1)								
Interest Rate Swaps	300,000	December 14, 2023	April 1, 2025	2.661 %	—	2.688 %	Prepaid expenses and other assets	5,302
	$ 900,000							$ 12,070

(1) A subsidiary of the Company that is the borrower under the mortgage loan collateralized by its Santa Monica Business Park property.

The following table presents the location in the financial statements of the gains or losses recognized related to the Company's cash flow hedges for the three and six months ended June 30, 2024 and 2023 (in thousands):

	Three months ended June 30, 2024	Three months ended June 30, 2023	Six months ended June 30, 2024	Six months ended June 30, 2023
Amount of gain (loss) related to the effective portion recognized in other comprehensive income (1)	$ 936	$ 14,965	$ 17,287	$ 8,427
Amount of gain (loss) related to the effective portion subsequently reclassified to earnings (2)	$ 3,081	$ 1,674	$ 6,441	$ 3,349
Amount of gain (loss) relate do the ineffective portion and amount excluded from effectiveness testing	$ —	$ —	$ —	$ —

(1) Includes the Company's share of gain (loss) related to the effective portion of derivatives outstanding at its unconsolidated joint venture properties.
(2) Includes amounts from previous interest rate programs.

BPLP has formally documented all of its relationships between hedge instruments and hedging items, as well as its risk-management objectives and strategy for undertaking various hedge transactions. While management believes its judgments are reasonable, a change in a derivative's effectiveness as a hedge could materially affect expenses, net income (loss) and equity.

Ineffective Hedging Instruments

During the year ended December 31, 2023, to satisfy a lender requirement, the Company entered into two agreements with the same third-party to purchase and sell a $600.0 million interest rate cap. The Company did not elect hedge accounting, and as such, any change in market value will be recognized in Gain (losses) from interest rate contracts in the Consolidated Statement of Operations. For the three and six months ended June 30, 2024 and 2023, the Company recognized no impact to its Consolidated Statement of Operations from entering into these agreements.

8. Commitments and Contingencies

General

In the normal course of business, the Company guarantees its performance of services or indemnifies third parties against its negligence. In addition, in the normal course of business, the Company guarantees to certain tenants the obligations of the Company's subsidiaries to pay tenant improvement allowances and brokerage commissions in connection with their leases and limited costs arising from delays in delivery of their premises.

The Company had letter of credit and performance obligations related to lender and development requirements that total approximately $21.5 million at June 30, 2024.

Certain of the Company’s joint venture agreements include provisions whereby, at certain specified times, each partner has the right to initiate a purchase or sale of its interest in the joint ventures. From time to time, under certain of the Company’s joint venture agreements, if certain return thresholds are achieved, either the Company or its partners may be entitled to an additional promoted interest or payments.

From time to time, the Company (or ventures in which the Company has an ownership interest) has agreed, and may in the future agree, to (1) guarantee portions of the principal, interest and other amounts in connection with their borrowings, (2) provide customary environmental indemnifications and nonrecourse carve-outs (e.g., guarantees against fraud, misrepresentation and bankruptcy) in connection with their borrowings and (3) provide guarantees to lenders, tenants and other third parties for the completion of development projects. The Company has agreements with its outside or joint venture partners whereby the partners agree to reimburse the joint venture for their share of any payments made under the guarantee. In some cases, the Company earns a fee from the applicable joint venture for providing the guarantee.

In connection with the refinancing of 767 Fifth Avenue’s (the General Motors Building) secured loan by the Company’s consolidated joint venture entity, 767 Venture, LLC, the Company guaranteed the consolidated entity’s obligation to fund various reserves for tenant improvement costs and allowances, leasing commissions and free rent obligations in lieu of cash deposits. As of June 30, 2024, the maximum funding obligation under the guarantee was approximately $8.5 million. The Company earns a fee from the joint venture for providing the guarantee and has an agreement with the outside partners to reimburse the joint venture for their share of any payments made under the guarantee. As of June 30, 2024, no amounts related to the guarantee were recorded as liabilities in the Company’s consolidated financial statements.

In connection with the sale of Metropolitan Square, an approximately 657,000 square foot office building in Washington, DC in which the Company had a 20% equity interest, the Company agreed to become a co-lender of up to $20.0 million under a mezzanine loan. The mezzanine loan has a maximum principal amount of $100.0 million, and it is subordinate only to an existing senior loan. The mezzanine loan may be drawn upon for future lease-up, operating and other costs on an as needed basis, and amounts borrowed will bear interest at a per annum rate of 12%, compounded monthly. As of June 30, 2024, the Company has funded approximately $3.1 million under the mezzanine loan.

Legal Matters

The Company is subject to various legal proceedings and claims that arise in the ordinary course of business. These matters are generally covered by insurance. Management believes that the final outcome of such matters will not have a material adverse effect on the financial position, results of operations or liquidity of the Company.

In connection with the acquisition of a premier workplace in New York City in 2010, the Company entered into an agreement with the seller pursuant to which the seller could earn various fees based on the future leasing performance of the property. The Company initially accrued approximately $1.5 million as an estimate of the fees it would owe the seller. The seller filed suit against the Company claiming that consideration significantly in excess of the initial reserve amount is owed under the agreement in 2020. The disagreement between the Company and the seller involves material issues of contract interpretation and, more importantly, the method of calculating fees, including various inputs (both facts and assumptions) that drive the calculation. In February 2024, a summary judgment was issued interpreting certain sections of the agreement in favor of the seller’s claims. The Company believes it has meritorious defenses to the seller’s claims, is disputing the seller’s calculations and intends to continue defending itself vigorously. However, there can be no assurance that the Company will prevail in the lawsuit. If the court ultimately agrees with the seller’s calculations, then amounts due to the seller could theoretically be as high as the additional $31 million claimed in the seller’s complaint, plus interest. Although the Company rejects those calculations, there can be no assurance that the Company’s ultimate liability will not be significantly greater than its established accrual.

On April 26, 2024, Brammer Bio MA, LLC (“Brammer”), a subsidiary of Thermo Fisher Scientific Inc. and an abutter to the Company’s 290 Binney Street development project located in Cambridge, Massachusetts, filed a complaint in Superior Court in Suffolk County, Massachusetts against the Company relating to certain ongoing construction activities.

In the first quarter of 2023, the Company commenced development of 290 Binney Street, an approximately 573,000 net rentable square foot laboratory/life sciences property that is 100% pre-leased to AstraZeneca Pharmaceuticals (“AstraZeneca”). The Company has a 55% interest in the joint venture that owns 290 Binney Street. Brammer subleases the premises at 250 Binney Street, the Company’s approximately 67,000 net rentable square foot life sciences property that is adjacent to 290 Binney Street.

Brammer alleges that, as a result of the Company’s construction of 290 Binney Street, it is threatened with irreparable harm due to intrusion onto the 250 Binney Street premises and the loss of its property rights. Brammer also alleges that the 290 Binney Street development project has caused and is causing major disruption to its manufacturing operations, and that it has suffered and will continue to suffer damages in the form of losses to its clients and customers. Brammer brought the action for quiet title, breach of contract, trespass and nuisance, and it is seeking declaratory and injunctive relief and specific performance purportedly to protect its property interests in the premises located at 250 Binney Street.

The Company believes it has meritorious defenses against Brammer’s claims and intends to defend against them vigorously. However, there can be no assurance the Company will prevail in the litigation. If the Company is enjoined from further construction activities, it could suffer delays in construction that could result in its failure to deliver a completed building on the schedule contemplated by the Company’s lease with AstraZeneca or at all, and this could result in owing financial penalties to AstraZeneca and other third parties. Although the Company is unable to estimate a range of loss for all related matters for which losses are reasonably possible, if the court grants injunctive relief or awards monetary damages to Brammer, it could have a material adverse effect on the Company’s results of operations and financial condition.

On May 16, 2024, Brammer’s motion for a preliminary injunction was denied by the trial court. Brammer subsequently appealed that decision, electing pursuant to Massachusetts civil procedure rules to petition for appeals to both a single justice of the Massachusetts Appeals Court and to a full appellate panel. On July 16, 2024, the single justice assigned to the appeal issued an order declining to rule on the substance of the appeal petition, which means that the appeal will be decided by the full panel. A date has not yet been set for the full panel hearing.

Insurance

The Company’s property insurance program per occurrence limits are $1.0 billion for its portfolio insurance program, including coverage for acts of terrorism other than nuclear, biological, chemical or radiological terrorism (“Terrorism Coverage”). The Company also carries $1.35 billion of property insurance in excess of the $1.0 billion of coverage in the Company’s property insurance program for 601 Lexington Avenue, New York, New York, consisting of $750 million of property and Terrorism Coverage in excess of the Company’s property insurance program and $600 million of Terrorism Coverage only in excess of the $1.75 billion of coverage. Certain properties, including the General Motors Building located at 767 Fifth Avenue in New York, New York (“767 Fifth Avenue”), are currently insured in separate insurance programs. The property insurance program per occurrence limits for 767 Fifth Avenue are $1.625 billion, including Terrorism Coverage. The Company also currently carries nuclear, biological, chemical and radiological terrorism insurance coverage for acts of terrorism certified under the Federal Terrorism Risk Insurance Act (as amended, “TRIA”) (“NBCR Coverage”), which is provided by IXP as a direct insurer, for the properties in the Company’s portfolio, including 767 Fifth Avenue, but excluding certain other properties owned in joint ventures with third parties or which the Company manages. The per occurrence limit for NBCR Coverage is $1.0 billion. Under TRIA, after the payment of the required deductible and coinsurance, the NBCR Coverage provided by IXP is backstopped by the Federal Government if the aggregate industry insured losses resulting from a certified act of terrorism exceed a “program trigger.” The program trigger is $200 million, the coinsurance is 20% and the deductible is 20% of the premiums earned by the insurer for the year prior to a claim. If the Federal Government pays out for a loss under TRIA, it is mandatory that the Federal Government recoup the full amount of the loss from insurers offering TRIA coverage after the payment of the loss pursuant to a formula in TRIA. The Company may elect to terminate the NBCR Coverage if the Federal Government seeks recoupment for losses paid under TRIA, if TRIA is not extended after its expiration on December 31, 2027, if there is a change in its portfolio or for any other reason. The Company intends to continue to monitor the scope, nature and cost of available terrorism insurance.

The Company also currently carries earthquake insurance on its properties located in areas known to be subject to earthquakes. Specifically, the Company currently carries earthquake insurance which covers its San Francisco and Los Angeles regions with a $330 million per occurrence limit, and a $330 million annual aggregate limit, $30 million of which is provided by IXP, as a direct insurer. This insurance is subject to a deductible in the amount of 5% of the value of the affected property. In addition, the Company currently carries earthquake insurance which covers its Seattle region with a $110 million per occurrence limit, and a $110 million annual aggregate limit. This insurance is subject to a deductible in the amount of 2% of the value of the affected property. The amount of the Company's earthquake insurance coverage may not be sufficient to cover losses from earthquakes. In addition, the amount of earthquake coverage could impact the Company's ability to finance properties subject to earthquake risk. The Company may discontinue earthquake insurance or change the structure of its earthquake insurance program on some or all of its properties in the future if the premiums exceed the Company's estimation of the value of the coverage.

IXP, a captive insurance company which is a wholly-owned subsidiary of the Company, acts as a direct insurer with respect to a portion of the Company's earthquake insurance coverage for its Greater San Francisco and Los Angeles properties and the Company's NBCR Coverage. Insofar as the Company owns IXP, it is responsible for its liquidity and capital resources, and the accounts of IXP are part of the Company's consolidated financial statements. In particular, if a loss occurs which is covered by the Company's NBCR Coverage but is less than the applicable program trigger under TRIA, IXP would be responsible for the full amount of the loss without any backstop by the Federal Government. IXP would also be responsible for any recoupment charges by the Federal Government in the event losses are paid out and its insurance policy is maintained after the payout by the Federal Government. If the Company experiences a loss and IXP is required to pay under its insurance policy, the Company would ultimately record the loss to the extent of the required payment. Therefore, insurance coverage provided by IXP should not be considered as the equivalent of third-party insurance, but rather as a modified form of self-insurance. In addition, BPLP has issued a guarantee to cover liabilities of IXP in the amount of $20.0 million.

The Company continues to monitor the state of the insurance market in general, and the scope and costs of coverage for acts of terrorism, earthquakes, pandemics and cybersecurity incidents, in particular, but the Company cannot anticipate what coverage will be available on commercially reasonable terms in future policy years. There are other types of losses, such as from wars, for which the Company cannot obtain insurance at all or at a reasonable cost. With respect to such losses and losses from acts of terrorism, earthquakes, pandemics or other catastrophic events, if the Company experiences a loss that is uninsured or that exceeds policy limits, the Company could lose the capital invested in the damaged properties, as well as the anticipated future revenues from those properties. Depending on the specific circumstances of each affected property, it is possible that the Company could be liable for mortgage indebtedness or other obligations related to the property. Any such loss could materially and adversely affect the Company's business, financial condition and results of operations.

9. Noncontrolling Interests

Noncontrolling interests relate to the interests in BPLP not owned by BXP and interests in consolidated property partnerships not wholly-owned by the Company. As of June 30, 2024, the noncontrolling interests in BPLP consisted of the following:

OP Units	LTIP Units (1)	2022 MYLTIP Units	2023 MYLTIP Units	2024 MYLTIP Units
16,454,712	2,681,580	252,151	322,053	330,479

(1) Includes 666,405 LTIP Units earned by employees under the Company's multi-year long-term incentive awards granted between 2012 and 2021 (i.e., 2012 OPP and 2013 - 2021 MYLTIP awards).

Noncontrolling Interest—Common Units

During the six months ended June 30, 2024, 76,906 OP Units were presented by the holders for redemption (including an aggregate of 56,489 OP Units issued upon conversion of LTIP Units, 2012 OPP Units and MYLTIP Units) and were redeemed by BXP in exchange for an equal number of shares of Common Stock.

At June 30, 2024, BPLP had outstanding the 2022 - 2024 MYLTIP Units. Prior to the end of the respective three-year performance period for each plan, holders of MYLTIP Units are entitled to receive per unit distributions equal to one-tenth (10%) of the regular quarterly distributions payable on an OP Unit, but will not be entitled to receive any special distributions. After the three-year performance period for each plan has ended, (1) the number of MYLTIP Units, both vested and unvested, that MYLTIP award recipients have earned, if any, based on the establishment of a performance pool, will be entitled to receive distributions in an amount per unit equal to distributions, both regular and special, payable on an OP Unit and (2) with respect to the 2022 - 2024 MYLTIP Units, the Company will make a “catch-up” cash payment on the MYLTIP Units that are ultimately earned in an amount equal to the regular and special dividends, if any, declared during the performance period on a number of shares of

Common Stock agreed to the number of 2022 - 2024 MYLTIP Units that are earned, less the distributions actually paid during the performance period on all of the awarded 2022 - 2024 MYLTIP Units.

On February 1, 2024, the measurement period for the Company's 2021 MYLTIP awards ended and, based on BXP's absolute and relative TSR performance, the final payout was determined to be 112% of target, or an aggregate of approximately $12.6 million (after giving effect to employee separations). As a result, an aggregate of 155,625 2021 MYLTIP Units that had been previously granted were automatically forfeited.

The following table presents BPLP's distributions on the OP Units and LTIP Units and MYLTIP Units paid or declared in 2024 and during the six months ended June 30, 2023:

Record Date	Payment Date	Distributions per OP Unit and LTIP Unit	Distributions per MYLTIP Unit
June 28, 2024	July 31, 2024	$0.98	$0.098
March 28, 2024	April 30, 2024	$0.98	$0.098
December 29, 2023	January 30, 2024	$0.98	$0.098
June 30, 2023	July 31, 2023	$0.98	$0.098
March 31, 2023	April 28, 2023	$0.98	$0.098
December 30, 2022	January 30, 2023	$0.98	$0.098

A holder of an OP Unit may present the OP Unit to BPLP for redemption at any time (subject to restrictions agreed upon at the time of issuance of OP Units to particular holders that may restrict such redemption right for a period of time, generally one year from issuance). Upon presentation of an OP Unit for redemption, BPLP must redeem the OP Unit for cash equal to the then value of a share of Common Stock of BXP. BXP may, in its sole discretion, elect to assume and satisfy the redemption obligation by paying either cash or issuing one share of Common Stock. The value of the OP Units (other than OP Units owned by BXP), and LTIP Units (including the 2012 OPP Units and 2013 - 2021 MYLTIP Units), assuming in each case that all conditions had been met for the conversion thereof, had all of such units been redeemed at June 30, 2024 was approximately $1.2 billion based on the last reported price of a share of Common Stock on the New York Stock Exchange of $61.56 per share on June 28, 2024.

Noncontrolling Interests—Property Partnerships

The noncontrolling interests in property partnerships consist of the outside equity interests in ventures that are consolidated with the financial results of the Company because the Company exercises control over the entities that own the properties. The equity interests in these ventures that are not owned by the Company, totaling approximately $1.8 billion and $1.6 billion at June 30, 2024 and December 31, 2023, respectively, are included in Noncontrolling Interests—Property Partnerships on the accompanying Consolidated Balance Sheets.

On March 21, 2024, the Company completed the sale of a 45% interest in 290 Binney Street in Cambridge, Massachusetts. The institutional investor funded approximately $97.2 million in cash at closing, which is less than 45% of the agreed upon carrying value of the property immediately prior to the transaction. The institutional investor will fund all construction costs until its equity balance is proportionate to its ownership percentage, after which the Company and the institutional investor will fund the development project based on their respective ownership interests. The Company retains a 55% ownership interest in the joint venture. The transaction did not qualify as a sale of real estate for financial reporting purposes as the Company continues to effectively control the property and thus will continue to account for the property on a consolidated basis in its financial statements and no gain was recognized in the Consolidated Statements of Operations. The Company provides customary development, property management and leasing services to the joint venture.

The Company has accounted for the transaction as an equity transaction and as of March 21, 2024 has recognized noncontrolling interest in its Consolidated Balance Sheets totaling approximately $104.6 million, which is equal to 45% of the aggregate carrying value of the total equity of the property immediately prior to the transaction. The difference between the cash proceeds received and the noncontrolling interest recognized, which was approximately $7.5 million, has been reflected as a decrease in additional paid-in capital in the Company's Consolidated Balance Sheets. At the end of each reporting period, there will be a reallocation of the partners' equity balances such that the ending balance in each partners' capital account reflects each partners' claim on net assets.

These adjustments will impact additional paid-in capital and noncontrolling interest in property partnerships in the Company's Consolidated Balance Sheets. For the three and six months ended June 30, 2024, the adjustment was approximately $(15.7) million and $35.0 million, respectively.

290 Binney Street is an approximately 573,000 net rentable square foot laboratory/life sciences development project located in Cambridge, Massachusetts. The development project is 100% pre-leased to a life sciences company.

10. Stockholders' Equity / Partners' Capital

As of June 30, 2024, BXP had 157,097,841 shares of Common Stock outstanding.

As of June 30, 2024, BXP owned 1,762,341 general partnership units and 155,335,500 limited partnership units in BPLP.

On May 17, 2023, BXP renewed its "at the market" ("ATM") stock offering program through which it may sell from time to time up to an aggregate of $600.0 million of its Common Stock through sales agents over a three-year period. Under the ATM stock offering program, BXP may also engage in forward sale transactions with affiliates of certain sales agents for the sale of its Common Stock on a forward basis. This program replaced BXP's prior $600.0 million ATM stock offering program that was scheduled to expire on May 22, 2023. BXP intends to use the net proceeds from any offering for general business purposes, which may include investment opportunities and debt reduction. No shares of Common Stock have been issued under this ATM stock offering program.

During the six months ended June 30, 2024, BXP issued 76,906 shares of Common Stock in connection with the redemption of an equal number of redeemable OP Units from limited partners.

The following table presents BXP's dividends per share and BPLP's distributions per OP Unit and LTIP Unit paid or declared in 2024 and during the six months ended June 30, 2023:

Record Date	Payment Date	Dividend (Per Share)	Distribution (Per Unit)
June 28, 2024	July 31, 2024	$0.98	$0.98
March 28, 2024	April 30, 2024	$0.98	$0.98
December 29, 2023	January 30, 2024	$0.98	$0.98
June 30, 2023	July 31, 2023	$0.98	$0.98
March 31, 2023	April 28, 2023	$0.98	$0.98
December 30, 2022	January 30, 2023	$0.98	$0.98

11. Segment Information

The following tables present reconciliations of Net Income Attributable to BXP, Inc. to the Company's share of Net Operating Income and Net Income Attributable to Boston Properties Limited Partnership to the Company's share of Net Operating Income for the three and six months ended June 30, 2024 and 2023.

BXP

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
	(in thousands)			
Net income attributable to BXP, Inc.	$ 79,615	$ 104,299	$ 159,498	$ 182,215
Add:				
Noncontrolling interest—common units of the Operating Partnership	9,509	12,117	19,009	21,169
Noncontrolling interests in property partnerships	17,825	19,768	35,046	38,428
Interest expense	149,642	142,473	311,533	276,680
Impairment loss	—	—	13,615	—
Net operating income from unconsolidated joint ventures	31,587	42,254	67,017	83,010
Depreciation and amortization expense	219,542	202,577	438,258	411,311
Transaction costs	189	308	702	1,219
Payroll and related costs from management services contracts	4,148	4,609	8,441	9,844
General and administrative expense	44,109	44,175	94,127	99,977
Less:				
Net operating income attributable to noncontrolling interests in property partnerships	47,391	47,958	93,961	95,055
Unrealized gain on non-real estate investment	58	124	454	383
Gains from investments in securities	315	1,571	2,587	3,236
Interest and other income (loss)	10,788	17,343	25,317	28,284
Income (loss) from unconsolidated joint ventures	(5,799)	(6,668)	13,387	(14,237)
Direct reimbursements of payroll and related costs from management services contracts	4,148	4,609	8,441	9,844
Development and management services revenue	6,352	9,858	12,506	18,838
Company’s share of Net Operating Income	$ 492,913	$ 497,785	$ 990,593	$ 982,450

BPLP

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
	(in thousands)			
Net income attributable to Boston Properties Limited Partnership	$ 90,827	$ 118,098	$ 181,907	$ 206,928
Add:				
Noncontrolling interests in property partnerships	17,825	19,768	35,046	38,428
Interest expense	149,642	142,473	311,533	276,680
Impairment loss	—	—	13,615	—
Net operating income from unconsolidated joint ventures	31,587	42,254	67,017	83,010
Depreciation and amortization expense	217,839	200,895	434,858	407,767
Transaction costs	189	308	702	1,219
Payroll and related costs from management services contracts	4,148	4,609	8,441	9,844
General and administrative expense	44,109	44,175	94,127	99,977
Less:				
Net operating income attributable to noncontrolling interests in property partnerships	47,391	47,958	93,961	95,055
Unrealized gain on non-real estate investment	58	124	454	383
Gains from investments in securities	315	1,571	2,587	3,236
Interest and other income (loss)	10,788	17,343	25,317	28,284
Income (loss) from unconsolidated joint ventures	(5,799)	(6,668)	13,387	(14,237)
Direct reimbursements of payroll and related costs from management services contracts	4,148	4,609	8,441	9,844
Development and management services revenue	6,352	9,858	12,506	18,838
Company’s share of Net Operating Income	$ 492,913	$ 497,785	$ 990,593	$ 982,450

Net operating income (“NOI”) is a non-GAAP financial measure equal to net income attributable to BXP, Inc. and net income attributable to Boston Properties Limited Partnership, as applicable, the most directly comparable GAAP financial measures, plus (1) net income attributable to noncontrolling interests, interest expense, impairment loss, depreciation and amortization expense, transaction costs, payroll and related costs from management services contracts and corporate general and administrative expense less (2) unrealized gain on non-real estate investment, gains from investments in securities, interest and other income (loss), income (loss) from unconsolidated joint ventures, direct reimbursements of payroll and related costs from management services contracts and development and management services revenue. The Company believes NOI is useful to investors as a performance measure and believes it provides useful information to investors regarding its results of operations and financial condition because, when compared across periods, it reflects the impact on operations from trends in occupancy rates, rental rates, operating costs and acquisition and development activity on an unleveraged basis, providing perspective not immediately apparent from net income attributable to BXP, Inc. and net income attributable to Boston Properties Limited Partnership. For example, interest expense is not necessarily linked to the operating performance of a real estate asset and is often incurred at the corporate level as opposed to the property level. Similarly, interest expense may be incurred at the property level even though the financing proceeds may be used at the corporate level (e.g., used for other investment activity). In addition, depreciation and amortization expense, because of historical cost accounting and useful life estimates, may distort operating performance measures at the property level. NOI presented by the Company may not be comparable to NOI reported by other REITs or real estate companies that define NOI differently.

The Company’s internal reporting utilizes its share of NOI, which includes its share of NOI from consolidated and unconsolidated joint ventures, which is a non-GAAP financial measure that is calculated as the consolidated amount, plus the Company’s share of the amount from the Company’s unconsolidated joint ventures (calculated based upon the Company’s economic percentage ownership interest and, in some cases, after priority allocations), less the Company's partners' share of the amount from the Company's consolidated joint ventures (calculated based upon the partners' economic percentage ownership interests and, in some cases, after priority allocations, income allocation to private REIT shareholders and their share of fees due to the Company). The Company's share of NOI from unconsolidated joint ventures, as defined above, also does not include its share of losses from early extinguishment of debt, unrealized gain on derivative instruments and gain on sale / consolidation, all of which are included within Income (Loss) from Unconsolidated Joint Ventures in the Company's Consolidated Statements of Operations. Management utilizes its share of NOI in assessing its performance as the Company has several significant joint ventures and, in some cases, the Company exercises significant influence over, but does not control, the joint venture, in which case GAAP requires that the Company account for the joint venture entity using the equity method of accounting and the Company does not consolidate it for financial reporting purposes. In other cases, GAAP requires that the Company consolidate the venture even though the Company's partner(s) owns a significant percentage interest. As a result, the presentations of the Company's share of NOI should not be considered a substitute for, and should only be considered together with and as a supplement to, the Company's financial information presented in accordance with GAAP.

Asset information by segment is not reported because the Company does not use this measure to assess performance. Therefore, depreciation and amortization expense is not allocated among segments. Interest expense, impairment loss, depreciation and amortization expense, transaction costs, payroll and related costs from management services contracts, corporate general and administrative expense, unrealized gain on non-real estate investment, gains from investments in securities, interest and other income (loss), income (loss) from unconsolidated joint ventures, direct reimbursements of payroll and related costs from management services contracts and development and management services revenue are not included in NOI and are provided as reconciling items to the Company's reconciliations of its share of NOI to net income.

The Company's segments are based on the Company's method of internal reporting which classifies its operations by geographic area. The Company's segments by geographic area are Boston, Los Angeles, New York, San Francisco, Seattle and Washington, DC. The Company also presents information for each segment by property type, including Premier Workplace (which includes office, life sciences and retail), Residential and Hotel.

Information by geographic area and property type (dollars in thousands):

For the three months ended June 30, 2024:

	Boston	Los Angeles	New York	San Francisco	Seattle	Washington, DC	Total
Rental Revenue: (1)							
Premier Workplace	$ 285,352	$ 18,472	$ 261,805	$ 131,709	$ 10,520	$ 105,086	$ 812,944
Residential	4,272	—	—	3,318	—	4,636	12,226
Hotel	14,812	—	—	—	—	—	14,812
Total	304,436	18,472	261,805	135,027	10,520	109,722	839,982
% of Grand Totals	36.25 %	2.20 %	31.17 %	16.07 %	1.25 %	13.06 %	100.00 %
Rental Expenses:							
Premier Workplace	108,908	6,767	108,476	48,668	3,290	39,578	315,687
Residential	1,543	—	—	2,169	—	2,027	5,739
Hotel	9,839	—	—	—	—	—	9,839
Total	120,290	6,767	108,476	50,837	3,290	41,605	331,265
% of Grand Totals	36.31 %	2.04 %	32.75 %	15.35 %	0.99 %	12.56 %	100.00 %
Net operating income	$ 184,146	$ 11,705	$ 153,329	$ 84,190	$ 7,230	$ 68,117	$ 508,717
% of Grand Totals	36.20 %	2.30 %	30.14 %	16.55 %	1.42 %	13.39 %	100.00 %
Less: Net operating income attributable to noncontrolling interests in property partnerships	(10,924)	—	(36,467)	—	—	—	(47,391)
Add: Company’s share of net operating income from unconsolidated joint ventures	8,691	7,035	3,158	4,411	1,938	6,354	31,587
Company’s share of net operating income	$ 181,913	$ 18,740	$ 120,020	$ 88,601	$ 9,168	$ 74,471	$ 492,913
% of Grand Totals	36.91 %	3.80 %	24.35 %	17.97 %	1.86 %	15.11 %	100.00 %

(1) Rental Revenue is equal to Total Revenue per the Company’s Consolidated Statements of Operations, less Development and Management Services Revenue and Direct Reimbursements of Payroll and Related Costs from Management Services Contracts Revenue per the Consolidated Statements of Operations.

For the three months ended June 30, 2023:

	Boston	Los Angeles	New York	San Francisco	Seattle	Washington, DC	Total
Rental Revenue: (1)							
Premier Workplace	$ 269,464	$ —	$ 262,979	$ 136,241	$ 17,060	$ 90,720	$ 776,464
Residential	4,124	—	—	3,864	—	4,265	12,253
Hotel	13,969	—	—	—	—	—	13,969
Total	287,557	—	262,979	140,105	17,060	94,985	802,686
% of Grand Totals	35.83 %	— %	32.76 %	17.45 %	2.13 %	11.83 %	100.00 %
Rental Expenses:							
Premier Workplace	95,597	—	102,948	48,197	3,082	35,429	285,253
Residential	1,601	—	—	2,215	—	1,967	5,783
Hotel	8,161	—	—	—	—	—	8,161
Total	105,359	—	102,948	50,412	3,082	37,396	299,197
% of Grand Totals	35.21 %	— %	34.41 %	16.85 %	1.03 %	12.50 %	100.00 %
Net operating income	$ 182,198	$ —	$ 160,031	$ 89,693	$ 13,978	$ 57,589	$ 503,489
% of Grand Totals	36.19 %	— %	31.78 %	17.81 %	2.78 %	11.44 %	100.00 %
Less: Net operating income attributable to noncontrolling interests in property partnerships	(11,343)	—	(36,615)	—	—	—	(47,958)
Add: Company's share of net operating income from unconsolidated joint ventures	8,771	12,768	3,363	3,332	1,878	12,142	42,254
Company's share of net operating income	$ 179,626	$ 12,768	$ 126,779	$ 93,025	$ 15,856	$ 69,731	$ 497,785
% of Grand Totals	36.08 %	2.56 %	25.47 %	18.69 %	3.19 %	14.01 %	100.00 %

(1) Rental Revenue is equal to Total Revenue per the Company's Consolidated Statements of Operations, less Development and Management Services Revenue and Direct Reimbursements of Payroll and Related Costs from Management Services Contracts Revenue per the Consolidated Statements of Operations.

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For the six months ended June 30, 2024:

	Boston	Los Angeles	New York	San Francisco	Seattle	Washington, DC	Total
Rental Revenue: (1)							
Premier Workplace	$ 565,818	$ 38,873	$ 522,614	$ 264,323	$ 21,430	$ 208,008	$ 1,621,066
Residential	8,468	—	—	7,276	—	9,166	24,910
Hotel	22,998	—	—	—	—	—	22,998
Total	597,284	38,873	522,614	271,599	21,430	217,174	1,668,974
% of Grand Totals	35.80 %	2.33 %	31.31 %	16.27 %	1.28 %	13.01 %	100.00 %
Rental Expenses:							
Premier Workplace	214,079	13,334	215,957	95,610	6,371	78,807	624,158
Residential	3,136	—	—	4,387	—	3,902	11,425
Hotel	15,854	—	—	—	—	—	15,854
Total	233,069	13,334	215,957	99,997	6,371	82,709	651,437
% of Grand Totals	35.77 %	2.05 %	33.15 %	15.35 %	0.98 %	12.70 %	100.00 %
Net operating income	$ 364,215	$ 25,539	$ 306,657	$ 171,602	$ 15,059	$ 134,465	$ 1,017,537
% of Grand Totals	35.80 %	2.51 %	30.14 %	16.86 %	1.48 %	13.21 %	100.00 %
Less: Net operating income attributable to noncontrolling interests in property partnerships	(21,980)	—	(71,981)	—	—	—	(93,961)
Add: Company's share of net operating income from unconsolidated joint ventures	17,448	14,283	9,142	9,565	3,814	12,765	67,017
Company's share of net operating income	$ 359,683	$ 39,822	$ 243,818	$ 181,167	$ 18,873	$ 147,230	$ 990,593
% of Grand Totals	36.31 %	4.02 %	24.61 %	18.29 %	1.91 %	14.86 %	100.00 %

(1) Rental Revenue is equal to Total Revenue per the Company's Consolidated Statements of Operations, less Development and Management Services Revenue and Direct Reimbursements of Payroll and Related Costs from Management Services Contracts Revenue per the Consolidated Statements of Operations.

For the six months ended June 30, 2023:

	Boston	Los Angeles	New York	San Francisco	Seattle	Washington, DC	Total
Rental Revenue: (1)							
Premier Workplace	$ 539,415	$ —	$ 521,171	$ 272,334	$ 31,318	$ 181,384	$ 1,545,622
Residential	8,173	—	—	7,506	—	8,300	23,979
Hotel	22,070	—	—	—	—	—	22,070
Total	569,658	—	521,171	279,840	31,318	189,684	1,591,671
% of Grand Totals	35.79 %	— %	32.74 %	17.58 %	1.97 %	11.92 %	100.00 %
Rental Expenses:							
Premier Workplace	195,646	—	205,433	94,282	6,042	69,695	571,098
Residential	3,153	—	—	4,388	—	3,705	11,246
Hotel	14,832	—	—	—	—	—	14,832
Total	213,631	—	205,433	98,670	6,042	73,400	597,176
% of Grand Totals	35.78 %	— %	34.40 %	16.52 %	1.01 %	12.29 %	100.00 %
Net operating income	$ 356,027	$ —	$ 315,738	$ 181,170	$ 25,276	$ 116,284	$ 994,495
% of Grand Totals	35.80 %	— %	31.75 %	18.22 %	2.54 %	11.69 %	100.00 %
Less: Net operating income attributable to noncontrolling interests in property partnerships	(22,160)	—	(72,895)	—	—	—	(95,055)
Add: Company's share of net operating income from unconsolidated joint ventures	17,348	25,993	7,013	6,796	3,724	22,136	83,010
Company's share of net operating income	$ 351,215	$ 25,993	$ 249,856	$ 187,966	$ 29,000	$ 138,420	$ 982,450
% of Grand Totals	35.75 %	2.65 %	25.43 %	19.13 %	2.95 %	14.09 %	100.00 %

(1) Rental Revenue is equal to Total Revenue per the Company's Consolidated Statements of Operations, less Development and Management Services Revenue and Direct Reimbursements of Payroll and Related Costs from Management Services Contracts Revenue per the Consolidated Statements of Operations.

12. Earnings Per Share / Common Unit

BXP

The following table provides a reconciliation of both the net income attributable to BXP, Inc. and the number of common shares used in the computation of basic earnings per share ("EPS"), which is calculated by dividing net income attributable to BXP, Inc. by the weighted-average number of common shares outstanding during the period. Unvested share-based payment awards that contain non-forfeitable rights to dividends or dividend equivalents (whether paid or unpaid) are also participating securities. As such, unvested restricted common stock of BXP and BPLP's LTIP Units, 2012 OPP Units and MYLTIP Units are considered participating securities. Participating securities are included in the computation of basic EPS of BXP using the two-class method. Participating securities are included in the computation of diluted EPS of BXP using the if-converted method if the impact is dilutive. Because the 2012 OPP Units and 2013 - 2021 MYLTIP Units required, and the 2022 - 2024 MYLTIP Units require, BXP to outperform certain performance thresholds, unless such thresholds have been met by the end of the applicable reporting period, BXP excludes such units from the diluted EPS calculation. Other potentially dilutive common shares, including stock options, restricted stock and other securities of BPLP that are exchangeable for BXP's Common Stock, and the related impact on earnings, are considered when calculating diluted EPS.

	Three months ended June 30, 2024		
	Income (Numerator)	Shares (Denominator)	Per Share Amount
	(in thousands, except for per share amounts)		
Basic Earnings:			
Net income attributable to BXP, Inc.	$ 79,615	157,039	$ 0.51
Effect of Dilutive Securities:			
Stock Based Compensation	—	252	—
Diluted Earnings:			
Net income attributable to BXP, Inc.	$ 79,615	157,291	$ 0.51

	Three months ended June 30, 2023		
	Income (Numerator)	Shares (Denominator)	Per Share Amount
	(in thousands, except for per share amounts)		
Basic Earnings:			
Net income attributable to BXP, Inc.	$ 104,299	156,826	$ 0.67
Effect of Dilutive Securities:			
Stock Based Compensation	—	392	(0.01)
Diluted Earnings:			
Net income attributable to BXP, Inc.	$ 104,299	157,218	$ 0.66

	Six months ended June 30, 2024		
	Income (Numerator)	Shares (Denominator)	Per Share Amount
	(in thousands, except for per share amounts)		
Basic Earnings:			
Net income attributable to BXP, Inc. common shareholders	$ 159,498	157,011	$ 1.02
Effect of Dilutive Securities:			
Stock Based Compensation	—	199	(0.01)
Diluted Earnings:			
Net income attributable to BXP, Inc. common shareholders	$ 159,498	157,210	$ 1.01

	Six months ended June 30, 2023		
	Income (Numerator)	Shares (Denominator)	Per Share Amount
	(in thousands, except for per share amounts)		
Basic Earnings:			
Net income attributable to BXP, Inc. common shareholders	$ 182,215	156,815	$ 1.16
Effect of Dilutive Securities:			
Stock Based Compensation	—	316	—
Diluted Earnings:			
Net income attributable to BXP, Inc. common shareholders	$ 182,215	157,131	$ 1.16

BPLP

The following table provides a reconciliation of both the net income attributable to Boston Properties Limited Partnership and the number of common units used in the computation of basic earnings per common unit, which is calculated by dividing net income attributable to Boston Properties Limited Partnership by the weighted-average number of common units outstanding during the period. Unvested share-based payment awards that contain non-forfeitable rights to dividends or dividend equivalents (whether paid or unpaid) are also participating securities. As such, unvested restricted common stock of BXP and BPLP's LTIP Units, 2012 OPP Units and MYLTIP Units are considered participating securities. Participating securities are included in the computation of basic earnings per common unit using the two-class method. Participating securities are included in the computation of diluted earnings per common unit using the if-converted method if the impact is dilutive. Because the 2012 OPP Units and 2013 - 2021 MYLTIP Units required, and the 2022 - 2024 MYLTIP Units require, BXP to outperform certain performance thresholds, unless such thresholds have been met by the end of the applicable reporting period, BPLP excludes such units from the diluted earnings per common unit calculation. Other potentially dilutive common units and the related impact on earnings are considered when calculating diluted earnings per common unit. Included in the number of units (the denominator) below are approximately 18,369,000 and 17,922,000 redeemable common units for the three months ended June 30, 2024 and 2023, respectively, and 18,321,000 and 17,878,000 redeemable common units for the six months ended June 30, 2024 and 2023, respectively.

	Three months ended June 30, 2024		
	Income (Numerator)	Units (Denominator)	Per Unit Amount
	(in thousands, except for per unit amounts)		
Basic Earnings:			
Net income attributable to Boston Properties Limited Partnership	$ 90,827	175,408	$ 0.52
Effect of Dilutive Securities:			
Stock Based Compensation	—	252	—
Diluted Earnings:			
Net income attributable to Boston Properties Limited Partnership	$ 90,827	175,660	$ 0.52

	Three months ended June 30, 2023		
	Income (Numerator)	Units (Denominator)	Per Unit Amount
	(in thousands, except for per unit amounts)		
Basic Earnings:			
Net income attributable to Boston Properties Limited Partnership	$ 118,098	174,748	$ 0.68
Effect of Dilutive Securities:			
Stock Based Compensation	—	392	(0.01)
Diluted Earnings:			
Net income attributable to Boston Properties Limited Partnership	$ 118,098	175,140	$ 0.67

	Six months ended June 30, 2024		
	Income (Numerator)	Units (Denominator)	Per Unit Amount
	(in thousands, except for per unit amounts)		
Basic Earnings:			
Net income attributable to Boston Properties Limited Partnership common unitholders	$ 181,907	175,332	$ 1.04
Effect of Dilutive Securities:			
Stock Based Compensation	—	199	—
Diluted Earnings:			
Net income attributable to Boston Properties Limited Partnership common unitholders	$ 181,907	175,531	$ 1.04

	Six months ended June 30, 2023		
	Income (Numerator)	Units (Denominator)	Per Unit Amount
	(in thousands, except for per unit amounts)		
Basic Earnings:			
Net income attributable to Boston Properties Limited Partnership common unitholders	$ 206,928	174,693	$ 1.18
Effect of Dilutive Securities:			
Stock Based Compensation	—	316	—
Diluted Earnings:			
Net income attributable to Boston Properties Limited Partnership common unitholders	$ 206,928	175,009	$ 1.18

13. Stock Option and Incentive Plan

On January 25, 2024, the Compensation Committee of BXP’s Board of Directors approved the grant of 2024 Multi-Year Long-Term Incentive Program (the “2024 MYLTIP”) awards under the Boston Properties, Inc. 2021 Stock Incentive Plan (the “2021 Plan”) to certain executive officers of BXP. The 2024 MYLTIP awards consists of three components. Two of the components, each weighted 40%, utilize BXP’s TSR over a three year measurement period as the performance metrics and the third component utilizes a leverage ratio as the performance metric. Earned awards will range from zero to a maximum of 330,479 LTIP Units depending on BXP’s performance under the three components, with a target of approximately 165,240 LTIP Units. Under ASC 718 “Compensation - Stock Compensation,” the 2024 MYLTIP awards have an aggregate value of approximately $11.1 million.

On February 1, 2024, the measurement period for the Company’s 2021 MYLTIP awards ended and, based on BXP’s absolute and relative TSR performance, the final payout was determined to be 112% of target, or an aggregate of approximately $12.6 million (after giving effect to employee separations). As a result, an aggregate of 155,625 2021 MYLTIP Units that had been previously granted were automatically forfeited.

During the six months ended June 30, 2024, BXP issued 83,316 shares of restricted common stock and BPLP issued 449,550 LTIP Units and 330,479 2024 MYLTIP Units to employees and non-employee directors under the 2021 Plan. Employees and non-employee directors paid $0.01 per share of restricted common stock and $0.25 per LTIP Unit and 2024 MYLTIP Unit. When issued, LTIP Units are not economically equivalent in value to a share of Common Stock, but over time can increase in value to one-for-one parity with Common Stock if there is sufficient appreciation in the value of the Company’s assets. The aggregate value of the LTIP Units is included in noncontrolling interests in the Consolidated Balance Sheets of BXP and BPLP. A substantial majority of the grants of restricted common stock and LTIP Units to employees vest in four equal annual installments. Restricted common stock is measured at fair value on the date of grant based on the number of shares granted and the closing price of BXP’s Common Stock on the date of grant as quoted on the New York Stock Exchange. Such value is recognized as an expense ratably over the corresponding employee service period. The shares of restricted common stock granted during the six months ended June 30, 2024 were valued at approximately $5.3 million. The LTIP Units granted were valued at approximately $26.6 million using a Monte Carlo simulation method model. Because the 2012 OPP Units and 2013 - 2024 MYLTIP Units are subject to both a service condition and a market condition, the Company recognizes the related compensation expense under the graded vesting attribution method. Under the graded vesting attribution method, each portion of the award that vests at a different date is accounted for as a separate award and recognized over the period appropriate to that portion so that the compensation cost for each portion should be recognized in full by the time that portion vests. The Company recognizes forfeitures as they occur on its awards of stock-based compensation. Dividends paid on both vested and unvested shares of restricted stock are charged directly to Dividends in Excess of Earnings in BXP, Inc.'s Consolidated Balance Sheets and Partners' Capital in Boston Properties Limited Partnership's Consolidated Balance Sheets. Aggregate stock-based compensation expense associated with restricted stock, LTIP Units and MYLTIP Units was approximately $16.0 million and $14.9 million for the three months ended June 30, 2024 and 2023, respectively, and $34.5 million and $40.9 million for the six months ended June 30, 2024 and 2023, respectively. At June 30, 2024, there was (1) an aggregate of approximately $28.9 million of unrecognized compensation expense related to unvested restricted stock and LTIP Units and (2) an aggregate of approximately $0.1 million of unrecognized compensation expense related to unvested 2022 - 2024 MYLTIP Units that is expected to be recognized over a weighted-average period of approximately 2.7 years.

14. Subsequent Events

On July 12, 2024, a joint venture in which the Company has a 20% ownership interest partially placed in-service Skymark, a luxury residential property located in Reston, Virginia, that consists of 508 residential units aggregating approximately 417,000 net rentable square feet across a five-story low-rise building and an iconic 39-story tower, which is one of the tallest buildings in Northern Virginia.

On July 18, 2024, a joint venture in which the Company has a 50% ownership interest extended by one year the maturity date of its loan collateralized by 100 Causeway Street. At the time of the extension, the loan had an outstanding balance totaling approximately $333.6 million, bore interest at Term SOFR plus 1.48% per annum, and was scheduled to mature on September 5, 2024. Following the extension, the loan will continue to bear interest at Term SOFR plus 1.48% per annum, and is scheduled to mature on September 5, 2025. 100 Causeway Street is an approximately 634,000 net rentable square foot premier workplace located in Boston, Massachusetts.

On July 22, 2024, the Company executed an amendment to the agreement with a third-party developer for the sale of a portion of the Company's Shady Grove property for approximately $24.7 million (See Note 3). Thereafter, the third-party developer completed their due diligence and their deposit of approximately $2.5 million became non-refundable. The properties under agreement comprise of 2 Choke Cherry Road, 2094 Gaither Road and a land parcel, located in Rockville, Maryland. The disposition is subject to satisfaction of customary closing conditions and there can be no assurance that this transaction will be consummated on the terms currently contemplated or at all.

ITEM 2—Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following discussion should be read in conjunction with the financial statements and notes thereto appearing elsewhere in this report.

This Quarterly Report on Form 10-Q, including the documents incorporated by reference, contain forward-looking statements within the meaning of the federal securities laws, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). We intend these forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995, and we are including this statement for purposes of complying with those safe harbor provisions, in each case, to the extent applicable. The forward-looking statements are contained principally, but not only, under the captions "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations." We caution investors that forward-looking statements are based on current beliefs, expectations of future events and assumptions made by, and information currently available to, our management. When used, the words "anticipate," "believe," "budget," "could," "estimate," "expect," "intend," "may," "might," "plan," "project," "should," "will" and similar expressions that do not relate solely to historical matters are intended to identify forward-looking statements. These statements are subject to risks, uncertainties and assumptions and are not guarantees of future performance or occurrences, which may be affected by known and unknown risks, trends, uncertainties and factors that are, in some cases, beyond our control. If one or more of these known or unknown risks or uncertainties materialize, or if underlying assumptions prove incorrect, actual results may vary materially from those expressed or implied by the forward-looking statements. We caution you that, while forward-looking statements reflect our good-faith beliefs when we make them, they are not guarantees of future performance or occurrences and are impacted by actual events when they occur after we make such statements. Accordingly, investors should use caution in relying on forward-looking statements, which are based on results and trends at the time they are made, to anticipate future results or trends.

The most significant factors that may cause actual results to differ materially from those expressed or implied by the forward-looking statements include the risks and uncertainties related to the impact of changes in general economic and capital market conditions, including continued inflation, high interest rates, supply chain disruptions, labor market disruptions, dislocation and volatility in capital markets, and potential longer-term changes in consumer and client behavior resulting from the severity and duration of any downturn in the U.S. or global economy, sustained changes in client preferences and space utilization, as well as the other important factors below and the risks described in (i) our Annual Report on Form 10-K for the fiscal year ended December 31, 2023 including those described under the caption "Risk Factors," (ii) our subsequent filings under the Exchange Act and (iii) the risk factors set forth in this Form 10-Q in Part II, Item 1A, if any.

Some of the risks and uncertainties that may cause our actual results, performance or achievements to differ materially from those expressed or implied by forward-looking statements include, among others, the following:

- volatile or adverse global economic and geopolitical conditions, health crises and dislocations in the credit markets could adversely affect economic conditions and/or restrict our access to cost-effective capital, which could have a material adverse effect on our business opportunities, results of operations and financial condition;
- general risks affecting the real estate industry (including, without limitation, the inability to enter into or renew leases, changes in client preferences and space utilization, dependence on clients' financial condition, and competition from other developers, owners and operators of real estate);
- failure to manage effectively our growth and expansion into new markets and sub-markets or to integrate acquisitions and developments successfully;
- the ability of our joint venture partners to satisfy their obligations;
- risks and uncertainties affecting property development and construction (including, without limitation, continued inflation, supply chain disruptions, labor shortages, construction delays, increased construction costs, cost overruns, inability to obtain necessary permits, client accounting considerations that may result in negotiated lease provisions that limit a client's liability during construction, and public opposition to such activities);
- risks associated with the availability and terms of financing and the use of debt to fund acquisitions and developments or refinance existing indebtedness, including the impact of higher interest rates on the cost and/or availability of financing;

- risks associated with forward interest rate contracts and derivatives and the effectiveness of such arrangements;
- risks associated with actual or threatened terrorist attacks;
- costs of compliance with the Americans with Disabilities Act and other similar laws;
- potential liability for uninsured losses and environmental contamination;
- risks associated with climate change and severe weather events, as well as the regulatory efforts intended to reduce the effects of climate change;
- risks associated with security breaches, incidents, and compromises through cyber-attacks, cyber intrusions or otherwise, as well as other significant disruptions of our information technology (IT) networks and related systems, which support our operations and our buildings;
- risks associated with legal proceedings and other claims that could result in substantial monetary damages and other costs;
- risks associated with BXP's potential failure to qualify as a REIT under the Internal Revenue Code of 1986, as amended;
- possible adverse changes in tax and environmental laws;
- the impact of newly adopted accounting principles on our accounting policies and on period-to-period comparisons of financial results;
- risks associated with possible state and local tax audits; and
- risks associated with our dependence on key personnel whose continued service is not guaranteed.

The risks set forth above are not exhaustive. Other sections of this report may include additional factors that could adversely affect our business and financial performance. Moreover, we operate in a very competitive and rapidly changing environment. New risk factors emerge from time to time and it is not possible for management to predict all risk factors, nor can we assess the impact of all risk factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. Given these risks and uncertainties, investors should not place undue reliance on forward-looking statements as a prediction of actual results. Investors should also refer to our most recent Annual Report on Form 10-K and Quarterly Reports on Form 10-Q for future periods and Current Reports on Form 8-K as we file them with the SEC, and to other materials we may furnish to the public from time to time through Current Reports on Form 8-K or otherwise, for a discussion of risks and uncertainties that may cause actual results, performance or achievements to differ materially from those expressed or implied by forward-looking statements. We expressly disclaim any responsibility to update any forward-looking statements to reflect changes in underlying assumptions or factors, new information, future events, or otherwise, and you should not rely upon these forward-looking statements after the date of this report.

Overview

BXP is one of the largest publicly traded office real estate investment trusts (REITs) (based on total market capitalization as of June 30, 2024) in the U.S. that develops, owns, and manages primarily premier workplaces. Our properties are concentrated in six dynamic gateway markets in the U.S. - Boston, Los Angeles, New York, San Francisco, Seattle and Washington, DC. BPLP is the entity through which BXP conducts substantially all of its business and owns (either directly or through subsidiaries) substantially all of its assets. We generate revenue and cash primarily by leasing premier workplaces to our clients. When making leasing decisions, we consider, among other things, the creditworthiness of the client and the industry in which it conducts business, the length of the lease, the rental rate to be paid at inception and throughout the lease term, the amount of any security deposit or letter of credit posted by the client, the costs of tenant improvements, free rent periods and other landlord concessions, anticipated operating expenses and real estate taxes, current and anticipated vacancy in our properties and the market overall (including sublease space), current and expected future demand for the space, the impact of other clients' expansion rights and general economic factors.

We believe our key competitive advantages are our commitment to the office asset class and to our clients as many competitors disinvest in the sector, a strong balance sheet with access to capital in the secured and unsecured debt and private equity markets, and one of the highest quality portfolios of premier workplaces in the U.S. assembled over several decades of intentional development, acquisitions and dispositions. Today, clients and their advisors are more focused than ever on these attributes for their building owners, which distinguishes BXP among its competitors.

Our core strategy has always been to develop, acquire and manage premier workplaces in gateway markets with high barriers-to-entry and attractive demand drivers, and to focus on executing long-term leases with financially strong clients that are diverse across market sectors.

This strategy is more valuable than ever as our clients are interested in premier workplaces in vibrant, amenitized, accessible and high-demand workplaces to encourage more in-person work. This interest has resulted in the acceleration of flight to quality in the office industry. Over the past several years, BXP's experience and performance has diverged from the larger market and media sentiment, as premier workplaces have outperformed the broader office market consistently and substantially. We believe this divergence validates our strategy and differentiates BXP from other office companies. Although overall leasing demand has still not returned to pre-pandemic levels, since the first quarter of 2021, premier workplaces in our five traditional central business district ("CBD") markets (Boston, New York, San Francisco, Seattle and Washington, DC) have consistently outperformed the broader office market in those CBDs on several key metrics, including occupancy, net absorption levels and rental rates. This outperformance is evident in BXP's portfolio where approximately 90% of our share of net operating income ("NOI") comes from predominantly premier workplaces located in CBDs. As of June 30, 2024, these CBD assets are 90.4% occupied and 92.2% leased (including vacant space for which we have signed leases that have not yet commenced in accordance with generally accepted accounting principles ("GAAP")). For a detailed discussion of our share of NOI, including the reasons management believes the metric is useful to investors and a reconciliation to the most comparable GAAP measure, see page 35.

As of June 30, 2024, the weighted-average remaining lease term (1) for our in-place leases, based on square feet, including those signed by our unconsolidated joint ventures but excluding residential units, was approximately 7.7 years, and (2) for our 20 largest clients, based on square feet, was approximately 10.3 years.

To be successful in any leasing environment, we believe we must consider all aspects of the client-landlord relationship. In this regard, we believe that our competitive leasing advantage is based on the following attributes:

- our understanding of our client's short- and long-term space utilization and amenity needs in the local markets;
- our track record of developing and operating premier workplaces in a sustainable and responsible manner;
- our reputation as a high-quality developer, owner and manager of premier workplaces in our markets;
- our financial strength, including our ability to fund our share of lease obligations and maintain premier building standards; and
- our relationships with local brokers.

Outlook

We continue to experience market tailwinds from the two most important external forces impacting BXP's performance: interest rates and corporate earnings growth. The U.S. inflation report released on July 11, 2024 reflected a 3% inflation rate for the 12 months ending in June 2024, which was lower than expected. This report sparked new forecasts of accelerated interest rate cuts by the Federal Reserve as well as lower market yields for the 10-year U.S. Treasury Note. Lower interest rates are favorable for real estate and BXP's valuation, as well as broader corporate earnings growth, which is the second important external factor driving BXP's performance. After remaining flat for all of 2023, S&P 500 earnings growth was 6.6% in the first quarter of 2024 and is expected to be approximately 9% for the second quarter. In our experience, companies with earnings growth are much more likely to invest, hire and lease additional space, which is consistent with our growing leasing volumes this year.

We are also experiencing moderate but steady increases in workers returning to the office based on the turnstile data we capture for roughly half of our portfolio. Corporations continue to push for increased office attendance, including a large technology company that recently announced its policy shift from primarily remote work to mandatory office attendance of three to five days per week depending on job function.

Although remote work continues to be a factor restraining demand for office space, we believe economic conditions are the primary driver of leasing activity. As overall earnings growth for our clients and potential clients improves, it should lead to employment growth and demand for office space over time. We expect our leasing, construction and property management teams will continue to lean on our operating prowess to gain new clients and market share as clients choose premier workplaces that are in sound financial condition for their office space, which will increase our occupancy over time.

The evolving operating environment impacts various aspects of our operating activities as:

- labor market conditions shift, which has gradually increased employer demand for mandatory in-person workdays;
- volatility in the capital markets has led companies to be more reticent in their capital outlays, including capital required for leasing new space;
- our capital costs have increased due to higher interest rates and credit spreads, and private market debt financing, both for construction and existing assets, is significantly more challenging to arrange; and
- construction costs have increased and, although much of the cost for our active development pipeline is fixed, the cost of potential future construction activity continues to increase.

In light of the uncertain trajectory of the U.S. and global economies, we continue to position BXP for success by increasing liquidity, managing our leverage, pursuing additional capital raising opportunities and maintaining discipline in discretionary capital expenditures, while continuing to selectively invest (including through both acquisitions and developments) in premier workplace opportunities. We remain focused on the following strategies:

- continuing to embrace our leadership position in the premier workplace segment and leveraging our strength in portfolio quality, client relationships, development skills, market penetration and sustainability to profitably build market share;
- leasing available space in our in-service and development properties, as well as proactively focusing on future lease expirations;
- completing the construction and leasing of our development properties;
- pursuing attractive asset class adjacencies where we have a track record of success, such as life sciences and residential development;
- continuing to raise the bar in the quality of our portfolio and actively recycling capital by selling assets, subject to market conditions, which we believe no longer fit within our portfolio strategy or could attract premium pricing in the current market;
- actively managing our operations in a sustainable and responsible manner; and
- prioritizing risk management by actively managing liquidity, investing more extensively with joint venture partners to manage our debt levels, and being highly selective in new investment commitments.

The following is an overview of leasing and investment activity in the second quarter of 2024 and recent business highlights.

Leasing Activity and Occupancy

We are experiencing an improving operating environment. Although all the markets we operate in still need consistent incremental absorption to constitute a macro recovery, we have started to see pockets of strength where low availability is driving constructive client behavior. As clients choose premier properties in sound financial condition, with building owners that are committed for the long term to their properties operated by the best property management teams, we expect to continue to be successful in gaining market share despite limited demand growth.

In the second quarter of 2024, we executed 73 leases totaling over 1.3 million square feet with a weighted-average lease term of approximately 9.0 years. The approximately 1.3 million square feet of leasing represents a 41% increase from the second quarter of 2023 and 93% of our 10-year leasing average for the second quarter.

BXP’s CBD portfolio of premier workplaces was 90.4% occupied and 92.2% leased (including vacant space for which we have signed leases that have not yet commenced in accordance with GAAP) at June 30, 2024. Approximately 90% of our share of NOI comes from assets located in our CBD portfolio, underscoring the strength of BXP’s strategy to invest in the highest quality buildings in dynamic urban gateway markets. For a detailed discussion of our share of NOI, including the reasons management believes the metric is useful to investors and a reconciliation to the most comparable GAAP measure, see page 35.

The overall occupancy of our in-service office and retail properties was 87.1% at June 30, 2024, a decrease of 110 basis points from March 31, 2024. This is consistent with our previously communicated expectations and is primarily due to expected lease expirations. We define occupancy as space with signed leases for which revenue recognition has commenced in accordance with GAAP. Including vacant space for which we have signed leases that have not yet commenced revenue recognition in accordance with GAAP, our in-service office and retail properties were approximately 89.1% leased at June 30, 2024.

Investment Activity

We remain in active pursuit of opportunities in our core markets and asset types with primarily two types of counterparties: lenders to highly leveraged assets that require recapitalization and institutional owners seeking to diversify from the office asset class. To date, there has been limited market transaction activity for higher-quality office assets, though increasingly owners are testing the market to understand pricing. With lenders, there are fewer premier workplaces that are struggling with leverage, and in the few cases involving premier workplaces, lenders are generally electing to extend loans to borrowers who agree to invest modestly in their assets. Institutional owners are less interested in selling their higher quality assets, and there remains a material bid-ask spread given that, in most cases, assets have not been marked down to market-clearing levels. Notwithstanding these current challenges, we expect that transactions and our investment activity will increase in the coming quarters given the volume of maturing financings, continued mark downs in institutional portfolios and prolonged high interest rates. We also have interest from institutional investors in co-investing with us for select opportunities.

As of June 30, 2024, our development/redevelopment pipeline consisted of 10 properties that, when completed, we expect will total approximately 3.1 million net rentable square feet. Our share of the estimated total cost for these projects is approximately $2.5 billion, of which approximately $1.3 billion remains to be invested. The commercial space in the pipeline, which excludes the residential projects, was 53% pre-leased as of July 31, 2024.

In the second quarter of 2024, we completed and fully placed in-service 760 Boylston Street, an approximately 118,000 net rentable square feet retail redevelopment located in Boston, Massachusetts. The property is 100% leased to DICK'S Sporting Goods' Boston House of Sport.

In July 2024, BXP partially placed in-service Skymark, a luxury residential property in Reston, Virginia that consists of 508 residential units across a five-story low-rise building and an iconic 39-story tower, which is one of the tallest buildings in Northern Virginia. The residential property is owned by a joint venture in which BXP has a 20% interest.

As we continue to focus on new investments to drive future growth, we regularly review our portfolio to identify properties as potential sales candidates that either no longer fit within our portfolio strategy or could attract premium pricing in the current market. We are currently in active negotiations for the disposition of four land positions which, if successful, would generate approximately $150 million of proceeds, half of which could be realized this year. However, there can be no assurance that we will complete any of these transactions on the terms currently contemplated or at all.

A brief overview of each of our markets follows.

Boston

During the second quarter of 2024, we executed approximately 344,000 square feet of leases and approximately 375,000 square feet of leases commenced in the Boston region. Approximately 171,000 square feet of the leases that commenced had been vacant for less than one year and represent an increase in net rental obligations of approximately 10.8% over the prior leases.

As of June 30, 2024, our approximately 8.4 million square foot Boston CBD in-service portfolio was approximately 94.9% occupied and approximately 96.2% leased (including vacant space for which we have signed leases that have not yet commenced in accordance with GAAP).

Our approximately 2.5 million square foot in-service premier workplace CBD portfolio in Cambridge was approximately 96.7% occupied and 96.7% leased (including vacant space for which we have signed leases that have not yet commenced in accordance with GAAP) as of June 30, 2024.

As of June 30, 2024, our Route 128-Mass Turnpike in-service portfolio is comprised of approximately 4.7 million square feet and was approximately 76.8% occupied and approximately 79.4% leased (including vacant space for which we have signed leases that have not yet commenced in accordance with GAAP).

Los Angeles

Our Los Angeles ("LA") in-service portfolio of approximately 2.3 million square feet is currently focused in West LA and includes Colorado Center, an approximately 1.1 million square foot property of which we own 50%, and Santa Monica Business Park, a 21-building, approximately 1.2 million square foot property. As of June 30, 2024, our LA in-service properties were approximately 85.0% occupied and 86.0% leased (including vacant space for which we have signed leases that have not yet commenced in accordance with GAAP).

New York

During the second quarter of 2024, we executed approximately 447,000 square feet of leases in the New York region and approximately 86,000 square feet of leases commenced. Approximately 55,000 square feet of the leases that commenced had been vacant for less than one year and they represent a decrease in net rental obligations of approximately 7.3% over the prior leases. As of June 30, 2024, our New York CBD in-service portfolio was approximately 90.8% occupied and approximately 94.6% leased (including vacant space for which we have signed leases that have not yet commenced in accordance with GAAP).

San Francisco

During the second quarter of 2024, we executed approximately 147,000 square feet of leases and approximately 169,000 square feet of leases commenced in the San Francisco region. Approximately 115,000 square feet of leases that commenced had been vacant for less than one year and represent an increase in net rental obligations of approximately 15.5% over the prior leases.

As of June 30, 2024, our San Francisco CBD in-service properties were approximately 84.0% occupied and approximately 84.4% leased (including vacant space for which we have signed leases that have not yet commenced in accordance with GAAP).

Seattle

Our Seattle in-service portfolio includes Safeco Plaza, an approximately 762,000 square foot property of which we own 33.67%, and Madison Centre, an approximately 755,000 square foot property. As of June 30, 2024, these in-service properties were approximately 80.2% occupied and approximately 83.0% leased (inclusive of vacant space with signed leases that have not yet commenced in accordance with GAAP).

Washington, DC

During the second quarter of 2024, we executed approximately 363,000 square feet of leases and approximately 140,000 square feet of leases commenced in the Washington, DC region. Approximately 32,000 square feet of the leases that commenced had been vacant for less than one year and represent a decrease in net rental obligations of approximately 1.3% over the prior leases.

As of June 30, 2024, our Washington, DC CBD in-service properties were approximately 87.5% occupied and approximately 88.1% leased (inclusive of vacant space with signed leases that have not yet commenced in accordance with GAAP).

A significant component of our Washington, DC regional portfolio is in Reston Town Center, an award-winning mixed-use development in Northern Virginia. Reston is a hub for technology, cloud services, cybersecurity and defense intelligence companies. As of June 30, 2024, our Reston CBD portfolio was approximately 93.9% occupied and approximately 96.1% leased (inclusive of vacant space with signed leases that have not yet commenced in accordance with GAAP).

Leasing Statistics

The table below details the leasing activity, including 100% of the unconsolidated joint ventures, that commenced revenue recognition during the three and six months ended June 30, 2024:

	Three months ended June 30, 2024	Six months ended June 30, 2024
	(Square Feet)	
Vacant space available at the beginning of the period	5,758,606	5,696,007
Vacant space from property dispositions/properties taken out of service (1)	(30,000)	(263,694)
Vacant space from properties placed (and partially placed) in-service (2)	117,907	162,559
Leases expiring or terminated during the period	1,214,346	2,899,142
Total space available for lease	7,060,859	8,494,014
1st generation leases	168,600	340,591
2nd generation leases with new clients	329,238	743,970
2nd generation lease renewals	273,722	1,120,154
Total space leased (3)	771,560	2,204,715
Vacant space available for lease at the end of the period	6,289,299	6,289,299
Leases executed during the period (4)	1,322,664	2,216,605
Second generation leasing information: (5)		
Leases commencing during the period, in square feet	602,960	1,864,124
Weighted Average Lease Term	69 Months	97 Months
Weighted Average Free Rent Period	147 Days	110 Days
Total Transaction Costs Per Square Foot (6)	$63.24	$74.12
Increase in Gross Rents (7)	4.16 %	6.27 %
Increase in Net Rents (8)	5.65 %	8.85 %

(1) Total vacant square feet of properties taken out of service during the three months ended June 30, 2024 consists of 30,000 square feet at 17 Hartwell Avenue. Total vacant square feet of properties taken out of service during the six months ended June 30, 2024 consists 162,274 square feet at 1050 Winter Street, 71,420 square feet at 15825 Shady Grove Road and 30,000 square feet at 17 Hartwell Avenue.

(2) Total vacant square feet of properties placed in service during the three months ended June 30, 2024 consists of 117,907 square feet at 760 Boylston Street. Total vacant square feet of properties placed in service during the six months ended June 30, 2024 consists of 44,652 square feet at 651 Gateway and 117,907 square feet at 760 Boylston Street.

(3) Represents leases for which lease revenue recognition has commenced in accordance with GAAP during the three and six months ended June 30, 2024.

(4) Represents leases executed during the three and six months ended June 30, 2024 for which we either (1) commenced lease revenue recognition in such period or (2) will commence lease revenue recognition in subsequent periods, in accordance with GAAP, and includes leases at properties currently under development. The total square feet of leases executed and recognized during the three and six months ended June 30, 2024 are 121,600 and 476,167 square feet, respectively.

(5) Second generation leases are defined as leases for space that we have previously leased. Of the 602,960 and 1,864,124 square feet of second generation leases that commenced during the three and six months ended June 30, 2024, respectively, leases for 489,691 and 1,396,288 square feet, respectively, were signed in prior periods.

(6) Total transaction costs include tenant improvements and leasing commissions but exclude free rent concessions and other inducements in accordance with GAAP.

(7) Represents the increase (decrease) in gross rent (base rent plus expense reimbursements) on the new versus expired leases on the 373,884 and 1,427,275 square feet of second generation leases that had been occupied

within the prior 12 months for the three and six months ended June 30, 2024, respectively; excludes leases that management considers temporary because the client is not expected to occupy the space on a long-term basis.

(8) Represents the increase (decrease) in net rent (gross rent less operating expenses) on the new versus expired leases on the 373,884 and 1,427,275 square feet of second generation leases that had been occupied within the prior 12 months for the three and six months ended June 30, 2024, respectively.

Transactions during the three months ended June 30, 2024 included the following:

Pending disposition activity

- On May 7, 2024, we entered into an agreement with a third-party developer for the sale of a portion of our Shady Grove property, consisting of 2 Choke Cherry Road, 2094 Gaither Road and a land parcel, located in Rockville, Maryland for an aggregate gross sale price of approximately $24.8 million (See Note 3). On July 22, 2024, we executed an amendment to the agreement for an aggregate gross sale price of approximately $24.7 million. Thereafter, the third-party developer completed their due diligence and their deposit of approximately $2.5 million became non-refundable. 2 Choke Cherry Road and 2094 Gaither Road are two vacant office properties aggregating approximately 143,000 net rentable square feet that were taken out of service and held for redevelopment. The disposition is subject to satisfaction of customary closing conditions and there can be no assurance that this transaction will be consummated on the terms currently contemplated or at all.

Development activity

- On April 5, 2024, we completed and fully placed in-service 760 Boylston Street, an approximately 118,000 net rentable square foot retail redevelopment located in Boston, Massachusetts.

Lease activity

- We have a ground lease for the land underlying our residential property, The Skylyne, in Oakland, California. The Skylyne is a residential property consisting of 402 residential units and supporting retail space totaling approximately 331,000 net rentable square feet. The ground lease has approximately 92-years remaining (including extension options) and provides us with the right to purchase the land subject to certain conditions. When the lease was executed in 2017, the purchase option was considered a bargain purchase option and, as a result, we classified it as a finance lease and we assumed the lessor would exercise its right to require us to purchase the land in May 2024 for approximately $38.7 million. In May 2024 and as of the date of this report, the lessor has not exercised this option and we reassessed the accounting for the ground lease and determined that the purchase option continues to be considered a bargain purchase option and the ground lease will continue to be accounted for as a finance lease. The lease requires monthly base rental payments of a nominal amount until the purchase occurs, which we now estimate will be in 2030. As a result of the reassessment, the lease liability was remeasured and reduced to approximately $0.1 million. In conjunction with the reduction in the lease liability, the right of use asset was reduced to $0 and the difference between the lease liability and right of use asset of approximately $9.5 million was recorded as a decrease to interest expense for the three and six months ended June 30, 2024. There can be no assurance that this transaction will be consummated on the terms currently contemplated or at all.

Unconsolidated joint ventures activity

- On May 8, 2024, a joint venture in which we own a 25% interest extended by 30 days the maturity date of the loan collateralized by its 3 Hudson Boulevard property. At the time of the extension, the loan had an outstanding principal balance totaling $80.0 million and was scheduled to mature on May 9, 2024. On June 7, 2024, the loan was extended an additional 60 days. The extended loan continues to bear interest at a variable rate equal to Term SOFR plus approximately 3.61% per annum and is scheduled to mature on August 7, 2024. As of June 30, 2024, the loan had an outstanding balance, including accrued interest, of approximately $112.8 million. We are the lender of the loan and the loan is reflected as related party note receivables, net on our Consolidated Balance Sheets. 3 Hudson Boulevard consists of land and improvements held for future development located in New York, New York.

Debt activities

- On April 17, 2024, BPLP established an unsecured commercial paper program. Under the terms of the program, BPLP may issue, from time to time, unsecured commercial paper notes up to a maximum aggregate amount outstanding at any one time of $500.0 million with varying maturities of up to one year. Amounts available under the unsecured commercial paper program may be borrowed, repaid, and re-borrowed from time to time. The notes are sold in private placements and rank pari passu with all of BPLP's other unsecured senior indebtedness, including its outstanding senior notes. The commercial paper program is backstopped by available capacity under BPLP's unsecured revolving credit facility (the "2021 Credit Facility"). As of June 30, 2024, BPLP had an aggregate of $500.0 million of unsecured commercial paper notes outstanding that bore interest at a weighted-average rate of approximately 5.60% per annum and had a weighted-average maturity of 49 days, from the issuance date.

- On April 29, 2024, BPLP repaid $500.0 million of the outstanding balance of its $1.2 billion unsecured term loan facility (the "2023 Unsecured Term Loan") from the proceeds of its unsecured commercial paper program. On May 16, 2024, BPLP exercised its option to extend the maturity date of the 2023 Unsecured Term Loan to May 16, 2025. All other terms of the 2023 Unsecured Term Loan remain unchanged.

- On April 29, 2024, BPLP increased the maximum borrowing amount under the 2021 Credit Facility from $1.815 billion to $2.0 billion. All other terms of the 2021 Credit Facility, including its maturity date of June 15, 2026, remain unchanged.

Transactions completed subsequent to June 30, 2024 included the following:

- On July 12, 2024, a joint venture in which we have a 20% ownership interest partially placed in-service Skymark, a luxury residential property located in Reston, Virginia, that consists of 508 residential units aggregating approximately 417,000 net rentable square feet across a five-story low-rise building and an iconic 39-story tower, which is one of the tallest buildings in Northern Virginia.

- On July 18, 2024, a joint venture in which we have a 50% ownership interest extended by one year the maturity date of its loan collateralized by 100 Causeway Street. At the time of the extension, the loan had an outstanding balance totaling approximately $333.6 million, bore interest at Term SOFR plus 1.48% per annum, and was scheduled to mature on September 5, 2024. Following the extension, the loan will continue to bear interest at Term SOFR plus 1.48% per annum, and is scheduled to mature on September 5, 2025. 100 Causeway Street is an approximately 634,000 net rentable square foot premier workplace located in Boston, Massachusetts.

Critical Accounting Estimates

Management's Discussion and Analysis of Financial Condition and Results of Operations discuss our Consolidated Financial Statements, which have been prepared in accordance with generally accepted accounting principles ("GAAP"). The preparation of these financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results may differ from those estimates and assumptions.

Our Annual Report on Form 10-K for the year ended December 31, 2023 contains a discussion of our critical accounting estimates. There have been no significant changes in our critical accounting estimates since the year ended December 31, 2023.

Results of Operations for the Six Months Ended June 30, 2024 and 2023

Net income attributable to BXP, Inc. and net income attributable to Boston Properties Limited Partnership decreased by approximately $22.7 million and $25.0 million, respectively, for the six months ended June 30, 2024 compared to 2023, as set forth in the following tables and for the reasons discussed below under the heading "*Comparison of the six months ended June 30, 2024 to the six months ended June 30, 2023"* within "*Item 2—Management's Discussion and Analysis of Financial Condition and Results of Operations*."

The following are reconciliations of Net Income Attributable to BXP, Inc. to Net Operating Income and Net Income Attributable to Boston Properties Limited Partnership to Net Operating Income for the six months ended June 30, 2024 and 2023. For a detailed discussion of Net Operating Income ("NOI"), including the reasons management believes NOI is useful to investors, see page 58.

BXP

	Six months ended June 30,			
	2024	2023	Increase/ (Decrease)	% Change
	(in thousands)			
Net Income Attributable to BXP, Inc.	$ 159,498	$ 182,215	$ (22,717)	(12.47)%
Net Income Attributable to Noncontrolling Interests:				
Noncontrolling interest—common units of the Operating Partnership	19,009	21,169	(2,160)	(10.20)%
Noncontrolling interests in property partnerships	35,046	38,428	(3,382)	(8.80)%
Net Income	213,553	241,812	(28,259)	(11.69)%
Other Expenses:				
Add:				
Interest expense	311,533	276,680	34,853	12.60 %
Impairment loss	13,615	—	13,615	100.00 %
Other Income:				
Less:				
Unrealized gain on non-real estate investment	454	383	71	18.54 %
Gains from investments in securities	2,587	3,236	(649)	(20.06)%
Interest and other income (loss)	25,317	28,284	(2,967)	(10.49)%
Income (loss) from unconsolidated joint ventures	13,387	(14,237)	27,624	194.03 %
Other Expenses:				
Add:				
Depreciation and amortization expense	438,258	411,311	26,947	6.55 %
Transaction costs	702	1,219	(517)	(42.41)%
Payroll and related costs from management services contracts	8,441	9,844	(1,403)	(14.25)%
General and administrative expense	94,127	99,977	(5,850)	(5.85)%
Other Revenue:				
Less:				
Direct reimbursements of payroll and related costs from management services contracts	8,441	9,844	(1,403)	(14.25)%
Development and management services revenue	12,506	18,838	(6,332)	(33.61)%
Net Operating Income	$ 1,017,537	$ 994,495	$ 23,042	2.32 %

BPLP

	Six months ended June 30,			
	2024	2023	Increase/ (Decrease)	% Change
	(in thousands)			
Net Income Attributable to Boston Properties Limited Partnership	$ 181,907	$ 206,928	$ (25,021)	(12.09)%
Net Income Attributable to Noncontrolling Interests:				
Noncontrolling interests in property partnerships	35,046	38,428	(3,382)	(8.80)%
Net Income	216,953	245,356	(28,403)	(11.58)%
Other Expenses:				
Add:				
Interest expense	311,533	276,680	34,853	12.60 %
Impairment loss	13,615	—	13,615	100.00 %
Other Income:				
Less:				
Unrealized gain on non-real estate investment	454	383	71	18.54 %
Gains from investments in securities	2,587	3,236	(649)	(20.06)%
Interest and other income (loss)	25,317	28,284	(2,967)	(10.49)%
Income (loss) from unconsolidated joint ventures	13,387	(14,237)	27,624	194.03 %
Other Expenses:				
Add:				
Depreciation and amortization expense	434,858	407,767	27,091	6.64 %
Transaction costs	702	1,219	(517)	(42.41)%
Payroll and related costs from management services contracts	8,441	9,844	(1,403)	(14.25)%
General and administrative expense	94,127	99,977	(5,850)	(5.85)%
Other Revenue:				
Less:				
Direct reimbursements of payroll and related costs from management services contracts	8,441	9,844	(1,403)	(14.25)%
Development and management services revenue	12,506	18,838	(6,332)	(33.61)%
Net Operating Income	$ 1,017,537	$ 994,495	$ 23,042	2.32 %

At June 30, 2024 and 2023, we owned or had joint venture interests in a portfolio of 186 and 191 commercial real estate properties, respectively (in each case, the “Total Property Portfolio”). As a result of changes within our Total Property Portfolio, the financial data presented below shows significant changes in revenue and expenses from period-to-period. Accordingly, we do not believe that our period-to-period financial data with respect to the Total Property Portfolio provides a complete understanding of our operating results. Therefore, the comparison of operating results for the six months ended June 30, 2024 and 2023 show separately the changes attributable to the properties that were owned by us and in-service throughout each period compared (the “Same Property Portfolio”) and the changes attributable to the properties included in the Acquired, Placed In-Service, In or Held for Development or Redevelopment or Sold Portfolios.

In our analysis of operating results, particularly to make comparisons of NOI between periods more meaningful, it is important to provide information for properties that were in-service and owned by us throughout each period presented. We refer to properties acquired or placed in-service prior to the beginning of the earliest period presented and owned by us and in-service through the end of the latest period presented as our Same Property Portfolio. The Same Property Portfolio therefore excludes properties acquired, placed in-service or in or held for development or redevelopment after the beginning of the earliest period presented or disposed of prior to the end of the latest period presented.

NOI is a non-GAAP financial measure equal to net income attributable to BXP, Inc. and net income attributable to Boston Properties Limited Partnership, as applicable, the most directly comparable GAAP financial measures, plus (1) net income attributable to noncontrolling interests, interest expense, impairment loss, depreciation and amortization expense, transaction costs, payroll and related costs from management services contracts and corporate general and administrative expense less (2) unrealized gain on non-real estate investment, gains from investments in securities, interest and other income (loss), income (loss) from unconsolidated joint ventures, direct reimbursements of payroll and related costs from management services contracts and development and management services revenue. We use NOI internally as a performance measure and believe it provides useful information to investors regarding our results of operations and financial condition because, when compared across periods, it reflects the impact on operations from trends in occupancy rates, rental rates, operating costs and acquisition and development activity on an unleveraged basis, providing perspective not immediately apparent from net income attributable to BXP, Inc. and net income attributable to Boston Properties Limited Partnership. For example, interest expense is not necessarily linked to the operating performance of a real estate asset and is often incurred at the corporate level as opposed to the property level. Similarly, interest expense may be incurred at the property level even though the financing proceeds may be used at the corporate level (e.g., used for other investment activity). In addition, depreciation and amortization expense, because of historical cost accounting and useful life estimates, may distort operating performance measures at the property level. NOI presented by us may not be comparable to NOI reported by other REITs or real estate companies that define NOI differently.

We believe that in order to understand our operating results, NOI should be examined in conjunction with net income attributable to BXP, Inc. and net income attributable to Boston Properties Limited Partnership as presented in our Consolidated Financial Statements. NOI should not be considered as a substitute for net income attributable to BXP, Inc. or net income attributable to Boston Properties Limited Partnership (determined in accordance with GAAP) or any other GAAP financial measures and should only be considered together with and as a supplement to our financial information prepared in accordance with GAAP.

Depreciation expense may differ between BXP and BPLP as a result of previously applied acquisition accounting by BXP for the issuance of common stock in connection with non-sponsor redemptions of common units of limited partnership interest of BPLP (“OP Units”). This accounting resulted in a step-up of the real estate assets at BXP that was allocated to certain properties. The difference between the real estate assets of BXP as compared to BPLP for certain properties having an allocation of the real estate step-up will result in a corresponding difference in depreciation expense when those properties are sold. For additional information see the Explanatory Note that immediately follows the cover page of this Quarterly Report on Form 10-Q.

Comparison of the six months ended June 30, 2024 to the six months ended June 30, 2023

The table below shows selected operating information for the Same Property Portfolio and the Total Property Portfolio. The Same Property Portfolio consists of 129 properties totaling approximately 40.7 million net rentable square feet, excluding unconsolidated joint ventures. The Same Property Portfolio includes properties acquired or placed in-service on or prior to January 1, 2023 and owned and in service through June 30, 2024. The Total Property Portfolio includes the effects of the other properties either acquired, placed in-service, in or held for development or redevelopment after January 1, 2023 or disposed of on or prior to June 30, 2024. This table includes a reconciliation from the Same Property Portfolio to the Total Property Portfolio by also providing information for the six months ended June 30, 2024 and 2023 with respect to the properties that were acquired, placed in-service, in or held for development or redevelopment or sold. We did not sell any properties during the six months ended June 30, 2024 and 2023.

	Same Property Portfolio				Properties Acquired Portfolio		Properties Placed In-Service Portfolio		Properties in or Held for Development or Redevelopment Portfolio		Total Property Portfolio			
	2024	2023	Increase/ (Decrease)	% Change	2024	2023	2024	2023	2024	2023	2024	2023	Increase/ (Decrease)	% Change
							(dollars in thousands)							
Rental Revenue: (1)														
Lease Revenue (Excluding Termination Income)	$ 1,471,480	$ 1,483,533	$ (12,053)	(0.81)%	$ 50,501	$ —	$ 29,199	$ 10,043	$ 1,288	$ 2,351	$ 1,552,468	$ 1,495,927	$ 56,541	3.78 %
Termination Income	2,651	32	2,619	8,184.38 %	189	—	—	—	—	—	2,840	32	2,808	8,775.00 %
Lease Revenue	1,474,131	1,483,565	(9,434)	(0.64)%	50,690	—	29,199	10,043	1,288	2,351	1,555,308	1,495,959	59,349	3.97 %
Parking and Other	60,375	49,128	11,247	22.89 %	4,415	—	938	538	30	(3)	65,758	49,663	16,095	32.41 %
Total Rental Revenue (1)	1,534,506	1,532,693	1,813	0.12 %	55,105	—	30,137	10,581	1,318	2,348	1,621,066	1,545,622	75,444	4.88 %
Real Estate Operating Expenses	591,822	560,731	31,091	5.54 %	19,452	—	10,241	4,160	2,643	6,207	624,158	571,098	53,060	9.29 %
Net Operating Income (Loss), Excluding Residential and Hotel	942,684	971,962	(29,278)	(3.01)%	35,653	—	19,896	6,421	(1,325)	(3,859)	996,908	974,524	22,384	2.30 %
Residential Net Operating Income (2)	13,485	12,733	752	5.91 %	—	—	—	—	—	—	13,485	12,733	752	5.91 %
Hotel Net Operating Income (2)	7,144	7,238	(94)	(1.30)%	—	—	—	—	—	—	7,144	7,238	(94)	(1.30)%
Net Operating Income (Loss)	$ 963,313	$ 991,933	$ (28,620)	(2.89)%	$ 35,653	$ —	$ 19,896	$ 6,421	$ (1,325)	$ (3,859)	$ 1,017,537	$ 994,495	$ 23,042	2.32 %

(1) Rental Revenue is equal to Revenue less Development and Management Services Revenue and Direct Reimbursements of Payroll and Related Costs from Management Services Revenue per the Consolidated Statements of Operations, excluding the residential and hotel revenue that is noted below. We use Rental Revenue internally as a performance measure and in calculating other non-GAAP financial measures (e.g., NOI), which provides investors with information regarding our performance that is not immediately apparent from the comparable non-GAAP measures and allows investors to compare operating performance between periods.

(2) For a detailed discussion of NOI, including the reasons management believes NOI is useful to investors, see page 58. Residential Net Operating Income for the six months ended June 30, 2024 and 2023 is comprised of Residential Revenue of $24,910 and $23,979 less Residential Expenses of $11,425 and $11,246, respectively. Hotel Net Operating Income for the six months ended June 30, 2024 and 2023 is comprised of Hotel Revenue of $22,998 and $22,070 less Hotel Expenses of $15,854 and $14,832, respectively, per the Consolidated Statements of Operations.

Same Property Portfolio

Lease Revenue (Excluding Termination Income)

Lease revenue (excluding termination income) from the Same Property Portfolio decreased by approximately $12.1 million for the six months ended June 30, 2024 compared to 2023. The decrease was a result of our average occupancy decreasing from 90.2% to 88.8%, resulting in a decrease of approximately $23.3 million, partially offset by revenue per square foot increasing by approximately $0.59, contributing approximately $11.2 million.

Termination Income

Termination income increased by approximately $2.6 million for the six months ended June 30, 2024 compared to 2023.

Termination income for the six months ended June 30, 2024 related to 17 clients across the Same Property Portfolio and totaled approximately $2.7 million, which was primarily related to clients that terminated leases early in San Francisco, California.

Termination income for the six months ended June 30, 2023 related to 15 clients across the Same Property Portfolio and totaled approximately $32,000.

Parking and Other Revenue

Parking and other revenue increased by approximately $11.2 million for the six months ended June 30, 2024 compared to 2023. Parking and other revenue increased by approximately $1.0 million and $10.2 million, respectively. The increase in other revenue was primarily related to the View Boston observatory.

Real Estate Operating Expenses

Real estate operating expenses from the Same Property Portfolio increased by approximately $31.1 million, or 5.5%, for the six months ended June 30, 2024 compared to 2023, due primarily to increases in repairs and maintenance of approximately $10.9 million, or 12.0%, and other real estate operating expenses of approximately $13.9 million, or 3.0%. The increase in repairs and maintenance was primarily in Boston. In addition, there was an approximately $6.3 million increase related to the marketing and operating expenses associated with the View Boston observatory.

Properties Acquired Portfolio

The table below lists the properties acquired between January 1, 2023 and June 30, 2024. Rental revenue and real estate operating expenses increased by approximately $55.1 million and $19.5 million, respectively, for the six months ended June 30, 2024 compared to 2023, as detailed below.

			Rental Revenue			Real Estate Operating Expenses		
Name	Date acquired	Square Feet	2024	2023	Change	2024	2023	Change
					(dollars in thousands)			
Santa Monica Business Park (1)	December 14, 2023	1,182,696	$ 38,873	$ —	$ 38,873	$ 13,338	$ —	$ 13,338
901 New York Avenue	January 8, 2024	523,939	16,232	—	16,232	6,114	—	6,114
		1,706,635	$ 55,105	$ —	$ 55,105	$ 19,452	$ —	$ 19,452

(1) Rental revenue for the six months ended June 30, 2024 includes approximately $0.2 million of termination income.

Properties Placed In-Service Portfolio

The table below lists the properties that were placed in-service or partially placed in-service between January 1, 2023 and June 30, 2024. Rental revenue and real estate operating expenses from our Properties Placed In-Service Portfolio increased by approximately $19.6 million and $6.1 million, respectively, for the six months ended June 30, 2024 compared to 2023, as detailed below.

Name	Quarter Initially Placed In-Service	Quarter Fully Placed In-Service	Square Feet	Rental Revenue 2024	Rental Revenue 2023	Rental Revenue Change	Real Estate Operating Expenses 2024	Real Estate Operating Expenses 2023	Real Estate Operating Expenses Change
				(dollars in thousands)					
2100 Pennsylvania Avenue	Second Quarter, 2022	Second Quarter, 2023	475,849	$ 17,154	$ 10,581	$ 6,573	$ 5,642	$ 4,160	$ 1,482
140 Kendrick Street - Building A	Third Quarter, 2023	Third Quarter, 2023	104,166	3,811	—	3,811	1,149	—	1,149
180 CityPoint	Third Quarter, 2023	N/A	329,000	6,848	—	6,848	2,788	—	2,788
103 CityPoint	Fourth Quarter, 2023	N/A	113,000	1	—	1	376	—	376
760 Boylston Street	Second Quarter, 2024	Second Quarter, 2024	118,000	2,323	—	2,323	286	—	286
			1,140,015	$ 30,137	$ 10,581	$ 19,556	$ 10,241	$ 4,160	$ 6,081

Properties in or Held for Development or Redevelopment Portfolio

The table below lists the properties that were in or held for development or redevelopment between January 1, 2023 and June 30, 2024. Rental revenue and real estate operating expenses from our Properties in or Held for Development or Redevelopment Portfolio decreased by approximately $1.0 million and $3.6 million, respectively, for the six months ended June 30, 2024 compared to 2023, as detailed below.

Name	Date Commenced Held for Development / Redevelopment	Square Feet	Rental Revenue 2024	Rental Revenue 2023	Rental Revenue Change	Real Estate Operating Expenses 2024	Real Estate Operating Expenses 2023	Real Estate Operating Expenses Change
			(dollars in thousands)					
105 Carnegie Center (1)	November 30, 2022	73,000	$ —	$ —	$ —	$ 291	$ —	$ 291
Kendall Center Blue Parking Garage (2)	January 4, 2023	N/A	—	25	(25)	—	3,015	(3,015)
300 Binney Street	January 30, 2023	236,000	—	(900)	900	—	117	(117)
Shady Grove Innovation District (3)	March 31, 2023	184,000	25	1,243	(1,218)	479	728	(249)
Lexington Office Park (3)	March 31, 2023	167,000	509	975	(466)	778	1,108	(330)
171 Dartmouth Street	March 28, 2024	N/A	—	—	—	87	—	87
1050 Winter Street (3)	March 31, 2024	162,000	170	65	105	787	988	(201)
17 Hartwell Avenue (3)	June 30, 2024	30,000	614	940	(326)	221	251	(30)
		852,000	$ 1,318	$ 2,348	$ (1,030)	$ 2,643	$ 6,207	$ (3,564)

(1) On November 30, 2023, we elected to suspend redevelopment. Although no longer in redevelopment, this property is not considered “in-service” as we are not actively leasing this property in anticipation of restarting redevelopment in the future.

(2) The Kendall Center Blue Parking Garage was taken out of service on January 4, 2023 to support the development of 290 Binney Street. Real estate operating expenses for the six months ended June 30, 2023 included approximately $3.0 million of demolition costs.

(3) Lexington Office Park, 1050 Winter Street, 17 Hartwell Avenue and a portion of Shady Grove Innovation District, are no longer considered “in-service” because each property’s occupied percentage is less than 50% and we are no longer actively leasing the properties in anticipation of a future development/redevelopment. The properties will be considered held for development or redevelopment until the last client has vacated the property and the property is no longer revenue producing. This portion of Shady Grove Innovation District is comprised of three buildings, 2092 and 2098 Gaither Road and 15825 Shady Grove Road that were taken out of service between January 1, 2023 and June 30, 2024.

Residential Net Operating Income

Net operating income for our residential same properties increased by approximately $0.8 million for the six months ended June 30, 2024 compared to 2023.

The following reflects our occupancy and rate information for our residential same properties for the six months ended June 30, 2024 and 2023.

Name	Average Monthly Rental Rate (1)			Average Rental Rate Per Occupied Square Foot			Average Physical Occupancy (2)			Average Economic Occupancy (3)		
	2024	2023	Change (%)	2024	2023	Change (%)	2024	2023	Change (%)	2024	2023	Change (%)
Proto Kendall Square	$ 3,179	$ 3,034	4.8 %	$ 5.85	$ 5.57	5.0 %	95.4 %	95.6 %	(0.2)%	95.3 %	95.3 %	— %
The Lofts at Atlantic Wharf	$ 4,346	$ 4,434	(2.0)%	$ 4.81	$ 4.91	(2.0)%	95.4 %	95.9 %	(0.5)%	94.8 %	96.4 %	(1.7)%
Signature at Reston	$ 2,798	$ 2,670	4.8 %	$ 2.88	$ 2.77	4.0 %	95.8 %	94.2 %	1.7 %	95.8 %	93.4 %	2.6 %
The Skylyne	$ 3,454	$ 3,446	0.2 %	$ 4.35	$ 4.39	(0.9)%	87.5 %	91.9 %	(4.8)%	86.0 %	89.6 %	(4.0)%

(1) Average Monthly Rental Rate is calculated as the average of the quotients obtained by dividing (A) rental revenue as determined in accordance with GAAP, by (B) the number of occupied units for each month within the applicable fiscal period.
(2) Average Physical Occupancy is defined as (1) the average number of occupied units divided by (2) the total number of units, expressed as a percentage.
(3) Average Economic Occupancy is defined as (1) total possible revenue less vacancy loss divided by (2) total possible revenue, expressed as a percentage. Total possible revenue is determined by valuing average occupied units at contract rates and average vacant units at Market Rents. Vacancy loss is determined by valuing vacant units at current Market Rents. By measuring vacant units at their Market Rents, Average Economic Occupancy takes into account the fact that units of different sizes and locations within a residential property have different economic impacts on a residential property's total possible gross revenue. Market Rents used by us in calculating Economic Occupancy are based on the current market rates set by the managers of our residential properties based on their experience in renting their residential property's units and publicly available market data. Actual market rents and trends in such rents for a region as reported by others may vary materially from Market Rents used by us. Market Rents for a period are based on the average Market Rents during that period and do not reflect any impact for cash concessions.

Hotel Net Operating Income

The Boston Marriott Cambridge hotel had net operating income of approximately $7.1 million for the six months ended June 30, 2024, representing a decrease of approximately $0.1 million compared to the six months ended June 30, 2023.

The following reflects our occupancy and rate information for the Boston Marriott Cambridge hotel for the six months ended June 30, 2024 and 2023.

	2024	2023	Change (%)
Occupancy	75.8 %	69.3 %	9.4 %
Average daily rate	$ 317.26	$ 323.14	(1.8)%
REVPAR	$ 240.50	$ 223.95	7.4 %

<u>Other Operating Revenue and Expense Items</u>

Development and Management Services Revenue

Development and management services revenue decreased by approximately $6.3 million for the six months ended June 30, 2024 compared to 2023. Development services revenue and management services revenue decreased by approximately $3.1 million and $3.2 million, respectively. The decrease in development services revenue was primarily related to a decrease in fees associated with a tenant improvement project in New York City and decreases in development income earned from unconsolidated joint ventures in the San Francisco region. The decrease in management services revenue was primarily related to the elimination of property and asset management fees earned from an unconsolidated joint venture in the Los Angeles region which we acquired the joint venture partner's interest in December 2023.

General and Administrative Expense

General and administrative expense decreased by approximately $5.9 million for the six months ended June 30, 2024 compared to 2023 primarily due to a decrease in compensation expense and other general and administrative expenses of approximately $5.8 million and $0.1 million, respectively. The decrease in compensation expense related to (1) an approximately $0.6 million decrease in the value of our deferred compensation plan and (2) an approximately $5.2 million decrease in other compensation expenses.

Wages directly related to the development of rental properties are capitalized and included in real estate assets on our Consolidated Balance Sheets and amortized over the useful lives of the applicable asset or lease term. Capitalized wages for each of the six months ended June 30, 2024 and 2023 were approximately $8.9 million and $9.1 million, respectively. These costs are not included in the general and administrative expenses discussed above.

Transaction Costs

Transaction costs decreased by approximately $0.5 million for the six months ended June 30, 2024 compared to 2023. In general, transaction costs relating to the formation of new joint ventures and the pursuit of other transactions are expensed as incurred.

Depreciation and Amortization Expense

Depreciation expense may differ between BXP and BPLP as a result of previously applied acquisition accounting by BXP for the issuance of common stock in connection with non-sponsor OP Unit redemptions by BPLP. This accounting resulted in a step-up of the real estate assets at BXP that was allocated to certain properties. The difference between the real estate assets of BXP as compared to BPLP for certain properties having an allocation of the real estate step-up will result in a corresponding difference in depreciation expense. For additional information see the Explanatory Note that immediately follows the cover page of this Quarterly Report on Form 10-Q.

BXP

Depreciation and amortization expense increased by approximately $26.9 million for the six months ended June 30, 2024 compared to 2023, as detailed below.

	Depreciation and Amortization for the six months ended June 30,		
Portfolio	2024	2023	Change
	(in thousands)		
Same Property Portfolio	$ 398,157	$ 392,005	$ 6,152
Properties Acquired Portfolio	27,828	—	27,828
Properties Placed In-Service Portfolio	11,017	4,998	6,019
Properties in or Held for Development or Redevelopment Portfolio (1)	1,256	14,308	(13,052)
	$ 438,258	$ 411,311	$ 26,947

(1) During the six months ended June 30, 2023, the Kendall Center Blue Parking Garage was taken out of service and demolished to support the development of 290 Binney Street, an approximately 573,000 net rentable square foot laboratory/life sciences project in Cambridge, Massachusetts. As a result, during the six months ended June 30, 2023, we recorded approximately $0.8 million of accelerated depreciation expense for the demolition of the garage, of which approximately $0.2 million related to the step-up of real estate assets.

BPLP

Depreciation and amortization expense increased by approximately $27.1 million for the six months ended June 30, 2024 compared to 2023, as detailed below.

Portfolio	Depreciation and Amortization for the six months ended June 30, 2024	2023	Change
		(in thousands)	
Same Property Portfolio	$ 394,757	$ 388,641	$ 6,116
Properties Acquired Portfolio	27,828	—	27,828
Properties Placed In-Service Portfolio	11,017	4,998	6,019
Properties in or Held for Development or Redevelopment Portfolio (1)	1,256	14,128	(12,872)
	$ 434,858	$ 407,767	$ 27,091

(1) During the six months ended June 30, 2023, the Kendall Center Blue Parking Garage was taken out of service and demolished to support the development of 290 Binney Street, an approximately 573,000 net rentable square foot laboratory/life sciences project in Cambridge, Massachusetts. As a result, during the six months ended June 30, 2023, we recorded approximately $0.6 million of accelerated depreciation expense for the demolition of the garage.

Direct Reimbursements of Payroll and Related Costs From Management Services Contracts and Payroll and Related Costs From Management Service Contracts

We have determined that amounts reimbursed for payroll and related costs received from third parties in connection with management services contracts should be reflected on a gross basis instead of on a net basis as we have determined that we are the principal under these arrangements. We anticipate that these two financial statement line items will generally offset each other.

Other Income and Expense Items

Income (Loss) from Unconsolidated Joint Ventures

For the six months ended June 30, 2024 compared to 2023, income (loss) from unconsolidated joint ventures increased by approximately $27.6 million primarily due to an approximately $21.8 million gain on consolidation related to the acquisition of our joint venture partner's economic interest in the joint venture that owns 901 New York Avenue during the six months ended June 30, 2024 (See Note 5 to the Consolidated Financial Statements).

Interest and Other Income (Loss)

Interest and other income (loss) decreased by approximately $3.0 million for the six months ended June 30, 2024 compared to 2023, due primarily to a decrease in interest income as a result of a decrease in our outstanding cash balances.

Gains from Investments in Securities

Gains from investments in securities for the six months ended June 30, 2024 and 2023 related to investments that we have made to reduce our market risk relating to deferred compensation plans that we maintain for BXP's officers and former non-employee directors. Under the deferred compensation plans, each officer or non-employee director who is eligible to participate is permitted to defer a portion of the officer's current income or the non-employee director's compensation on a pre-tax basis and receive a tax-deferred return on these deferrals based on the performance of specific investments selected by the officer or non-employee director. In order to reduce our market risk relating to these plans, we typically acquire, in a separate account that is not restricted as to its use, similar or identical investments as those selected by each officer or non-employee director. This enables us to generally match our liabilities to BXP's officers or former non-employee directors under our deferred compensation plans with equivalent assets and thereby limit our market risk. The performance of these investments is recorded as gains from investments in securities. During the six months ended June 30, 2024 and 2023, we recognized gains of approximately $2.6 million and $3.2 million, respectively, on these investments. By comparison, our general and administrative expense decreased by approximately $2.6 million and $3.2 million during the six months ended June 30, 2024 and 2023, respectively, as a result of decreases in our liability under our deferred compensation plans that was associated with the performance of the specific investments selected by officers and former non-employee directors of BXP participating in the plans.

Unrealized Gain on Non-Real Estate Investment

We invest in non-real estate investments, which are primarily environmentally-focused investment funds. As a result, during the six months ended June 30, 2024 and 2023, we recognized an unrealized gain of approximately $0.5 million and $0.4 million, respectively, due to the observable changes in the fair value of the investments.

Impairment Loss

At March 31, 2024, we evaluated the expected hold period for a portion of our Shady Grove property, consisting of 2 Choke Cherry Road, 2094 Gaither Road and a land parcel, located in Rockville, Maryland. Based on a shorter-than-expected hold period, we reduced the carrying value of a portion of the property that we anticipate selling to a third party developer to its estimated fair value at March 31, 2024. As a result, each of BXP and BPLP recognized an impairment loss of approximately $13.6 million. Our estimated fair value was based on Level 3 inputs as defined in Accounting Standards Codification ("ASC") 820 "Fair Value Measurements and Disclosures" and on a pending offer from a third party (see Notes 3 and 14 to the Consolidated Financial Statements)..

Interest Expense

Interest expense increased by approximately $34.9 million for the six months ended June 30, 2024 compared to 2023, as detailed below.

Component	Change in interest expense for the six months ended June 30, 2024 compared to June 30, 2023 (in thousands)
Increases to interest expense due to:	
New mortgage loan financings (1)	$ 37,029
Issuance of $750 million in aggregate principal of 6.500% senior notes due 2034 on May 15, 2023	18,342
Unsecured commercial paper (2)	5,050
Decrease in capitalized interest related to development projects	1,544
Amortization expense of financing fees	458
Total increases to interest expense	62,423
Decrease to interest expense due to:	
Repayment of $500 million in aggregate principal of 3.125% senior notes due 2023 on September 1, 2023	(11,180)
Repayment of $700 million in aggregate principal of 3.800% senior notes due 2024 on February 1, 2024	(7,983)
Decrease in interest due to finance leases	(5,248)
Decrease in interest associated with unsecured term loans and the unsecured credit facility, net	(2,419)
Other interest expense (excluding senior notes)	(740)
Total decrease to interest expense	(27,570)
Total change in interest expense	$ 34,853

(1) Consists of the mortgage loan and, if applicable, fair value debt and swap adjustments collateralized by (1) 325 Main Street, 355 Main Street, 90 Broadway and Cambridge East Garage (also known as Kendall Center Green Garage) properties located in Cambridge, Massachusetts, (2) Santa Monica Business Park located in Santa Monica, California and (3) 901 New York Avenue in Washington, DC (See Note 6 to the Consolidated Financial Statements).
(2) On April 17, 2024, BPLP established an unsecured commercial paper program (See Note 6 to the Consolidated Financial Statements).

Interest expense directly related to the development of rental properties is capitalized and included in real estate assets on our Consolidated Balance Sheets and amortized over the useful lives of the real estate or lease term. As portions of properties are placed in-service, we cease capitalizing interest on that portion and interest is then expensed. Interest capitalized for the six months ended June 30, 2024 and 2023 was approximately $19.7 million and $21.2 million, respectively. These costs are not included in the interest expense referenced above. The decrease in capitalized interest is primarily attributable to a development project that had a finance lease and is now placed in service.

At June 30, 2024, our variable rate debt consisted of (1) BPLP's $2.0 billion 2021 Credit Facility, (2) BPLP's $700.0 million 2023 Unsecured Term Loan and (3) BPLP's $500.0 million unsecured commercial paper notes. As of June 30, 2024, the 2021 Credit Facility did not have a balance outstanding. In addition, we have $900.0 million of mortgage notes collateralized by Santa Monica Business Park and our 325 Main Street, 355 Main Street, 90 Broadway and Kendall Center Green Garage properties that bore interest at variable rates, which have all been hedged with interest rates swaps to fix SOFR for all or a portion of, the applicable debt term. For a summary of our consolidated debt as of June 30, 2024 refer to the heading "*Liquidity and Capital Resources—Debt Financing*" within "*Item 2—Management's Discussion and Analysis of Financial Condition and Results of Operations.*"

Noncontrolling Interests in Property Partnerships

Noncontrolling interests in property partnerships decreased by approximately $3.4 million for the six months ended June 30, 2024 compared to 2023, as detailed below.

	Noncontrolling Interests in Property Partnerships for the six months ended June 30,		
Property	**2024**	**2023**	**Change**
		(in thousands)	
767 Fifth Avenue (the General Motors Building)	$ 6,288	$ 6,181	$ 107
Times Square Tower	10,325	11,098	(773)
601 Lexington Avenue (1)	4,442	7,253	(2,811)
100 Federal Street	5,675	6,057	(382)
Atlantic Wharf Office Building	8,044	7,839	205
343 Madison Avenue (2)	6	—	6
300 Binney Street (3)	135	—	135
290 Binney Street (3)	131	—	131
	$ 35,046	$ 38,428	$ (3,382)

(1) The decrease was primarily attributable to depreciation and amortization expense related to new and expiring clients.
(2) Property is held for future development.
(3) Property is currently under redevelopment or in development.

Noncontrolling Interest—Common Units of the Operating Partnership

For BXP, noncontrolling interest—common units of the Operating Partnership decreased by approximately $2.2 million for the six months ended June 30, 2024 compared to 2023 due primarily to a decrease in allocable income. Due to our ownership structure, there is no corresponding line item on BPLP's financial statements.

Results of Operations for the Three Months Ended June 30, 2024 and 2023

Net income attributable to BXP, Inc. and net income attributable to Boston Properties Limited Partnership decreased approximately $24.7 million and $27.3 million, respectively, for the three months ended June 30, 2024 compared to 2023, as detailed in the following tables and for the reasons discussed below under the heading "*Comparison of the three months ended June 30, 2024 to the three months ended June 30, 2023" within "Item 2—Management's Discussion and Analysis of Financial Condition and Results of Operations.*"

The following are reconciliations of Net Income Attributable to BXP, Inc. to Net Operating Income and Net Income Attributable to Boston Properties Limited Partnership to Net Operating Income for the three months ended June 30, 2024 and 2023. For a detailed discussion of NOI, including the reasons management believes NOI is useful to investors, see page 68.

BXP

	Three months ended June 30,			
	2024	2023	Increase/ (Decrease)	% Change
	(in thousands)			
Net Income Attributable to BXP, Inc.	$ 79,615	$ 104,299	$ (24,684)	(23.67)%
Net Income Attributable to Noncontrolling Interests:				
Noncontrolling interest—common units of the Operating Partnership	9,509	12,117	(2,608)	(21.52)%
Noncontrolling interests in property partnerships	17,825	19,768	(1,943)	(9.83)%
Net Income	106,949	136,184	(29,235)	(21.47)%
Other Expenses:				
Add:				
Interest expense	149,642	142,473	7,169	5.03 %
Loss from unconsolidated joint ventures	5,799	6,668	(869)	(13.03)%
Other Income:				
Less:				
Unrealized gain on non-real estate investment	58	124	(66)	(53.23)%
Gains from investments in securities	315	1,571	(1,256)	(79.95)%
Interest and other income (loss)	10,788	17,343	(6,555)	(37.80)%
Other Expenses:				
Add:				
Depreciation and amortization expense	219,542	202,577	16,965	8.37 %
Transaction costs	189	308	(119)	(38.64)%
Payroll and related costs from management services contracts	4,148	4,609	(461)	(10.00)%
General and administrative expense	44,109	44,175	(66)	(0.15)%
Other Revenue:				
Less:				
Direct reimbursements of payroll and related costs from management services contracts	4,148	4,609	(461)	(10.00)%
Development and management services revenue	6,352	9,858	(3,506)	(35.57)%
Net Operating Income	$ 508,717	$ 503,489	$ 5,228	1.04 %

BPLP

	Three months ended June 30,			
	2024	2023	Increase/ (Decrease)	% Change
	(in thousands)			
Net Income Attributable to Boston Properties Limited Partnership	$ 90,827	$ 118,098	$ (27,271)	(23.09)%
Net Income Attributable to Noncontrolling Interests:				
Noncontrolling interests in property partnerships	17,825	19,768	(1,943)	(9.83)%
Net Income	108,652	137,866	(29,214)	(21.19)%
Other Expenses:				
Add:				
Interest expense	149,642	142,473	7,169	5.03 %
Loss from unconsolidated joint ventures	5,799	6,668	(869)	(13.03)%
Other Income:				
Less:				
Unrealized gain on non-real estate investment	58	124	(66)	(53.23)%
Gains from investments in securities	315	1,571	(1,256)	(79.95)%
Interest and other income (loss)	10,788	17,343	(6,555)	(37.80)%
Other Expenses:				
Add:				
Depreciation and amortization expense	217,839	200,895	16,944	8.43 %
Transaction costs	189	308	(119)	(38.64)%
Payroll and related costs from management services contracts	4,148	4,609	(461)	(10.00)%
General and administrative expense	44,109	44,175	(66)	(0.15)%
Other Revenue:				
Less:				
Direct reimbursements of payroll and related costs from management services contracts	4,148	4,609	(461)	(10.00)%
Development and management services revenue	6,352	9,858	(3,506)	(35.57)%
Net Operating Income	$ 508,717	$ 503,489	$ 5,228	1.04 %

At June 30, 2024 and 2023, we owned or had joint venture interests in a portfolio of 186 and 191 commercial real estate properties, respectively (in each case, the “Total Property Portfolio”). As a result of changes within our Total Property Portfolio, the financial data presented below shows significant changes in revenue and expenses from period-to-period. Accordingly, we do not believe that our period-to-period financial data with respect to the Total Property Portfolio provides a complete understanding of our operating results. Therefore, the comparison of operating results for the three months ended June 30, 2024 and 2023 show separately the changes attributable to the properties that were owned by us and in-service throughout each period compared (the “Same Property Portfolio”) and the changes attributable to the properties included in the Acquired, Placed In-Service, In or Held for Development or Redevelopment or Sold Portfolios.

In our analysis of operating results, particularly to make comparisons of net operating income between periods more meaningful, it is important to provide information for properties that were in-service and owned by us throughout each period presented. We refer to properties acquired or placed in-service prior to the beginning of the earliest period presented and owned by us and in-service through the end of the latest period presented as our Same Property Portfolio. The Same Property Portfolio therefore excludes properties acquired, placed in-service or in or held for development or redevelopment after the beginning of the earliest period presented or disposed of prior to the end of the latest period presented.

NOI is a non-GAAP financial measure equal to net income attributable to BXP, Inc. and net income attributable to Boston Properties Limited Partnership, as applicable, the most directly comparable GAAP financial measures, plus (1) net income attributable to noncontrolling interests, interest expense, loss from unconsolidated joint ventures, depreciation and amortization expense, transaction costs, payroll and related costs from management services contracts and corporate general and administrative expense less (2) unrealized gain on non-real estate investment, gains from investments in securities, interest and other income (loss), direct reimbursements of payroll and related costs from management services contracts and development and management services revenue. We use NOI internally as a performance measure and believe it provides useful information to investors regarding our results of operations and financial condition because, when compared across periods, it reflects the impact on operations from trends in occupancy rates, rental rates, operating costs and acquisition and development activity on an unleveraged basis, providing perspective not immediately apparent from net income attributable to BXP, Inc. and net income attributable to Boston Properties Limited Partnership. For example, interest expense is not necessarily linked to the operating performance of a real estate asset and is often incurred at the corporate level as opposed to the property level. Similarly, interest expense may be incurred at the property level even though the financing proceeds may be used at the corporate level (e.g., used for other investment activity). In addition, depreciation and amortization expense, because of historical cost accounting and useful life estimates, may distort operating performance measures at the property level. NOI presented by us may not be comparable to NOI reported by other REITs or real estate companies that define NOI differently.

We believe that in order to understand our operating results, NOI should be examined in conjunction with net income attributable to BXP, Inc. and net income attributable to Boston Properties Limited Partnership as presented in our Consolidated Financial Statements. NOI should not be considered as a substitute for net income attributable to BXP, Inc. or net income attributable to Boston Properties Limited Partnership (determined in accordance with GAAP) or any other GAAP financial measures and should only be considered together with and as a supplement to our financial information prepared in accordance with GAAP.

Depreciation expense may differ between BXP and BPLP as a result of previously applied acquisition accounting by BXP for the issuance of common stock in connection with non-sponsor redemptions of common units of limited partnership interest of BPLP ("OP Units"). This accounting resulted in a step-up of the real estate assets at BXP that was allocated to certain properties. The difference between the real estate assets of BXP as compared to BPLP for certain properties having an allocation of the real estate step-up will result in a corresponding difference in depreciation expense when those properties are sold. For additional information see the Explanatory Note that follows the cover page of this Quarterly Report on Form 10-Q.

Comparison of the three months ended June 30, 2024 to the three months ended June 30, 2023

The table below shows selected operating information for the Same Property Portfolio and the Total Property Portfolio. The Same Property Portfolio consists of 129 properties totaling approximately 40.7 million net rentable square feet, excluding unconsolidated joint ventures. The Same Property Portfolio includes properties acquired or placed in-service on or prior to April 1, 2023 and owned and in-service through June 30, 2024. The Total Property Portfolio includes the effects of the other properties either acquired, placed in-service, in or held for development or redevelopment after April 1, 2023 or disposed of on or prior to June 30, 2024. This table includes a reconciliation from the Same Property Portfolio to the Total Property Portfolio by also providing information for the three months ended June 30, 2024 and 2023 with respect to the properties that were acquired, placed in-service, in or held for development or redevelopment or sold. We did not sell any properties during the three months ended June 30, 2024 and 2023.

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	Same Property Portfolio				Properties Acquired Portfolio		Properties Placed In-Service Portfolio		Properties in or Held for Development or Redevelopment Portfolio		Total Property Portfolio			
	2024	2023	Increase/ (Decrease)	% Change	2024	2023	2024	2023	2024	2023	2024	2023	Increase/ (Decrease)	% Change
	(dollars in thousands)													
Rental Revenue: (1)														
Lease Revenue (Excluding Termination Income)	$ 735,479	$ 743,950	$ (8,471)	(1.14)%	$ 25,001	$ —	$ 16,724	$ 5,029	$ 576	$ 1,449	$ 777,780	$ 750,428	$ 27,352	3.64 %
Termination Income	841	(164)	1,005	612.80 %	—	—	—	—	—	—	841	(164)	1,005	612.80 %
Lease Revenue	736,320	743,786	(7,466)	(1.00)%	25,001	—	16,724	5,029	576	1,449	778,621	750,264	28,357	3.78 %
Parking and Other Revenue	31,939	25,789	6,150	23.85 %	1,903	—	451	411	30	—	34,323	26,200	8,123	31.00 %
Total Rental Revenue (1)	768,259	769,575	(1,316)	(0.17)%	26,904	—	17,175	5,440	606	1,449	812,944	776,464	36,480	4.70 %
Real Estate Operating Expenses	299,366	281,527	17,839	6.34 %	9,875	—	5,227	2,433	1,219	1,293	315,687	285,253	30,434	10.67 %
Net Operating Income (Loss), Excluding Residential and Hotel	468,893	488,048	(19,155)	(3.92)%	17,029	—	11,948	3,007	(613)	156	497,257	491,211	6,046	1.23 %
Residential Net Operating Income (2)	6,487	6,470	17	0.26 %	—	—	—	—	—	—	6,487	6,470	17	0.26 %
Hotel Net Operating Income (2)	4,973	5,808	(835)	(14.38)%	—	—	—	—	—	—	4,973	5,808	(835)	(14.38)%
Net Operating Income (Loss)	$ 480,353	$ 500,326	$ (19,973)	(3.99)%	$ 17,029	$ —	$ 11,948	$ 3,007	$ (613)	$ 156	$ 508,717	$ 503,489	$ 5,228	1.04 %

(1) Rental Revenue is equal to Revenue less Development and Management Services Revenue and Direct Reimbursements of Payroll and Related Costs from Management Services Revenue per the Consolidated Statements of Operations, excluding the residential and hotel revenue that is noted below. We use Rental Revenue internally as a performance measure and in calculating other non-GAAP financial measures (e.g., NOI), which provides investors with information regarding our performance that is not immediately apparent from the comparable non-GAAP measures and allows investors to compare operating performance between periods.

(2) For a detailed discussion of NOI, including the reasons management believes NOI is useful to investors, see page 68. Residential Net Operating Income for the three months ended June 30, 2024 and 2023 is comprised of Residential Revenue of $12,226 and $12,253 less Residential Expenses of $5,739 and $5,783, respectively. Hotel Net Operating Income for the three months ended June 30, 2024 and 2023 is comprised of Hotel Revenue of $14,812 and $13,969 less Hotel Expenses of $9,839 and $8,161, respectively, per the Consolidated Statements of Operations.

Same Property Portfolio

Lease Revenue (Excluding Termination Income)

Lease revenue (excluding termination income) from the Same Property Portfolio decreased by approximately $8.5 million for the three months ended June 30, 2024 compared to 2023. The decrease was a result of our average occupancy decreasing from 90.2% to 88.4%, resulting in a decrease of approximately $15.5 million, partially offset by our average revenue per square foot increasing by approximately $0.82, contributing approximately $7.0 million.

Termination Income

Termination income increased by approximately $1.0 million for the three months ended June 30, 2024 compared to 2023.

Termination income for the three months ended June 30, 2024 related to nine clients across the Same Property Portfolio and totaled approximately $0.8 million, which was primarily related to clients that terminated leases early in Washington, DC.

Termination income for the three months ended June 30, 2023 related to 10 clients across the Same Property Portfolio and totaled approximately $(164,000).

Parking and Other Revenue

Parking and other revenue increased by approximately $6.2 million for the three months ended June 30, 2024 compared to 2023. Parking and other revenue increased by approximately $0.5 million and $5.7 million, respectively. The increase in other revenue was primarily associated with the View Boston observatory.

Real Estate Operating Expenses

Real estate operating expenses from the Same Property Portfolio increased by approximately $17.8 million, or 6.3%, for the three months ended June 30, 2024 compared to 2023, due primarily to increases in repairs and maintenance of approximately $7.3 million, or 15.1%, and other real estate operating expenses of approximately $8.1 million, or 3.5%. The increase in repairs and maintenance was primarily in Boston and New York City. In addition, there was an approximately $2.4 million increase related to the marketing and operating expenses associated with the View Boston observatory.

Properties Acquired Portfolio

The table below lists the properties acquired between April 1, 2023 and June 30, 2024. Rental revenue and real estate operating expenses increased by approximately $26.9 million and $9.9 million, respectively, for the three months ended June 30, 2024 compared to 2023, as detailed below.

			Rental Revenue			Real Estate Operating Expenses		
Name	Date acquired	Square Feet	2024	2023	Change	2024	2023	Change
					(dollars in thousands)			
Santa Monica Business Park	December 14, 2023	1,182,696	$ 18,472	$ —	$ 18,472	$ 6,769	$ —	$ 6,769
901 New York Avenue	January 8, 2024	523,939	8,432	—	8,432	3,106	—	3,106
		1,706,635	$ 26,904	$ —	$ 26,904	$ 9,875	$ —	$ 9,875

Properties Placed In-Service Portfolio

The table below lists the properties that were placed in-service or partially placed in-service between April 1, 2023 and June 30, 2024. Rental revenue and real estate operating expenses from our Properties Placed In-Service Portfolio increased by approximately $11.7 million and $2.8 million, respectively, for the three months ended June 30, 2024 compared to 2023, as detailed below.

Name	Quarter Initially Placed In-Service	Quarter Fully Placed In-Service	Square Feet	Rental Revenue 2024	Rental Revenue 2023	Rental Revenue Change	Real Estate Operating Expenses 2024	Real Estate Operating Expenses 2023	Real Estate Operating Expenses Change
				(dollars in thousands)					
2100 Pennsylvania Avenue	Second Quarter, 2022	Second Quarter, 2023	475,849	$ 9,230	$ 5,440	$ 3,790	$ 2,921	$ 2,433	$ 488
140 Kendrick Street - Building A	Third Quarter, 2023	Third Quarter, 2023	104,166	1,886	—	1,886	557	—	557
180 CityPoint	Third Quarter, 2023	N/A	329,000	3,774	—	3,774	1,399	—	1,399
103 CityPoint	Fourth Quarter, 2023	N/A	113,000	1	—	1	115	—	115
760 Boylston Street	Second Quarter, 2024	Second Quarter, 2024	118,000	2,284	—	2,284	235	—	235
			1,140,015	$ 17,175	$ 5,440	$ 11,735	$ 5,227	$ 2,433	$ 2,794

Properties in or Held for Development or Redevelopment Portfolio

The table below lists the properties that were in or held for development or redevelopment between April 1, 2023 and June 30, 2024. Rental revenue and real estate operating expenses from our Properties in or Held for Development or Redevelopment Portfolio decreased by approximately $0.8 million and $0.1 million, respectively, for the three months ended June 30, 2024 compared to 2023, as detailed below.

Name	Date Commenced Held for Development / Redevelopment	Square Feet	Rental Revenue 2024	Rental Revenue 2023	Rental Revenue Change	Real Estate Operating Expenses 2024	Real Estate Operating Expenses 2023	Real Estate Operating Expenses Change
			(dollars in thousands)					
105 Carnegie Center (1)	November 30, 2022	73,000	$ —	$ —	$ —	$ 136	$ —	$ 136
Shady Grove Innovation District (2)	March 31, 2023	184,000	70	612	(542)	187	326	(139)
Lexington Office Park (2)	March 31, 2023	167,000	252	346	(94)	361	497	(136)
171 Dartmouth Street	March 28, 2024	N/A	—	—	—	87	—	87
1050 Winter Street (2)	March 31, 2024	162,000	140	36	104	350	361	(11)
17 Hartwell Avenue (2)	June 30, 2024	30,000	144	455	(311)	98	109	(11)
		616,000	$ 606	$ 1,449	$ (843)	$ 1,219	$ 1,293	$ (74)

(1) On November 30, 2023, we elected to suspend redevelopment. Although no longer in redevelopment, this property is not considered “in-service” as we are not actively leasing this property in anticipation of restarting redevelopment in the future.

(2) Lexington Office Park, 1050 Winter Street, 17 Hartwell Avenue and a portion of Shady Grove Innovation District are no longer considered “in-service” because each property’s occupied percentage is less than 50% and we are no longer actively leasing the property in anticipation of a future development/redevelopment. The properties will be considered held for development or redevelopment until the last client has vacated the property and the property is no longer revenue producing. This portion of Shady Grove Innovation District is comprised of three buildings, 2092 and 2098 Gaither Road and 15825 Shady Grove Road.

Residential Net Operating Income

Net operating income for our residential same properties increased by approximately $17,000 for the three months ended June 30, 2024 compared to 2023.

The following reflects our occupancy and rate information for our residential same properties for the three months ended June 30, 2024 and 2023.

Name	Average Monthly Rental Rate (1) 2024	Average Monthly Rental Rate (1) 2023	Change (%)	Average Rental Rate Per Occupied Square Foot 2024	Average Rental Rate Per Occupied Square Foot 2023	Change (%)	Average Physical Occupancy (2) 2024	Average Physical Occupancy (2) 2023	Change (%)	Average Economic Occupancy (3) 2024	Average Economic Occupancy (3) 2023	Change (%)
Proto Kendall Square	$ 3,204	$ 3,065	4.5 %	$ 5.90	$ 5.62	5.0 %	96.0 %	95.8 %	0.2 %	96.1 %	95.8 %	0.3 %
The Lofts at Atlantic Wharf	$ 4,435	$ 4,440	(0.1)%	$ 4.93	$ 4.91	0.4 %	95.7 %	96.5 %	(0.8)%	95.0 %	97.5 %	(2.6)%
Signature at Reston	$ 2,822	$ 2,663	6.0 %	$ 2.90	$ 2.77	4.7 %	96.0 %	94.6 %	1.5 %	96.1 %	93.6 %	2.7 %
The Skylyne	$ 3,430	$ 3,447	(0.5)%	$ 4.33	$ 4.39	(1.4)%	87.1 %	92.4 %	(5.7)%	85.3 %	89.9 %	(5.1)%

(1) Average Monthly Rental Rate is calculated as the average of the quotients obtained by dividing (A) rental revenue as determined in accordance with GAAP, by (B) the number of occupied units for each month within the applicable fiscal period.

(2) Average Physical Occupancy is defined as (1) the average number of occupied units divided by (2) the total number of units, expressed as a percentage.

(3) Average Economic Occupancy is defined as (1) total possible revenue less vacancy loss divided by (2) total possible revenue, expressed as a percentage. Total possible revenue is determined by valuing average occupied units at contract rates and average vacant units at Market Rents. Vacancy loss is determined by valuing vacant units at current Market Rents. By measuring vacant units at their Market Rents, Average Economic Occupancy takes into account the fact that units of different sizes and locations within a residential property have different economic impacts on a residential property's total possible gross revenue. "Market Rents" used by us in calculating Average Economic Occupancy are based on the current market rates set by the managers of our residential properties based on their experience in renting their residential property's units and publicly available market data. Actual market rents and trends in such rents for a region as reported by others may vary materially from Market Rents used by us. Market Rents for a period are based on the average Market Rents during that period and do not reflect any impact for cash concessions.

Hotel Net Operating Income

The Boston Marriott Cambridge hotel had net operating income of approximately $5.0 million for the three months ended June 30, 2024, representing a decrease of approximately $0.8 million compared to the three months ended June 30, 2023.

The following reflects our occupancy and rate information for the Boston Marriott Cambridge hotel for the three months ended June 30, 2024 and 2023.

	2024	2023	Change (%)
Occupancy	80.6 %	77.2 %	4.4 %
Average daily rate	$ 372.29	$ 371.58	0.2 %
REVPAR	$ 299.94	$ 286.79	4.6 %

<u>Other Operating Revenue and Expense Items</u>

Development and Management Services Revenue

Development and management services revenue decreased by approximately $3.5 million for the three months ended June 30, 2024 compared to 2023. Development services revenue and management services revenue decreased by approximately $1.9 million and $1.6 million, respectively. The decrease in development services revenue was primarily related to a decrease in development income earned from unconsolidated joint ventures in the San Francisco and Washington D.C. regions and a decrease in fees associated with a tenant improvement project in New York City. The decrease in management services revenue was primarily related to the elimination of property and asset management fees earned from an unconsolidated joint venture in the Los Angeles region which we acquired the joint venture partner's interest in December 2023.

General and Administrative Expense

General and administrative expense decreased by approximately $0.1 million for the three months ended June 30, 2024 compared to 2023 primarily due to an approximately $0.4 million decrease in other general and administrative expenses, partially offset by an increase in compensation expense of approximately $0.3 million. The increase in compensation expense related to an approximately $1.6 million increase in other compensation expenses partially offset by an approximately $1.3 million decrease in the value of our deferred compensation plan.

Wages directly related to the development of rental properties are capitalized and included in real estate assets on our Consolidated Balance Sheets and amortized over the useful lives of the applicable asset or lease term. Capitalized wages for the three months ended June 30, 2024 and 2023 were approximately $4.8 million and $4.6 million, respectively. These costs are not included in the general and administrative expenses discussed above.

Transaction Costs

Transaction costs decreased by approximately $0.1 million for the three months ended June 30, 2024 compared to 2023. In general, transaction costs relating to the formation of new joint ventures and the pursuit of other transactions are expensed as incurred.

Depreciation and Amortization Expense

Depreciation expense may differ between BXP and BPLP as a result of previously applied acquisition accounting by BXP for the issuance of common stock in connection with non-sponsor OP Unit redemptions by BPLP. This accounting resulted in a step-up of the real estate assets at BXP that was allocated to certain properties. The difference between the real estate assets of BXP as compared to BPLP for certain properties having an allocation of the real estate step-up will result in a corresponding difference in depreciation expense. For additional information see the Explanatory Note that immediately follows the cover page of this Quarterly Report on Form 10-Q.

BXP

Depreciation and amortization expense increased by approximately $17.0 million for the three months ended June 30, 2024 compared to 2023, as detailed below.

	Depreciation and Amortization for the three months ended June 30,		
Portfolio	2024	2023	Change
		(in thousands)	
Same Property Portfolio	$ 199,286	$ 198,434	$ 852
Properties Acquired Portfolio	13,688	—	13,688
Properties Placed In-Service Portfolio	5,903	3,214	2,689
Properties in or Held for Development or Redevelopment Portfolio	665	929	(264)
	$ 219,542	$ 202,577	$ 16,965

BPLP

Depreciation and amortization expense increased by approximately $16.9 million for the three months ended June 30, 2024 compared to 2023, as detailed below.

	Depreciation and Amortization for the three months ended June 30,		
Portfolio	2024	2023	Change
		(in thousands)	
Same Property Portfolio	$ 197,583	$ 196,752	$ 831
Properties Acquired Portfolio	13,688	—	13,688
Properties Placed In-Service Portfolio	5,903	3,214	2,689
Properties in or Held for Development or Redevelopment Portfolio	665	929	(264)
	$ 217,839	$ 200,895	$ 16,944

Direct Reimbursements of Payroll and Related Costs From Management Services Contracts and Payroll and Related Costs From Management Service Contracts

We have determined that amounts reimbursed for payroll and related costs received from third parties in connection with management services contracts should be reflected on a gross basis instead of on a net basis as we have determined that we are the principal under these arrangements. We anticipate that these two financial statement line items will generally offset each other.

Other Income and Expense Items

Loss from Unconsolidated Joint Ventures

For the three months ended June 30, 2024 compared to 2023, loss from unconsolidated joint ventures decreased by approximately $0.9 million primarily due to the acquisition of our joint venture partner's economic interest in the joint venture that owned Santa Monica Business Park in December of 2023 and 901 New York Avenue in January of 2024 (See Note 5 to the Consolidated Financial Statements).

Interest and Other Income (Loss)

Interest and other income (loss) decreased by approximately $6.6 million for the three months ended June 30, 2024 compared to 2023, due primarily to a decrease in interest income as a result of a decrease in our outstanding cash balances.

Gains from Investments in Securities

Gain from investments in securities for the three months ended June 30, 2024 and 2023 related to investments that we have made to reduce our market risk relating to deferred compensation plans that we maintain for BXP's officers and former non-employee directors. Under the deferred compensation plans, each officer or non-employee director who is eligible to participate is permitted to defer a portion of the officer's current income or the non-employee director's compensation on a pre-tax basis and receive a tax-deferred return on these deferrals based on the performance of specific investments selected by the officer or non-employee director. In order to reduce our market risk relating to these plans, we typically acquire, in a separate account that is not restricted as to its use, similar or identical investments as those selected by each officer or non-employee director. This enables us to generally match our liabilities to BXP's officers or former non-employee directors under our deferred compensation plans with equivalent assets and thereby limit our market risk. The performance of these investments is recorded as gains from investments in securities. During the three months ended June 30, 2024 and 2023, we recognized gains of approximately $0.3 million and $1.6 million, respectively, on these investments. By comparison, our general and administrative expense decreased by approximately $0.3 million and $1.6 million during the three months ended June 30, 2024 and 2023, respectively, as a result of decreases in our liability under our deferred compensation plans that was associated with the performance of the specific investments selected by officers and former non-employee directors of BXP participating in the plans.

Unrealized Gain on Non-Real Estate Investment

We invest in non-real estate investments, which are primarily environmentally-focused investment funds. As a result, for each of the three months ended June 30, 2024 and 2023, we recognized an unrealized gain of approximately $0.1 million, due to the observable changes in the fair value of the investments.

Interest Expense

Interest expense increased by approximately $7.2 million for the three months ended June 30, 2024 compared to 2023, as detailed below.

Component	Change in interest expense for the three months ended June 30, 2024 compared to June 30, 2023 (in thousands)
Increases to interest expense due to:	
New mortgage loan financings (1)	$ 18,410
Issuance of $750 million in aggregate principal of 6.500% senior notes due 2034 on May 15, 2023	6,115
Unsecured commercial paper (2)	5,050
Decrease in capitalized interest related to development projects	282
Total increases to interest expense	29,857
Decreases to interest expense due to:	
Decrease in interest due to finance leases	(7,539)
Repayment of $700 million in aggregate principal of 3.800% senior notes due 2024 on February 1, 2024	(6,709)
Repayment of $500 million in aggregate principal of 3.125% senior notes due 2023 on September 1, 2023	(3,992)
Decrease in interest associated with unsecured term loans and the unsecured credit facility, net	(3,689)
Other interest expense (excluding senior notes)	(736)
Amortization expense of financing fees	(23)
Total decreases to interest expense	(22,688)
Total change in interest expense	$ 7,169

(1) Consists of the mortgage loan and, if applicable, fair value debt and swap adjustments collateralized by (1) 325 Main Street, 355 Main Street, 90 Broadway and Cambridge East Garage (also known as Kendall Center Green Garage) properties located in Cambridge, Massachusetts, (2) Santa Monica Business Park located in Santa Monica, California and (3) 901 New York Avenue in Washington, DC (See Note 6 to the Consolidated Financial Statements).

(2) On April 17, 2024, BPLP established an unsecured commercial paper program (See Note 6 to the Consolidated Financial Statements).

Interest expense directly related to the development of rental properties is capitalized and included in real estate assets on our Consolidated Balance Sheets and amortized over the useful lives of the real estate or lease term. As portions of properties are placed in-service, we cease capitalizing interest on that portion and interest is then expensed. Interest capitalized for the three months ended June 30, 2024 and 2023 was approximately $10.3 million and $10.6 million, respectively. These costs are not included in the interest expense referenced above.

At June 30, 2024, our variable rate debt consisted of (1) BPLP's $2.0 billion 2021 Credit Facility, (2) BPLP's $700.0 million 2023 Unsecured Term Loan and (3) BPLP's $500.0 million unsecured commercial paper notes. As of June 30, 2024, the 2021 Credit Facility did not have a balance outstanding. In addition, we have $900.0 million of mortgage notes collateralized by Santa Monica Business Park and our 325 Main Street, 355 Main Street, 90 Broadway and Kendall Center Green Garage properties that bore interest at variable rates, which have all been hedged with interest rates swaps to fix SOFR for all or a portion of, the applicable debt term. For a summary of our consolidated debt as of June 30, 2024 refer to the heading "*Liquidity and Capital Resources—Debt Financing"* within "*Item 2—Management's Discussion and Analysis of Financial Condition and Results of Operations.*"

Noncontrolling Interests in Property Partnerships

Noncontrolling interests in property partnerships decreased by approximately $1.9 million for the three months ended June 30, 2024 compared to 2023, as detailed below.

Property	Noncontrolling Interests in Property Partnerships for the three months ended June 30, 2024	2023	Change
	(in thousands)		
767 Fifth Avenue (the General Motors Building)	$ 3,439	$ 3,778	$ (339)
Times Square Tower	5,043	5,415	(372)
601 Lexington Avenue (1)	2,339	3,242	(903)
100 Federal Street	2,774	3,245	(471)
Atlantic Wharf Office Building	3,973	4,088	(115)
343 Madison Avenue (2)	6	—	6
300 Binney Street (3)	130	—	130
290 Binney Street (3)	121	—	121
	$ 17,825	$ 19,768	$ (1,943)

(1) The decrease was primarily attributable to depreciation and amortization expense related to new and expiring clients.
(2) Property is held for future development.
(3) Property is currently under redevelopment or in development.

Noncontrolling Interest—Common Units of the Operating Partnership

For BXP, noncontrolling interest—common units of the Operating Partnership decreased by approximately $2.6 million for the three months ended June 30, 2024 compared to 2023 due primarily to a decrease in allocable income. Due to our ownership structure, there is no corresponding line item on BPLP's financial statements.

Liquidity and Capital Resources

General

Our principal liquidity needs for the next twelve months and beyond are to:

- fund normal recurring expenses;
- meet debt service and principal repayment obligations and balloon payments on maturing debt, including the $700.0 million of principal outstanding on the 2023 Unsecured Term Loan due May 16, 2025, $850.0 million of 3.200% unsecured senior notes due January 15, 2025, mortgage debt secured by our 901 New York Avenue and Santa Monica Business Park properties aggregating $502.2 million ($202.2 million of which we have the right to extend the maturity date for a period of four years, subject to certain customary conditions) and amounts that become due under BPLP's unsecured commercial paper program;
- fund capital calls from our unconsolidated joint venture investments to fund capital improvements, leasing costs and debt principal;
- fund development and redevelopment costs;
- fund capital expenditures, including major renovations, tenant improvements and leasing costs;
- fund possible acquisitions of properties, either directly or indirectly through the acquisition of equity interests; and
- make the minimum distribution required to enable BXP to maintain its REIT qualification under the Internal Revenue Code of 1986, as amended.

We expect to satisfy these needs using one or more of the following:

- cash flow from operations;
- distribution of cash flows from joint ventures;
- cash and cash equivalent balances;
- borrowings under BPLP's 2021 Credit Facility, unsecured term loans, short-term bridge facilities and construction loans;
- long-term secured and unsecured indebtedness (including unsecured exchangeable indebtedness);

- sales of real estate and interests in joint ventures owning real estate;
- private equity sources, including institutional investors; and
- issuances of BXP equity securities and/or preferred or common units of partnership interests in BPLP.

We draw on multiple financing sources to fund our long-term capital needs. We expect to fund our current development/redevelopment properties primarily with our available cash balances, funding from institutional private equity partners, construction loans, unsecured term loans, and proceeds from possible asset sales, BPLP’s 2021 Credit Facility and BPLP's commercial paper program. We use BPLP’s 2021 Credit Facility primarily as a bridge facility to fund acquisition opportunities, refinance outstanding indebtedness, fund short-term development costs and for working capital. We also use BPLP’s 2021 Credit Facility to backstop BPLP’s commercial paper program. Although we may seek to fund our development projects with construction loans, which may require guarantees by BPLP, the source of financing for each particular project ultimately depends on several factors, including, among others, the project’s size and duration, whether the project is owned by a joint venture, the extent of pre-leasing, our available cash and access to cost effective capital at the given time.

The following table presents information on properties under construction/redevelopment as of June 30, 2024 (dollars in thousands):

Construction/Redevelopment Properties	Estimated Stabilization Date	Location	# of Buildings	Estimated Square Feet	Investment to Date (1)(2)(3)	Estimated Total Investment (1)(2)	Financings: Total Available (1)	Financings: Outstanding at June 30, 2024 (1)	Estimated Future Equity Requirement (1)(2)(4)	Percentage Leased (5)
Office										
360 Park Avenue South (71% ownership) (Redevelopment)	Q4 2026	New York, NY	1	450,000	$ 340,837	$ 418,300	$ 156,470	$ 156,470	$ 77,463	23 %
Reston Next Office Phase II	Q2 2026	Reston, VA	1	90,000	43,076	61,000	—	—	17,924	4 %
Total Office Properties under Construction/Redevelopment			2	540,000	383,913	479,300	156,470	156,470	95,387	20 %
Laboratory/Life Sciences										
103 CityPoint	Q4 2026	Waltham, MA	1	113,000	90,502	115,100	—	—	24,598	— % (6)
180 CityPoint	Q2 2026	Waltham, MA	1	329,000	225,827	290,500	—	—	64,673	43 % (7)
300 Binney Street (55% ownership) (Redevelopment)	Q1 2025	Cambridge, MA	1	236,000	34,821	112,900	—	—	78,079	100 % (8)
651 Gateway (50% ownership) (Redevelopment)	Q3 2026	South San Francisco, CA	1	327,000	121,834	167,100	—	—	45,266	21 % (9)
290 Binney Street (55% ownership)	Q2 2026	Cambridge, MA	1	573,000	207,568	508,000	—	—	300,432	100 % (10)
Total Laboratory/Life Sciences Properties under Construction/Redevelopment			5	1,578,000	680,552	1,193,600	—	—	513,048	65 %
Residential										
Skymark - Reston Next Residential (508 units) (20% ownership)	Q2 2026	Reston, VA	1	417,000	40,240	47,700	28,000	22,332	1,792	21 % (11)
121 Broadway Street (439 units)	Q2 2029	Cambridge, MA	1	492,000	56,453	597,800	—	—	541,347	— %
Total Residential Properties under Construction			2	909,000	96,693	645,500	28,000	22,332	543,139	10 %
Retail										
Reston Next Retail	Q4 2025	Reston, VA	1	33,000	22,968	26,600	—	—	3,632	— %
Total Retail Properties under Construction			1	33,000	22,968	26,600	—	—	3,632	— %
Total Properties under Construction/Redevelopment			10	3,060,000	$ 1,184,126	$ 2,345,000	$ 184,470	$ 178,802	$ 1,155,206	53 % (12)

(1) Represents our share.
(2) Each of Investment to Date, Estimated Total Investment and Estimated Future Equity Requirement represent our share of acquisition expenses, as applicable, and reflect our share of the estimated net revenue/expenses that we expect to incur prior to stabilization of the project, including any amounts actually received or paid through June 30, 2024.
(3) Includes approximately $62.3 million of unpaid but accrued construction costs and leasing commissions.
(4) Excludes approximately $62.3 million of unpaid but accrued construction costs and leasing commissions.
(5) Represents percentage leased as of July 31, 2024, including leases with future commencement dates.
(6) As of June 30, 2024, this property was 4% placed in-service.
(7) As of June 30, 2024, this property was 46% placed in-service.
(8) The institutional investor funded approximately $212.9 million at closing for its investment in 300 Binney Street. We withdrew approximately $212.9 million at closing and will fund all future costs of the project.
(9) As of June 30, 2024, this property was 14% placed in-service.

(10) On March 21, 2024, we completed the sale of a 45% interest in 290 Binney Street (See Note 9 to the Consolidated Financial Statements). The project budget reflects our 55% share of joint venture costs related to 290 Binney Street. We have the sole obligation to construct an underground electrical vault for an estimated gross cost of $183.9 million. Upon completion, we have entered into a contract to sell the electrical vault to a third party for a fixed price of $84.1 million upon completion. The net investment of $99.8 million will be included in our outside basis in 290 Binney Street. We have invested $47.1 million for the vault as of June 30, 2024.

(11) This property was partially placed in-service on July 12, 2024 (See Note 14 to the Consolidated Financial Statements).

(12) Percentage leased excludes the residential properties.

We seek to maximize income from our existing properties by maintaining quality standards for our properties that promote high occupancy rates and permit increases in rental rates while reducing client turnover and controlling operating expenses. Our sources of revenue also include third-party fees generated by our property management, leasing, development and construction businesses, interest earned on cash deposits and, from time to time, the sale of assets. We believe these sources of capital will continue to provide the funds necessary for our short-term liquidity needs. Material adverse changes in one or more sources of capital may adversely affect our net cash flows.

We expect our primary uses of capital over the next twelve months will be to fund our current and committed development and redevelopment projects, meet debt service and principal repayment obligations, and satisfy our REIT distribution requirements.

As of June 30, 2024, we had 10 properties under development or redevelopment. BXP's Share of the estimated total investment for these projects is approximately $2.5 billion, of which approximately $1.3 billion remains to be funded primarily with equity through 2029.

During the second quarter of 2024, we further strengthened our balance sheet by sourcing additional liquidity and reducing our debt obligations. Notable transactions include:

- On April 17, 2024, BPLP established an unsecured commercial paper program. Under the terms of the program, BPLP may issue, from time to time, unsecured commercial paper notes up to a maximum aggregate principal amount outstanding at any one time of $500.0 million, with varying maturities of up to one year. The commercial paper notes are sold in private placements and rank pari passu with all of BPLP's other unsecured senior indebtedness, including its outstanding senior notes. The commercial paper program is backstopped by available capacity under the 2021 Credit Facility. As of July 31, 2024, BPLP had $500.0 million of principal outstanding under the commercial paper program that bears interest at a weighted-average rate of 5.58% per annum and has a weighted-average maturity of approximately 53 days, from the issuance date.
- On April 29, 2024, BPLP increased the maximum borrowing amount under the 2021 Credit Facility from $1.815 billion to $2.0 billion. All other terms of the 2021 Credit Facility, including its maturity date of June 15, 2026, remain unchanged. BPLP had no borrowings under the 2021 Credit Facility as of July 31, 2024.
- On May 16, 2024, BPLP exercised its one-year extension option on its 2023 Unsecured Term Loan. The 2023 Unsecured Term Loan now matures on May 16, 2025. After making an approximately $500.0 million optional repayment on April 29, 2024 with the proceeds from BPLP's unsecured commercial paper program, the 2023 Unsecured Term Loan has an outstanding principal balance of $700.0 million as of July 31, 2024.

Our consolidated debt maturities through July 2025 include (1) $850.0 million aggregate principal amount of BPLP's 3.200% unsecured senior notes due January 15, 2025, (2) $700.0 million of principal amount borrowed under the 2023 Unsecured Term Loan, which matures on May 16, 2025, (3) approximately $202.2 million of mortgage debt secured by our 901 New York Avenue property located in Washington, DC maturing on January 5, 2025 (unless we exercise a four-year extension option, subject to certain conditions), (4) $300.0 million of mortgage debt secured by our Santa Monica Business Park maturing on July 19, 2025 and (5) amounts that become due under BPLP's unsecured commercial paper program.

As of June 30, 2024, our share of unconsolidated joint venture debt maturing through July 2025 was approximately $469.0 million. The foregoing debt matures at different times through July 2025 and, to the extent not refinanced, we expect to fund the repayment of this debt using available cash balances, proceeds from asset sales, draws on BPLP's 2021 Credit Facility, proceeds from BPLP's unsecured commercial paper program, secured debt or unsecured debt, or both. We expect our net interest expense will increase in 2024 compared to 2023 primarily due to higher interest rates on our outstanding debt and debt that we refinance, the impact of non-cash interest charges related to recent acquisitions and the assumption of below-market debt, and lower interest income as we use cash balances to repay debt and fund our development pipeline.

As of July 31, 2024, we had available cash of approximately $352.1 million (of which approximately $124.4 million was attributable to our consolidated joint venture partners). Our liquidity and capital resources depend on a wide range of factors, and we believe that our access to capital and our strong liquidity, including the approximately $2.0 billion available under BPLP's 2021 Credit Facility, of which $500.0 million is being used to backstop the unsecured commercial paper program, and our available cash, as of July 31, 2024, are sufficient to fund our remaining capital needs on existing development and redevelopment projects, fund acquisitions, repay our maturing indebtedness when due (if not refinanced or extended), satisfy our REIT distribution requirements and still allow us to act opportunistically on attractive investment opportunities. We are currently in active negotiations for the disposition of four land positions which, if successful, would generate approximately $150 million of proceeds, half of which could be realized this year. However, there can be no assurance that we will complete any of these transactions on the terms currently contemplated or at all.

We may seek to enhance our liquidity to fund our current and future development activity, pursue additional attractive investment opportunities and refinance or repay indebtedness. Depending on then-current interest rates, the overall conditions in the public and private debt and equity markets, and our existing and expected leverage at the time, we may decide to access one or more of these capital sources. Doing so may result in greater cash and cash equivalents pending our use of the proceeds, which would increase our net interest expense.

We have not sold any shares under BXP's $600.0 million "at the market" equity offering program.

REIT Tax Distribution Considerations

Dividend

BXP as a REIT is subject to a number of organizational and operational requirements, including a requirement that BXP currently distribute at least 90% of its annual taxable income (excluding capital gains and with certain other adjustments). Our policy is for BXP to distribute at least 100% of its taxable income, including capital gains, to avoid paying federal tax. Common and LTIP unitholders (other than unearned MYLTIP units) of limited partnership interest in BPLP receive the same distribution per unit that is paid per share of BXP common stock.

BXP's Board of Directors will continue to evaluate BXP's dividend rate in light of our actual and projected taxable income (including gains on sales), liquidity requirements and other circumstances, and there can be no assurance that the future dividends declared by BXP's Board of Directors will not differ materially from the current quarterly dividend amount.

Sales

To the extent that we sell assets at a gain and cannot efficiently use the proceeds in a tax deferred manner for either our development activities or attractive acquisitions, BXP would, at the appropriate time, decide whether it is better to declare a special dividend, adopt a stock repurchase program, reduce indebtedness or retain the cash for future investment opportunities. Such a decision will depend on many factors including, among others, the timing, availability and terms of development and acquisition opportunities, our then-current and anticipated leverage, the cost and availability of capital from other sources, the price of BXP's common stock and REIT distribution requirements. At a minimum, we expect that BXP would distribute at least that amount of proceeds necessary for BXP to avoid paying corporate level tax on the applicable gains realized from any asset sales.

From time to time in select cases, whether due to a change in use, structuring issues to comply with applicable REIT regulations or other reasons, we may sell an asset that is held by a taxable REIT subsidiary ("TRS"). Such a sale by a TRS would be subject to federal and local taxes.

Cash Flow Summary

The following summary discussion of our cash flows is based on the Consolidated Statements of Cash Flows and is not meant to be an all-inclusive discussion of the changes in our cash flows for the periods presented below.

Cash and cash equivalents and cash held in escrows aggregated approximately $737.5 million and $1.6 billion at June 30, 2024 and 2023, respectively, representing a decrease of approximately $891.0 million. The following table sets forth changes in cash flows:

	Six months ended June 30,		
	2024	2023	Change
		(in thousands)	
Net cash provided by operating activities	$ 564,659	$ 613,183	$ (48,524)
Net cash used in investing activities	(553,504)	(554,864)	1,360
Net cash (used in) provided by financing activities	(886,221)	833,359	(1,719,580)

Our principal source of cash flow is related to the operation of our properties. The weighted-average term of our in-place leases, including leases signed by our unconsolidated joint ventures, excluding residential units, was approximately 7.7 years as of June 30, 2024, with occupancy rates historically in the range of 87% to 92%. Generally, our properties generate a relatively consistent stream of cash flow that provides us with resources to pay operating expenses, debt service and fund regular quarterly dividend and distribution payment requirements. In addition, over the past several years, we have raised capital through the sale of some of our properties and through secured and unsecured borrowings.

Cash is used in investing activities to fund acquisitions, development, net investments in unconsolidated joint ventures and maintenance and repositioning capital expenditures. We selectively invest in new projects that enable us to take advantage of our development, leasing, financing and property management skills and invest in existing buildings to enhance or maintain our market position. Cash used in investing activities for the six months ended June 30, 2024 and June 30, 2023 is detailed below:

	Six months ended June 30,	
	2024	2023
	(in thousands)	
Construction in progress (1)	$ (313,602)	$ (235,331)
Building and other capital improvements	(66,799)	(78,344)
Tenant improvements	(117,848)	(135,743)
Acquisition of real estate (net of cash received upon consolidation) (2)	6,086	—
Capital contributions to unconsolidated joint ventures (3)	(60,461)	(103,595)
Capital distributions from unconsolidated joint ventures (4)	—	7,350
Investment in non-real estate investments	(625)	(733)
Issuance of note receivables (including related party) (5)	(1,423)	(10,500)
Investments in securities, net	1,168	2,032
Net cash used in investing activities	$ (553,504)	$ (554,864)

Cash used in investing activities changed primarily due to the following:

(1) Construction in progress for the six months ended June 30, 2024 included ongoing expenditures associated with 760 Boylston Street, which was fully placed in-service during the six months ended June 30, 2024, and 180 CityPoint and 103 CityPoint that were partially placed in-service during 2023. In addition, we incurred costs associated with our continued development/redevelopment of Reston Next Office Phase II, 290 Binney Street, 300 Binney Street and 121 Broadway.

Construction in progress for the six months ended June 30, 2023 included ongoing expenditures associated with 2100 Pennsylvania Avenue and the View Boston observatory at The Prudential Center, which were both fully placed in-service during the six months ended June 30, 2023. In addition, we incurred costs associated with our continued development/redevelopment of 180 CityPoint, 103 CityPoint, Reston Next Office Phase II, 140 Kendrick Street Building A, 760 Boylston Street, 105 Carnegie Center, 290 Binney Street and 300 Binney Street.

(2) On January 8, 2024, we completed the acquisition of our joint venture partner’s 50% economic ownership interest in the joint venture that owns 901 New York Avenue, located in Washington, DC, for a gross purchase price of $10.0 million and we acquired net working capital, including cash and cash equivalents of approximately $16.1 million.

(3) Capital contributions to unconsolidated joint ventures for the six months ended June 30, 2024 consisted primarily of cash contributions of approximately $17.9 million, $15.8 million, $11.1 million and $7.5 million to our Gateway Commons, 360 Park Avenue South, Platform 16 and Dock 72 joint ventures, respectively.

Capital contributions to unconsolidated joint ventures for the six months ended June 30, 2023 consisted primarily of cash contributions of approximately $30.2 million, $26.5 million, $17.5 million, $10.9 million and $8.3 million to our Gateway Commons, Platform 16, Worldgate Drive, Dock 72 and 751 Gateway joint ventures, respectively. On January 31, 2023, we entered into a new joint venture for 13100 and 13150 Worldgate Drive located in Herndon, Virginia.

(4) Capital distributions from unconsolidated joint ventures for the six months ended June 30, 2023 consisted primarily of a cash distribution totaling approximately $7.4 million from our 360 Park Avenue South joint venture.

(5) On June 5, 2023, a joint venture in which we own a 30% interest repaid the existing construction loan collateralized by its 500 North Capitol Street, NW property and obtained new mortgage loans with related parties. At the time of the payoff, the outstanding balance of the loan totaled approximately $105.0 million and was scheduled to mature on June 6, 2023. The new mortgage loans have an aggregate principal balance of $105.0 million, bear interest at a weighted average fixed rate of 6.83% per annum and mature on June 5, 2026. Our portion of the mortgage loans, $10.5 million, has been reflected as a Related Party Note Receivable on our Consolidated Balance Sheets. 500 North Capitol Street, NW is an approximately 231,000 square foot premier workplace in Washington, DC.

Cash used in financing activities for the six months ended June 30, 2024 totaled approximately $886.2 million. This amount consisted primarily of the repayment of BPLP's $700 million in aggregate principal amount of its 3.800% unsecured senior notes due February 1, 2024 and payment of our regular dividends and distributions to our shareholders and unitholders and distributions to noncontrolling interests in property partnerships, partially offset by the approximately $97.2 million from the sale of a 45% interest in 290 Binney Street in Cambridge, Massachusetts. Future debt payments are discussed below under the heading *"Debt Financing."*

Capitalization

The following table presents Consolidated Market Capitalization and BXP's Share of Market Capitalization, as well as the corresponding ratios of Consolidated Debt to Consolidated Market Capitalization and BXP's Share of Debt to BXP's Share of Market Capitalization (in thousands, except for percentages):

	June 30, 2024			
	Shares / Units Outstanding	**Common Stock Equivalent**	**Equivalent Value (1)**	
Common Stock	157,098	157,098	$ 9,670,953	
Common Operating Partnership Units	19,136	19,136	1,178,012	(2)
Total Equity		176,234	$ 10,848,965	
Consolidated Debt			$ 15,367,474	
Add:				
BXP's share of unconsolidated joint venture debt (3)			1,379,131	
Subtract:				
Partners' share of Consolidated Debt (4)			1,361,372	
BXP's Share of Debt			$ 15,385,233	
Consolidated Market Capitalization			$ 26,216,439	
BXP's Share of Market Capitalization			$ 26,234,198	
Consolidated Debt/Consolidated Market Capitalization			58.62 %	
BXP's Share of Debt/BXP's Share of Market Capitalization			58.65 %	

(1) Values are based on the closing price per share of BXP's common stock on the New York Stock Exchange on June 28, 2024 of $61.56.
(2) Includes long-term incentive plan units (including 2012 OPP Units and 2013 - 2021 MYLTIP Units) but excludes the 2022 - 2024 MYLTIP Units because the three-year performance periods had not ended as of June 30, 2024.
(3) See page 90 for additional information.
(4) See page 89 for additional information.

Consolidated Debt to Consolidated Market Capitalization Ratio is a measure of leverage commonly used by analysts in the REIT sector. We present this measure as a percentage and it is calculated by dividing (A) our consolidated debt by (B) our consolidated market capitalization, which is the market value of our outstanding equity securities plus our consolidated debt. Consolidated market capitalization is the sum of:

(1) our consolidated debt; plus

(2) the product of (x) the closing price per share of BXP common stock on June 28, 2024, as reported by the New York Stock Exchange, multiplied by (y) the sum of:

(i) the number of outstanding shares of common stock of BXP,

(ii) the number of outstanding OP Units in BPLP (excluding OP Units held by BXP),

(iii) the number of OP Units issuable upon conversion of all outstanding LTIP Units, assuming all conditions have been met for the conversion of the LTIP Units, and

(iv) the number of OP Units issuable upon conversion of 2012 OPP Units, and 2013 - 2021 MYLTIP Units that were issued in the form of LTIP Units.

The calculation of consolidated market capitalization does not include LTIP Units issued in the form of MYLTIP Awards unless and until certain performance thresholds are achieved and they are earned. Because their three-year performance periods have not yet ended, 2022 - 2024 MYLTIP Units are not included in this calculation as of June 30, 2024.

We also present BXP's Share of Market Capitalization and BXP's Share of Debt/BXP's Share of Market Capitalization, which are calculated in the same manner, except that BXP's Share of Debt is utilized instead of our consolidated debt in both the numerator and the denominator. BXP's Share of Debt is defined as our consolidated debt plus our share of debt from our unconsolidated joint ventures (calculated based upon our ownership percentage), minus our partners' share of debt from our consolidated joint ventures (calculated based upon the partners' percentage ownership interests adjusted for basis differentials). Management believes that BXP's Share of Debt provides useful information to investors regarding our financial condition because it includes our share of debt from unconsolidated joint ventures and excludes our partners' share of debt from consolidated joint ventures, in each case presented on the same basis. We have several significant joint ventures and presenting various measures of financial condition in this manner can help investors better understand our financial condition and/or results of operations after taking into account our economic interest in these joint ventures. We caution investors that the ownership percentages used in calculating BXP's Share of Debt may not completely and accurately depict all of the legal and economic implications of holding an interest in a consolidated or unconsolidated joint venture. For example, in addition to partners' interests in profits and capital, venture agreements vary in the allocation of rights regarding decision making (both for routine and major decisions), distributions, transferability of interests, financing and guarantees, liquidations and other matters. Moreover, in some cases we exercise significant influence over, but do not control, the joint venture in which case GAAP requires that we account for the joint venture entity using the equity method of accounting and we do not consolidate it for financial reporting purposes. In other cases, GAAP requires that we consolidate the venture even though our partner(s) own(s) a significant percentage interest. As a result, management believes that the presentation of BXP's Share of a financial measure should not be considered a substitute for, and should only be considered with and as a supplement to our financial information presented in accordance with GAAP.

We present these supplemental ratios because our degree of leverage could affect our ability to obtain additional financing for working capital, capital expenditures, acquisitions, development or other general corporate purposes and because different investors and lenders consider one or both of these ratios. Investors should understand that these ratios are, in part, a function of the market price of the common stock of BXP and as such will fluctuate with changes in such price, and they do not necessarily reflect our capacity to incur additional debt to finance our activities or our ability to manage our existing debt obligations. However, for a company like BXP, whose assets are primarily income-producing real estate, these ratios may provide investors with an alternate indication of leverage, so long as they are evaluated along with the ratio of indebtedness to other measures of asset value used by financial analysts and other financial ratios, as well as the various components of our outstanding indebtedness.

For a discussion of our unconsolidated joint venture indebtedness, see "*Liquidity and Capital Resources—Investment in Unconsolidated Joint Ventures - Secured Debt*" within "*Item 2—Management's Discussion and Analysis of Financial Condition and Results of Operations*" and for a discussion of our consolidated joint venture indebtedness see "*Liquidity and Capital Resources—Mortgage Notes Payable*" within "*Item 2—Management's Discussion and Analysis of Financial Condition and Results of Operations*."

Debt Financing

As of June 30, 2024, we had approximately $15.4 billion of outstanding consolidated indebtedness, representing approximately 58.62% of our Consolidated Market Capitalization as calculated above consisting of approximately (1) $9.8 billion (net of discount and deferred financing fees) in publicly traded unsecured senior notes having a GAAP weighted-average interest rate of 3.91% per annum and maturities in 2025 through 2034, (2) $4.4 billion (net of deferred financing fees and fair value interest adjustments) of property-specific mortgage debt having a GAAP weighted-average interest rate of 4.22% per annum and a weighted-average term of 3.9 years, (3) $0.7 billion outstanding under BPLP's 2023 Unsecured Term Loan that matures on May 16, 2025, and (4) $0.5 billion of unsecured commercial paper borrowings having a weighted-average interest rate of 5.60% per annum and a weighted-average maturity of 49 days, from the issuance date.

The table below summarizes the aggregate carrying value of our outstanding indebtedness, as well as Consolidated Debt Financing Statistics at June 30, 2024 and June 30, 2023.

	June 30,	
	2024	2023
	(dollars in thousands)	
Debt Summary:		
Balance		
Mortgage notes payable, net	$ 4,371,478	$ 3,274,764
Unsecured senior notes, net	9,797,220	10,985,395
Unsecured line of credit	—	—
Unsecured term loan, net	698,776	1,196,046
Unsecured commercial paper	500,000	—
Consolidated Debt	15,367,474	15,456,205
Add:		
BXP's share of unconsolidated joint venture debt, net (1)	1,379,131	1,609,671
Subtract:		
Partners' share of consolidated mortgage notes payable, net (2)	1,361,372	1,359,380
BXP's Share of Debt	$ 15,385,233	$ 15,706,496

	June 30,	
	2024	2023
Consolidated Debt Financing Statistics:		
Percent of total debt:		
Fixed rate (3)	92.20 %	100.00 %
Variable rate	7.80 %	— %
Total	100.00 %	100.00 %
GAAP Weighted-average interest rate at end of period:		
Fixed rate (3)	4.01 %	3.95 %
Variable rate	5.97 %	— %
Total	4.16 %	3.95 %
Coupon/Stated Weighted-average interest rate at end of period:		
Fixed rate (3)	3.78 %	3.82 %
Variable rate	5.84 %	— %
Total	3.94 %	3.82 %
Weighted-average maturity at end of period (in years):		
Fixed rate (3)	4.7	5.0
Variable rate	0.5	—
Total	4.4	5.0

(1) See page 90 for additional information.
(2) See page 89 for additional information.
(3) At June 30, 2024, two of our mortgage loans aggregating approximately $900.0 million bore interest at variable rates. We entered into interest rate swap contracts that effectively fixed the variability of these loans for all or a portion of the applicable debt term and as such, they are reflected in our Fixed rate statistics.

Unsecured Credit Facility

The 2021 Credit Facility provides for borrowings of up to $2.0 billion, as described below, through BPLP's revolving facility, subject to customary conditions. The 2021 Credit Facility matures on June 15, 2026 and includes a sustainability-linked pricing component. Under the 2021 Credit Facility, BPLP had the option to increase the original total commitment of $1.5 billion by up to an additional $500.0 million by increasing the amount of the revolving facility and/or by incurring one or more term loans, in each case, subject to syndication of the increase and other conditions (the "Accordion Option"). On September 28, 2023, BPLP exercised a portion of the Accordion Option, which increased the then maximum borrowing amount under the 2021 Credit Facility from $1.5 billion to $1.815 billion. On April 29, 2024, BPLP exercised the remainder of the Accordion Option and increased the maximum borrowing amount under the 2021 Credit Facility to $2.0 billion. All other terms of the 2021 Credit Facility remain unchanged.

At BPLP's option, loans under the 2021 Credit Facility will bear interest at a rate per annum equal to (1) (a) in the case of loans denominated in Dollars, Term SOFR and SOFR, (b) in the case of loans denominated in Euro, EURIBOR, (c) in the case of loans denominated in Canadian Dollars, CDOR, and (d) in the case of loans denominated in Sterling, SONIA, in each case, plus a margin ranging from 70.0 to 140.0 basis points based on BPLP's credit rating or (2) an alternate base rate equal to the greatest of (a) the Federal Funds rate plus 0.5%, (b) the administrative agent's prime rate, (c) Term SOFR plus 1.00%, and (d) 1.00%, in each case, plus a margin ranging from 0 to 40 basis points based on BPLP's credit rating. In addition, there is a SOFR credit spread adjustment of 0.10%.

Based on BPLP's June 30, 2024 credit rating, (1) the applicable Daily SOFR, Term SOFR, alternative currency daily rate, and alternative currency term rate margins are 0.850%, (2) the alternate base rate margin is zero basis points and (3) the facility fee is 0.20% per annum.

The 2021 Credit Facility is used as a backstop for BPLP's $500.0 million unsecured commercial paper program (See "*Unsecured Commercial Paper"* below). As such, BPLP intends to maintain, at a minimum, availability under the 2021 Credit Facility in an amount equal to the amount of commercial paper notes outstanding.

At June 30, 2024 and July 31, 2024, BPLP had no borrowings under its 2021 Credit Facility, outstanding letters of credit totaling approximately $6.6 million and $6.2 million, respectively, and $500.0 million is being used as a backstop for the commercial paper program. Therefore, at June 30, 2024 and July 31, 2024, BPLP has the ability to borrow approximately $1.5 billion.

Unsecured Term Loan

The 2023 Unsecured Term Loan provided for a single borrowing of up to $1.2 billion. Upon entry into the credit agreement in January 2023, BPLP exercised its option to draw $1.2 billion under the 2023 Unsecured Term Loan. Under the credit agreement governing the 2023 Unsecured Term Loan, BPLP may, at any time prior to the maturity date, increase total commitments by up to an additional $300.0 million in aggregate principal amount by increasing the existing 2023 Unsecured Term Loan or incurring one or more additional term loans, in each case, subject to syndication of the increase and other conditions. On April 29, 2024, BPLP repaid $500.0 million of the outstanding balance under the 2023 Unsecured Term Loan from the proceeds of its unsecured commercial paper program (see "*Unsecured Commercial Paper*" below). The 2023 Unsecured Term Loan had an initial maturity date of May 16, 2024, with one 12-month extension option, subject to customary conditions. On May 16, 2024, BPLP exercised its option to extend the maturity date of the 2023 Unsecured Term Loan to May 16, 2025. All other terms of the 2023 Unsecured Term Loan remain unchanged.

At BPLP's option, loans under the 2023 Unsecured Term Loan will bear interest at a rate per annum equal to (1) a base rate equal to the greatest of (a) the Federal Funds rate plus 0.5%, (b) the administrative agent's prime rate, (c) Term SOFR for a one-month period plus 1.00%, and (d) 1.00%, in each case, plus a margin ranging from 0 to 60 basis points based on BPLP's credit rating; or (2) a rate equal to adjusted Term SOFR with a one-month period plus a margin ranging from 75 to 160 basis points based on BPLP's credit rating.

Based on BPLP's June 30, 2024 credit rating, the 2023 Unsecured Term Loan bears interest at a rate equal to adjusted Term SOFR plus 0.95% per annum. At June 30, 2024 and July 31, 2024, BPLP had $700.0 million outstanding under the 2023 Unsecured Term Loan.

Unsecured Senior Notes

For a description of BPLP's outstanding unsecured senior notes as of June 30, 2024, see Note 6 to the Consolidated Financial Statements.

On February 1, 2024, BPLP repaid $700.0 million in aggregate principal amount of its 3.800% senior notes due February 1, 2024. The repayment was completed with available cash and the $600.0 million proceeds from the mortgage loan entered into on October 26, 2023. The repayment price was approximately $713.3 million, which was equal to the stated principal plus approximately $13.3 million of accrued and unpaid interest to, but not including, the repayment date. Excluding the accrued and unpaid interest, the repayment price was equal to the principal amount being repaid.

Unsecured Commercial Paper

On April 17, 2024, BPLP established an unsecured commercial paper program. Under the terms of the program, BPLP may issue, from time to time, unsecured commercial paper notes up to a maximum aggregate amount outstanding at any one time of $500.0 million with varying maturities of up to one year. Amounts available under the unsecured commercial paper program may be borrowed, repaid, and re-borrowed from time to time. The notes are sold in private placements and rank pari passu with all of BPLP's other unsecured senior indebtedness, including its outstanding senior notes. The unsecured commercial paper program is backstopped by available capacity under the 2021 Credit Facility. At June 30, 2024, BPLP had an aggregate of $500.0 million of unsecured commercial paper notes outstanding that bore interest at a weighted-average rate of approximately 5.60% per annum and had a weighted-average maturity of 49 days, from the issuance date. At July 31, 2024, BPLP had an aggregate of $500.0 million of commercial paper notes outstanding that bore interest at a weighted-average rate of approximately 5.58% per annum and had a weighted-average maturity of 53 days, from the issuance date. Proceeds from the unsecured commercial paper program were used to reduce BPLP's 2023 Unsecured Term Loan to $700.0 million.

Mortgage Notes Payable

On January 8, 2024, we completed the acquisition of our joint venture partner's 50% economic ownership interest in the joint venture that owns 901 New York Avenue located in Washington, DC (See Note 3 to the Consolidated Financial Statements). The property is subject to existing mortgage indebtedness. At acquisition, the mortgage loan had an outstanding principal balance of approximately $207.1 million, bore interest at 3.61% per annum and was scheduled to mature on January 5, 2025. The mortgage loan was recorded at a fair value of approximately $198.7 million. On January 11, 2024, we modified the mortgage loan to provide for two extension options totaling five years of additional term, each subject to certain conditions.

The following represents the outstanding mortgage notes payable, net at June 30, 2024:

Properties	Stated Interest Rate	GAAP Interest Rate (1)	Stated Principal Amount	Fair Value Adjustment and Deferred Financing Costs, Net	Carrying Amount	Carrying Amount (Partners' Share)		Maturity Date
			(dollars in thousands)					
Wholly-owned								
901 New York Avenue	3.61 %	7.69 %	$ 205,074	$ (4,452)	$ 200,622	N/A	(2)	January 5, 2025
Santa Monica Business Park	4.06 %	6.53 %	300,000	(2,947)	297,053	N/A	(3)(4)	July 19, 2025
90 Broadway, 325 Main Street, 355 Main Street, and Cambridge East Garage (also known as Kendall Center Green Garage)	6.04 %	6.26 %	600,000	(5,803)	594,197	N/A	(3)(5)	October 26, 2028
Subtotal			1,105,074	(13,202)	1,091,872	N/A		
Consolidated Joint Ventures								
767 Fifth Avenue (the General Motors Building)	3.43 %	3.64 %	2,300,000	(10,249)	2,289,751	$ 915,937	(3)(6)(7)	June 9, 2027
601 Lexington Avenue	2.79 %	2.93 %	1,000,000	(10,145)	989,855	445,435	(3)(8)	January 9, 2032
Subtotal			3,300,000	(20,394)	3,279,606	1,361,372		
Total			$ 4,405,074	$ (33,596)	$ 4,371,478	$ 1,361,372		

(1) The GAAP interest rate differs from the stated interest rate due to the inclusion of the amortization of financing charges, the effects of hedging transactions (if any) and adjustments required under Accounting Standards Codification 805 “Business Combinations” to reflect loans and swaps at their fair values (if any).
(2) Carrying amount includes an approximately $4.4 million fair value interest adjustment. The loan includes two extension options, subject to certain conditions.
(3) The mortgage loan requires interest only payments with a balloon payment due at maturity.
(4) The mortgage loan bears interest at a variable rate of SOFR plus 1.38% per annum. The borrower under the loan entered into three interest rate swap contracts with notional amounts aggregating $300.0 million to fix SOFR at a weighted-average fixed interest rate of 2.679% for the period commencing on February 1, 2023 and ending on April 1, 2025. Stated interest rate reflects the weighted average fixed interest rate based on the interest rate swap contracts plus 1.38% per annum. Carrying amount includes an approximately $2.9 million fair value interest adjustment and excludes the adjustment required to reflect the interest rate swap at fair value upon acquisition of approximately $4.2 million.
(5) The mortgage loan bears interest at a variable rate of Daily Compounded SOFR plus 2.25% per annum. On December 7, 2023, BPLP entered into three interest rate swap contracts with notional amounts aggregating $600.0 million to fix Daily Compounded SOFR at a weighted-average fixed interest rate of 3.7925% for the period commencing on December 15, 2023 and ending on October 26, 2028. The stated interest rate reflects the weighted average fixed interest rate based on the interest rate swap contracts plus 2.25% per annum.
(6) This property is owned by a consolidated entity in which we have a 60% interest. The partners' share of the carrying amount has been adjusted for basis differentials.
(7) In connection with the refinancing of the loan, we guaranteed the consolidated entity's obligation to fund various reserves for tenant improvement costs and allowances, leasing commissions and free rent obligations in lieu of cash deposits. As of June 30, 2024, the maximum funding obligation under the guarantee was approximately $8.5 million. We earn a fee from the joint venture for providing the guarantee and have an agreement with our partners to reimburse the joint venture for their share of any payments made under the guarantee (See Note 8 to the Consolidated Financial Statements).
(8) This property is owned by a consolidated entity in which we have a 55% interest.

Derivative Instruments and Hedging Activities

As of June 30, 2024, we had $900.0 million of interest rate swaps outstanding, where hedge accounting was elected, with a fair value of approximately $12.1 million. For a description of these interest rate swaps, see Note 7 to the Consolidated Financial Statements.

Investment in Unconsolidated Joint Ventures - Secured Debt

We have investments in unconsolidated joint ventures with our effective ownership interests ranging from 20% to approximately 71%. Fourteen of these ventures have mortgage indebtedness. We exercise significant influence over, but do not control, these entities. As a result, we account for them using the equity method of accounting. See also Note 5 to the Consolidated Financial Statements. At June 30, 2024, the aggregate carrying amount of debt, including both our and our partners' share, incurred by these ventures was approximately $3.2 billion (of which our proportionate share is approximately $1.4 billion). The table below summarizes the outstanding debt of these joint venture properties at June 30, 2024. In addition to other guarantees specifically noted in the table, we have agreed to customary environmental indemnifications and nonrecourse carve-outs (e.g., guarantees against fraud, misrepresentation and bankruptcy) as well as the completion of development projects on certain of the loans.

Properties	Nominal % Ownership	Stated Interest Rate	GAAP Interest Rate (1)	Term of Variable Rate + Spread	Stated Principal Amount	Deferred Financing Costs, Net	Carrying Amount	Carrying Amount (Our share)		Maturity Date
					(dollars in thousands)					
360 Park Avenue South	71.11 %	7.83 %	8.28 %	Adjusted Term SOFR + 2.40%	$ 220,000	$ (455)	$ 219,545	$ 156,118	(2)(3)(4)	December 14, 2024
Market Square North	50.00 %	7.74 %	7.92 %	SOFR + 2.41%	125,000	(311)	124,689	62,345	(2)(3)(5)	November 10, 2025
1265 Main Street	50.00 %	3.77 %	3.84 %	N/A	34,185	(209)	33,976	16,988		January 1, 2032
Colorado Center	50.00 %	3.56 %	3.59 %	N/A	550,000	(555)	549,445	274,722	(2)	August 9, 2027
Dock 72	50.00 %	7.84 %	8.11 %	SOFR +2.50%	198,383	(694)	197,689	98,845	(2)(6)	December 18, 2025
The Hub on Causeway - Podium	50.00 %	7.35 %	7.75 %	Daily Simple SOFR + 2.50%	154,329	(733)	153,596	76,798	(2)(3)(7)	September 8, 2025
Hub50House	50.00 %	4.43 %	4.51 %	SOFR + 1.35%	185,000	(1,086)	183,914	91,957	(2)(8)	June 17, 2032
100 Causeway Street	50.00 %	6.80 %	6.95 %	Term SOFR + 1.48%	333,579	(85)	333,494	166,747	(2)(3)(9)	September 5, 2024
7750 Wisconsin Avenue (Marriott International Headquarters)	50.00 %	6.68 %	6.83 %	SOFR + 1.35%	251,542	(311)	251,231	125,616	(2)	April 26, 2025
Safeco Plaza	33.67 %	4.82 %	7.73 %	SOFR + 2.32%	250,000	(737)	249,263	83,927	(2)(10)	September 1, 2026
500 North Capitol Street, NW	30.00 %	6.83 %	7.16 %	N/A	105,000	(544)	104,456	31,215	(2)(11)	June 5, 2026
200 Fifth Avenue	26.69 %	4.34 %	5.60 %	Term SOFR + 1.41%	600,000	(7,347)	592,653	151,689	(2)(12)	November 24, 2028
3 Hudson Boulevard	25.00 %	8.94 %	8.94 %	Term SOFR + 3.61%	80,000	—	80,000	20,000	(2)(13)	August 7, 2024
Skymark - Reston Next Residential	20.00 %	7.33 %	7.65 %	SOFR + 2.00%	111,658	(836)	110,822	22,164	(2)(3)(14)	May 13, 2026
Total					$ 3,198,676	$ (13,903)	$ 3,184,773	$ 1,379,131		

(1) The GAAP interest rate differs from the stated interest rate due to the inclusion of the amortization of financing costs, which includes mortgage recording fees, the effects of hedging transactions (if any) and adjustments required under Accounting Standards Codification 805 "Business Combinations" to reflect loans at their fair values (if any).
(2) The loan requires interest only payments with a balloon payment due at maturity.
(3) The loan includes certain extension options, subject to certain conditions.
(4) The spread on the variable rate may be reduced, subject to certain conditions.

(5) The loan bears interest at a variable rate equal to the greater of (1) the sum of (x) SOFR and (y) 2.41% or (2) 2.80% per annum.
(6) The loan bears interest at a variable rate equal to (1) the greater of (x) SOFR or (y) 0.25%, plus (2) 2.50% per annum.
(7) The joint venture entered into interest rate swap contracts with notional amounts aggregating $154.3 million through September 2, 2025, resulting in a fixed rate of approximately 7.35% per annum through the expiration of the interest rate swap contracts.
(8) The joint venture entered into interest rate swap contracts with notional amounts aggregating $185.0 million through April 10, 2032, resulting in a fixed rate of approximately 4.432% per annum through the expiration of the interest rate swap contracts.
(9) See Note 14 to the Consolidated Financial Statements.
(10) The loan bears interest at a variable rate equal to the greater of (x) 2.35% or (y) SOFR plus 2.32% per annum. The joint venture entered into an interest rate cap agreement with a financial institution to limit its exposure to increases in the SOFR rate at a cap of 2.50% per annum on a notional amount of $250.0 million through September 1, 2024.
(11) The indebtedness consists of (x) a $70.0 million mortgage loan payable (Note A) which bears interest at a fixed rate of 6.23% per annum, and (y) a $35.0 million mortgage loan payable (Note B) which bears interest at a fixed rate of 8.03% per annum. We provided $10.5 million of the Note B mortgage financing to the joint venture. Our portion of the loan is reflected as Related Party Note Receivables, Net on our Consolidated Balance Sheets.
(12) The joint venture entered into interest rate swap contracts with notional amounts aggregating $600.0 million through June 2028, resulting in a fixed rate of approximately 4.34% per annum through the expiration of the interest rate swap contracts. The deferred financing costs, net include the adjustment required to reflect the loan and interest rate swap at fair value upon acquisition.
(13) We provided $80.0 million of mortgage financing to the joint venture. The loan is reflected as Related Party Note Receivables, Net on our Consolidated Balance Sheets. As of June 30, 2024, the loan has approximately $32.8 million of accrued interest due at the maturity date.
(14) The construction financing has a borrowing capacity of $140.0 million.

State and Local Tax Matters

Because BXP is organized and qualifies as a REIT, it is generally not subject to federal income taxes, but is subject to certain state and local taxes. In the normal course of business, certain entities through which we own real estate either have undergone, or are currently undergoing, tax audits or other inquiries. Although we believe that we have substantial arguments in favor of our position in the ongoing audits, in some instances there is no controlling precedent or interpretive guidance on the specific point at issue. Collectively, tax deficiency notices received to date from the jurisdictions conducting the ongoing audits have not been material. However, there can be no assurance that future audits will not occur with increased frequency or that the ultimate result of such audits will not have a material adverse effect on our results of operations.

Insurance

For information concerning our insurance program, see Note 8 to the Consolidated Financial Statements.

Funds from Operations

Pursuant to the revised definition of Funds from Operations adopted by the Board of Governors of the National Association of Real Estate Investment Trusts (“Nareit”), we calculate Funds from Operations, or “FFO,” for each of BXP and BPLP by adjusting net income attributable to BXP, Inc. and net income attributable to Boston Properties Limited Partnership (computed in accordance with GAAP), respectively, for gains (or losses) from sales of properties, including a change in control, impairment losses on depreciable real estate consolidated on our balance sheet, impairment losses on our investments in unconsolidated joint ventures driven by a measurable decrease in the fair value of depreciable real estate held by the unconsolidated joint ventures and our share of real estate-related depreciation and amortization. FFO is a non-GAAP financial measure. We believe the presentation of FFO, combined with the presentation of required GAAP financial measures, improves the understanding of operating results of REITs among the investing public and helps make comparisons of REIT operating results more meaningful. Management generally considers FFO to be a useful measure for understanding and comparing our operating results because, by excluding gains and losses related to sales or a change in control of previously depreciated operating real estate assets, impairment losses and real estate asset depreciation and amortization (which can differ across owners of similar assets in similar condition based on historical cost accounting and useful life estimates), FFO can help investors compare the operating performance of a company’s real estate across reporting periods and to the operating performance of other companies.

Our computation of FFO may not be comparable to FFO reported by other REITs or real estate companies that do not define the term in accordance with the current Nareit definition or that interpret the current Nareit definition differently. We believe that in order to facilitate a clear understanding of our operating results, FFO should be examined in conjunction with net income attributable to BXP, Inc. and net income attributable to Boston Properties Limited Partnership as presented in our Consolidated Financial Statements. FFO should not be considered as a substitute for net income attributable to BXP, Inc. or net income attributable to Boston Properties Limited Partnership (determined in accordance with GAAP) or any other GAAP financial measures and should only be considered together with and as a supplement to our financial information prepared in accordance with GAAP.

BXP

The following table presents a reconciliation of net income attributable to BXP, Inc. to FFO attributable to BXP, Inc. for the three months ended June 30, 2024 and 2023:

	Three months ended June 30,	
	2024	2023
	(in thousands)	
Net income attributable to BXP, Inc.	$ 79,615	$ 104,299
Add:		
Noncontrolling interest—common units of the Operating Partnership	9,509	12,117
Noncontrolling interests in property partnerships	17,825	19,768
Net income	106,949	136,184
Add:		
Depreciation and amortization	219,542	202,577
Noncontrolling interests in property partnerships' share of depreciation and amortization	(19,203)	(17,858)
BXP's share of depreciation and amortization from unconsolidated joint ventures	19,827	25,756
Corporate-related depreciation and amortization	(406)	(442)
Non-real estate depreciation and amortization	2,130	—
Less:		
Unrealized gain on non-real estate investment	58	124
Noncontrolling interests in property partnerships	17,825	19,768
Funds from Operations (FFO) attributable to the Operating Partnership common unitholders (including BXP, Inc.)	310,956	326,325
Less:		
Noncontrolling interest—common units of the Operating Partnership's share of funds from operations	32,557	33,481
Funds from Operations attributable to BXP, Inc.	$ 278,399	$ 292,844
Our percentage share of Funds from Operations—basic	89.53 %	89.74 %
Weighted average shares outstanding—basic	157,039	156,826

The following tables presents a reconciliation of net income attributable to BXP, Inc. to Diluted FFO attributable to BXP, Inc. for income (numerator) and shares/units (denominator) for the three months ended June 30, 2024 and 2023:

	Three months ended June 30,	
	2024	2023
	(in thousands)	
Net income attributable to BXP, Inc.	$ 79,615	$ 104,299
Add:		
Noncontrolling interest—common units of the Operating Partnership	9,509	12,117
Noncontrolling interests in property partnerships	17,825	19,768
Net income	106,949	136,184
Add:		
Depreciation and amortization	219,542	202,577
Noncontrolling interests in property partnerships' share of depreciation and amortization	(19,203)	(17,858)
BXP's share of depreciation and amortization from unconsolidated joint ventures	19,827	25,756
Corporate-related depreciation and amortization	(406)	(442)
Non-real estate depreciation and amortization	2,130	—
Less:		
Unrealized gain on non-real estate investment	58	124
Noncontrolling interests in property partnerships	17,825	19,768
Funds from Operations (FFO) attributable to the Operating Partnership common unitholders (including BXP, Inc.)	310,956	326,325
Effect of Dilutive Securities:		
Stock based compensation	—	—
Diluted FFO	310,956	326,325
Less:		
Noncontrolling interest—common units of the Operating Partnership's share of diluted FFO	32,526	33,383
Diluted FFO attributable to BXP, Inc. (1)	$ 278,430	$ 292,942

(1) BXP's share of diluted Funds from Operations was 89.54% and 89.77% for the three months ended June 30, 2024 and 2023, respectively.

	Three months ended June 30,	
	2024	2023
	shares/units (in thousands)	
Basic Funds from Operations	175,408	174,748
Effect of Dilutive Securities:		
Stock based compensation	252	392
Diluted Funds from Operations	175,660	175,140
Less:		
Noncontrolling interest—common units of the Operating Partnership's share of diluted Funds from Operations	18,369	17,922
Diluted Funds from Operations attributable to BXP, Inc. (1)	157,291	157,218

(1) BXP's share of diluted Funds from Operations was 89.54% and 89.77% for the three months ended June 30, 2024 and 2023, respectively.

BPLP

The following table presents a reconciliation of net income attributable to Boston Properties Limited Partnership to FFO attributable to Boston Properties Limited Partnership for the three months ended June 30, 2024 and 2023:

	Three months ended June 30,	
	2024	2023
	(in thousands)	
Net income attributable to Boston Properties Limited Partnership	$ 90,827	$ 118,098
Add:		
Noncontrolling interests in property partnerships	17,825	19,768
Net income	108,652	137,866
Add:		
Depreciation and amortization	217,839	200,895
Noncontrolling interests in property partnerships’ share of depreciation and amortization	(19,203)	(17,858)
BXP’s share of depreciation and amortization from unconsolidated joint ventures	19,827	25,756
Corporate-related depreciation and amortization	(406)	(442)
Non-real estate depreciation and amortization	2,130	—
Less:		
Unrealized gain on non-real estate investment	58	124
Noncontrolling interests in property partnerships	17,825	19,768
Funds from Operations attributable to Boston Properties Limited Partnership (1)	$ 310,956	$ 326,325
Weighted average shares outstanding—basic	175,408	174,748

(1) Our calculation includes OP Units and vested LTIP Units (including vested 2012 OPP Units and vested 2013 - 2021 MYLTIP Units).

The following tables presents a reconciliation of net income attributable to Boston Properties Limited Partnership to Diluted FFO attributable to Boston Properties Limited Partnership for income (numerator) and shares/units (denominator) for the three months ended June 30, 2024 and 2023:

	Three months ended June 30, 2024	Three months ended June 30, 2023
	(in thousands)	
Net income attributable to Boston Properties Limited Partnership	$ 90,827	$ 118,098
Add:		
Noncontrolling interests in property partnerships	17,825	19,768
Net income	108,652	137,866
Add:		
Depreciation and amortization	217,839	200,895
Noncontrolling interests in property partnerships’ share of depreciation and amortization	(19,203)	(17,858)
BXP’s share of depreciation and amortization from unconsolidated joint ventures	19,827	25,756
Corporate-related depreciation and amortization	(406)	(442)
Non-real estate depreciation and amortization	2,130	—
Less:		
Unrealized gain on non-real estate investment	58	124
Noncontrolling interests in property partnerships	17,825	19,768
Funds from Operations attributable to Boston Properties Limited Partnership (1)	310,956	326,325
Effect of Dilutive Securities:		
Stock based compensation	—	—
Diluted Funds from Operations attributable to Boston Properties Limited Partnership	$ 310,956	$ 326,325

(1) Our calculation includes OP Units and vested LTIP Units (including vested 2012 OPP Units and vested 2013 - 2021 MYLTIP Units).

	Three months ended June 30, 2024	Three months ended June 30, 2023
	shares/units (in thousands)	
Basic Funds from Operations	175,408	174,748
Effect of Dilutive Securities:		
Stock based compensation	252	392
Diluted Funds from Operations	175,660	175,140

Material Cash Commitments

We have various service contracts with vendors related to our property management. In addition, we have certain other contracts we enter into in the ordinary course of business that may extend beyond one year. These contracts include terms that provide for cancellation with insignificant or no cancellation penalties. Contract terms are generally between three and five years.

During the three months ended June 30, 2024, we paid approximately $77.3 million to fund tenant-related obligations, including tenant improvements and leasing commissions.

In addition, during the three months ended June 30, 2024, we and our unconsolidated joint venture partners incurred approximately $99.8 million of new tenant-related obligations associated with approximately 1,295,600 square feet of second generation leases, or approximately $77 per square foot. We signed approximately 27,100 square feet of first generation leases. The tenant-related obligations for the development properties are included within the projects’ “Estimated Total Investment” referred to in *“Item 2—Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources.”* In aggregate during the second quarter of 2024, we signed leases for approximately 1,322,700 square feet of space and incurred aggregate tenant-related obligations of approximately $105.1 million, or approximately $79 per square foot.

ITEM 3—*Quantitative and Qualitative Disclosures about Market Risk.*

We are exposed to certain market risks, one of the most predominant of which is a change in interest rates. Unless we have entered into interest rate swaps or other derivatives to fix the interest rate, increases in interest rates can result in increased interest expense under our 2021 Credit Facility, 2023 Unsecured Term Loan, unsecured commercial paper, certain mortgage loans and other debt that bears interest at variable rates. Increases in interest rates can also result in increased interest expense when our fixed rate debt matures and needs to be refinanced.

As of June 30, 2024, approximately $13.3 billion of our indebtedness bore interest at fixed rates and therefore the fair value of these instruments is not affected by changes in the market interest rates. The remaining $2.1 billion of outstanding indebtedness bore interest at variable rates, including $700.0 million under the 2023 Unsecured Term Loan, $500.0 million of unsecured commercial paper borrowings and $900.0 million of secured debt. However, we entered into interest rate swaps with notional amounts aggregating $900.0 million for our secured debt, thus fixing the interest rates for all, or a portion of the applicable debt term (See Note 7 to the Consolidated Financial Statements for information pertaining to interest rate swap contracts in place as of June 30, 2024 and their respective fair values). Therefore, as of June 30, 2024, we have $1.2 billion of variable rate debt outstanding.

The following table presents our aggregate debt obligations carrying value, estimated fair value and where applicable, the corresponding weighted-average GAAP interest rates sorted by maturity date as of June 30, 2024.

The table below does not include our unconsolidated joint venture debt. For a discussion concerning our unconsolidated joint venture debt, including interest rate swaps, see Note 5 to the Consolidated Financial Statements and "*Item 2—Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Investment in Unconsolidated Joint Ventures - Secured Debt.*"

	2024	2025	2026	2027	2028	2029+	Total	Estimated Fair Value
				(dollars in thousands) Mortgage debt, net				
Fixed Rate	$ (4,202)	$ 197,631	$ (4,865)	$ 2,297,114	$ (1,372)	$ 995,922	$ 3,480,228	$ 2,997,909
GAAP Average Interest Rate	— %	7.69 %	— %	3.64 %	— %	2.93 %	3.67 %	
Variable Rate	(2,076)	297,113	(1,344)	(1,344)	598,901	—	891,250	896,697
Subtotal	$ (6,278)	$ 494,744	$ (6,209)	$ 2,295,770	$ 597,529	$ 995,922	$ 4,371,478	$ 3,894,606
				Unsecured debt, net				
Fixed Rate	$ (5,854)	$ 839,763	$ 1,991,153	$ 742,524	$ 993,755	$ 5,235,879	$ 9,797,220	$ 8,903,772
GAAP Average Interest Rate	— %	3.35 %	3.63 %	6.92 %	4.63 %	3.55 %	3.91 %	
Variable Rate	499,301	699,475	—	—	—	—	1,198,776	1,200,000
Subtotal	$ 493,447	$ 1,539,238	$ 1,991,153	$ 742,524	$ 993,755	$ 5,235,879	$ 10,995,996	$ 10,103,772
Total Debt	$ 487,169	$ 2,033,982	$ 1,984,944	$ 3,038,294	$ 1,591,284	$ 6,231,801	$ 15,367,474	$ 13,998,378

At June 30, 2024, the weighted-average stated interest rates on the fixed rate debt stated above was 3.68% per annum. At June 30, 2024, our outstanding variable rate debt totaled $2.1 billion, of which $900.0 million was subject to interest rate swaps. At June 30, 2024, the weighted-average stated interest rate on our variable rate debt, including the effect of the interest rate swaps, was 4.49% per annum. If market interest rates on our variable rate debt had been 100 basis points greater, total interest expense would have increased approximately $5.3 million and $10.5 million for the three and six months ended June 30, 2024.

Our use of derivative instruments also involves certain additional risks such as counterparty credit risk, the enforceability of hedging contracts and the risk that unanticipated and significant changes in interest rates will cause a significant loss of basis in the contract. We believe that there is a low likelihood that these counterparties will fail to meet their obligations and we minimize our exposure by limiting counterparties to major banks who meet established credit and capital guidelines. There can be no assurance that we will adequately protect against the foregoing risks.

The fair value amounts were determined solely by considering the impact of hypothetical interest rates on our financial instruments. Due to the uncertainty of specific actions, we may undertake to minimize possible effects of market interest rate increases, this analysis assumes no changes in our financial structure.

ITEM 4—Controls and Procedures.

BXP, Inc.

(a) Evaluation of Disclosure Controls and Procedures. As of the end of the period covered by this report, our management, with the participation of BXP, Inc.'s Chief Executive Officer (Principal Executive Officer) and Chief Financial Officer (Principal Financial Officer), evaluated the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended). Based upon that evaluation, BXP, Inc.'s Chief Executive Officer and Chief Financial Officer concluded that these disclosure controls and procedures were effective as of the end of the period covered by this report.

(b) Changes in Internal Control Over Financial Reporting. No change in BXP, Inc.'s internal control over financial reporting (as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934, as amended) occurred during the second quarter of our fiscal year ending December 31, 2024 that has materially affected, or is reasonably likely to materially affect, BXP, Inc.'s internal control over financial reporting.

Boston Properties Limited Partnership

(a) Evaluation of Disclosure Controls and Procedures. As of the end of the period covered by this report, the management of BXP, Inc., the sole general partner of Boston Properties Limited Partnership, with the participation of its Chief Executive Officer (Principal Executive Officer) and Chief Financial Officer (Principal Financial Officer), evaluated the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended). Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer of BXP, Inc. concluded that these disclosure controls and procedures were effective as of the end of the period covered by this report.

(b) Changes in Internal Control Over Financial Reporting. No change in its internal control over financial reporting (as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934, as amended) occurred during the second quarter of our fiscal year ending December 31, 2024 that has materially affected, or is reasonably likely to materially affect, its internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1—Legal Proceedings.

We are subject to legal proceedings and claims that arise in the ordinary course of business. These matters are generally covered by insurance. Management believes that the final outcome of such matters will not have a material adverse effect on our financial position, results of operations or liquidity.

ITEM 1A—Risk Factors.

Except to the extent factual information disclosed elsewhere in this Quarterly Report on Form 10-Q relates to such risk factors (including, without limitation, the matters discussed in Part I, "Item 2—Management's Discussion and Analysis of Financial Condition and Results of Operations"), there were no material changes to the risk factors disclosed in Part I, "Item 1A. Risk Factors" of our Annual Report on Form 10-K for the year ended December 31, 2023.

ITEM 2—Unregistered Sales of Equity Securities and Use of Proceeds

BXP, Inc.

(a) During the three months ended June 30, 2024, BXP issued an aggregate of 40,601 shares of common stock in exchange for 40,601 common units of limited partnership held by certain limited partners of BPLP. Of these shares, 2,000 shares were issued in reliance on an exemption from registration under Section 4(a)(2) of the Securities Act of 1933, as amended. We relied on the exemption under Section 4(a)(2) based upon factual representations received from the limited partner who received the common shares.

(b) Not Applicable.

(c) Issuer Purchases of Equity Securities.

Period	(a) Total Number of Shares of Common Stock Purchased	(b) Average Price Paid per Common Share	(c) Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	(d) Maximum Number (or Approximate Dollar Value) of Shares that May Yet be Purchased under the Plans or Programs
April 1, 2024 – April 30, 2024	314 (1)	$ 0.01	N/A	N/A
May 1, 2024 – May 31, 2024	—	$ —	N/A	N/A
June 1, 2024 – June 30, 2024	235 (1)	$ 0.01	N/A	N/A
Total	549	$ 0.01	N/A	N/A

(1) Represents shares of restricted common stock of BXP repurchased in connection with the termination of certain employees' employment with BXP. Under the terms of the applicable restricted stock award agreements, the shares were repurchased by BXP at a price of $0.01 per share, which was the amount originally paid by such employees for such shares.

Boston Properties Limited Partnership

(a) Each time BXP issues shares of common stock (other than in exchange for common units when such common units are presented for redemption), it contributes the proceeds of such issuance to BPLP in return for an equivalent number of partnership units with rights and preferences analogous to the shares issued. During the three months ended June 30, 2024, in connection with issuances of common stock by BXP pursuant to issuances of restricted common stock to non-employee directors and the settlement of deferred stock awards under the Boston Properties, Inc. 2021 Stock Incentive Plan, BPLP issued an aggregate of 8,618 common units to BXP in exchange for approximately $70.88, the aggregate proceeds of such common stock issuances to BXP. Such units were issued in reliance on an exemption from registration under Section 4(a)(2) of the Securities Act of 1933, as amended.

(b) Not Applicable.

(c) Issuer Purchases of Equity Securities.

Period	(a) Total Number of Units Purchased		(b) Average Price Paid per Unit	(c) Total Number of Units Purchased as Part of Publicly Announced Plans or Programs	(d) Maximum Number (or Approximate Dollar Value) of Units that May Yet be Purchased Under the Plans or Programs
April 1, 2024 – April 30, 2024	655	(1)	$ 0.13	N/A	N/A
May 1, 2024 – May 31, 2024	—		$ —	N/A	N/A
June 1, 2024 – June 30, 2024	235	(2)	$ 0.01	N/A	N/A
Total	890		$ 0.10	N/A	N/A

(1) Includes 314 common units previously held by BXP that were redeemed in connection with the repurchase of shares of restricted common stock of BXP and 341 LTIP units that were repurchased by BPLP in connection with the termination of a certain employee's employment with BXP. Under the terms of the applicable restricted stock award agreements and LTIP unit vesting agreements, such shares were repurchased at a price of $0.01 per share and such LTIP units were repurchased at a price of $0.25 per unit, which were the amounts originally paid by such employee for such shares and units.

(2) Represents common units previously held by BXP that were redeemed in connection with the repurchase of shares of restricted common stock of BXP that were repurchased by BPLP in connection with the termination of a certain employee's employment with BXP. Under the terms of the applicable restricted stock award agreements, such shares were repurchased at a price of $0.01 per share, which was the amounts originally paid by such employee for such shares.

ITEM 3—Defaults Upon Senior Securities.

None.

ITEM 4—Mine Safety Disclosures.

None.

ITEM 5—Other Information.

(a) None.

(b) None.

(c) During the three months ended June 30, 2024, none of our directors or officers (as defined in Rule 16a-1(f) of the Securities Exchange Act of 1934, as amended) adopted, terminated or modified a Rule 10b5-1 trading arrangement or non-Rule 10b5-1 trading arrangement (as such terms are defined in Item 408 of Regulation S-K).

ITEM 6—Exhibits.

(a) Exhibits

3.1 — Form of Amended and Restated Certificate of Incorporation of Boston Properties, Inc. (Incorporated by reference to Exhibit 3.1 to Boston Properties, Inc.'s Registration Statement on Form S-11, File No. 333-25279.)

3.2 — Amended and Restated Certificate of Designations of Series E Junior Participating Cumulative Preferred Stock of Boston Properties, Inc. (Incorporated by reference to Exhibit 3.1 to Boston Properties, Inc.'s Current Report on Form 8-K filed on June 18, 2007.)

3.3 — Certificate of Amendment of Amended and Restated Certificate of Incorporation of Boston Properties, Inc. (Incorporated by reference to Exhibit 3.1 to Boston Properties, Inc.'s Current Report on Form 8-K filed on May 20, 2010.)

3.4 — Certificate of Designations of 92,000 shares of 5.25% Series B Cumulative Redeemable Preferred Stock of Boston Properties, Inc. (Incorporated by reference to Exhibit 3.3 to the Registration Statement on Form 8-A of Boston Properties, Inc. filed on March 22, 2013.)

3.5 — Certificate of Amendment to Boston Properties, Inc.'s Amended and Restated Certificate of Incorporation (Incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K of Boston Properties, Inc. and Boston Properties Limited Partnership filed on June 20, 2024.)

3.6 — Amended and Restated By-laws of BXP, Inc. (Incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K of BXP, Inc. and Boston Properties Limited Partnership filed on July 25, 2024.)

10.1 — Two Hundred and Nineteenth Amendment to the Second Amended and Restated Agreement of Limited Partnership of Boston Properties Limited Partnership (Incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K of Boston Properties, Inc. and Boston Properties Limited Partnership filed on June 20, 2024.)

10.2* — Fourth Amendment to the Boston Properties, Inc. 1999 Non-Qualified Employee Stock Purchase Plan (Incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K of Boston Properties, Inc. and Boston Properties Limited Partnership filed on May 24, 2024.)

31.1 — Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 for BXP, Inc. (Filed herewith.)

31.2 — Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 for BXP, Inc. (Filed herewith.)

31.3 — Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 for Boston Properties Limited Partnership. (Filed herewith.)

31.4 — Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 for Boston Properties Limited Partnership. (Filed herewith.)

32.1 — Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes Oxley Act of 2002 for BXP, Inc. (Furnished herewith.)

32.2 — Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes Oxley Act of 2002 for BXP, Inc. (Furnished herewith.)

32.3 — Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes Oxley Act of 2002 for Boston Properties Limited Partnership. (Furnished herewith.)

32.4 — Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes Oxley Act of 2002 for Boston Properties Limited Partnership. (Furnished herewith.)

101.SCH	—	Inline XBRL Taxonomy Extension Schema Document. (Filed herewith.)
101.CAL	—	Inline XBRL Taxonomy Extension Calculation Linkbase Document. (Filed herewith.)
101.LAB	—	Inline XBRL Taxonomy Extension Label Linkbase Document. (Filed herewith.)
101.PRE	—	Inline XBRL Taxonomy Extension Presentation Linkbase Document. (Filed herewith.)
101.DEF	—	Inline XBRL Taxonomy Extension Definition Linkbase Document. (Filed herewith.)
104	—	Cover Page Interactive Data File (formatted as Inline XBRL with applicable taxonomy extension information contained in Exhibits 101*.). (Filed herewith.)

* Indicates management contract or compensatory plan or arrangement required to be filed or incorporated by reference as an exhibit to this Form 10-Q pursuant to Item 6 of Form 10-Q.

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.

BXP, INC.

August 5, 2024

/s/ MICHAEL R. WALSH

Michael R. Walsh

Chief Accounting Officer
(duly authorized officer and principal accounting officer)

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.

BOSTON PROPERTIES LIMITED PARTNERSHIP
By: BXP, Inc., its General Partner

August 5, 2024

/s/ MICHAEL R. WALSH

Michael R. Walsh
Chief Accounting Officer
(duly authorized officer and principal accounting officer)

Exhibit 31.1

CERTIFICATION

I, Owen D. Thomas, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of BXP, Inc.;
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 5, 2024

/s/ OWEN D. THOMAS

Owen D. Thomas
Chief Executive Officer

Exhibit 31.2

CERTIFICATION

I, Michael E. LaBelle, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of BXP, Inc.;
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 5, 2024

/s/ MICHAEL E. LABELLE

Michael E. LaBelle
Chief Financial Officer

Exhibit 31.3

CERTIFICATION

I, Owen D. Thomas, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Boston Properties Limited Partnership;
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 5, 2024

/s/ OWEN D. THOMAS

Owen D. Thomas
Chief Executive Officer of BXP, Inc.
General Partner of Boston Properties Limited Partnership

Exhibit 31.4

CERTIFICATION

I, Michael E. LaBelle, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Boston Properties Limited Partnership;
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 5, 2024

/s/ MICHAEL E. LABELLE

Michael E. LaBelle
Chief Financial Officer of BXP, Inc.
General Partner of Boston Properties Limited Partnership

Exhibit 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

The undersigned officer of BXP, Inc. (the “Company”) hereby certifies to his knowledge that the Company’s Quarterly Report on Form 10-Q for the period ended June 30, 2024 (the “Report”), as filed with the Securities and Exchange Commission on the date hereof, fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, as amended, and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company. This certification shall not be deemed “filed” for any purpose, nor shall it be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934 regardless of any general incorporation language in such filing.

Date: August 5, 2024

/s/ OWEN D. THOMAS

Owen D. Thomas
Chief Executive Officer

Exhibit 32.2

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

The undersigned officer of BXP, Inc. (the “Company”) hereby certifies to his knowledge that the Company's Quarterly Report on Form 10-Q for the period ended June 30, 2024 (the “Report”), as filed with the Securities and Exchange Commission on the date hereof, fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, as amended, and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company. This certification shall not be deemed “filed” for any purpose, nor shall it be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934 regardless of any general incorporation language in such filing.

Date: August 5, 2024

/s/ MICHAEL E. LABELLE

Michael E. LaBelle
Chief Financial Officer

Exhibit 32.3

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

The undersigned officer of BXP, Inc., the sole general partner of Boston Properties Limited Partnership (the “Operating Partnership”), hereby certifies to his knowledge that the Operating Partnership's Quarterly Report on Form 10-Q for the period ended June 30, 2024 (the “Report”), as filed with the Securities and Exchange Commission on the date hereof, fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, as amended, and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Operating Partnership. This certification shall not be deemed “filed” for any purpose, nor shall it be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934 regardless of any general incorporation language in such filing.

Date: August 5, 2024

/s/ OWEN D. THOMAS

Owen D. Thomas
Chief Executive Officer of BXP, Inc.
General Partner of Boston Properties Limited Partnership

Exhibit 32.4

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

The undersigned officer of BXP, Inc., the sole general partner of Boston Properties Limited Partnership (the “Operating Partnership”), hereby certifies to his knowledge that the Operating Partnership’s Quarterly Report on Form 10-Q for the period ended June 30, 2024 (the “Report”), as filed with the Securities and Exchange Commission on the date hereof, fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, as amended, and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Operating Partnership. This certification shall not be deemed “filed” for any purpose, nor shall it be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934 regardless of any general incorporation language in such filing.

Date: August 5, 2024

/s/ Michael E. LaBelle

Michael E. LaBelle
Chief Financial Officer of BXP, Inc.
General Partner of Boston Properties Limited Partnership