

REALTY INCOME CORP
Form 10-K
February 23, 2017
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D)

OF THE SECURITIES EXCHANGE ACT OF 1934

For the Fiscal Year Ended December 31, 2016

Commission File Number 1-13374

REALTY INCOME CORPORATION

(Exact name of registrant as specified in its charter)

Maryland
(State or Other Jurisdiction of
Incorporation or Organization)

33-0580106
(IRS Employer
Identification Number)

11995 El Camino Real, San Diego, California, 92130

(Address of Principal Executive Offices)

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Registrant's telephone number, including area code: (858) 284-5000

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

Title of Each Class	Name of Each Exchange On Which Registered
Common Stock, \$0.01 Par Value	New York Stock Exchange
Class F Preferred Stock, \$0.01 Par Value	New York Stock Exchange

Securities registered pursuant to Section 12 (g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.
YES NO

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.
YES NO

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.
YES NO

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted 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 and post such files). YES NO

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

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

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Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). YES NO

At June 30, 2016, the aggregate market value of the Registrant's shares of common stock, \$0.01 par value, held by non-affiliates of the Registrant was \$17.8 billion based upon the last reported sale price of \$69.36 per share on the New York Stock Exchange on June 30, 2016, the last business day of the Registrant's most recently completed second fiscal quarter. The determination of affiliate status for purposes of this calculation is not necessarily a conclusive determination for other purposes.

At February 10, 2017, the number of shares of common stock outstanding was 260,120,152 and the number of shares of Class F Cumulative Redeemable Preferred Stock outstanding was 16,350,000.

DOCUMENTS INCORPORATED BY REFERENCE

Part III, Items 10, 11, 12, 13, and 14 incorporate by reference certain specific portions of the definitive Proxy Statement for Realty Income Corporation's Annual Meeting to be held on May 16, 2017, to be filed pursuant to Regulation 14A. Only those portions of the proxy statement which are specifically incorporated by reference herein shall constitute a part of this annual report.

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PART I

Item 1: Business

THE COMPANY

Realty Income, The Monthly Dividend Company®, is an S&P 500 company dedicated to providing stockholders with dependable monthly dividends that increase over time. The company is structured as a real estate investment trust, or REIT, requiring it annually to distribute at least 90% of its taxable income (excluding net capital gains) in the form of dividends to its stockholders. The monthly dividends are supported by the cash flow generated from real estate owned under long-term, net lease agreements with regional and national commercial tenants. The company has in-house acquisition, portfolio management, asset management, real estate research, credit research, legal, finance and accounting, information technology, and capital markets capabilities.

Realty Income was founded in 1969, and listed on the New York Stock Exchange (NYSE: O) in 1994. Over the past 48 years, Realty Income has been acquiring and managing freestanding commercial properties that generate rental revenue under long-term net lease agreements. The company is a member of the S&P High Yield Dividend Aristocrats® index for having increased its dividend every year for more than 20 consecutive years.

At December 31, 2016, we owned a diversified portfolio:

- Of 4,944 properties;
- With an occupancy rate of 98.3%, or 4,860 properties leased and 84 properties available for lease;
- Leased to 248 different commercial tenants doing business in 47 separate industries;
- Located in 49 states and Puerto Rico;
- With over 83.0 million square feet of leasable space; and
- With an average leasable space per property of approximately 16,800 square feet; approximately 11,520 square feet per retail property and 220,290 square feet per industrial property.

Of the 4,944 properties in the portfolio, 4,920, or 99.5%, are single-tenant properties, and the remaining are multi-tenant properties. At December 31, 2016, of the 4,920 single-tenant properties, 4,836 were leased with a weighted average remaining lease term (excluding rights to extend a lease at the option of the tenant) of approximately 9.8 years.

Our 11 senior officers owned 0.2% of our outstanding common stock with a market value of \$24.6 million at January 31, 2017. Our directors and 11 senior officers, as a group, owned 0.3% of our outstanding common stock with a market value of \$42.4 million at

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January 31, 2017.

Our common stock is listed on the NYSE under the ticker symbol `O` with a CUSIP number of 756109-104. Our central index key number is 726728.

Our 6.625% Monthly Income Class F Cumulative Redeemable Preferred Stock, or the Class F preferred stock, is listed on the NYSE under the ticker symbol `OprF` with a CUSIP number of 756109-807.

In January 2017, we had 146 employees, as compared to 132 employees in January 2016.

We maintain a corporate website at www.realtyincome.com. On our website we make available, free of charge, copies of our annual report on Form 10-K, quarterly reports on Form 10-Q, Form 3s, Form 4s, Form 5s, current reports on Form 8-K, and amendments to those reports, as soon as reasonably practicable after we electronically file these reports with the Securities and Exchange Commission, or SEC. None of the information on our website is deemed to be part of this report.

Table of Contents**RECENT DEVELOPMENTS****Increases in Monthly Dividends to Common Stockholders**

We have continued our 48-year policy of paying monthly dividends. In addition, we increased the dividend six times during 2016 and twice during 2017. As of February 2017, we have paid 77 consecutive quarterly dividend increases and increased the dividend 90 times since our listing on the NYSE in 1994.

2016 Dividend increases	Month Declared	Month Paid		Dividend per share		Increase per share
1st increase	Dec 2015	Jan 2016	\$	0.1910	\$	0.0005
2nd increase	Jan 2016	Feb 2016	\$	0.1985	\$	0.0075
3rd increase	Mar 2016	Apr 2016	\$	0.1990	\$	0.0005
4th increase	Jun 2016	Jul 2016	\$	0.1995	\$	0.0005
5th increase	Jul 2016	Sep 2016	\$	0.2015	\$	0.0020
6th increase	Sep 2016	Oct 2016	\$	0.2020	\$	0.0005
2017 Dividend increases						
1st increase	Dec 2016	Jan 2017	\$	0.2025	\$	0.0005
2nd increase	Jan 2017	Feb 2017	\$	0.2105	\$	0.0080

The dividends paid per share during 2016 totaled approximately \$2.392, as compared to approximately \$2.271 during 2015, an increase of \$0.121, or 5.3%.

The monthly dividend of \$0.2105 per share represents a current annualized dividend of \$2.526 per share, and an annualized dividend yield of approximately 4.2% based on the last reported sale price of our common stock on the NYSE of \$59.63 on January 31, 2017. Although we expect to continue our policy of paying monthly dividends, we cannot guarantee that we will maintain our current level of dividends, that we will continue our pattern of increasing dividends per share, or what our actual dividend yield will be in any future period.

Acquisitions During 2016

During 2016, we invested \$1.86 billion in 505 new properties and properties under development or expansion, with an initial weighted average contractual lease rate of 6.3%. The 505 new properties and properties under development or expansion are located in 40 states, will contain approximately 8.2 million leasable square feet, and are 100% leased with a weighted average lease term of 14.7 years. The tenants occupying the new properties operate in 28 industries and the property types are 86.4% retail and 13.6% industrial, based on rental revenue. During 2016, none of our real estate investments caused any one tenant to be 10% or more of our total assets at December 31, 2016.

The estimated initial weighted average contractual lease rate for a property is generally computed as estimated contractual net operating income, which, in the case of a net leased property, is equal to the aggregate base rent for the first full year of each

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lease, divided by the total cost of the property. Since it is possible that a tenant could default on the payment of contractual rent, we cannot provide assurance that the actual return on the funds invested will remain at the percentages listed above.

In the case of a property under development or expansion, the contractual lease rate is generally fixed such that rent varies based on the actual total investment in order to provide a fixed rate of return. When the lease does not provide for a fixed rate of return on a property under development or expansion, the estimated initial weighted average contractual lease rate is computed as follows: estimated net operating income (determined by the lease) for the first full year of each lease, divided by our projected total investment in the property, including land, construction and capitalized interest costs. Of the \$1.86 billion we invested during 2016, \$103.8 million was invested in 33 properties under development or expansion with an estimated initial weighted average contractual lease rate of 7.1%. We may continue to pursue development or expansion opportunities under similar arrangements in the future.

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Portfolio Discussion

Leasing Results

At December 31, 2016, we had 84 properties available for lease out of 4,944 properties in our portfolio, which represents a 98.3% occupancy rate based on the number of properties in our portfolio. Since December 31, 2015, when we reported 71 properties available for lease out of 4,538 and a 98.4% occupancy rate, we:

- Had 256 lease expirations (including leases rejected in bankruptcy);
- Re-leased 186 properties; and
- Sold 57 vacant properties.

Of the 186 properties re-leased during 2016, 144 properties were re-leased to existing tenants, 21 were re-leased to the same tenants without vacancy, and 21 were re-leased to new tenants after a period of vacancy. The annual rent on these 186 leases was \$28.57 million, as compared to the previous rent on these same properties of \$27.33 million, which represents a rent recapture rate of 104.5% on the properties re-leased during 2016.

As part of our re-leasing costs, we pay leasing commissions to unrelated, third party real estate brokers consistent with the commercial real estate industry standard, and sometimes provide tenant rent concessions. We do not consider the collective impact of the leasing commissions or tenant rent concessions to be material to our financial position or results of operations.

At December 31, 2016, our average annualized rental revenue was approximately \$13.64 per square foot on the 4,860 leased properties in our portfolio. At December 31, 2016, we classified 15 properties with a carrying amount of \$26.6 million as held for sale on our balance sheet. The expected sale of these properties does not represent a strategic shift that will have a major effect on our operations and financial results.

Investments in Existing Properties

In 2016, we capitalized costs of \$16.3 million on existing properties in our portfolio, consisting of \$797,000 for re-leasing costs, \$679,000 for recurring capital expenditures, and \$14.9 million for non-recurring building improvements. In 2015, we capitalized costs of \$11.5 million on existing properties in our portfolio, consisting of \$748,000 for re-leasing costs, \$7.6 million for recurring capital expenditures and \$3.2 million for non-recurring building improvements.

The majority of our building improvements relate to roof repairs, HVAC improvements, and parking lot resurfacing and replacements. The amounts of our capital expenditures can vary significantly, depending on the rental market, tenant credit worthiness, the lease term and the willingness of tenants to pay higher rents over the terms of the leases.

Note Issuance

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In October 2016, we issued \$600 million of 3.000% senior unsecured notes due January 2027. The public offering price for the notes was 98.671% of the principal amount for an effective yield to maturity of 3.153%. The net proceeds of approximately \$586.7 million from the offering were used to repay borrowings outstanding under our credit facility.

Capital Raising

During 2016, Realty Income issued 9,449,167 common shares at a weighted average price of \$60.61, receiving gross proceeds of \$572.7 million.

Net Income Available to Common Stockholders

Net income available to common stockholders was \$288.5 million in 2016, as compared to \$256.7 million in 2015, an increase of \$31.8 million. On a diluted per common share basis, net income was \$1.13 in 2016, as compared to \$1.09 in 2015, an increase of \$0.04, or 3.7%.

The calculation to determine net income available to common stockholders includes impairments, gains from the sale of properties and/or fair value adjustments on our interest rate swaps. These items vary from period to period based on the timing of property sales and the interest rate environment, and can significantly impact net income available to common stockholders.

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Gains from the sale of properties during 2016 were \$22.0 million, as compared to gains from the sale of properties of \$22.2 million during 2015.

Funds from Operations Available to Common Stockholders (FFO)

In 2016, our FFO increased by \$83.0 million, or 12.7%, to \$735.4 million, as compared to \$652.4 million in 2015. On a diluted per common share basis, FFO was \$2.88 in 2016, compared to \$2.77 in 2015, an increase of \$0.11, or 4.0%.

Adjusted Funds from Operations Available to Common Stockholders (AFFO)

In 2016, our AFFO increased by \$89.4 million, or 13.8%, to \$736.4 million versus \$647.0 million in 2015. On a diluted per common share basis, our AFFO was \$2.88 in 2016, compared to \$2.74 in 2015, an increase of \$0.14, or 5.1%.

See our discussion of FFO and AFFO (which are not financial measures under generally accepted accounting principles, or GAAP), later in the section entitled Management's Discussion and Analysis of Financial Condition and Results of Operations, in this annual report, which includes a reconciliation of net income available to common stockholders to FFO and AFFO.

DIVIDEND POLICY

Distributions are paid monthly to holders of shares of our common stock and Class F preferred stock if, and when, declared by our Board of Directors.

Distributions are paid monthly to the limited partners holding common units of Tau Operating Partnership, L.P. and Realty Income, L.P., each on a per unit basis that is generally equal to the amount paid per share to our common stockholders.

In order to maintain our status as a REIT for federal income tax purposes, we generally are required to distribute dividends to our stockholders aggregating annually at least 90% of our taxable income (excluding net capital gains), and we are subject to income tax to the extent we distribute less than 100% of our taxable income (including net capital gains). In 2016, our cash distributions to preferred and common stockholders totaled \$637.6 million, or approximately 129.2% of our estimated taxable income of \$493.4 million. Our estimated taxable income reflects non-cash deductions for depreciation and amortization. Our estimated taxable income is presented to show our compliance with REIT dividend requirements and is not a measure of our liquidity or operating performance. We intend to continue to make distributions to our stockholders that are sufficient to meet this dividend requirement and that will reduce or eliminate our exposure to income taxes. Furthermore, we believe our funds from operations are sufficient to support our current level of cash distributions to our stockholders. Our cash distributions to common stockholders in 2016 totaled \$610.5 million, representing 82.9% of our adjusted funds from operations available to common stockholders of \$736.4 million. In comparison, our 2015 cash distributions to common stockholders totaled \$533.2 million, representing 82.4% of our adjusted funds from operations available to common stockholders of \$647.0 million.

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The Class F preferred stockholders receive cumulative distributions at a rate of 6.625% per annum on the \$25.00 per share liquidation preference (equivalent to \$1.65625 per annum per share).

Future distributions will be at the discretion of our Board of Directors and will depend on, among other things, our results of operations, FFO, AFFO, cash flow from operations, financial condition, capital requirements, the annual distribution requirements under the REIT provisions of the Internal Revenue Code of 1986, as amended, or the Code, our debt service requirements, and any other factors the Board of Directors may deem relevant. In addition, our credit facility contains financial covenants that could limit the amount of distributions payable by us in the event of a default, and which prohibit the payment of distributions on the common or preferred stock in the event that we fail to pay when due (subject to any applicable grace period) any principal or interest on borrowings under our credit facility.

Distributions of our current and accumulated earnings and profits for federal income tax purposes generally will be taxable to stockholders as ordinary income, except to the extent that we recognize capital gains and declare a capital gains dividend, or that such amounts constitute qualified dividend income subject to a reduced rate of tax. The maximum tax rate of non-corporate taxpayers for qualified dividend income is generally 20%. In general, dividends payable by REITs are not eligible for the reduced tax rate on qualified dividend income, except to the extent that certain holding requirements have been met with respect to the REIT's stock and the REIT's dividends are attributable to dividends received from certain taxable corporations (such as our taxable REIT subsidiaries) or to income that was subject to tax at the corporate or REIT level (for example, if we distribute taxable income that we retained and paid tax on in the prior taxable year).

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Distributions in excess of earnings and profits generally will first be treated as a non-taxable reduction in the stockholders' basis in their stock, but not below zero. Distributions in excess of that basis generally will be taxable as a capital gain to stockholders who hold their shares as a capital asset. Approximately 21.5% of the distributions to our common stockholders, made or deemed to have been made in 2016, were classified as a return of capital for federal income tax purposes. We estimate that in 2017, between 15% and 25% of the distributions may be classified as a return of capital.

BUSINESS PHILOSOPHY AND STRATEGY

We believe that owning an actively managed, diversified portfolio of commercial properties under long-term, net lease agreements produces consistent and predictable income. A net lease typically requires the tenant to be responsible for monthly rent and certain property operating expenses including property taxes, insurance, and maintenance. In addition, tenants of our properties typically pay rent increases based on: (1) increases in the consumer price index (typically subject to ceilings), (2) fixed increases, or (3) additional rent calculated as a percentage of the tenants' gross sales above a specified level. We believe that a portfolio of properties under long-term, net lease agreements generally produces a more predictable income stream than many other types of real estate portfolios, while continuing to offer the potential for growth in rental income.

Diversification is also a key component of our business philosophy. We believe that diversification of the portfolio by tenant, industry, geography, and, to a certain extent, property type leads to more consistent and predictable income for our stockholders by reducing vulnerability that can come with any single concentration. Our investment activities have led to a diversified property portfolio that, as of December 31, 2016, consisted of 4,944 properties located in 49 states and Puerto Rico, leased to 248 different commercial tenants doing business in 47 industries. Each of the 47 industries represented in our property portfolio individually accounted for no more than 11.4% of our rental revenue for the quarter ended December 31, 2016.

Investment Strategy

Our investment strategy is to acquire real estate leased to regional and national tenants. When identifying new properties for investment, we generally focus on acquiring high-quality real estate that tenants consider important to the successful operation of their business. We generally seek to acquire real estate that has the following characteristics:

- Properties that are freestanding, commercially-zoned with a single tenant;
- Properties that are in significant markets or strategic locations critical to generating revenue for regional and national tenants (i.e. they need the property in which they operate in order to conduct their business);
- Properties that we deem to be profitable for the tenants and/or can generally be characterized as important to the successful operations of the company's business;
- Properties that are located within attractive demographic areas relative to the business of our tenants, generally fungible, and have good visibility and easy access to major thoroughfares;
- Properties with real estate valuations that approximate replacement costs;
- Properties with rental or lease payments that approximate market rents; and
- Properties that can be purchased with the simultaneous execution or assumption of long-term, net lease agreements, offering both current income and the potential for future rent increases.

We seek to invest in industries in which several, well-organized, regional and national tenants are capturing market share through the selection of prime real estate locations supported by superior service, quality control, economies of scale, consumer branding,

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and advertising. In addition, we frequently acquire large portfolios of single-tenant properties net leased to different tenants operating in a variety of industries. We have an internal team dedicated to sourcing such opportunities, often using our relationships with various tenants, owners/developers, and advisers to uncover and secure transactions. We also undertake thorough research and analysis to identify what we consider to be appropriate property locations, tenants, and industries for investment. This research expertise is instrumental to uncovering net lease opportunities in markets where we believe we can add value.

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In selecting potential investments, we look for tenants with the following attributes:

- Tenants with reliable and sustainable cash flow;
- Tenants with revenue and cash flow from multiple sources;
- Tenants that are willing to sign a long-term lease (10 or more years); and
- Tenants that are large owners and users of real estate.

From a retail perspective, our investment strategy is to target tenants that have a service, non-discretionary, and/or low-price-point component to their business. We believe these characteristics better position tenants to operate in a variety of economic conditions and to compete more effectively with internet retailers. As a result of the execution of this strategy, over 90% of our annualized retail rental revenue is derived from tenants with a service, non-discretionary, and/or low price point component to their business. From a non-retail perspective, we target industrial properties leased to Fortune 1000, primarily investment grade rated companies. We believe these characteristics enhance the stability of the rental revenue generated from these properties.

After applying this investment strategy, we pursue those transactions where we can achieve an attractive investment spread over our cost of capital and favorable risk-adjusted returns.

Underwriting Strategy

In order to be considered for acquisition, properties must meet stringent underwriting requirements. We have established a four-part analysis that examines each potential investment based on:

- The aforementioned overall real estate characteristics, including demographics, replacement cost and comparative rental rates;
- Industry, tenant (including credit profile), and market conditions;
- Store profitability for retail locations if profitability data is available; and
- The importance of the real estate location to the operations of the tenants' business.

We believe the principal financial obligations for most of our tenants typically include their bank and other debt, payment obligations to suppliers, and real estate lease obligations. Because we typically own the land and building in which a tenant conducts its business or which are critical to the tenant's ability to generate revenue, we believe the risk of default on a tenant's lease obligation is less than the tenant's unsecured general obligations. It has been our experience that tenants must retain their profitable and critical locations in order to survive. Therefore, in the event of reorganization, they are less likely to reject a lease of a profitable or critical location because this would terminate their right to use the property.

Thus, as the property owner, we believe that we will fare better than unsecured creditors of the same tenant in the event of reorganization. If a property is rejected by the tenant during reorganization, we own the property and can either lease it to a new tenant or sell the property. In addition, we believe that the risk of default on real estate leases can be further mitigated by monitoring the performance of the tenants' individual locations and considering whether to proactively sell locations that meet our criteria for disposition.

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Prior to entering into any transaction, our research department conducts a review of a tenant's credit quality. The information reviewed may include reports and filings, including any public credit ratings, financial statements, debt and equity analyst reports, and reviews of corporate credit spreads, stock prices, market capitalization, and other financial metrics. We conduct additional due diligence, including additional financial reviews of the tenant and a more comprehensive review of the business segment and industry in which the tenant operates. We continue to monitor our tenants' credit quality on an ongoing basis by reviewing the available information previously discussed, and providing summaries of these findings to management. We estimate that approximately 47% of our annualized rental revenue comes from properties leased to investment grade rated companies or their subsidiaries. At December 31, 2016, our top 20 tenants represent approximately 53% of our annualized revenue and ten of these tenants have investment grade credit ratings or are subsidiaries of investment grade companies.

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Portfolio and Asset Management Strategy

In addition to pursuing new properties for investment, we seek to increase earnings and distributions to stockholders through active portfolio and asset management.

Generally, our portfolio and asset management efforts seek to achieve:

- Rent increases at the expiration of existing leases, when market conditions permit;
- Optimum exposure to certain tenants, industries, and markets through re-leasing vacant properties and selectively selling properties;
- Maximum asset-level returns on properties that are re-leased or sold;
- Additional value creation from the existing portfolio by enhancing individual properties, pursuing alternative uses, and deriving ancillary revenue; and
- Investment opportunities in new asset classes for the portfolio.

We continually monitor our portfolio for any changes that could affect the performance of our tenants, our tenants' industries, and the real estate locations in which we have invested. We also regularly analyze our portfolio with a view towards optimizing its returns and enhancing its overall credit quality. Our active portfolio and asset management strategy pursues asset sales when we believe the reinvestment of the sale proceeds will:

- Generate higher returns;
- Enhance the credit quality of our real estate portfolio;
- Extend our average remaining lease term; and/or
- Decrease tenant, industry, or geographic concentration.

At December 31, 2016, we classified 15 properties with a carrying amount of \$26.6 million as held for sale on our balance sheet. For 2017, we intend to continue our active disposition efforts to further enhance our real estate portfolio and anticipate \$75 to \$100 million in property sales. We plan to invest these proceeds into new property acquisitions, if there are attractive opportunities available. However, we cannot guarantee that we will sell properties during 2017 at our estimated values or be able to invest the property sale proceeds in new properties.

The active management of the portfolio is an essential component of our long-term strategy of maintaining high occupancy. Since 1970, our occupancy rate at the end of each year has never been below 96%. However, we cannot assure you that our future occupancy levels will continue to equal or exceed 96%.

Capital Philosophy

Historically, we have met our long-term capital needs by issuing common stock, preferred stock and long-term unsecured notes and bonds. Over the long-term, we believe that common stock should be the majority of our capital structure; however, we may issue additional preferred stock or debt securities. We may issue common stock when we believe that our share price is at a level that allows for the proceeds of any offering to be accretively invested into additional properties. In addition, we may issue common stock to permanently finance properties that were initially financed by our credit facility or debt securities. However, we cannot

assure you that we will have access to the capital markets at all times and at terms that are acceptable to us.

Our primary cash obligations, for the current year and subsequent years, are included in the Table of Obligations, which is presented later in this section. We expect to fund our operating expenses and other short-term liquidity requirements, including property acquisitions and development costs, payment of principal and interest on our outstanding indebtedness, property improvements, re-leasing costs and cash distributions to common and preferred stockholders, primarily through cash provided by operating activities, borrowing on our credit facility and periodically through public securities offerings.

Conservative Capital Structure

We believe that our stockholders are best served by a conservative capital structure. Therefore, we seek to maintain a conservative debt level on our balance sheet and solid interest and fixed charge coverage ratios. At December 31, 2016, our total outstanding borrowings of senior unsecured notes and bonds, term loans, mortgages payable and credit facility borrowings were \$5.875 billion, or approximately 27.6% of our total market capitalization of \$21.26 billion.

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We define our total market capitalization at December 31, 2016 as the sum of:

- Shares of our common stock outstanding of 260,168,259, plus total common units outstanding of 405,204, multiplied by the last reported sales price of our common stock on the NYSE of \$57.48 per share on December 31, 2016, or \$14.98 billion;
- Aggregate liquidation value (par value of \$25.00 per share) of the Class F preferred stock of \$408.8 million;
- Outstanding borrowings of \$1.12 billion on our credit facility;
- Outstanding mortgages payable of \$460.0 million, excluding net mortgage premiums of \$6.4 million and deferred financing costs of \$324,000;
- Outstanding borrowings of \$320.0 million on our term loans, excluding deferred financing costs of \$873,000; and
- Outstanding senior unsecured notes and bonds of \$3.98 billion, excluding unamortized original issuance discounts of \$19.8 million and deferred financing costs of \$20.8 million.

Impact of Real Estate and Credit Markets

In the commercial real estate market, property prices generally continue to fluctuate. Likewise, during certain periods, the U.S. credit markets have experienced significant price volatility, dislocations, and liquidity disruptions, which may impact our access to and cost of capital. We continually monitor the commercial real estate and U.S. credit markets carefully and, if required, will make decisions to adjust our business strategy accordingly.

Universal Shelf Registration

In December 2015, we filed a shelf registration statement with the SEC, which is effective for a term of three years and will expire in December 2018. In accordance with SEC rules, the amount of securities to be issued pursuant to this shelf registration statement was not specified when it was filed and there is no specific dollar limit. The securities covered by this registration statement include (1) common stock, (2) preferred stock, (3) debt securities, (4) depositary shares representing fractional interests in shares of preferred stock, (5) warrants to purchase debt securities, common stock, preferred stock, or depositary shares, and (6) any combination of these securities. We may periodically offer one or more of these securities in amounts, prices and on terms to be announced when and if these securities are offered. The specifics of any future offerings, along with the use of proceeds of any securities offered, will be described in detail in a prospectus supplement, or other offering materials, at the time of any offering.

\$2.0 Billion Revolving Credit Facility

In June 2015, we entered into a \$2.0 billion unsecured revolving credit facility, or our credit facility, that expires in June 2019 and includes, at our option, two six-month extensions. Our credit facility has a \$1.0 billion accordion expansion option. Under our credit

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facility, our investment grade credit ratings as of December 31, 2016 provide for financing at the London Interbank Offered Rate, commonly referred to as LIBOR, plus 0.90%, with a facility commitment fee of 0.15%, for all-in drawn pricing of 1.05% over LIBOR. The borrowing rate is subject to an interest rate floor and may change if our investment grade credit ratings change. We also have other interest rate options available to us under our credit facility. Our credit facility is unsecured and, accordingly, we have not pledged any assets as collateral for this obligation.

At December 31, 2016, we had a borrowing capacity of \$880.0 million available on our credit facility and an outstanding balance of \$1.12 billion. The weighted average interest rate on borrowings outstanding under our credit facility, at December 31, 2016, was 1.7% per annum. We must comply with various financial and other covenants in our credit facility. At December 31, 2016, we remain in compliance with these covenants. We expect to use our credit facility to acquire additional properties and for other general corporate purposes. Any additional borrowings will increase our exposure to interest rate risk.

We generally use our credit facility for the short-term financing of new property acquisitions. Thereafter, we generally seek to refinance those borrowings with the net proceeds of long-term or permanent financing, which may include the issuance of common stock, preferred stock or debt securities. We cannot assure you, however, that we will be able to obtain any such refinancing, or that market conditions prevailing at the time of the refinancing will enable us to issue equity or debt securities at acceptable terms.

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Cash Reserves

We are organized to operate as an equity REIT that acquires and leases properties and distributes to stockholders, in the form of monthly cash distributions, a substantial portion of our net cash flow generated from leases on our properties. We intend to retain an appropriate amount of cash as working capital. At December 31, 2016, we had cash and cash equivalents totaling \$9.4 million.

We believe that our cash and cash equivalents on hand, cash provided from operating activities, and borrowing capacity is sufficient to meet our liquidity needs for the next twelve months. We intend, however, to use permanent or long-term capital to fund property acquisitions and to repay future borrowings under our credit facility.

Credit Agency Ratings

The borrowing interest rates under our credit facility are based upon our ratings assigned by credit rating agencies. As of December 31, 2016, we were assigned the following investment grade corporate credit ratings on our senior unsecured notes and bonds: Moody's Investors Service has assigned a rating of Baa1 with a positive outlook, Standard & Poor's Ratings Group has assigned a rating of BBB+ with a positive outlook, and Fitch Ratings has assigned a rating of BBB+ with a stable outlook.

Based on our ratings as of December 31, 2016, the facility interest rate as of December 31, 2016 was LIBOR plus 0.90% with a facility commitment fee of 0.15%, for all-in drawn pricing of 1.05% over LIBOR. Our credit facility provides that the interest rate can range between: (i) LIBOR plus 1.55% if our credit rating is lower than BBB-/Baa3 or unrated and (ii) LIBOR plus 0.85% if our credit rating is A-/A3 or higher. In addition, our credit facility provides for a facility commitment fee based on our credit ratings, which range from: (i) 0.30% for a rating lower than BBB-/Baa3 or unrated, and (ii) 0.125% for a credit rating of A-/A3 or higher.

We also issue senior debt securities from time to time and our credit ratings can impact the interest rates charged in those transactions. If our credit ratings or ratings outlook change, our cost to obtain debt financing could increase or decrease. The credit ratings assigned to us could change based upon, among other things, our results of operations and financial condition. These ratings are subject to ongoing evaluation by credit rating agencies and we cannot assure you that our ratings will not be changed or withdrawn by a rating agency in the future if, in its judgment, circumstances warrant. Moreover, a rating is not a recommendation to buy, sell or hold our debt securities, preferred stock or common stock.

Term Loans

In June 2015, in conjunction with entering into our credit facility, we entered into a \$250 million senior unsecured term loan maturing June 30, 2020. Borrowing under this term loan bears interest at LIBOR, plus 0.95%. In conjunction with this term loan, we also entered into an interest rate swap which effectively fixes our per annum interest rate on this term loan at 2.67%.

In January 2013, in conjunction with our acquisition of American Realty Capital Trust, ARCT, we entered into a \$70 million senior unsecured term loan maturing in January 2018. Borrowing under the term loan bears interest at LIBOR, plus 1.20%. In conjunction with this term loan, we also acquired an interest rate swap which effectively fixes our per annum interest rate on this term loan at 2.15%.

Mortgage Debt

As of December 31, 2016, we had \$460.0 million of mortgages payable, all of which were assumed in connection with our property acquisitions. Additionally, at December 31, 2016, we had net premiums totaling \$6.4 million on these mortgages and deferred financing costs of \$324,000. We expect to pay off the mortgages payable as soon as prepayment penalties have declined to a level that would make it economically feasible to do so. During 2016, we made \$231.7 million of principal payments, including the repayment of 11 mortgages in full for \$201.8 million, and refinanced one of our assumed mortgages whereby we received an additional \$10.0 million in proceeds.

Notes Outstanding

As of December 31, 2016, we had \$3.98 billion of senior unsecured note and bond obligations, excluding unamortized original issuance discounts of \$19.8 million and deferred financing costs of \$20.8 million. All of our outstanding notes and bonds have fixed interest rates. Interest on all of our senior note and bond obligations is paid semiannually.

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No Unconsolidated Investments

We have no unconsolidated investments, nor do we engage in trading activities involving energy or commodity contracts.

Corporate Responsibility

We are committed to providing an engaging, diverse, and safe work environment for our employees, to upholding our corporate responsibilities as a public company operating for the benefit of our stockholders, and to operating our company in an environmentally conscious manner. As The Monthly Dividend Company®, our mission is to provide our stockholders with monthly dividends that increase over time. How we manage and use the physical, financial and talent resources that enable us to achieve this mission, demonstrates our commitment to corporate responsibility.

Social Responsibility and Ethics. An extension of our mission is our commitment to being socially responsible and conducting our business according to the highest ethical standards. Our employees are awarded compensation that is in line with those of our peers and competitors, including generous healthcare benefits for employees and their families; participation in a 401(k) plan with a matching contribution by Realty Income; competitive paid time-off benefits; and an infant-at-work program for new parents. Our employees have access to members of our Board of Directors to report anonymously, if desired, any suspicion of misconduct by any member of our senior management or executive team. We also have a longstanding commitment to equal employment opportunity and adhere to all Equal Employer Opportunity Policy guidelines. We apply the principles of full and fair disclosure in all of our business dealings, as outlined in our Corporate Code of Business Ethics. We are also committed to dealing fairly with all of our customers, suppliers, and competitors.

Realty Income and our employees have taken an active role in supporting our communities through civic involvement with charitable organizations, including our partnership with San Diego Habitat for Humanity, and corporate donations. Focusing our impact on social and environmentally sustainable areas our non-profit partnerships have resulted in approximately 700 employee volunteer hours during 2016, employee and corporate donations to fund local affordable housing, educational services to at-risk youth, funding local foodbanks, and toys for under-served children. Our dedication to being a responsible corporate citizen has a direct and positive impact in the communities in which we operate and contributes to the strength of our reputation and our financial performance.

Corporate Governance. We believe that a company's reputation for integrity and serving its stockholders responsibly is of utmost importance. We are committed to managing the company for the benefit of our stockholders and are focused on maintaining good corporate governance. Practices that illustrate this commitment include:

- Our Board of Directors is comprised of eight directors, seven of which are independent, non-employee directors;
- Our Board of Directors is elected on an annual basis;
- We employ a majority vote standard for uncontested elections;

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- Our Compensation Committee of the Board of Directors works with independent consultants in conducting annual compensation reviews for our key executives, and compensates each individual primarily based on reaching certain performance metrics that determine the success of our company; and
- We adhere to all other corporate governance principles outlined in our [Corporate Governance Guidelines](#) document on our website.

Environmental Practices. Our focus on conservationism is demonstrated by how we manage our day-to-day activities at our corporate headquarters. At our headquarters, we promote energy efficiency and encourage practices such as powering down office equipment at the end of the day, implementing file-sharing technology and automatic duplex mode to limit paper use, adopting an electronic approval system, carpooling to our headquarters, and recycling paper waste. In 2016, we sent more than 29,500 pounds of paper to our off-site partner for recycling.

With respect to recycling and reuse practices, we encourage the use of recycled products and the recycling of materials during our operations. Cell phones, wireless devices and office equipment are recycled or donated whenever possible.

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In addition, our headquarters was retrofitted according to the State of California energy efficiency standards (specifically following California Green Building Standards Code and Title 24 of the California Code of Regulations), with features such as an automatic lighting control system with light-harvesting technology, a Building Management System that monitors and controls energy use, an energy-efficient PVC roof and heating and cooling system, LED lighting, and drought-tolerant landscaping with recycled materials.

The properties in our portfolio are net leased to our tenants who are responsible for maintaining the buildings and are in control of their energy usage and environmental sustainability practices. We remain active in working with our tenants to promote environmental responsibility at the properties we own and to promote the importance of energy efficient facilities.

Our Asset Management team has engaged with a renewable energy development company to identify assets that would maximize energy efficiency initiatives throughout our property portfolio. These initiatives include solar energy arrays, battery storage, and charging stations. In addition, we continue to explore regional opportunities with our tenants, bringing our properties into compliance to qualify for city and county programs.

PROPERTY PORTFOLIO INFORMATION

At December 31, 2016, we owned a diversified portfolio:

- Of 4,944 properties;
- With an occupancy rate of 98.3%, or 4,860 properties leased and 84 properties available for lease;
- Leased to 248 different commercial tenants doing business in 47 separate industries;
- Located in 49 states and Puerto Rico;
- With over 83.0 million square feet of leasable space; and
- With an average leasable space per property of approximately 16,800 square feet; approximately 11,520 square feet per retail property and 220,290 square feet per industrial property.

At December 31, 2016, of our 4,944 properties, 4,860 were leased under net lease agreements. A net lease typically requires the tenant to be responsible for monthly rent and certain property operating expenses including property taxes, insurance, and maintenance. In addition, our tenants are typically subject to future rent increases based on increases in the consumer price index (typically subject to ceilings), additional rent calculated as a percentage of the tenants' gross sales above a specified level, or fixed increases.

At December 31, 2016, our 248 commercial tenants, which we define as retailers with over 50 locations and non-retailers with over \$500 million in annual revenues, represented approximately 95% of our annualized revenue. We had 277 additional tenants, representing approximately 5% of our annualized revenue at December 31, 2016, which brings our total tenant count to 525 tenants.

Table of Contents**Industry Diversification**

The following table sets forth certain information regarding our property portfolio classified according to the business of the respective tenants, expressed as a percentage of our total rental revenue:

	Percentage of Rental Revenue(1)					
	For the Quarter Ended December 31, 2016	Dec 31, 2016	Dec 31, 2015	For the Years Ended Dec 31, 2014	Dec 31, 2013	Dec 31, 2012
<u>Retail industries</u>						
Apparel stores	1.8%	1.9%	2.0%	2.0%	1.9%	1.7%
Automotive collision services	1.0	1.0	1.0	0.8	0.8	1.1
Automotive parts	1.4	1.3	1.4	1.3	1.2	1.0
Automotive service	1.9	1.9	1.9	1.8	2.1	3.1
Automotive tire services	2.6	2.7	2.9	3.2	3.6	4.7
Book stores	*	*	*	*	*	0.1
Child care	1.8	1.9	2.0	2.2	2.8	4.5
Consumer electronics	0.3	0.3	0.3	0.3	0.3	0.5
Convenience stores	8.5	8.7	9.2	10.1	11.2	16.3
Crafts and novelties	0.5	0.5	0.5	0.5	0.5	0.3
Dollar stores	8.3	8.6	8.9	9.6	6.2	2.2
Drug stores	11.4	11.2	10.6	9.5	8.1	3.5
Education	0.3	0.3	0.3	0.4	0.4	0.7
Entertainment	0.5	0.5	0.5	0.5	0.6	0.9
Equipment services	*	0.1	0.1	0.1	0.1	0.1
Financial services	1.8	1.4	1.3	1.4	1.5	0.2
General merchandise	1.7	1.5	1.4	1.2	1.1	0.6
Grocery stores	3.4	3.1	3.0	3.0	2.9	3.7
Health and fitness	7.9	8.1	7.7	7.0	6.3	6.8
Health care	0.9	0.9	1.0	1.1	1.1	-
Home furnishings	0.8	0.7	0.7	0.7	0.9	1.0
Home improvement	2.5	2.5	2.4	1.7	1.6	1.5
Jewelry	0.1	0.1	0.1	0.1	0.1	-
Motor vehicle dealerships	1.9	1.9	1.6	1.6	1.6	2.1
Office supplies	0.3	0.3	0.3	0.4	0.5	0.8
Pet supplies and services	0.6	0.6	0.7	0.7	0.8	0.6
Restaurants - casual dining	3.9	3.9	3.8	4.3	5.1	7.3
Restaurants - quick service	5.2	4.9	4.2	3.7	4.4	5.9
Shoe stores	0.5	0.5	0.5	0.1	0.1	0.1
Sporting goods	1.3	1.6	1.8	1.6	1.7	2.5
Telecommunications	*	*	-	-	-	-
Theaters	4.7	4.9	5.1	5.3	6.2	9.4
Transportation services	0.1	0.1	0.1	0.1	0.1	0.2
Wholesale clubs	3.4	3.6	3.8	4.1	3.9	3.2
Other	*	*	*	*	0.1	0.1
Retail industries	81.3%	81.5%	81.1%	80.4%	79.8%	86.7%

Table of Contents**Industry Diversification (continued)**

	For the Quarter Ended December 31, 2016	Percentage of Rental Revenue(1)				
		Dec 31, 2016	Dec 31, 2015	Dec 31, 2014	Dec 31, 2013	Dec 31, 2012
<u>Non-retail industries</u>						
Aerospace	1.0	1.0	1.1	1.2	1.2	0.9
Beverages	2.8	2.6	2.7	2.8	3.3	5.1
Consumer appliances	0.4	0.5	0.6	0.5	0.6	0.1
Consumer goods	0.9	0.9	0.9	0.9	1.0	0.1
Crafts and novelties	0.1	0.1	0.1	0.1	0.1	-
Diversified industrial	0.9	0.9	0.8	0.5	0.2	0.1
Electric utilities	0.1	0.1	0.1	0.1	*	-
Equipment services	0.4	0.5	0.4	0.5	0.4	0.3
Financial services	0.4	0.4	0.4	0.4	0.5	0.4
Food processing	1.1	1.1	1.2	1.4	1.5	1.3
General merchandise	0.3	0.3	0.3	0.3	-	-
Government services	1.0	1.1	1.2	1.3	1.4	0.1
Health care	0.6	0.6	0.7	0.7	0.8	*
Home furnishings	0.1	0.1	0.2	0.2	0.2	-
Insurance	0.1	0.1	0.1	0.1	0.1	*
Machinery	0.1	0.1	0.1	0.2	0.2	0.1
Other manufacturing	0.7	0.8	0.7	0.7	0.6	-
Packaging	0.9	0.8	0.8	0.8	0.9	0.7
Paper	0.1	0.1	0.1	0.1	0.2	0.1
Shoe stores	0.2	0.2	0.2	0.8	0.9	-
Telecommunications	0.7	0.6	0.7	0.7	0.7	0.8
Transportation services	5.6	5.4	5.3	5.1	5.3	2.2
Other	0.2	0.2	0.2	0.2	0.1	1.0
Non-retail industries	18.7%	18.5%	18.9%	19.6%	20.2%	13.3%
Totals	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

* Less than 0.1%

(1) Includes rental revenue for all properties owned at the end of each period presented, including revenue from properties reclassified as discontinued operations.

Table of Contents**Property Type Composition**

The following table sets forth certain property type information regarding our property portfolio as of December 31, 2016 (dollars in thousands):

Property Type	Number of Properties	Approximate Leasable Square Feet	Rental Revenue for the Quarter Ended December 31, 2016(1)	Percentage of Rental Revenue
Retail	4,774	55,005,900	\$ 216,904	78.9%
Industrial	111	24,452,100	36,383	13.2
Office	44	3,403,200	15,111	5.5
Agriculture	15	184,500	6,503	2.4
Totals	4,944	83,045,700	\$ 274,901	100.0%

(1) Includes rental revenue for all properties owned at December 31, 2016. Excludes revenue of \$323 from sold properties.

Tenant Diversification

The following table sets forth the largest tenants in our property portfolio, expressed as a percentage of total rental revenue at December 31, 2016:

Tenant	Number of Properties	% of Rental Revenue
Walgreens	203	7.0%
FedEx	43	5.5%
Dollar General	524	4.2%
LA Fitness	48	4.0%
Dollar Tree / Family Dollar	457	3.8%
Circle K (Couche-Tard)	299	2.6%
AMC Theatres	22	2.6%
BJ's Wholesale Club	15	2.4%
Diageo	17	2.2%
CVS Pharmacy	70	2.0%
Super America / Western Refining	134	2.0%
Walmart / Sam's Club	31	1.9%
Regal Cinemas	22	1.9%
GPM Investments / Fas Mart	216	1.9%
Rite Aid	69	1.9%
7-Eleven	111	1.8%
Life Time Fitness	9	1.8%
TBC Corporation (Sumitomo)	149	1.6%
FreedomRoads / Camping World	18	1.2%
Home Depot	10	1.1%

Table of Contents**Service Category Diversification for our Retail Properties**

The following table sets forth certain information regarding the 4,774 retail properties included in our 4,944 total properties owned at December 31, 2016, classified according to the business types and the level of services they provide at the property level (dollars in thousands):

	Number of Retail Properties	Retail Rental Revenue for the Quarter Ended December 31, 2016(1)	Percentage of Retail Rental Revenue
<u>Tenants Providing Services</u>			
Automotive collision services	54	\$ 2,705	1.2%
Automotive service	241	5,342	2.5
Child care	199	4,862	2.2
Education	14	824	0.4
Entertainment	11	1,310	0.6
Equipment services	2	111	0.1
Financial services	227	4,930	2.3
Health and fitness	87	21,608	10.0
Health care	27	1,133	0.5
Telecommunications	1	-	*
Theaters	45	13,080	6.0
Transportation services	2	229	0.1
Other	7	82	*
	917	56,216	25.9
<u>Tenants Selling Goods and Services</u>			
Automotive parts (with installation)	68	1,589	0.7
Automotive tire services	184	7,136	3.3
Convenience stores	866	23,253	10.7
Motor vehicle dealerships	28	5,304	2.5
Pet supplies and services	12	722	0.3
Restaurants - casual dining	323	10,128	4.7
Restaurants - quick service	566	14,330	6.6
	2,047	62,462	28.8
<u>Tenants Selling Goods</u>			
Apparel stores	29	5,147	2.4
Automotive parts	83	2,363	1.1
Book stores	1	104	*
Consumer electronics	9	916	0.4
Crafts and novelties	13	1,274	0.6
Dollar stores	981	22,770	10.5
Drug stores	335	29,922	13.8
General merchandise	76	4,223	2.0
Grocery stores	84	9,291	4.3
Home furnishings	58	2,065	1.0
Home improvement	58	6,142	2.8
Jewelry	4	175	0.1
Office supplies	9	724	0.3
Shoe stores	2	182	0.1
Sporting goods	36	3,503	1.6
Wholesale clubs	32	9,425	4.3
	1,810	98,226	45.3
Total Retail Properties	4,774	\$ 216,904	100.0%

* Less than 0.1%

(1) Includes rental revenue for all retail properties owned at December 31, 2016. Excludes revenue of \$57,997 from non-retail properties and \$323 from sold properties.

Table of Contents**Lease Expirations**

The following table sets forth certain information regarding our property portfolio regarding the timing of the lease term expirations in our portfolio (excluding rights to extend a lease at the option of the tenant) on our 4,836 net leased, single-tenant properties and their contribution to rental revenue for the quarter ended December 31, 2016 (dollars in thousands):

Year	Total Portfolio(1)		Approx. Leasable Sq. Feet	Rental Revenue(2)	% of Rental Revenue
	Expiring Leases Retail	Non-Retail			
2017	156	2	1,752,600	\$ 4,239	1.6%
2018	279	9	3,661,200	11,542	4.3
2019	264	10	3,912,700	13,556	5.0
2020	198	11	4,345,800	12,688	4.7
2021	295	13	5,355,200	15,227	5.6
2022	280	17	7,843,300	16,939	6.3
2023	378	20	6,640,300	22,434	8.3
2024	198	12	4,360,000	12,533	4.6
2025	326	14	5,227,100	20,452	7.5
2026	317	5	4,451,500	14,598	5.4
2027	504	3	5,698,000	20,861	7.7
2028	289	6	6,296,600	16,426	6.1
2029	400	5	6,986,800	20,650	7.7
2030	80	13	2,439,100	14,568	5.3
2031	269	25	5,110,000	18,527	6.8
2032 - 2043	434	4	6,869,300	35,456	13.1
Totals	4,667	169	80,949,500	\$ 270,696	100.0%

* Less than 0.1%

(1) Excludes 24 multi-tenant properties and 84 vacant properties. The lease expirations for properties under construction are based on the estimated date of completion of those properties.

(2) Excludes revenue of \$4,205 from 24 multi-tenant properties and from 84 vacant properties at December 31, 2016, and \$323 from sold properties.

Table of Contents**Geographic Diversification**

The following table sets forth certain state-by-state information regarding our property portfolio as of December 31, 2016 (dollars in thousands):

State	Number of Properties	Percent Leased	Approximate Leasable Square Feet	Rental Revenue for the Quarter Ended December 31, 2016(1)	Percentage of Rental Revenue
Alabama	159	97%	1,367,700	\$ 5,112	1.9%
Alaska	3	67	275,900	475	0.2
Arizona	109	99	1,626,300	6,422	2.3
Arkansas	55	100	816,500	1,828	0.7
California	178	99	5,292,400	26,423	9.6
Colorado	81	100	1,097,400	4,375	1.6
Connecticut	24	92	535,300	2,571	0.9
Delaware	18	100	93,000	717	0.3
Florida	367	99	4,039,500	14,950	5.4
Georgia	250	98	4,154,400	12,150	4.4
Idaho	12	100	87,000	419	0.1
Illinois	229	99	5,144,000	14,597	5.3
Indiana	171	99	2,105,400	8,406	3.1
Iowa	40	95	2,970,600	4,089	1.5
Kansas	93	98	1,846,400	4,834	1.8
Kentucky	62	98	1,368,400	4,026	1.5
Louisiana	99	97	1,353,200	3,863	1.4
Maine	16	94	178,500	928	0.3
Maryland	36	94	864,400	4,412	1.6
Massachusetts	80	98	751,600	3,498	1.3
Michigan	163	98	1,651,900	6,398	2.3
Minnesota	158	99	1,951,100	9,772	3.5
Mississippi	134	95	1,623,600	4,552	1.7
Missouri	140	97	2,851,300	8,846	3.2
Montana	11	100	87,000	483	0.2
Nebraska	38	100	806,500	2,255	0.8
Nevada	22	100	413,000	1,309	0.5
New Hampshire	19	100	315,800	1,481	0.5
New Jersey	71	99	834,400	4,388	1.6
New Mexico	30	100	293,200	887	0.3
New York	94	100	2,505,300	12,331	4.5
North Carolina	173	98	2,258,100	7,387	2.7
North Dakota	8	88	123,000	206	0.1
Ohio	247	98	6,247,100	14,936	5.4
Oklahoma	133	99	1,652,200	4,549	1.6
Oregon	28	100	593,300	2,378	0.9
Pennsylvania	148	99	1,855,000	7,528	2.7
Rhode Island	3	100	153,300	809	0.3
South Carolina	148	99	1,105,100	5,157	1.9
South Dakota	14	100	170,700	416	0.1
Tennessee	224	97	3,174,400	8,781	3.2
Texas	490	99	9,176,400	25,756	9.4
Utah	22	100	956,400	2,170	0.8
Vermont	5	100	98,000	484	0.2
Virginia	153	97	2,991,200	7,597	2.8
Washington	43	98	687,200	2,941	1.1
West Virginia	15	100	284,300	1,098	0.4
Wisconsin	118	100	2,136,000	5,473	2.0
Wyoming	6	100	54,700	289	0.1
Puerto Rico	4	100	28,300	149	*
Totals/Average	4,944	98%	83,045,700	\$ 274,901	100.0%

* Less than 0.1%

(1) Includes rental revenue for all properties owned at December 31, 2016. Excludes revenue of \$323 from sold properties.

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FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K, including the documents incorporated by reference, contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Exchange Act of 1934, as amended. When used in this annual report, the words *estimated*, *anticipated*, *expect*, *believe*, *intend* and similar expressions are intended to identify forward-looking statements. Forward-looking statements include discussions of strategy, plans, or intentions of management. Forward-looking statements are subject to risks, uncertainties, and assumptions about Realty Income Corporation, including, among other things:

- Our anticipated growth strategies;
- Our intention to acquire additional properties and the timing of these acquisitions;
- Our intention to sell properties and the timing of these property sales;
- Our intention to re-lease vacant properties;
- Anticipated trends in our business, including trends in the market for long-term, net leases of freestanding, single-tenant properties; and
- Future expenditures for development projects.

Future events and actual results, financial and otherwise, may differ materially from the results discussed in the forward-looking statements. In particular, some of the factors that could cause actual results to differ materially are:

- Our continued qualification as a real estate investment trust;
- General business and economic conditions;
- Competition;
- Fluctuating interest rates;
- Access to debt and equity capital markets;
- Continued volatility and uncertainty in the credit markets and broader financial markets;
- Other risks inherent in the real estate business including tenant defaults, potential liability relating to environmental matters, illiquidity of real estate investments, and potential damages from natural disasters;
- Impairments in the value of our real estate assets;
- Changes in the tax laws of the United States of America;
- The outcome of any legal proceedings to which we are a party or which may occur in the future; and
- Acts of terrorism and war.

Additional factors that may cause risks and uncertainties include those discussed in the sections entitled *Business*, *Risk Factors* and *Management's Discussion and Analysis of Financial Condition and Results of Operations* in this Annual Report.

Readers are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date that this annual report was filed with the Securities and Exchange Commission, or SEC. While forward-looking statements reflect our good faith beliefs, they are not guarantees of future performance. We undertake no obligation to publicly release the results of any revisions to these forward-looking statements that may be made to reflect events or circumstances after the date of this annual report or to reflect the occurrence of unanticipated events. In light of these risks and uncertainties, the forward-looking events discussed in this annual report might not occur.

Item 1A: **Risk Factors**

This Risk Factors section contains references to our capital stock and to our stockholders. Unless expressly stated otherwise, the references to our capital stock represent our common stock and any class or series of our preferred stock, while the references to our stockholders represent holders of our common stock and any class or series of our preferred stock.

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In order to grow we need to continue to acquire investment properties. The acquisition of investment properties may be subject to competitive pressures.

We face competition in the acquisition and operation of our properties. We expect competition from:

- Businesses;
- Individuals;
- Fiduciary accounts and plans; and
- Other entities engaged in real estate investment and financing.

Some of these competitors are larger than we are and have greater financial resources. This competition may result in a higher cost for properties we wish to purchase.

Negative market conditions or adverse events affecting our existing or potential tenants, or the industries in which they operate, could have an adverse impact on our ability to attract new tenants, re-lease space, collect rent or renew leases, which could adversely affect our cash flow from operations and inhibit growth.

Cash flow from operations depends in part on our ability to lease space to tenants on economically favorable terms. We could be adversely affected by various facts and events over which we have limited or no control, such as:

- Lack of demand in areas where our properties are located;
- Inability to retain existing tenants and attract new tenants;
- Oversupply of space and changes in market rental rates;
- Declines in our tenants' creditworthiness and ability to pay rent, which may be affected by their operations, economic downturns and competition within their industries from other operators;
- Defaults by and bankruptcies of tenants, failure of tenants to pay rent on a timely basis, or failure of tenants to comply with their contractual obligations;
- Economic or physical decline of the areas where the properties are located; and
- Deterioration of physical condition of our properties.

At any time, any tenant may experience a downturn in its business that may weaken its operating results or overall financial condition. As a result, a tenant may delay lease commencement, fail to make rental payments when due, decline to extend a lease upon its expiration, become insolvent, or declare bankruptcy. Any tenant bankruptcy or insolvency, leasing delay or failure to make rental payments when due could result in the termination of the tenant's lease and material losses to us.

If tenants do not renew their leases as they expire, we may not be able to rent or sell the properties. Furthermore, leases that are renewed, and some new leases for properties that are re-leased, may have terms that are less economically favorable than expiring lease terms, or may require us to incur significant costs, such as renovations, tenant improvements, or lease transaction costs. Negative market conditions may cause us to sell vacant properties for less than their carrying value, which could result in impairments. Any of these events could adversely affect cash flow from operations and our ability to make distributions to stockholders and service indebtedness. A significant portion of the costs of owning property, such as real estate taxes, insurance, and maintenance, are not necessarily reduced when circumstances cause a decrease in rental revenue from the properties. In a weakened financial condition, tenants may not be able to pay these costs of ownership and we may be unable to recover these

operating expenses from them.

Further, the occurrence of a tenant bankruptcy or insolvency could diminish the income we receive from the tenant's lease or leases. In addition, a bankruptcy court might authorize the tenant to terminate its leases with us. If that happens, our claim against the bankrupt tenant for unpaid future rent would be subject to statutory limitations that most likely would result in rent payments that would be substantially less than the remaining rent we are owed under the leases or we may elect not to pursue claims against a tenant for terminated leases. In addition, any claim we have for unpaid past rent, if any, may not be paid in full, or at all. Moreover, in the case of a tenant's leases that are not terminated as the result of its bankruptcy, we may be required or elect to reduce the rent payable under those leases or provide other concessions, reducing amounts we receive under those leases. As a result, tenant bankruptcies may have a material adverse effect on our results of operations. Any of these events could adversely affect our cash flow from operations and our ability to make distributions to stockholders and service our indebtedness.

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Eighty-four of our properties were available for lease or sale at December 31, 2016, all of which were single-tenant properties. At December 31, 2016, 47 of our properties under lease were unoccupied and available for sublease by the tenants, all of which were current with their rent and other obligations. During 2016, each of our tenants accounted for less than 10% of our rental revenue.

For 2016, our tenants in the drug store industry accounted for approximately 11.4% of our rental revenue. A downturn in this industry, whether nationwide or limited to specific sectors of the United States, or a change in legislation relating to prescription drugs, could adversely affect tenants in this industry, which in turn could have a material adverse effect on our financial position, results of operations, our ability to pay the principal of and interest on our debt securities and other indebtedness and to make distributions on our common stock, including the common stock offered hereby, and preferred stock.

Individually, each of the other industries in our property portfolio accounted for less than 10% of our rental revenue for 2016. Nevertheless, downturns in these industries could also adversely affect our tenants, which in turn could also have a material adverse effect on our financial position, results of operations and our ability to pay the principal of and interest on our debt securities and other indebtedness and to make distributions on our common stock, and preferred stock. In addition, we may in the future make additional investments in the drug store industry, which would increase this industry's percentage of our rental revenues, thereby increasing the effect that such a downturn in this industry would have on us.

In addition, some of our properties are leased to tenants that may have limited financial and other resources, and therefore, they are more likely to be adversely affected by a downturn in their respective businesses or in the regional, national, or international economy.

Furthermore, we have made and may continue to make selected acquisitions of properties that fall outside our historical focus on freestanding, single-tenant, net lease locations in the United States. We may be exposed to a variety of new risks by expanding into new property types and/or new jurisdictions outside the United States and properties leased to tenants engaged in non-retail businesses. These risks may include limited experience in managing certain types of new properties, new types of real estate locations and lease structures, and the laws and culture of any non-U.S. jurisdiction.

As a property owner, we may be subject to unknown environmental liabilities.

Investments in real property can create a potential for environmental liability. An owner of property can face liability for environmental contamination created by the presence or discharge of hazardous substances on the property. We can face such liability regardless of:

- Our knowledge of the contamination;
- The timing of the contamination;
- The cause of the contamination; or
- The party responsible for the contamination of the property.

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There may be environmental conditions associated with our properties of which we are unaware. In that regard, a number of our properties are leased to operators of convenience stores that sell petroleum-based fuels, as well as to operators of oil change and tune-up facilities and operators that use chemicals and other waste products. These facilities, and some other of our properties, use, or may have used in the past, underground lifts or underground tanks for the storage of petroleum-based or waste products, which could create a potential for the release of hazardous substances.

The presence of hazardous substances on a property may adversely affect our ability to lease or sell that property and we may incur substantial remediation costs or third party liability claims. Although our leases generally require our tenants to operate in compliance with all applicable federal, state, and local environmental laws, ordinances and regulations, and to indemnify us against any environmental liabilities arising from the tenants' activities on the property, we could nevertheless be subject to liability, including strict liability, by virtue of our ownership interest. There also can be no assurance that our tenants could or would satisfy their indemnification obligations under their leases. The discovery of environmental liabilities attached to our properties could have an adverse effect on our results of operations, our financial condition, or our ability to make distributions to stockholders and to pay the principal of and interest on our debt securities and other indebtedness.

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In addition, several of our properties were built during the period when asbestos was commonly used in building construction and we may acquire other buildings with asbestos in the future. Environmental laws govern the presence, maintenance, and removal of asbestos-containing materials, or ACMs, and require that owners or operators of buildings containing asbestos properly manage and maintain the asbestos, that they adequately inform or train those who may come into contact with asbestos and that they undertake special precautions, including removal or other abatement in the event that asbestos is disturbed during renovation or demolition of a building. These laws may impose fines and penalties on building owners or operators for failure to comply with these requirements and may allow third parties to seek recovery from owners or operators for personal injury associated with exposure to asbestos fibers.

It is possible that our insurance could be insufficient to address any particular environmental situation and/or that, in the future, we could be unable to obtain insurance for environmental matters at a reasonable cost, or at all. Our tenants are generally responsible for, and indemnify us against, liabilities for environmental matters that arise during the lease terms as a result of tenants' activities on the properties. For properties that have underground storage tanks, in addition to providing an indemnity in our favor, the tenants generally are required to meet applicable state financial assurance obligations, including maintaining certain minimum net worth requirements, obtaining environmental insurance, or relying upon the state trust funds where available in the states where these properties are located to reimburse responsible parties for costs of environmental remediation. However, it is possible that one or more of our tenants could fail to have sufficient funds to cover any such indemnification or to meet applicable state financial assurance obligations, and thus we may still be obligated to pay for any such environmental liabilities.

Compliance. We have not been notified by any governmental authority, and are not otherwise aware, of any material noncompliance, liability, or claim relating to hazardous substances, toxic substances, or petroleum products in connection with any of our properties. In addition, we believe we are in compliance in all material respects with all present federal, state, and local laws relating to ACMs. Nevertheless, if environmental contamination should exist, we could be subject to liability, including strict liability, by virtue of our ownership interest.

Insurance and Indemnity. In July 2012, we entered into a ten-year environmental insurance policy that expires in July 2022 and replaced our previous seven-year environmental insurance policy. The limits on our current policy are \$10 million per occurrence and \$60 million in the aggregate. The limits on the excess policy are \$5 million per occurrence and \$10 million in the aggregate. Therefore, the primary and excess ten-year policies together provide a total limit of \$15 million per occurrence and \$70 million in the aggregate.

It is possible that our insurance could be insufficient to address any particular environmental situation and that, in the future, we could be unable to obtain insurance for environmental matters at a reasonable cost, or at all. Our tenants are generally responsible for, and indemnify us against, liabilities for environmental matters that occur on our properties. For properties that have underground storage tanks, in addition to providing an indemnity in our favor, the tenants generally obtain environmental insurance or rely upon the state funds in the states where these properties are located to reimburse tenants for environmental remediation.

If we fail to qualify as a REIT, the amount of dividends we are able to pay would decrease, which could adversely affect the market price of our capital stock and could adversely affect the value of our debt securities.

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Commencing with our taxable year ended December 31, 1994, we believe that we have been organized and have operated, and we intend to continue to operate, so as to qualify as a REIT under Sections 856 through 860 of the Code. However, we cannot assure you that we have been organized or have operated in a manner that has satisfied the requirements for qualification as a REIT, or that we will continue to be organized or operate in a manner that will allow us to continue to qualify as a REIT.

Qualification as a REIT involves the satisfaction of numerous requirements under highly technical and complex Code provisions, for which there are only limited judicial and administrative interpretations, as well as the determination of various factual matters and circumstances not entirely within our control.

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For example, in order to qualify as a REIT, at least 95% of our gross income in each year must be derived from qualifying sources, and we must pay distributions to stockholders aggregating annually at least 90% of our taxable income (excluding net capital gains).

In the future, it is possible that legislation, new regulations, administrative interpretations, or court decisions will change the tax laws with respect to qualification as a REIT, or the federal income tax consequences of such qualification. Also, the law relating to the tax treatment of other entities, or an investment in other entities, could change, making an investment in such other entities more attractive relative to an investment in a REIT.

If we fail to satisfy all of the requirements for qualification as a REIT, we may be subject to certain penalty taxes or, in some circumstances, we may fail to qualify as a REIT. If we were to fail to qualify as a REIT in any taxable year:

- We would be required to pay federal income tax (including any applicable alternative minimum tax) on our taxable income at regular corporate rates;
- We would not be allowed a deduction for amounts distributed to our stockholders in computing our taxable income;
- We could be disqualified from treatment as a REIT for the four taxable years following the year during which qualification is lost;
- We would no longer be required to make distributions to stockholders; and
- This treatment would substantially reduce amounts available for investment or distribution to stockholders because of the additional tax liability for the years involved, which could have a material adverse effect on the market price of our capital stock and the value of our debt securities.

Even if we qualify for and maintain our REIT status, we may be subject to certain federal, state, and local taxes on our income and property. For example, if we have net income from a prohibited transaction, that income will be subject to a 100% tax. In addition, our taxable REIT subsidiaries, including Crest, are subject to federal and state taxes at the applicable tax rates on their income and property. Any failure to comply with legal and regulatory tax obligations could adversely affect our ability to conduct business and could adversely affect the market price of our capital stock and the value of our debt securities.

Distribution requirements imposed by law limit our flexibility.

To maintain our status as a REIT for federal income tax purposes, we generally are required to distribute to our stockholders at least 90% of our taxable income, excluding net capital gains, each year. We also are subject to tax at regular corporate rates to the extent that we distribute less than 100% of our taxable income (including net capital gains) each year.

In addition, we are subject to a 4% nondeductible excise tax to the extent that we fail to distribute during any calendar year at least the sum of 85% of our ordinary income for that calendar year, 95% of our capital gain net income for the calendar year, and any amount of that income that was not distributed in prior years.

We intend to continue to make distributions to our stockholders to comply with the distribution requirements of the Code as well as to reduce our exposure to federal income taxes and the nondeductible excise tax. Differences in timing between the receipt of

income and the payment of expenses to arrive at taxable income, along with the effect of required debt amortization payments, could require us to borrow funds on a short-term basis to meet the distribution requirements that are necessary to achieve the tax benefits associated with qualifying as a REIT.

Future issuances of equity securities could dilute the interest of holders of our common stock.

Our future growth will depend, in large part, upon our ability to raise additional capital. If we were to raise additional capital through the issuance of equity securities, we could dilute the interests of holders of our common stock. The interests of our common stockholders could also be diluted by the issuance of shares of common stock pursuant to stock incentive plans. Likewise, our Board of Directors is authorized to cause us to issue preferred stock of any class or series (with dividend, voting and other rights as determined by our Board of Directors). Accordingly, our Board of Directors may authorize the issuance of preferred stock with voting, dividend and other similar rights that could dilute, or otherwise adversely affect, the interest of holders of our common stock.

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We may acquire properties or portfolios of properties through tax deferred contribution transactions, which could result in stockholder dilution and limit our ability to sell or refinance such assets.

We have in the past and may in the future acquire properties or portfolios of properties through tax deferred contribution transactions in exchange for partnership units in an operating partnership, which could result in stockholder dilution through the issuance of operating partnership units that, under certain circumstances, may be exchanged for shares of our common stock. This acquisition structure may have the effect of, among other things, reducing the amount of tax depreciation we could deduct over the tax life of the acquired properties, and may require that we agree to restrictions on our ability to dispose of, or refinance the debt on, the acquired properties in order to protect the contributors' ability to defer recognition of taxable gain. Similarly, we may be required to incur or maintain debt we would otherwise not incur so we can allocate the debt to the contributors to maintain their tax bases. These restrictions could limit our ability to sell or refinance an asset at a time, or on terms, that would be favorable absent such restrictions.

We are subject to risks associated with debt and capital stock financing.

We intend to incur additional indebtedness in the future, including borrowings under our \$2.0 billion unsecured revolving credit facility. At December 31, 2016, we had \$1.12 billion of outstanding borrowings under our revolving credit facility, a total of \$3.98 billion of outstanding unsecured senior debt securities (excluding unamortized original issuance discounts of \$19.8 million and deferred financing costs of \$20.8 million), \$320.0 million of borrowings outstanding under our senior unsecured term loans (excluding deferred financing costs of \$873,000) and approximately \$460.0 million of outstanding mortgage debt (excluding net unamortized premiums totaling \$6.4 million and deferred financing costs of \$324,000 on this mortgage debt). To the extent that new indebtedness is added to our current debt levels, the related risks that we now face would increase. As a result, we are and will be subject to risks associated with debt financing, including the risk that our cash flow could be insufficient to make required payments on our debt. We also face variable interest rate risk as the interest rates on our revolving credit facility, our term loans and some of our mortgage debt are variable and could therefore increase over time. We also face the risk that we may be unable to refinance or repay our debt as it comes due. Given past disruptions in the financial markets and the ongoing global financial crisis and related uncertainties, including the impact of the United Kingdom's advisory referendum to withdraw from the European Union (referred to as Brexit), we also face the risk that one or more of the participants in our revolving credit facility may not be able to lend us money.

In addition, our revolving credit facility, our term loan facilities and mortgage loan documents contain provisions that could limit or, in certain cases, prohibit the payment of dividends and other distributions on our common stock and preferred stock. In particular, our revolving credit facility and our \$250.0 million term loan facility, both of which are governed by the same credit agreement, provide that, if an event of default (as defined in the credit agreement) exists, neither we nor any of our subsidiaries (other than our wholly-owned subsidiaries) may make any dividends or other distributions on (except distributions payable in shares of a given class of our stock to the stockholders of that class), or repurchase or redeem, among other things, any shares of our common stock or preferred stock, during any period of four consecutive fiscal quarters in an aggregate amount in excess of the greater of:

- The sum of (a) 95% of our adjusted funds from operations (as defined in the credit agreement) for that period plus (b) the aggregate amount of cash distributions on our preferred stock for that period, and
- The minimum amount of cash distributions required to be made to our stockholders in order to maintain our status as a REIT for federal income tax purposes and to avoid the payment of any income or excise taxes that would otherwise be imposed under specified sections of the Code on income we do not distribute to our stockholders,

except that we may repurchase or redeem shares of our preferred stock with the net proceeds from the issuance of shares of our common stock or preferred stock. The credit agreement further provides that, in the event of a failure to pay principal, interest or any other amount payable thereunder when due or upon the occurrence of certain events of bankruptcy, insolvency or

reorganization with respect to us or with respect to one or more of our subsidiaries that in the aggregate meet a significance test set forth in the credit agreement, we and our subsidiaries (other than our wholly-owned subsidiaries) may not pay any dividends or other distributions on (except for (a) distributions payable in shares of a given class of our stock to the stockholders of that class and (b) dividends and distributions described in the second bullet point above), or repurchase or redeem, among other things, any shares of our common stock or preferred stock. If any such event of default

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under the credit agreement were to occur, it would likely have a material adverse effect on the market price of our outstanding common and preferred stock and on the market value of our debt securities, could limit the amount of dividends or other distributions payable on our common stock and preferred stock or the amount of interest and principal we are able to pay on our indebtedness, or prevent us from paying those dividends, other distributions, interest or principal altogether, and may adversely affect our ability to qualify, or prevent us from qualifying, as a REIT. Likewise, one of our subsidiaries is the borrower under our \$70.0 million term loan facility and that facility requires that this subsidiary maintain its consolidated tangible net worth (as defined in the term loan facility) above a certain minimum dollar amount and comply with certain other financial covenants. This minimum consolidated tangible net worth covenant may limit the ability of this subsidiary, as well as other subsidiaries that are owned by this subsidiary, to provide funds to us in order to pay dividends and other distributions on our common stock and preferred stock and amounts due on our indebtedness. Any failure by this subsidiary to comply with these financial covenants will, and any failure by this subsidiary to comply with other covenants in our \$70.0 million term loan facility may, result in an event of default under that facility, which could have adverse consequences similar to those that may result from an event of default under our revolving credit facility or \$250.0 million term loan facility as described above.

Our indebtedness could also have other important consequences to holders of our common stock, preferred stock, and debt securities, including:

- Increasing our vulnerability to general adverse economic and industry conditions;
- Limiting our ability to obtain additional financing to fund future working capital, acquisitions, capital expenditures and other general corporate requirements;
- Requiring the use of a substantial portion of our cash flow from operations for the payment of principal and interest on our indebtedness, thereby reducing our ability to use our cash flow to fund working capital, acquisitions, capital expenditures, and general corporate requirements;
- Limiting our flexibility in planning for, or reacting to, changes in our business and our industry; and
- Putting us at a disadvantage compared to our competitors with less indebtedness.

If we default under a credit facility, loan agreement or other debt instrument, the lenders will generally have the right to demand immediate repayment of the principal and interest on all of their loans and, in the case of secured indebtedness, to exercise their rights to seize and sell the collateral.

In addition, we have 16,350,000 shares of Class F preferred stock outstanding, the holders of which are entitled to receive, before any dividends are paid on our common stock, monthly dividends, when, as and if authorized by our board of directors and declared by us, at the rate of \$1.65625 per annum per share. As a result, we are subject to risks associated with preferred stock financing, including the risk that our cash flow will be insufficient to pay dividends on our preferred stock.

Our business operations may not generate the cash needed to make distributions on our capital stock or to service our indebtedness.

Our ability to make distributions on our common stock and preferred stock and payments on our indebtedness, and to fund planned acquisitions and capital expenditures will depend on our ability to generate cash in the future. We cannot assure you that our business will generate sufficient cash flow from operations or that future borrowings will be available to us in an amount sufficient to enable us to make distributions on our common stock and preferred stock, to pay our indebtedness, or to fund our other liquidity needs.

The market value of our capital stock and debt securities could be substantially affected by various factors.

The market value of our capital stock and debt securities will depend on many factors, which may change from time to time and may be outside of our control, including:

- Prevailing interest rates, increases in which may have an adverse effect on the market value of our capital stock and debt securities;
- The market for similar securities issued by other REITs;
- General economic, political and financial market conditions;
- The financial condition, performance and prospects of us, our tenants and our competitors;
- Changes in legal and regulatory taxation obligations;
- Litigation and regulatory proceedings;
- Changes in financial estimates or recommendations by securities analysts with respect to us, our competitors or our industry;
- Changes in our credit ratings; and
- Actual or anticipated variations in quarterly operating results of us and our competitors.

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In addition, over the last several years, prices of common stock and debt securities in the United States, or U.S., trading markets have been experiencing extreme price fluctuations, and the market values of our common stock and debt securities have also fluctuated significantly during this period. As a result of these and other factors, investors who purchase our capital stock and debt securities may experience a decrease, which could be substantial and rapid, in the market value of our capital stock and debt securities, including decreases unrelated to our operating performance or prospects.

Real estate ownership is subject to particular conditions that may have a negative impact on our revenue.

We are subject to all of the inherent risks associated with the ownership of real estate. In particular, we face the risk that rental revenue from our properties may be insufficient to cover all corporate operating expenses, debt service payments on indebtedness we incur, and distributions on our capital stock. Additional real estate ownership risks include:

- Adverse changes in general or local economic conditions;
- Changes in supply of, or demand for, similar or competing properties;
- Changes in interest rates and operating expenses;
- Competition for tenants;
- Changes in market rental rates;
- Inability to lease properties upon termination of existing leases;
- Renewal of leases at lower rental rates;
- Inability to collect rents from tenants due to financial hardship, including bankruptcy;
- Changes in tax, real estate, zoning and environmental laws that may have an adverse impact upon the value of real estate;
- Uninsured property liability;
- Property damage or casualty losses;
- Unexpected expenditures for capital improvements, including requirements to bring properties into compliance with applicable federal, state and local laws;
- The need to periodically renovate and repair our properties;
- Development oriented activities;
- Physical or weather-related damage to properties;
- The potential risk of functional obsolescence of properties over time;
- Acts of terrorism and war; and
- Acts of God and other factors beyond the control of our management.

Real estate property investments are illiquid; therefore, the company may not be able to dispose of properties when desired or on favorable terms.

Real estate investments are relatively illiquid. Our ability to quickly sell or exchange any of our properties in response to changes in economic and other conditions will be limited. No assurances can be given that we will recognize full value, at a price and at terms that are acceptable to us, for any property that we are required to sell for liquidity reasons. Our inability to respond rapidly to changes in the performance of our investments could adversely affect our financial condition and results of operations.

Our acquisition of additional properties may have a significant effect on our business, liquidity, financial position and/or results of operations.

We are engaged in the process of identifying, analyzing, underwriting, and negotiating possible acquisition transactions. We cannot provide any assurances that we will be successful in consummating future acquisitions on favorable terms or that we will realize the benefits that we anticipate from such acquisitions. Our inability to consummate one or more acquisitions on such terms, our failure

to adequately underwrite and identify risks and obligations when acquiring properties, or our failure to realize the intended benefits from one or more acquisitions, could have a significant adverse effect on our business, liquidity, financial position and/or results of operations, including as a result of our incurrence of additional indebtedness and related interest expense and our assumption of unforeseen contingent liabilities in connection with completed acquisitions.

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An uninsured loss or a loss that exceeds the policy limits on our properties could subject us to lost capital or revenue on those properties.

Under the terms and conditions of the leases currently in force on our properties, tenants generally are required to indemnify and hold us harmless from liabilities resulting from injury to persons, air, water, land or property, due to activities conducted on the properties, except for claims arising from the negligence or intentional misconduct of us or our agents. Additionally, tenants are generally required, at the tenant's expense, to obtain and keep in full force during the term of the lease, liability and property damage insurance policies. The insurance policies our tenants are required to maintain for property damage are generally in amounts not less than the full replacement cost of the improvements less slab, foundations, supports and other customarily excluded improvements. Our tenants are generally required to maintain general liability coverage depending on the tenant and the industry in which the tenant operates.

In addition to the indemnities and required insurance policies identified above, many of our properties are also covered by flood and earthquake insurance policies (subject to substantial deductibles) obtained and paid for by the tenants as part of their risk management programs. Additionally, we have obtained blanket liability, flood and earthquake (subject to substantial deductibles) and property damage insurance policies to protect us and our properties against loss should the indemnities and insurance policies provided by the tenants fail to restore the properties to their condition prior to a loss. However, should a loss occur that is uninsured or in an amount exceeding the combined aggregate limits for the policies noted above, or in the event of a loss that is subject to a substantial deductible under an insurance policy, we could lose all or part of our capital invested in, and anticipated revenue from, one or more of the properties, which could have a material adverse effect on our results of operations or financial condition and on our ability to pay the principal of and interest on our debt securities and other indebtedness and to make distributions to our stockholders. We also face the risk that our insurance carriers may not be able to provide payment under any potential claims that might arise under the terms of our insurance policies, and we may not have the ability to purchase insurance policies we desire.

In addition, although we obtain title insurance policies of our properties to protect us and our properties against unknown title defects (such as claims of ownership, liens or other encumbrances), there may be certain title defects that our title insurance will not cover. If a material title defect related to any of our properties is not adequately covered by a title insurance policy, we could lose some or all of our capital invested in and our anticipated profits from such property, cause a financial misstatement or lead to reputational damage to the company.

Compliance with the Americans with Disabilities Act of 1990 and fire, safety, and other regulations may require us to make unintended expenditures that could adversely impact our results of operations.

Our properties are generally required to comply with the Americans with Disabilities Act of 1990, or the ADA. The ADA has separate compliance requirements for public accommodations and commercial facilities, but generally requires that buildings be made accessible to people with disabilities. Compliance with the ADA requirements could require removal of access barriers and non-compliance could result in imposition of fines by the U.S. government or an award of damages to private litigants. The retailers to whom we lease properties are obligated by law to comply with the ADA provisions, and we believe that these retailers may be obligated to cover costs associated with compliance. If required changes involve greater expenditures than anticipated, or if the changes must be made on a more accelerated basis than anticipated, the ability of these retailers to cover costs could be adversely affected and we could be required to expend our own funds to comply with the provisions of the ADA, which could materially adversely affect our results of operations or financial condition and our ability to pay the principal of and interest on our debt securities and other indebtedness and to make distributions to our stockholders. In addition, we are required to operate our properties in compliance with fire and safety regulations, building codes and other land use regulations, as they may be adopted by governmental agencies and bodies and become applicable to our properties. We may be required to make substantial capital expenditures to comply with those requirements and these expenditures could have a material adverse effect on our results of operations or financial condition and our ability to pay the principal of and interest on our debt securities and other indebtedness and to make distributions to our stockholders.

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Litigation risks could affect our business.

From time to time, we are involved in legal proceedings, lawsuits, and other claims. An unfavorable resolution of litigation may have a material adverse effect on our business, results of operations and financial condition. Regardless of its outcome, litigation may result in substantial costs and expenses and significantly divert the attention of management.

Property taxes may increase without notice.

The real property taxes on our properties and any other properties that we develop or acquire in the future may increase as property tax rates change and as those properties are assessed or reassessed by tax authorities.

We depend on key personnel.

We depend on the efforts of our executive officers and key employees. The loss of the services of our executive officers and key employees could have a material adverse effect on our results of operations or financial condition and on our ability to pay the principal and interest on our debt securities and other indebtedness and to make distributions to our stockholders. It is possible that we will not be able to recruit additional personnel with equivalent experience in the net lease industry.

Natural disasters, terrorist attacks, other acts of violence or war, or other unexpected events may affect the value of our debt and equity securities, the markets in which we operate and our results of operations.

Natural disasters, terrorist attacks, other acts of violence or war, or other unexpected events may negatively affect our operations, the market price of our capital stock and the value of our debt securities. There can be no assurance that events like these will not occur or have a direct impact on our tenants, our business or the United States generally.

If events like these were to occur, they could materially interrupt our business operations, cause consumer confidence and spending to decrease or result in increased volatility in the U.S. and worldwide financial markets and economy. They also could result in or prolong an economic recession in the U.S. or abroad. Any of these occurrences could have a significant adverse impact on our operating results and revenues and on the market price of our capital stock and on the value of our debt securities. It could also have an adverse effect on our ability to pay principal and interest on our debt securities or other indebtedness and to make distributions to our stockholders.

We rely on information technology in our operations, and any material failure, inadequacy, interruption or security failure of that technology could harm our business.

We rely on information technology networks and systems, including the Internet, to process, transmit and store electronic information and to manage or support a variety of our business processes, including financial transactions and maintenance of records, which may include personal identifying information. Although we have taken steps to protect the security of the data maintained in our information systems, our security measures may not be able to prevent the systems' improper functioning, or the theft of intellectual property, personal information, or personal property, such as in the event of cyber-attacks. Any failure to maintain proper function, security and availability of our information systems could interrupt our operations, result in theft of company assets, damage our reputation, subject us to liability claims and could adversely affect our business, financial condition and results of operations.

In addition, we may experience difficulties implementing or maintaining our new enterprise resource planning system, which we intend to implement during 2017, which could potentially result in disruption to our normal accounting procedures and internal control over financial reporting, inaccuracies in the conversion of electronic data, difficulties integrating the systems and processes, additional costs to continue to refine the system's functionality, and disruption of our financial reporting process.

Disruptions in the financial markets could affect our ability to obtain financing on reasonable terms and have other adverse effects on us and the market price of our common stock.

Over the last several years, the United States stock and credit markets have experienced significant price volatility, dislocations and liquidity disruptions, which have caused market prices of many stocks and debt securities to fluctuate substantially and the spreads on prospective debt financings to widen considerably. In addition, the ongoing global financial crisis (which includes concerns that certain European countries may be unable to pay their national debt) has had a similar effect. These circumstances have materially impacted

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liquidity in the financial markets, making terms for certain financings less attractive, and in certain cases have resulted in the unavailability of certain types of financing. Unrest in certain Middle Eastern countries and resultant fluctuation in petroleum prices have added to the uncertainty in the capital markets. Continued uncertainty in the stock and credit markets may negatively impact our ability to access additional financing at reasonable terms, which may negatively affect our ability to make acquisitions. A prolonged downturn in the stock or credit markets may cause us to seek alternative sources of potentially less attractive financing, and may require us to adjust our business plan accordingly. In addition, these factors may make it more difficult for us to sell properties or may adversely affect the price we receive for properties that we do sell, as prospective buyers may experience increased costs of financing or difficulties in obtaining financing. These events in the stock and credit markets may make it more difficult or costly for us to raise capital through the issuance of our common stock or preferred stock or debt securities. These disruptions in the financial markets also may have a material adverse effect on the market value of our common stock, preferred stock and debt securities, the income we receive from our properties and the lease rates we can charge for our properties, as well as other unknown adverse effects on us or the economy in general.

Inflation may adversely affect our financial condition and results of operations.

Although inflation has not materially impacted our results of operations in the recent past, increased inflation could have a more pronounced negative impact on any variable rate debt we incur in the future and on our results of operations. During times when inflation is greater than increases in rent, as provided for in our leases, rent increases may not keep up with the rate of inflation. Likewise, even though net leases reduce our exposure to rising property expenses due to inflation, substantial inflationary pressures and increased costs may have an adverse impact on our tenants if increases in their operating expenses exceed increases in revenue, which may adversely affect the tenants' ability to pay rent.

Current volatility in market and economic conditions may impact the accuracy of the various estimates used in the preparation of our financial statements and footnotes to the financial statements.

Various estimates are used in the preparation of our financial statements, including estimates related to asset and liability valuations (or potential impairments), and various receivables. Often these estimates require the use of market data values that are currently difficult to assess, as well as estimates of future performance or receivables collectability that can also be difficult to accurately predict. Although management believes it has been prudent and used reasonable judgment in making these estimates, it is possible that actual results may differ from these estimates.

Inherent limitations of internal controls over financial statements and safeguarding of assets may adversely impact our financial condition and results of operations.

Our internal controls over financial reporting and our operating internal controls may not prevent or detect financial misstatements or loss of assets because of inherent limitations, including the possibility of human error, the circumvention or overriding of controls, or fraud. Effective internal controls can provide only reasonable assurance with respect to financial statement accuracy and safeguarding of assets. Any failure of these internal controls could result in decreased investor confidence in the accuracy and completeness of our financial reports, civil litigation or investigations by the NYSE, the SEC or other regulatory authorities, which may adversely impact our financial condition and results of operations.

Changes in accounting standards may adversely impact our financial condition and results of operations.

The Financial Accounting Standards Board, or FASB, in conjunction with the SEC, has several key projects on their agenda that could impact how we currently account for our material transactions. At this time, we are unable to predict with certainty which, if any, proposals may be passed or what level of impact any such proposal could have on the presentation of our consolidated

financial statements, our results of operations and our financial ratios required by our debt covenants.

Our business could be negatively affected as a result of actions of activist stockholders and shareholder advisory firms.

Campaigns by stockholders to effect changes at publicly traded companies are sometimes led by investors seeking to increase short-term stockholder value through actions such as financial restructuring, increased debt, special dividends, stock repurchases or sales of assets or the entire company. If we become engaged in a process or proxy contest with an activist stockholder in the future, our business could be adversely affected, as such activities could be costly and time-consuming, disrupt our operations and divert the attention of

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management and our employees from executing our business plan. Additionally, perceived uncertainties as to our future direction as a result of stockholder activism or actual or potential changes to the composition of our Board of Directors or management team may lead to the perception of a change in the direction of our business, instability or lack of continuity, which may be exploited by our competitors, cause concern to current or potential sellers of properties, tenants and financing sources, and make it more difficult to attract and retain qualified personnel. If potential or existing sellers of properties, tenants or financing sources choose to delay, defer or reduce transactions with us or transact with our competitors instead of us because of any such issues, then our results of operations could be adversely affected. Similarly, we may suffer damage to our reputation (for example, regarding our corporate governance or stockholder relations) or brand by way of actions taken or statements made by outside constituents, including activist investors and shareholder advisory firms, which could adversely affect the market price of our common stock and preferred stock and the value of our debt securities, including the notes, resulting in significant loss of value, which could impact our ability to access capital, increase our cost of capital, and decrease our ability to acquire properties on attractive terms.

Our charter contains restrictions upon ownership of our common stock.

Our charter contains restrictions on ownership and transfer of our common stock intended to, among other purposes, assist us in maintaining our status as a REIT for United States federal and/or state income tax purposes. For example, our charter restricts any person from acquiring actual or constructive ownership of more than 9.8% (in value or number of shares, whichever is more restrictive) of our outstanding common stock. These restrictions could have anti-takeover effects and could reduce the possibility that a third party will attempt to acquire control of us, which could adversely affect the market price of our common stock.

Item 1B: Unresolved Staff comments

There are no unresolved staff comments.

Item 2: Properties

Information pertaining to our properties can be found under Item 1.

Item 3: Legal Proceedings

We are subject to certain claims and lawsuits in the ordinary course of business, the outcome of which cannot be determined at this time. In the opinion of management, any liability we might incur upon the resolution of these claims and lawsuits will not, in the aggregate, have a material adverse effect on our consolidated financial position or results of operations.

Item 4: **Mine Safety Disclosures**

None.

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A. Our common stock is traded on the NYSE under the ticker symbol **RO**. The following table shows the high and low sales prices per share for our common stock as reported by the NYSE, and distributions declared per share of common stock for the periods indicated.

	Price Per Share of Common Stock		Distributions Declared (1)
	High	Low	
2016			
First Quarter	\$ 62.89	\$ 50.47	\$ 0.5960000
Second Quarter	69.36	58.30	0.5975000
Third Quarter	72.30	63.33	0.6030000
Fourth Quarter	66.75	52.72	0.6065000
Total			\$ 2.4030000
2015			
First Quarter	\$ 55.54	\$ 47.95	\$ 0.5675000
Second Quarter	52.66	44.23	0.5690000
Third Quarter	48.88	43.15	0.5705000
Fourth Quarter	52.41	45.65	0.5720000
Total			\$ 2.2790000

(1) Common stock cash distributions are declared monthly by us based on financial results for the prior months. At December 31, 2016, a distribution of \$0.2025 per common share had been declared and was paid in January 2017.

B. There were 9,896 registered holders of record of our common stock as of December 31, 2016. We estimate that our total number of stockholders is over 421,000 when we include both registered and beneficial holders of our common stock.

C. During the fourth quarter of 2016, the following shares of stock were withheld for state and federal payroll taxes on the vesting of employee stock awards, as permitted under the 2012 Incentive Award Plan of Realty Income Corporation:

- 17 shares of stock, at a weighted average price of \$66.93, in October 2016;

- 69 shares of stock, at a weighted average price of \$57.74, in November 2016; and
- 16,922 shares of stock, at a weighted average price of \$57.45, in December 2016.

Table of Contents**Item 6: Selected Financial Data***(not covered by Report of Independent Registered Public Accounting Firm)**(dollars in thousands, except for per share data)*

The following table sets forth our selected historical consolidated financial information for each of the five years in the period ended December 31, 2016. The statements of income data, the statements of equity data, the statements of cash flows data and the other data for the years ended December 31, 2016, 2015 and 2014 and the balance sheet data as of December 31, 2016 and 2015 were derived from our audited consolidated financial statements included elsewhere in this Form 10-K. The statements of income data, the statements of equity data, the statement of cash flows data and the other data for the years ended December 31, 2013 and 2012, and the balance sheet data as of December 31, 2014, 2013 and 2012 were derived from our audited consolidated financial statements that are not included in this Form 10-K.

The selected financial data presented below is not necessarily indicative of results of future operations and should be read in conjunction with our consolidated financial statements and the information included under the headings "Management's Discussion and Analysis of Financial Condition and Results of Operations" included elsewhere in this Form 10-K.

As of or for the years ended December 31,	2016	2015	2014	2013	2012
Total assets (book value)	\$ 13,152,871	\$ 11,845,379	\$ 10,989,349	\$ 9,903,118	\$ 5,412,135
Cash and cash equivalents	9,420	40,294	3,852	10,257	5,248
Total debt	5,839,605	4,820,995	4,907,673	4,145,517	2,852,640
Total liabilities	6,365,818	5,292,046	5,348,249	4,481,760	2,999,340
Total equity	6,787,053	6,553,333	5,641,099	5,421,358	2,412,794
Net cash provided by operating activities	804,045	692,303	627,692	518,906	326,469
Net change in cash and cash equivalents	(30,874)	36,442	(6,405)	5,009	1,083
Total revenue	1,103,172	1,023,285	933,505	780,209	484,581
Income from continuing operations	316,477	284,855	269,140	180,613	141,895
Income from discontinued operations	-	-	2,800	65,670	17,257
Net income	316,477	284,855	271,940	246,283	159,152
Preferred stock dividends	(27,080)	(27,080)	(37,062)	(41,930)	(40,918)
Excess of redemption value over carrying value of preferred shares redeemed	-	-	(6,015)	-	(3,696)
Net income available to common stockholders	288,491	256,686	227,558	203,634	114,538
Cash distributions paid to common stockholders	610,516	533,238	479,256	409,222	236,348
Basic and diluted net income per common share	1.13	1.09	1.04	1.06	0.86
Cash distributions paid per common share	2.391500	2.271417	2.191625	2.147459	1.771625
Cash distributions declared per common share	2.403000	2.279000	2.192875	2.177875	1.777875
Basic weighted average number of common shares outstanding	255,066,500	235,767,932	218,390,885	191,754,857	132,817,472
Diluted weighted average number of common shares outstanding	255,624,250	236,208,390	218,767,885	191,781,622	132,884,933

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Item 7: **Management's Discussion and Analysis of Financial Condition and Results of Operations**

GENERAL

Realty Income, The Monthly Dividend Company®, is an S&P 500 company dedicated to providing stockholders with dependable monthly dividends that increase over time. The company is structured as a real estate investment trust, or REIT, requiring it annually to distribute at least 90% of its taxable income (excluding net capital gains) in the form of dividends to its stockholders. The monthly dividends are supported by the cash flow generated from real estate owned under long-term, net lease agreements with regional and national commercial tenants. The company has in-house acquisition, portfolio management, asset management, real estate research, credit research, legal, finance and accounting, information technology and capital markets capabilities.

Realty Income was founded in 1969, and listed on the New York Stock Exchange (NYSE: O) in 1994. Over the past 48 years, Realty Income has been acquiring and managing freestanding commercial properties that generate rental revenue under long-term net lease agreements. The company is a member of the S&P High Yield Dividend Aristocrats® index for having increased its dividend every year for more than 20 consecutive years.

At December 31, 2016, we owned a diversified portfolio:

- Of 4,944 properties;
- With an occupancy rate of 98.3%, or 4,860 properties leased and 84 properties available for lease;
- Leased to 248 different commercial tenants doing business in 47 separate industries;
- Located in 49 states and Puerto Rico;
- With over 83.0 million square feet of leasable space; and
- With an average leasable space per property of approximately 16,800 square feet; approximately 11,520 square feet per retail property and 220,290 square feet per industrial property.

Of the 4,944 properties in the portfolio, 4,920, or 99.5%, are single-tenant properties, and the remaining are multi-tenant properties. At December 31, 2016, of the 4,920 single-tenant properties, 4,836 were leased with a weighted average remaining lease term

(excluding rights to extend a lease at the option of the tenant) of approximately 9.8 years.

LIQUIDITY AND CAPITAL RESOURCES

Capital Philosophy

Historically, we have met our long-term capital needs by issuing common stock, preferred stock and long-term unsecured notes and bonds. Over the long term, we believe that common stock should be the majority of our capital structure; however, we may issue additional preferred stock or debt securities. We may issue common stock when we believe that our share price is at a level that allows for the proceeds of any offering to be accretively invested into additional properties. In addition, we may issue common stock to permanently finance properties that were initially financed by our credit facility or debt securities. However, we cannot assure you that we will have access to the capital markets at all times and at terms that are acceptable to us.

Our primary cash obligations, for the current year and subsequent years, are included in the Table of Obligations, which is presented later in this section. We expect to fund our operating expenses and other short-term liquidity requirements, including property acquisitions and development costs, payment of principal and interest on our outstanding indebtedness, property improvements, re-leasing costs and cash distributions to common and preferred stockholders, primarily through cash provided by operating activities, borrowing on our credit facility and periodically through public securities offerings.

Conservative Capital Structure

We believe that our stockholders are best served by a conservative capital structure. Therefore, we seek to maintain a conservative debt level on our balance sheet and solid interest and fixed charge coverage ratios. At December 31, 2016, our total outstanding borrowings of senior unsecured notes and bonds, term loans, mortgages payable and credit facility borrowings were \$5.875 billion, or approximately 27.6% of our total market capitalization of \$21.26 billion.

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We define our total market capitalization at December 31, 2016 as the sum of:

- Shares of our common stock outstanding of 260,168,259, plus total common units outstanding of 405,204, multiplied by the last reported sales price of our common stock on the NYSE of \$57.48 per share on December 31, 2016, or \$14.98 billion;
- Aggregate liquidation value (par value of \$25.00 per share) of the Class F preferred stock of \$408.8 million;
- Outstanding borrowings of \$1.12 billion on our credit facility;
- Outstanding mortgages payable of \$460.0 million, excluding net mortgage premiums of \$6.4 million and deferred financing costs of \$324,000;
- Outstanding borrowings of \$320.0 million on our term loans, excluding deferred financing costs of \$873,000; and
- Outstanding senior unsecured notes and bonds of \$3.98 billion, excluding unamortized original issuance discounts of \$19.8 million and deferred financing costs of \$20.8 million.

Universal Shelf Registration

In December 2015, we filed a shelf registration statement with the SEC, which is effective for a term of three years and will expire in December 2018. In accordance with SEC rules, the amount of securities to be issued pursuant to this shelf registration statement was not specified when it was filed and there is no specific dollar limit. The securities covered by this registration statement include (1) common stock, (2) preferred stock, (3) debt securities, (4) depositary shares representing fractional interests in shares of preferred stock, (5) warrants to purchase debt securities, common stock, preferred stock, or depositary shares, and (6) any combination of these securities. We may periodically offer one or more of these securities in amounts, prices and on terms to be announced when and if these securities are offered. The specifics of any future offerings, along with the use of proceeds of any securities offered, will be described in detail in a prospectus supplement, or other offering materials, at the time of any offering.

At-the-Market (ATM) Program

In September 2015, we established an at-the-market equity distribution program, or our ATM program, pursuant to which we can offer and sell up to 12,000,000 shares of common stock to, or through, a consortium of banks acting as our sales agents by means of ordinary brokers transactions on the NYSE at prevailing market prices or at negotiated prices. During 2016, we issued 2,779,140 shares and raised gross proceeds of \$166.8 million under the ATM program.

Issuance of Common Stock

In May 2016, we issued 6,500,000 shares of common stock. After underwriting discounts and other offering costs of \$12.1 million, the net proceeds of \$383.6 million were used to repay borrowings under our credit facility.

Dividend Reinvestment and Stock Purchase Plan

Our Dividend Reinvestment and Stock Purchase Plan, or our DRSP, provides our common stockholders, as well as new investors, with a convenient and economical method of purchasing our common stock and reinvesting their distributions. Our DRSP also allows our current stockholders to buy additional shares of common stock by reinvesting all or a portion of their distributions. Our DRSP authorizes up to 26,000,000 common shares to be issued. In 2013, we revised our DRSP so that we would pay for a majority of the plan-related fees, which were previously paid by investors, and to institute a waiver approval process, allowing larger investors or institutions, per a formal approval process, to purchase shares at a small discount, if approved by us. During 2016, we issued 170,027 shares and raised approximately \$10.3 million under our DRSP. During 2016, we did not issue shares under the waiver approval process.

Preferred Stock

In February 2012, we issued 14,950,000 shares of our Class F preferred stock at \$25.00 per share. In April 2012, we issued an additional 1,400,000 shares of Class F preferred stock at \$25.2863 per share. Beginning February 15, 2017, shares of our Class F preferred stock are redeemable at our option for \$25.00 per share, plus any accrued and unpaid dividends. Dividends on the shares of our Class F preferred stock are paid monthly in arrears. We are current on our obligations to pay dividends on our Class F preferred stock.

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\$2.0 Billion Revolving Credit Facility

In June 2015, we entered into a \$2.0 billion unsecured revolving credit facility, or our credit facility, that expires in June 2019 and includes, at our option, two six-month extensions. Our credit facility has a \$1.0 billion accordion expansion option. Under our credit facility, our investment grade credit ratings as of December 31, 2016 provide for financing at the London Interbank Offered Rate, commonly referred to as LIBOR, plus 0.90%, with a facility commitment fee of 0.15%, for all-in drawn pricing of 1.05% over LIBOR. The borrowing rate is subject to an interest rate floor and may change if our investment grade credit ratings were to change. We also have other interest rate options available to us under our credit facility. Our credit facility is unsecured and, accordingly, we have not pledged any assets as collateral for this obligation.

At December 31, 2016, we had a borrowing capacity of \$880.0 million available on our credit facility and an outstanding balance of \$1.12 billion. The weighted average interest rate on borrowings outstanding under our credit facility, at December 31, 2016, was 1.7% per annum. We must comply with various financial and other covenants in our credit facility. At December 31, 2016, we were in compliance with these covenants. We expect to use our credit facility to acquire additional properties and for other general corporate purposes. Any additional borrowings will increase our exposure to interest rate risk.

We generally use our credit facility for the short-term financing of new property acquisitions. Thereafter, we generally seek to refinance those borrowings with the net proceeds of long-term or permanent financing, which may include the issuance of common stock, preferred stock or debt securities. We cannot assure you, however, that we will be able to obtain any such refinancing, or that market conditions prevailing at the time of the refinancing will enable us to issue equity or debt securities at acceptable terms.

Term Loans

In June 2015, in conjunction with entering into our credit facility, we entered into a \$250 million senior unsecured term loan maturing June 30, 2020. Borrowing under this term loan bears interest at LIBOR, plus 0.95%. In conjunction with this term loan, we also entered into an interest rate swap which effectively fixes our per annum interest rate on this term loan at 2.67%.

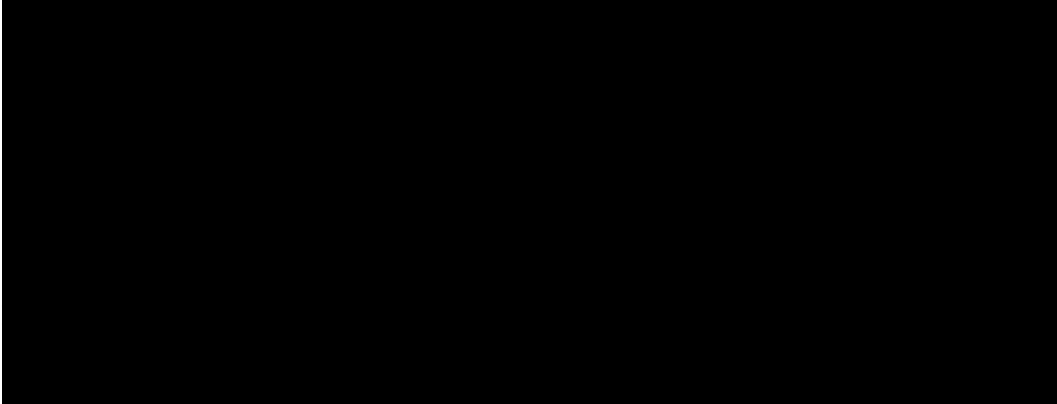
In January 2013, in conjunction with our acquisition of American Realty Capital Trust, or ARCT, we entered into a \$70 million senior unsecured term loan maturing in January 2018. Borrowing under the term loan bears interest at LIBOR, plus 1.20%. In conjunction with this term loan, we also acquired an interest rate swap which effectively fixes our per annum interest rate on this term loan at 2.15%.

Mortgage Debt

As of December 31, 2016, we had \$460.0 million of mortgages payable, all of which were assumed in connection with our property acquisitions. Additionally, at December 31, 2016, we had net premiums totaling \$6.4 million on these mortgages and deferred financing costs of \$324,000. We expect to pay off the mortgages payable as soon as prepayment penalties have declined to a level that would make it economically feasible to do so. During 2016, we made \$231.7 million of principal payments, including the repayment of 11 mortgages in full for \$201.8 million, and refinanced one of our assumed mortgages whereby we received an additional \$10.0 million in proceeds.

Notes Outstanding

Our senior unsecured note and bond obligations consist of the following as of December 31, 2016, sorted by maturity date (dollars in millions):

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In October 2016, we issued \$600 million of 3.000% senior unsecured notes due January 2027. The public offering price for the notes was 98.671% of the principal amount for an effective yield to maturity of 3.153%. The net proceeds of approximately \$586.7 million from the offering were used to repay borrowings outstanding under our credit facility.

In September 2016, we repaid \$275 million of outstanding 5.950% notes, plus accrued and unpaid interest.

All of our outstanding notes and bonds have fixed interest rates and contain various covenants, with which we remained in compliance as of December 31, 2016. Additionally, interest on all of our senior note and bond obligations is paid semiannually.

The following is a summary of the key financial covenants for our senior unsecured notes, as defined and calculated per the terms of our senior notes and bonds. These calculations, which are not based on U.S. GAAP measurements, are presented to investors to show our ability to incur additional debt under the terms of our senior notes and bonds as well as to disclose our current compliance with such covenants, and are not measures of our liquidity or performance. The actual amounts as of December 31, 2016 are:

Note Covenants	Required	Actual
Limitation on incurrence of total debt	≤ 60% of adjusted assets	41.9%
Limitation on incurrence of secured debt	≤ 40% of adjusted assets	3.4%
Debt service coverage (trailing 12 months)(1)	≥ 1.5 x	4.8x
Maintenance of total unencumbered assets	≥ 150% of unsecured debt	243.7%

(1) This covenant is calculated on a pro forma basis for the preceding four-quarter period on the assumptions that: (i) the incurrence of any Debt (as defined in the covenants) incurred by us since the first day of such four-quarter period and the application of the proceeds therefrom (including to refinance other Debt since the first day of such four-quarter period), (ii) the repayment or retirement of any of our Debt since the first day of such four-quarter period, and (iii) any acquisition or disposition by us of any asset or group since the first day of such four quarters had in each case occurred on January 1, 2016, and subject to certain additional adjustments. Such pro forma ratio has been prepared on the basis required by that debt service covenant, reflects various estimates and assumptions and is subject to other uncertainties, and therefore does not purport to reflect what our actual debt service coverage ratio would have been had transactions referred to in clauses (i), (ii) and (iii) of the preceding sentence occurred as of January 1, 2016, nor does it purport to reflect our debt service coverage ratio for any future period. The following is our calculation of debt service coverage at December 31, 2016 (in thousands, for trailing twelve months):

Net income attributable to the Company	\$	315,571
Plus: interest expense		211,379
Plus: provision for taxes		3,262
Plus: depreciation and amortization		449,943
Plus: provisions for impairment		20,664
Plus: pro forma adjustments		71,979
Less: gain on sales of real estate		(21,979)
Income available for debt service, as defined	\$	1,050,819
Total pro forma debt service charge	\$	220,921
Debt service coverage ratio		4.8

Fixed Charge Coverage Ratio

Fixed charge coverage ratio is calculated in exactly the same manner as the debt service coverage ratio, except that preferred stock dividends are also added to the denominator. Similar to debt service coverage ratio, we consider fixed charge coverage ratio to be an appropriate supplemental measure of a company's ability to make its interest and preferred stock dividend payments. Our calculations of both debt service and fixed charge coverage ratios may be different from the calculations used by other companies and, therefore, comparability may be limited. The presentation of debt service and fixed charge coverage ratios should not be considered as alternatives to any U.S. GAAP operating performance measures. Below is our calculation of fixed charges at December 31, 2016 (in thousands, for the trailing twelve months):

Income available for debt service, as defined	\$	1,050,819
Pro forma debt service charge plus preferred stock dividends	\$	248,001
Fixed charge coverage ratio		4.2

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Cash Reserves

We are organized to operate as an equity REIT that acquires and leases properties and distributes to stockholders, in the form of monthly cash distributions, a substantial portion of our net cash flow generated from leases on our properties. We intend to retain an appropriate amount of cash as working capital. At December 31, 2016, we had cash and cash equivalents totaling \$9.4 million.

We believe that our cash and cash equivalents on hand, cash provided from operating activities, and borrowing capacity is sufficient to meet our liquidity needs for the next twelve months. We intend, however, to use permanent or long-term capital to fund property acquisitions and to repay future borrowings under our credit facility.

Credit Agency Ratings

The borrowing interest rates under our credit facility are based upon our ratings assigned by credit rating agencies. As of December 31, 2016, we were assigned the following investment grade corporate credit ratings on our senior unsecured notes and bonds: Moody's Investors Service has assigned a rating of Baa1 with a positive outlook, Standard & Poor's Ratings Group has assigned a rating of BBB+ with a positive outlook, and Fitch Ratings has assigned a rating of BBB+ with a stable outlook.

Based on our ratings as of December 31, 2016, the facility interest rate as of December 31, 2016 was LIBOR plus 0.90% with a facility commitment fee of 0.15%, for all-in drawn pricing of 1.05% over LIBOR. Our credit facility provides that the interest rate can range between: (i) LIBOR plus 1.55% if our credit rating is lower than BBB-/Baa3 or unrated and (ii) LIBOR plus 0.85% if our credit rating is A-/A3 or higher. In addition, our credit facility provides for a facility commitment fee based on our credit ratings, which range from: (i) 0.30% for a rating lower than BBB-/Baa3 or unrated, and (ii) 0.125% for a credit rating of A-/A3 or higher.

We also issue senior debt securities from time to time and our credit ratings can impact the interest rates charged in those transactions. If our credit ratings or ratings outlook change, our cost to obtain debt financing could increase or decrease. The credit ratings assigned to us could change based upon, among other things, our results of operations and financial condition. These ratings are subject to ongoing evaluation by credit rating agencies and we cannot assure you that our ratings will not be changed or withdrawn by a rating agency in the future if, in its judgment, circumstances warrant. Moreover, a rating is not a recommendation to buy, sell or hold our debt securities, preferred stock or common stock.

Table of Obligations

The following table summarizes the maturity of each of our obligations as of December 31, 2016 (dollars in millions):

Year of Maturity	Credit Facility(1)	Notes and Bonds(2)	Term Loan(3)	Mortgages Payable(4)	Interest(5)	Ground Leases Paid by Realty Income(6)	Ground Leases Paid by Our Tenants(7)	Other(8)	Totals
2017	\$ -	\$ 175.0	\$ -	\$ 103.2	\$ 218.6	\$ 1.6	\$ 13.4	\$ 28.9	\$ 540.7

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2018	-	350.0	70.0	21.9	197.2	1.6	13.5	-	654.2
2019	1,120.0	550.0	-	42.3	172.6	1.5	13.3	-	1,899.7
2020	-	-	250.0	82.4	136.7	1.4	13.1	-	483.6
2021	-	250.0	-	66.9	115.2	1.2	12.8	-	446.1
Thereafter	-	2,650.0	-	143.3	445.8	22.1	106.6	-	3,367.8
Totals	\$ 1,120.0	\$ 3,975.0	\$ 320.0	\$ 460.0	\$ 1,286.1	\$ 29.4	\$ 172.7	\$ 28.9	\$ 7,392.1

- (1) The initial term of the credit facility expires in June 2019 and includes, at our option, two six-month extensions.
- (2) Excludes non-cash original issuance discounts recorded on notes payable. The unamortized balance of the original issuance discounts at December 31, 2016 is \$19.8 million. Also excludes deferred financing costs of \$20.8 million.
- (3) Excludes deferred financing costs of \$873,000.
- (4) Excludes non-cash net premiums recorded on the mortgages payable. The unamortized balance of these net premiums at December 31, 2016, is \$6.4 million. Also excludes deferred financing costs of \$324,000.
- (5) Interest on the term loans, notes, bonds, mortgages payable, and credit facility has been calculated based on outstanding balances as of December 31, 2016 through their respective maturity dates.
- (6) Realty Income currently pays the ground lessors directly for the rent under the ground leases.
- (7) Our tenants, who are generally sub-tenants under ground leases, are responsible for paying the rent under these ground leases. In the event a tenant fails to pay the ground lease rent, we are primarily responsible.
- (8) Other consists of \$21.9 million of commitments under construction contracts and \$7.0 million of commitments for tenant improvements and leasing costs.

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Our credit facility, term loans, and notes payable obligations are unsecured. Accordingly, we have not pledged any assets as collateral for these obligations.

No Unconsolidated Investments

We have no unconsolidated investments, nor do we engage in trading activities involving energy or commodity contracts.

Impact of Real Estate and Credit Markets

In the commercial real estate market, property prices generally continue to fluctuate. Likewise, during certain periods, the U.S. credit markets have experienced significant price volatility, dislocations, and liquidity disruptions, which may impact our access to and cost of capital. We continually monitor the commercial real estate and U.S. credit markets carefully and, if required, will make decisions to adjust our business strategy accordingly.

Acquisitions During 2016

During 2016, we invested \$1.86 billion in 505 new properties and properties under development or expansion, with an initial weighted average contractual lease rate of 6.3%. The 505 new properties and properties under development or expansion are located in 40 states, will contain approximately 8.2 million leasable square feet, and are 100% leased with a weighted average lease term of 14.7 years. The tenants occupying the new properties operate in 28 industries and the property types are 86.4% retail and 13.6% industrial, based on rental revenue. During 2016, none of our real estate investments caused any one tenant to be 10% or more of our total assets at December 31, 2016.

The estimated initial weighted average contractual lease rate for a property is generally computed as estimated contractual net operating income, which, in the case of a net leased property, is equal to the aggregate base rent for the first full year of each lease, divided by the total cost of the property. Since it is possible that a tenant could default on the payment of contractual rent, we cannot provide assurance that the actual return on the funds invested will remain at the percentages listed above.

In the case of a property under development or expansion, the contractual lease rate is generally fixed such that rent varies based on the actual total investment in order to provide a fixed rate of return. When the lease does not provide for a fixed rate of return on a property under development or expansion, the estimated initial weighted average contractual lease rate is computed as follows: estimated net operating income (determined by the lease) for the first full year of each lease, divided by our projected total investment in the property, including land, construction and capitalized interest costs. Of the \$1.86 billion we invested during 2016, \$103.8 million was invested in 33 properties under development or expansion with an estimated initial weighted average contractual lease rate of 7.1%. We may continue to pursue development or expansion opportunities under similar arrangements in the future.

Portfolio Discussion

Leasing Results

At December 31, 2016, we had 84 properties available for lease out of 4,944 properties in our portfolio, which represents a 98.3% occupancy rate based on the number of properties in our portfolio. Since December 31, 2015, when we reported 71 properties available for lease out of 4,538 and a 98.4% occupancy rate, we:

- Had 256 lease expirations (including leases rejected in bankruptcy);
- Re-leased 186 properties; and
- Sold 57 vacant properties.

Of the 186 properties re-leased during 2016, 144 properties were re-leased to existing tenants, 21 were re-leased to new tenants without vacancy, and 21 were re-leased to new tenants after a period of vacancy. The annual rent on these 186 leases was \$28.57 million, as compared to the previous rent on these same properties of \$27.33 million, which represents a rent recapture rate of 104.5% on the properties re-leased during 2016.

As part of our re-leasing costs, we pay leasing commissions to unrelated, 3rd party real estate brokers consistent with the commercial real estate industry standard, and sometimes provide tenant rent concessions. We do not consider the collective impact of the leasing commissions or tenant rent concessions to be material to our financial position or results of operations.

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At December 31, 2016, our average annualized rental revenue was approximately \$13.64 per square foot on the 4,860 leased properties in our portfolio. At December 31, 2016, we classified 15 properties with a carrying amount of \$26.6 million as held for sale on our balance sheet. The expected sale of these properties does not represent a strategic shift that will have a major effect on our operations and financial results. The expected sale of these properties is consistent with our active disposition efforts to further enhance our real estate portfolio and maximize portfolio returns.

Investments in Existing Properties

In 2016, we capitalized costs of \$16.3 million on existing properties in our portfolio, consisting of \$797,000 for re-leasing costs, \$679,000 for recurring capital expenditures and \$14.9 million for non-recurring building improvements. In 2015, we capitalized costs of \$11.5 million on existing properties in our portfolio, consisting of \$748,000 for re-leasing costs, \$7.6 million for recurring capital expenditures and \$3.2 million for non-recurring building improvements.

The majority of our building improvements relate to roof repairs, HVAC improvements, and parking lot resurfacing and replacements. The amounts of our capital expenditures can vary significantly, depending on the rental market, tenant credit worthiness, the lease term and the willingness of tenants to pay higher rents over the terms of the leases.

With the increasing size and aging of our portfolio, overall investments in existing properties increased in 2016 and we refined our definition of recurring versus non-recurring capital expenditures. We define recurring capital expenditures as mandatory and repetitive landlord capital expenditure obligations that have a limited useful life. We define non-recurring capital expenditures as property improvements where we invest additional capital that extend the useful life of the property.

Increases in Monthly Dividends to Common Stockholders

We have continued our 48-year policy of paying monthly dividends. In addition, we increased the dividend six times during 2016 and twice in 2017. As of February 2017, we have paid 77 consecutive quarterly dividend increases and increased the dividend 90 times since our listing on the NYSE in 1994.

2016 Dividend increases	Month Declared	Month Paid	Dividend per share	Increase per share
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The dividends paid per share during 2016 totaled approximately \$2.392, as compared to approximately \$2.271 during 2015, an increase of \$0.121, or 5.3%.

The monthly dividend of \$0.2105 per share represents a current annualized dividend of \$2.526 per share, and an annualized dividend yield of approximately 4.2% based on the last reported sale price of our common stock on the NYSE of \$59.63 on January 31, 2017. Although we expect to continue our policy of paying monthly dividends, we cannot guarantee that we will maintain our current level of dividends, that we will continue our pattern of increasing dividends per share, or what our actual dividend yield will be in any future period.

RESULTS OF OPERATIONS

Critical Accounting Policies

Our consolidated financial statements have been prepared in accordance with GAAP, and are the basis for our discussion and analysis of financial condition and results of operations. Preparing our consolidated financial statements requires us to make a number of estimates and assumptions that affect the reported amounts and disclosures in the consolidated financial statements. We believe that we have made these estimates and assumptions in an appropriate manner and in a way that accurately reflects our financial condition. We continually test and evaluate these estimates and assumptions using our historical knowledge of the business, as well as other factors, to ensure that they are reasonable for reporting purposes. However, actual results may differ from these estimates and assumptions. This summary should be read in conjunction with the more complete discussion of our accounting policies and procedures included in note 2 to our consolidated financial statements.

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In order to prepare our consolidated financial statements according to the rules and guidelines set forth by GAAP, many subjective judgments must be made with regard to critical accounting policies. One of these judgments is our estimate for useful lives in determining depreciation expense for our properties. Depreciation on a majority of our buildings and improvements is computed using the straight-line method over an estimated useful life of 25 to 35 years for buildings and 4 to 20 years for improvements, which we believe are appropriate estimates of useful life. If we use a shorter or longer estimated useful life, it could have a material impact on our results of operations.

Management must make significant assumptions in determining the fair value of assets acquired and liabilities assumed. When acquiring a property for investment purposes, we typically allocate the fair value of real estate acquired to: (1) land, (2) building and improvements, and (3) identified intangible assets and liabilities, based in each case on their estimated fair values. Intangible assets and liabilities consist of above-market or below-market lease value of in-place leases, the value of in-place leases, and tenant relationships, as applicable. In an acquisition of multiple properties, we must also allocate the purchase price among the properties. The allocation of the purchase price is based on our assessment of estimated fair value and is often based upon the expected future cash flows of the property and various characteristics of the market where the property is located. In addition, any assumed mortgages receivable or payable and any assumed or issued noncontrolling interests are recorded at their estimated fair values. The estimated fair values of our mortgages payable have been calculated by discounting the future cash flows using applicable interest rates that have been adjusted for factors, such as industry type, tenant investment grade, maturity date, and comparable borrowings for similar assets. The initial allocation of the purchase price is based on management's preliminary assessment, which may differ when final information becomes available. Subsequent adjustments made to the initial purchase price allocation are made within the allocation period, which does not exceed one year. The use of different assumptions in the allocation of the purchase price of the acquired properties and liabilities assumed could affect the timing of recognition of the related revenue and expenses.

Another significant judgment must be made as to if, and when, impairment losses should be taken on our properties when events or a change in circumstances indicate that the carrying amount of the asset may not be recoverable. A provision is made for impairment if estimated future operating cash flows (undiscounted and without interest charges) plus estimated disposition proceeds (undiscounted) are less than the current book value of the property. Key inputs that we utilize in this analysis include projected rental rates, estimated holding periods, historical sales and releases, capital expenditures, and property sales capitalization rates. If a property is held for sale, it is carried at the lower of carrying cost or estimated fair value, less estimated cost to sell. The carrying value of our real estate is the largest component of our consolidated balance sheets. Our strategy of primarily holding properties, long-term, directly decreases the likelihood of their carrying values not being recoverable, thus requiring the recognition of an impairment. However, if our strategy, or one or more of the above assumptions were to change in the future, an impairment may need to be recognized. If events should occur that require us to reduce the carrying value of our real estate by recording provisions for impairment, they could have a material impact on our results of operations.

The following is a comparison of our results of operations for the years ended December 31, 2016, 2015 and 2014.

Rental Revenue

Rental revenue was \$1.057 billion for 2016, as compared to \$976.9 million for 2015, an increase of \$80.5 million, or 8.2%. Rental revenue was \$893.5 million for 2014. The increase in rental revenue in 2016 compared to 2015 is primarily attributable to:

- The 475 properties (7.6 million square feet) we acquired in 2016, which generated \$39.7 million of rent in 2016;

- The 254 properties (5.6 million square feet) we acquired in 2015, which generated \$80.3 million of rent in 2016, compared to \$41.9 million in 2015, an increase of \$38.4 million;
- Same store rents generated on 4,045 properties (66.5 million square feet) during 2016 and 2015, increased by \$10.15 million, or 1.2%, to \$888.51 million from \$878.36 million; and

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- A net increase in straight-line rent and other non-cash adjustments to rent of \$959,000 in 2016 as compared to 2015; partially offset by
- A net decrease of \$7.1 million relating to properties sold in 2016 and during 2015; and
- A net decrease of \$1.6 million relating to the aggregate of (i) rental revenue from properties (131 properties comprising 1.5 million square feet) that were available for lease during part of 2016 or 2015, (ii) rental revenue for 24 properties under development, and (iii) lease termination settlements. In aggregate, the revenues for these items totaled \$33.3 million in 2016, compared to \$34.9 million in 2015.

For purposes of determining the same store rent property pool, we include all properties that were owned for the entire year-to-date period, for both the current and prior year, except for properties during the current or prior year that: (i) were vacant at any time, (ii) were under development or redevelopment, and (iii) were involved in eminent domain and rent was reduced. Each of the exclusions from the same store pool are separately addressed within the applicable sentences above, explaining the changes in rental revenue for the period.

Of the 4,944 properties in the portfolio at December 31, 2016, 4,920, or 99.5%, are single-tenant properties and the remaining are multi-tenant properties. Of the 4,920 single-tenant properties, 4,836, or 98.3%, were net leased with a weighted average remaining lease term (excluding rights to extend a lease at the option of the tenant) of approximately 9.8 years at December 31, 2016. Of our 4,836 leased single-tenant properties, 4,310 or 89.1% were under leases that provide for increases in rents through:

- Base rent increases tied to a consumer price index (typically subject to ceilings);
- Percentage rent based on a percentage of the tenants' gross sales;
- Fixed increases; or
- A combination of two or more of the above rent provisions.

Percentage rent, which is included in rental revenue, was \$5.3 million in 2016, \$4.5 million in 2015, and \$3.6 million in 2014. Percentage rent in 2016 was less than 1% of rental revenue and we anticipate percentage rent to be less than 1% of rental revenue in 2017.

Our portfolio of real estate, leased primarily to regional and national tenants under net leases, continues to perform well and provides dependable lease revenue supporting the payment of monthly dividends to our stockholders. At December 31, 2016, our portfolio of 4,944 properties was 98.3% leased with 84 properties available for lease, as compared to 98.4% leased, with 71 properties available for lease at December 31, 2015. It has been our experience that approximately 1% to 4% of our property portfolio will be unleased at any given time; however, it is possible that the number of properties available for lease could exceed

these levels in the future.

Tenant Reimbursements

Contractually obligated reimbursements from tenants for recoverable real estate taxes and operating expenses were \$43.1 million in 2016, compared to \$42.0 million in 2015 and \$37.1 million in 2014. The increase in tenant reimbursements is primarily due to our increase in acquisitions.

Other Revenue

Other revenue, which comprises property-related revenue not included in rental revenue or tenant reimbursements, was \$2.7 million in 2016, compared to \$4.4 million in 2015 and \$2.9 million in 2014.

Depreciation and Amortization

Depreciation and amortization was \$449.9 million for 2016, compared to \$409.2 million for 2015 and \$374.7 million for 2014. The increase in depreciation and amortization in 2016 and 2015 was primarily due to the acquisition of properties in 2015 and 2016, which was partially offset by property sales in those same periods. As discussed in the sections entitled Funds from Operations Available to Common Stockholders (FFO) and Adjusted Funds from Operations Available to Common Stockholders (AFFO), depreciation and amortization is a non-cash item that is added back to net income available to common stockholders for our calculation of FFO and AFFO.

Table of Contents**Interest Expense**

The following is a summary of the components of our interest expense (dollars in thousands):

	2016		2015		2014
Interest on our credit facility, term loans, notes, mortgages and interest rate swaps	\$ 213,540	\$	226,207	\$	215,830
Credit facility commitment fees	3,050		2,854		2,661
Amortization of credit facility origination costs and deferred financing costs	8,596		8,741		8,219
(Gain) loss on interest rate swaps	(1,639)		3,043		1,349
Dividend on preferred shares subject to redemption	-		-		1,526
Amortization of net mortgage premiums	(3,414)		(7,482)		(12,891)
Capital lease obligation	310		310		116
Interest capitalized	(469)		(594)		(444)
Interest expense	\$ 219,974	\$	233,079	\$	216,366

Credit facility, term loans, mortgages and notes

Average outstanding balances (dollars in thousands)	\$ 5,081,663	\$	5,030,532	\$	4,628,438
Average interest rates	4.11%		4.43%		4.62%

The decrease in interest expense from 2015 to 2016 was primarily due to lower outstanding debt balances on our notes payable and mortgages payable, resulting from the payoff of \$150.0 million of notes during November 2015 and \$275.0 million of notes during September 2016, as well as the payoff of mortgages throughout 2015 and 2016. This decrease was slightly offset by an increase in interest expense related to the issuance of a \$600 million note in October 2016.

The increase in interest expense from 2014 to 2015 was primarily due to the June 2014 issuance of our 3.88% senior unsecured notes due July 2024, the September 2014 issuance of our 4.125% senior unsecured notes due October 2026, the interest expense on the \$250 million term loan that was entered into during June 2015, and the payoff of mortgages during 2015 which reduced the amortization of net mortgage premiums.

Additionally, each quarter we adjust the carrying value of our interest rate swaps to fair value. Changes in the fair value of our interest rate swaps are recorded directly to interest expense. We recorded a gain on interest rate swaps of \$1.6 million during 2016 and a loss on interest rate swaps of \$3.0 million and \$1.3 million during 2015 and 2014, respectively.

At December 31, 2016, the weighted average interest rate on our:

- Credit facility outstanding borrowings of \$1.12 billion was 1.7%;
- Term loans outstanding of \$320.0 million (excluding deferred financing costs of \$873,000) was 1.7%;

- Mortgages payable of \$460.0 million (excluding net premiums totaling \$6.4 million and deferred financing costs of \$324,000 on these mortgages) was 4.9%;
- Notes and bonds payable of \$3.98 billion (excluding unamortized original issue discounts of \$19.8 million and deferred financing costs of \$20.8 million) was 4.4%; and
- Combined outstanding notes, bonds, mortgages, term loan and credit facility borrowings of \$5.88 billion was 3.8%.

Table of Contents**General and Administrative Expenses**

General and administrative expenses increased by \$2.7 million to \$52.0 million for 2016, compared to \$49.3 million in 2015 and \$51.1 million in 2014. Included in general and administrative expenses are acquisition transaction costs of \$346,000 for 2016, \$913,000 for 2015, and \$453,000 for 2014. General and administrative costs increased during 2016 primarily due to higher compensation costs. General and administrative expenses decreased during 2015 primarily due to lower compensation costs, lower corporate insurance premiums, and lower proxy costs. In January 2017, we had 146 employees, as compared to 132 employees in January 2016 and 125 employees in January 2015.

Dollars in thousands		2016		2015		2014
General and administrative expenses	\$	51,966	\$	49,298	\$	51,085
Total revenue(1)		1,060,068		981,270		896,499
General and administrative expenses as a percentage of total revenue		4.9%		5.0%		5.7%

(1) Excludes tenant reimbursements revenue, as well as revenue included in discontinued operations and gain on sales.

Property Expenses (including tenant reimbursable expenses)

Property expenses consist of costs associated with unleased properties, non-net-leased properties and general portfolio expenses, as well as contractually obligated reimbursable costs from tenants for recoverable real estate taxes and operating expenses. Expenses related to unleased properties and non-net-leased properties include, but are not limited to, property taxes, maintenance, insurance, utilities, property inspections, bad debt expense and legal fees. General portfolio costs include, but are not limited to, insurance, legal, property inspections, and title search fees. At December 31, 2016, 84 properties were available for lease, as compared to 71 at December 31, 2015 and 70 at December 31, 2014.

Property expenses were \$62.9 million (including \$43.1 million in reimbursable expenses) in 2016, \$55.4 million (including \$42.0 million in reimbursable expenses) in 2015 and \$53.9 million (including \$37.1 million in reimbursable expenses) in 2014. The increase in gross property expenses in 2016 is primarily attributable to the increased portfolio size, which contributed to higher contractually obligated reimbursements primarily due to our acquisitions during 2015 and 2016. We also incurred higher gross property expenses as a result of maintenance and utilities, property taxes, ground rent expenses, legal costs, and bad debt expense on vacant properties.

Dollars in thousands		2016		2015		2014
Property expenses net of tenant reimbursements	\$	19,761	\$	13,337	\$	16,753
Total revenue(1)		1,060,068		981,270		896,499
Property expenses net of tenant reimbursements as a percentage of total revenue		1.9%		1.4%		1.9%

(1) Excludes tenant reimbursements revenue, as well as revenue included in discontinued operations and gain on sales.

Income Taxes

Income taxes were \$3.3 million in 2016, compared to \$3.2 million in 2015 and \$3.5 million in 2014. These amounts are for city and state income and franchise taxes paid by us and our subsidiaries.

Provisions for Impairment

In 2016, we recorded total provisions for impairment of \$20.7 million on six properties classified as held for sale, two properties classified as held for investment, and 31 sold properties. These properties were not previously classified as held for sale in financial statements issued prior to the date of adoption of ASU 2014-08; accordingly, these provisions for impairment are included in income from continuing operations on our consolidated statements of income.

In 2015, we recorded total provisions for impairment of \$10.6 million on three properties classified as held for investment, 11 sold properties, and one property disposed of other than by sale. These properties were not previously classified as held for sale in financial statements issued prior to the date of adoption of ASU 2014-08; accordingly, these provisions for impairment are included in income from continuing operations on our consolidated statements of income.

In 2014, we recorded total provisions for impairment of \$4.6 million. Provisions for impairment of \$4.1 million are included in income from continuing operations on 10 sold properties and one property classified as held for sale. These properties were not previously classified as held for sale in financial statements issued prior to the

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date of adoption of Accounting Standards Update (ASU) 2014-08 which amends Topic 205, *Presentation of Financial Statements*, and Topic 360, *Property, Plant, and Equipment*; accordingly, these provisions for impairment are included in income from continuing operations on our consolidated statements of income. Additionally, a provision for impairment of \$510,000 is included in income from discontinued operations on one sold property that was classified as held for sale as of December 31, 2013.

Gain on Sales of Real Estate

During 2016, we sold 77 properties for \$90.5 million, which resulted in a gain of \$22.0 million. Additionally, during 2016 we sold our former corporate headquarters building for \$8.6 million.

During 2015, we sold 38 properties for \$65.8 million, which resulted in a gain of \$22.2 million.

These property sales in 2016 and 2015 do not represent a strategic shift that will have a major effect on our operations and financial results, and therefore do not require presentation as discontinued operations.

During 2014, we sold 47 properties for \$108.1 million, which resulted in a gain of \$42.1 million. Only the results of operations specifically related to the properties classified as held for sale at December 31, 2013 and sold during 2014 were reclassified as discontinued operations.

At December 31, 2016, we classified real estate with a carrying amount of \$26.6 million as held for sale on our balance sheet. In 2017, we intend to continue our active disposition efforts to further enhance our real estate portfolio and anticipate approximately \$75 to \$100 million in yet to be identified property sales for all of 2017. We intend to invest these proceeds into new property acquisitions, if there are attractive opportunities available. However, we cannot guarantee that we will sell properties during the next 12 months at our estimated values or be able to invest the property sale proceeds in new properties.

Preferred Stock Dividends

Preferred stock dividends totaled \$27.1 million in 2016 and 2015, and \$37.1 million in 2014.

Excess of Redemption Value over Carrying Value of Preferred Shares Redeemed

In October 2014, we redeemed all 8,800,000 shares of our 6.75% Monthly Income Class E Cumulative Redeemable Preferred Stock, or the Class E preferred stock, for \$25.00 per share, plus accrued dividends. We incurred a non-cash charge of \$6.0 million. This charge is for the excess of redemption value over the carrying value of the Class E preferred stock and represents the original issuance cost that was paid in 2006.

Net Income Available to Common Stockholders

Net income available to common stockholders was \$288.5 million in 2016, compared to \$256.7 million in 2015, an increase of \$31.8 million. On a diluted per common share basis, net income was \$1.13 in 2016, as compared to \$1.09 in 2015, an increase of \$0.04, or 3.7%. Net income available to common stockholders was \$227.6 million in 2014, or \$1.04 on a diluted per common share basis. Net income available to common stockholders for 2014 includes a non-cash redemption charge of \$6.0 million on the shares of Class E preferred stock that were redeemed in October 2014, which represents \$0.03 on a diluted per common share basis. This charge is for the excess of redemption value over the carrying value of the Class E preferred stock and represents the original issuance cost that was paid in 2006.

The calculation to determine net income available to common stockholders includes impairments, gains from the sale of properties and/or fair value adjustments on our interest rate swaps. These items vary from period to period based on the timing of property sales and the interest rate environment, and can significantly impact net income available to common stockholders.

Gains from the sale of properties during 2016 were \$22.0 million, as compared to gains from the sale of properties of \$22.2 million during 2015, and \$42.1 million during 2014.

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Discontinued Operations

During the first quarter of 2014, the Financial Accounting Standards Board issued guidance that changed the definition of discontinued operations by limiting discontinued operations reporting to disposals of components of an entity that represent strategic shifts that have, or will have, a major effect on an entity's operations and financial results. We early adopted the requirements of this accounting pronouncement in the first quarter of 2014. Starting with the first quarter of 2014, the results of operations for all qualifying disposals and properties classified as held for sale that were not previously reported in discontinued operations in our 2013 Annual Report on Form 10-K are presented within income from continuing operations on our consolidated statements of income. For 2014, we recorded income from discontinued operations of \$2.8 million, or \$0.01 per common share, basic and diluted.

Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA)

EBITDA, a non-GAAP financial measure, means, for the most recent quarter, earnings (net income) before (i) interest expense, including non-cash loss (gain) on swaps, (ii) income and franchise taxes, (iii) real estate depreciation and amortization, (iv) impairment losses, and (v) gain on sales of real estate. Our EBITDA may not be comparable to EBITDA reported by other companies that interpret the definitions of EBITDA differently than we do. Management believes EBITDA to be a meaningful measure of a REIT's performance because it is widely followed by industry analysts, lenders and investors. The ratio of our total debt to EBITDA is also used to determine vesting of performance share awards granted to our executive officers. EBITDA should be considered along with, but not as an alternative to net income as a measure of our operating performance. Our ratio of debt to EBITDA, which is used by management as a measure of leverage, is calculated by annualizing quarterly EBITDA and then dividing by our total debt per the consolidated balance sheet.

Three months ended December 31,

Dollars in thousands 2016 2015 2014

(1) We calculate Annualized EBITDA by multiplying the Quarterly EBITDA by four.

(2) Total debt is consistent with its definition under market capitalization as described in Liquidity and Capital Resources Conservative Capital Structure earlier in this Management's Discussion and Analysis of Financial Condition and Results of Operations.

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FUNDS FROM OPERATIONS AVAILABLE TO COMMON STOCKHOLDERS (FFO)

In 2016, our FFO increased by \$83.0 million, or 12.7%, to \$735.4 million, compared to \$652.4 million in 2015. On a diluted per common share basis, FFO was \$2.88 in 2016, compared to \$2.77 in 2015, an increase of \$0.11, or 4.0%. In 2014, FFO was \$562.9 million, or \$2.58 on a diluted per common share basis. Our FFO in 2014 included a non-cash redemption charge of \$6.0 million on the shares of Class E preferred stock that were redeemed in October 2014, which represents \$0.03 on a diluted per common share basis. This charge is for the excess of redemption value over the carrying value of the Class E preferred stock and represents the original issuance cost that was paid in 2006.

The following is a reconciliation of net income available to common stockholders (which we believe is the most comparable GAAP measure) to FFO. Also presented is information regarding distributions paid to common stockholders and the weighted average number of common shares used for the basic and diluted computation per share (dollars in thousands, except per share amounts):

2016	2015	2014
------	------	------

We define FFO, a non-GAAP measure, consistent with the National Association of Real Estate Investment Trusts' definition, as net income available to common stockholders, plus depreciation and amortization of real estate assets, plus impairments of depreciable real estate assets, and reduced by gains on property sales.

We consider FFO to be an appropriate supplemental measure of a REIT's operating performance as it is based on a net income analysis of property portfolio performance that adds back items such as depreciation and impairments for FFO. The historical accounting convention used for real estate assets requires straight-line depreciation of buildings and improvements, which implies that the value of real estate assets diminishes predictably over time. Since real estate values historically rise and fall with market conditions, presentations of operating results for a REIT, using historical accounting for depreciation, could be less informative. The use of FFO is recommended by the REIT industry as a supplemental performance measure. In addition, FFO is used as a measure of our compliance with the financial covenants of our credit facility.

Table of Contents**ADJUSTED FUNDS FROM OPERATIONS AVAILABLE TO COMMON STOCKHOLDERS (AFFO)**

In 2016, our AFFO increased by \$89.4 million, or 13.8%, to \$736.4 million, compared to \$647.0 million in 2015. On a diluted per common share basis, AFFO was \$2.88 in 2016, compared to \$2.74 in 2015, an increase of \$0.14, or 5.1%. In 2014, AFFO was \$561.7 million, or \$2.57 on a diluted per common share basis. We consider AFFO to be an appropriate supplemental measure of our performance. Most companies in our industry use a similar measurement, but they may use the term CAD (for Cash Available for Distribution), FAD (for Funds Available for Distribution) or other terms.

The following is a reconciliation of net income available to common stockholders (which we believe is the most comparable GAAP measure) to FFO and AFFO. Also presented is information regarding distributions paid to common stockholders and the weighted average number of common shares used for the basic and diluted computation per share (dollars in thousands, except per share amounts):

	2016		2015		2014
Net income available to common stockholders	\$ 288,491	\$	256,686	\$	227,558
Cumulative adjustments to calculate FFO (1)	446,904		395,751		335,331
FFO available to common stockholders	735,395		652,437		562,889
Amortization of share-based compensation	12,007		10,391		11,959
Amortization of deferred financing costs (2)	5,352		5,294		4,804
Amortization of net mortgage premiums	(3,414)		(6,978)		(9,208)
Gain on early extinguishment of debt	-		(504)		(3,428)
(Gain) loss on interest rate swaps	(1,639)		3,043		1,349
Leasing costs and commissions	(797)		(748)		(821)
Recurring capital expenditures	(679)		(7,606)		(5,210)
Straight-line rent	(19,451)		(16,468)		(14,872)
Amortization of above and below-market leases	9,297		7,861		8,024
Excess of redemption value over carrying value of preferred share redemptions	-		-		6,015
Other adjustments (3)	303		306		160
Total AFFO available to common stockholders (4)	\$ 736,374	\$	647,028	\$	561,661
AFFO allocable to dilutive noncontrolling interests	1,455		-		-
Diluted AFFO	\$ 737,829	\$	647,028	\$	561,661
AFFO per common share:					
Basic	\$ 2.89	\$	2.74	\$	2.57
Diluted (5)	\$ 2.88	\$	2.74	\$	2.57
Distributions paid to common stockholders	\$ 610,516	\$	533,238	\$	479,256
AFFO available to common stockholders in excess of distributions paid to common stockholders	\$ 125,858	\$	113,790	\$	82,405
Weighted average number of common shares used for computation per share:					
Basic	255,066,500		235,767,932		218,390,885
Diluted (5)	255,822,679		235,891,368		218,450,863

(1) See reconciling items for FFO presented under Funds from Operations Available to Common Stockholders (FFO).

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(2) Includes the amortization of costs incurred and capitalized upon issuance of our notes payable, assumption of our mortgages payable and upon issuance of our term loans. The deferred financing costs are being amortized over the lives of the respective mortgages and term loans. No costs associated with our credit facility agreements or annual fees paid to credit rating agencies have been included.

(3) Includes adjustments allocable to both non-controlling interests and capital lease obligations.

(4) AFFO available to common stockholders and dilutive noncontrolling interests for 2016 is \$737,829 after the inclusion of \$1,455 of AFFO allocable to dilutive noncontrolling interests.

(5) The computation of diluted AFFO does not assume conversion of securities that are convertible to common shares if the conversion of those securities would increase diluted AFFO per share in a given period.

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We believe the non-GAAP financial measure AFFO provides useful information to investors because it is a widely accepted industry measure of the operating performance of real estate companies that is used by industry analysts and investors who look at and compare those companies. In particular, AFFO provides an additional measure to compare the operating performance of different REITs without having to account for differing depreciation assumptions and other unique revenue and expense items which are not pertinent to measuring a particular company's on-going operating performance. Therefore, we believe that AFFO is an appropriate supplemental performance metric, and that the most appropriate GAAP performance metric to which AFFO should be reconciled is net income available to common stockholders.

Presentation of the information regarding FFO and AFFO is intended to assist the reader in comparing the operating performance of different REITs, although it should be noted that not all REITs calculate FFO and AFFO in the same way, so comparisons with other REITs may not be meaningful. Furthermore, FFO and AFFO are not necessarily indicative of cash flow available to fund cash needs and should not be considered as alternatives to net income as an indication of our performance. FFO and AFFO should not be considered as alternatives to reviewing our cash flows from operating, investing, and financing activities. In addition, FFO and AFFO should not be considered as measures of liquidity, our ability to make cash distributions, or our ability to pay interest payments.

IMPACT OF INFLATION

Tenant leases generally provide for limited increases in rent as a result of increases in the tenants' sales volumes, increases in the consumer price index (typically subject to ceilings), or fixed increases. We expect that inflation will cause these lease provisions to result in rent increases over time. During times when inflation is greater than increases in rent, as provided for in the leases, rent increases may not keep up with the rate of inflation.

Moreover, our use of net lease agreements tends to reduce our exposure to rising property expenses due to inflation because the tenant is responsible for property expenses. Inflation and increased costs may have an adverse impact on our tenants if increases in their operating expenses exceed increases in revenue.

IMPACT OF RECENT ACCOUNTING PRONOUNCEMENTS

For information on the impact of recent accounting pronouncements on our business, see note 2 of the Notes to the Consolidated Financial Statements.

Item 7A: Quantitative and Qualitative Disclosures about Market Risk

We are exposed to interest rate changes primarily as a result of our credit facility, term loans, mortgages payable, and long-term notes and bonds used to maintain liquidity and expand our real estate investment portfolio and operations. Our interest rate risk management objective is to limit the impact of interest rate changes on earnings and cash flow and to lower our overall borrowing

costs. To achieve these objectives we issue long-term notes and bonds, primarily at fixed rates.

In order to mitigate and manage the effects of interest rate risks on our operations, we may utilize a variety of financial instruments, including interest rate swaps and caps. The use of these types of instruments to hedge our exposure to changes in interest rates carries additional risks, including 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. To limit counterparty credit risk we will seek to enter into such agreements with major financial institutions with favorable credit ratings. There can be no assurance that we will be able to adequately protect against the foregoing risks or realize an economic benefit that exceeds the related amounts incurred in connection with engaging in such hedging activities. We do not enter into any derivative transactions for speculative or trading purposes.

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The following table presents by year of expected maturity, the principal amounts, average interest rates and estimated fair values of our fixed and variable rate debt as of December 31, 2016. This information is presented to evaluate the expected cash flows and sensitivity to interest rate changes (dollars in millions):

Expected Maturity Data

Year of maturity	Fixed rate debt	Weighted average rate on fixed rate debt	Variable rate debt	Weighted average rate on variable rate debt
2017	\$ 268.3	5.51%	\$ 9.9	2.73 %
2018	365.3	2.15	76.6	1.95
2019	554.4	6.74	1,157.9	1.70
2020	82.2	4.99	250.2	1.72
2021	310.1	5.72	6.8	2.88
Thereafter	2,778.4	4.05	14.9	2.68
Totals (1)	\$ 4,358.7	4.46%	\$ 1,516.3	1.73 %
Fair Value (2)	\$ 4,538.8		\$ 1,513.3	

- (1) Excludes net premiums recorded on mortgages payable, original issuance discounts recorded on notes payable and deferred financing costs on mortgages payable, notes payable, and term loans. At December 31, 2016, the unamortized balance of net premiums on mortgages payable is \$6.4 million, the unamortized balance of original issue discounts on notes payable is \$19.8 million, and the balance of deferred financing costs on mortgages payable is \$324,000, on notes payable is \$20.8 million, and on term loans is \$873,000.
- (2) We base the estimated fair value of the fixed rate senior notes and bonds at December 31, 2016 on the indicative market prices and recent trading activity of our senior notes and bonds payable. We base the estimated fair value of our fixed rate and variable rate mortgages at December 31, 2016 on the relevant Treasury yield curve, plus an applicable credit-adjusted spread. We believe that the carrying value of the credit facility balance and term loans balance reasonably approximate their estimated fair values at December 31, 2016.

The table incorporates only those exposures that exist as of December 31, 2016. It does not consider those exposures or positions that could arise after that date. As a result, our ultimate realized gain or loss, with respect to interest rate fluctuations, would depend on the exposures that arise during the period, our hedging strategies at the time, and interest rates.

All of our outstanding notes and bonds have fixed interest rates. All of our mortgages payable, except six mortgages totaling \$74.0 million at December 31, 2016, including net unamortized discounts, have fixed interest rates. After factoring in arrangements that limit our exposure to interest rate risk and effectively fix our per annum interest rates, our variable rate mortgage debt includes four mortgages totaling \$38.2 million at December 31, 2016. Interest on our credit facility and term loan balances is variable. However, the variable interest rate feature on our term loans has been mitigated by interest rate swap agreements. Based on our credit facility balance of \$1.12 billion at December 31, 2016, a 1% change in interest rates would change our interest costs by \$11.2 million per year.

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Item 8: **Financial Statements and Supplementary Data**

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- A. Reports of Independent Registered Public Accounting Firm
- B. Consolidated Balance Sheets,
December 31, 2016 and 2015
- C. Consolidated Statements of Income,
Years ended December 31, 2016, 2015 and 2014
- D. Consolidated Statements of Equity,
Years ended December 31, 2016, 2015 and 2014
- E. Consolidated Statements of Cash Flows,
Years ended December 31, 2016, 2015 and 2014
- F. Notes to Consolidated Financial Statements
- G. Consolidated Quarterly Financial Data
(unaudited) for 2016 and 2015
- H. Schedule III Real Estate and Accumulated Depreciation

Schedules not filed: All schedules, other than that indicated in the Table of Contents, have been omitted as the required information is either not material, inapplicable or the information is presented in the financial statements or related notes.

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Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders

Realty Income Corporation:

We have audited the accompanying consolidated balance sheets of Realty Income Corporation and subsidiaries as of December 31, 2016 and 2015, and the related consolidated statements of income, equity, and cash flows for each of the years in the three-year period ended December 31, 2016. In connection with our audits of the consolidated financial statements, we also have audited financial statement schedule III. These consolidated financial statements and financial statement schedule are the responsibility of Realty Income Corporation's management. Our responsibility is to express an opinion on these consolidated financial statements and financial statement schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Realty Income Corporation and subsidiaries as of December 31, 2016 and 2015, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 2016, in conformity with U.S. generally accepted accounting principles. Also in our opinion, the related financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, present fairly, in all material respects, the information set forth therein.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Realty Income Corporation's internal control over financial reporting as of December 31, 2016, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and our report dated February 23, 2017 expressed an unqualified opinion on the effectiveness of Realty Income Corporation's internal control over financial reporting.

(signed) KPMG LLP

San Diego, California
February 23, 2017

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Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders

Realty Income Corporation:

We have audited Realty Income Corporation's internal control over financial reporting as of December 31, 2016, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Realty Income Corporation's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying *Management's Report on Internal Control over Financial Reporting*. Our responsibility is to express an opinion on Realty Income Corporation's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, Realty Income Corporation maintained, in all material respects, effective internal control over financial reporting as of December 31, 2016, based on criteria established in *Internal Control - Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

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We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Realty Income Corporation and subsidiaries as of December 31, 2016 and 2015, and the related consolidated statements of income, equity, and cash flows for each of the years in the three-year period ended December 31, 2016, and our report dated February 23, 2017 expressed an unqualified opinion on those consolidated financial statements.

(signed) KPMG LLP

San Diego, California
February 23, 2017

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REALTY INCOME CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

December 31, 2016 and 2015

(dollars in thousands, except per share data)

	2016	2015
ASSETS		
Real estate, at cost:		
Land	\$ 3,752,204	\$ 3,286,004
Buildings and improvements	10,112,212	9,010,778
Total real estate, at cost	13,864,416	12,296,782
Less accumulated depreciation and amortization	(1,987,200)	(1,687,665)
Net real estate held for investment	11,877,216	10,609,117
Real estate held for sale, net	26,575	9,767
Net real estate	11,903,791	10,618,884
Cash and cash equivalents	9,420	40,294
Accounts receivable, net	104,584	81,678
Acquired lease intangible assets, net	1,082,320	1,034,417
Goodwill	15,067	15,321
Other assets, net	37,689	54,785
Total assets	\$ 13,152,871	\$ 11,845,379
LIABILITIES AND EQUITY		
Distributions payable	\$ 55,235	\$ 50,344
Accounts payable and accrued expenses	121,156	115,826
Acquired lease intangible liabilities, net	264,206	250,916
Other liabilities	85,616	53,965
Line of credit payable	1,120,000	238,000
Term loans, net	319,127	318,835
Mortgages payable, net	466,045	646,187
Notes payable, net	3,934,433	3,617,973
Total liabilities	6,365,818	5,292,046
Commitments and contingencies		
Stockholders' equity:		
Preferred stock and paid in capital, par value \$0.01 per share, 69,900,000 shares authorized, 16,350,000 shares issued and outstanding as of December 31, 2016 and December 31, 2015, liquidation preference \$25.00 per share	395,378	395,378
Common stock and paid in capital, par value \$0.01 per share, 370,100,000 shares authorized, 260,168,259 shares issued and outstanding as of December 31, 2016 and 250,416,757 shares issued and outstanding as of December 31, 2015	8,228,594	7,666,428
Distributions in excess of net income	(1,857,168)	(1,530,210)
Total stockholders' equity	6,766,804	6,531,596
Noncontrolling interests	20,249	21,737
Total equity	6,787,053	6,553,333
Total liabilities and equity	\$ 13,152,871	\$ 11,845,379

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

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REALTY INCOME CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

Years Ended December 31, 2016, 2015 and 2014

(dollars in thousands, except per share data)

	2016		2015		2014
REVENUE					
Rental	\$ 1,057,413	\$	976,865	\$	893,457
Tenant reimbursements	43,104		42,015		37,118
Other	2,655		4,405		2,930
Total revenue	1,103,172		1,023,285		933,505
EXPENSES					
Depreciation and amortization	449,943		409,215		374,661
Interest	219,974		233,079		216,366
General and administrative	51,966		49,298		51,085
Property (including reimbursable)	62,865		55,352		53,871
Income taxes	3,262		3,169		3,461
Provisions for impairment	20,664		10,560		4,126
Total expenses	808,674		760,673		703,570
Gain on sales of real estate	21,979		22,243		39,205
Income from continuing operations	316,477		284,855		269,140
Income from discontinued operations	-		-		2,800
Net income	316,477		284,855		271,940
Net income attributable to noncontrolling interests	(906)		(1,089)		(1,305)
Net income attributable to the Company	315,571		283,766		270,635
Preferred stock dividends	(27,080)		(27,080)		(37,062)
Excess of redemption value over carrying value of preferred shares redeemed	-		-		(6,015)
Net income available to common stockholders	\$ 288,491	\$	256,686	\$	227,558
Amounts available to common stockholders per common share:					
Income from continuing operations, basic and diluted	\$ 1.13	\$	1.09	\$	1.03
Net income, basic and diluted	\$ 1.13	\$	1.09	\$	1.04
Weighted average common shares outstanding:					
Basic	255,066,500		235,767,932		218,390,885
Diluted	255,624,250		236,208,390		218,767,885

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

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REALTY INCOME CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF EQUITY

Years Ended December 31, 2016, 2015, and 2014

(dollars in thousands)

	Shares of preferred stock	Shares of common stock	Preferred stock and paid in capital	Common stock and paid in capital	Distributions in excess of net income	Total stockholders' equity	Noncontrolling interests	Total equity
Balance, December 31, 2013	25,150,000	207,485,073	\$ 609,363	\$ 5,767,878	\$ (991,794)	\$ 5,385,447	\$ 35,911	\$ 5,421,358
Net income	-	-	-	-	270,635	270,635	1,305	271,940
Distributions paid and payable	-	-	-	-	(519,790)	(519,790)	(1,839)	(521,629)
Share issuances, net of costs	-	17,327,166	-	685,877	-	685,877	-	685,877
Redemption of common units	-	35,000	-	1,032	-	1,032	(1,032)	-
Reallocation of equity	-	-	-	6,647	-	6,647	(6,647)	-
Preferred shares redeemed	(8,800,000)	-	(213,985)	-	(6,015)	(220,000)	-	(220,000)
Share-based compensation, net	-	33,953	-	3,553	-	3,553	-	3,553
Balance, December 31, 2014	16,350,000	224,881,192	\$ 395,378	\$ 6,464,987	\$ (1,246,964)	\$ 5,613,401	\$ 27,698	\$ 5,641,099
Net income	-	-	-	-	283,766	283,766	1,089	284,855
Distributions paid and payable	-	-	-	-	(567,012)	(567,012)	(1,652)	(568,664)
Share issuances, net of costs	-	25,322,655	-	1,190,006	-	1,190,006	-	1,190,006
Redemption of common units	-	168,182	-	4,347	-	4,347	(4,347)	-
Reallocation of equity	-	-	-	1,051	-	1,051	(1,051)	-
Share-based compensation, net	-	44,728	-	6,037	-	6,037	-	6,037
Balance, December 31, 2015	16,350,000	250,416,757	\$ 395,378	\$ 7,666,428	\$ (1,530,210)	\$ 6,531,596	\$ 21,737	\$ 6,553,333
Net income	-	-	-	-	315,571	315,571	906	316,477
Distributions paid and payable	-	-	-	-	(642,529)	(642,529)	(12,682)	(655,211)
Share issuances, net of costs	-	9,449,167	-	557,636	-	557,636	-	557,636
Contributions by noncontrolling interests	-	-	-	-	-	-	15,906	15,906
Redemption of common units	-	103,182	-	(2,865)	-	(2,865)	(6,161)	(9,026)
Reallocation of equity	-	-	-	(543)	-	(543)	543	-

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Share-based compensation, net	-	199,153	-	7,938	-	7,938	-	7,938
Balance, December 31, 2016	16,350,000	260,168,259	\$ 395,378	\$ 8,228,594	\$ (1,857,168)	\$ 6,766,804	\$ 20,249	\$ 6,787,053

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

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REALTY INCOME CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years Ended December 31, 2016, 2015 and 2014

(dollars in thousands)

	2016	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income	\$ 316,477	\$ 284,855	\$ 271,940
Adjustments to net income:			
Depreciation and amortization	449,943	409,215	374,661
Income from discontinued operations	-	-	(2,800)
Amortization of share-based compensation	12,007	10,391	11,959
Non-cash rental adjustments	(10,154)	(8,607)	(6,848)
Amortization of net premiums on mortgages payable	(3,414)	(7,482)	(12,891)
Amortization of deferred financing costs	8,904	9,044	8,335
(Gain) loss on interest rate swaps	(1,639)	3,043	1,349
Gain on sales of real estate	(21,979)	(22,243)	(39,205)
Provisions for impairment on real estate	20,664	10,560	4,126
Change in assets and liabilities			
Accounts receivable and other assets	(1,232)	(2,641)	(3,064)
Accounts payable, accrued expenses and other liabilities	34,468	6,168	20,130
Net cash provided by operating activities	804,045	692,303	627,692
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment in real estate	(1,798,892)	(1,266,885)	(1,228,243)
Improvements to real estate, including leasing costs	(13,426)	(11,541)	(6,032)
Proceeds from sales of real estate			
Continuing operations	99,096	65,817	88,688
Discontinued operations	-	-	6,918
Collection of loans receivable	12,515	-	350
Restricted escrow deposits for Section 1031 tax-deferred exchanges and pending acquisitions	(404)	33,554	(36,540)
Net cash used in investing activities	(1,701,111)	(1,179,055)	(1,174,859)
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash distributions to common stockholders	(610,516)	(533,238)	(479,256)
Cash dividends to preferred stockholders	(27,080)	(27,080)	(38,300)
Borrowings on line of credit	3,879,000	1,448,000	1,672,321
Payments on line of credit	(2,997,000)	(1,433,000)	(1,577,321)
Proceeds from notes and bonds payable issued	592,026	-	598,594
Principal payment on notes payable	(275,000)	(150,000)	-
Proceeds from mortgages payable	9,963	-	-
Principal payments on mortgages payable	(231,743)	(198,353)	(85,208)
Proceeds from term loans	-	250,000	-
Proceeds from common stock offerings, net	383,572	793,559	528,615
Proceeds from dividend reinvestment and stock purchase plan	10,252	363,029	158,462
Proceeds from At-the-Market (ATM) program	166,781	36,348	-
Redemption of preferred stock	-	-	(220,000)
Redemption of preferred units	-	(6,750)	-
Redemption of common units	(9,026)	-	-
Distributions to noncontrolling interests	(12,725)	(1,679)	(1,844)
Debt issuance costs	(5,274)	(10,259)	(5,505)
Other items, including shares withheld upon vesting	(7,038)	(7,383)	(9,796)

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Net cash provided by financing activities	866,192	523,194	540,762
Net (decrease) increase in cash and cash equivalents	(30,874)	36,442	(6,405)
Cash and cash equivalents, beginning of period	40,294	3,852	10,257
Cash and cash equivalents, end of period	\$ 9,420	\$ 40,294	\$ 3,852

For supplemental disclosures, see note 15.

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

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REALTY INCOME CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2016, 2015, and 2014

1. Organization and Operation

Realty Income Corporation (Realty Income, the Company, we, our or us) is organized as a Maryland corporation. We invest in commercial real estate and have elected to be taxed as a real estate investment trust, or REIT.

At December 31, 2016, we owned 4,944 properties, located in 49 states and Puerto Rico, containing over 83.0 million leasable square feet.

Information with respect to number of properties, square feet, average initial lease term and weighted average contractual lease rate is unaudited.

2. Summary of Significant Accounting Policies and Procedures and Recent Accounting Pronouncements

Federal Income Taxes. We have elected to be taxed as a REIT, as defined above, under the Internal Revenue Code of 1986, as amended, or the Code. We believe we have qualified and continue to qualify as a REIT. Under the REIT operating structure, we are permitted to deduct dividends paid to our stockholders in determining our taxable income. Assuming our dividends equal or exceed our taxable net income, we generally will not be required to pay federal corporate income taxes on such income. Accordingly, no provision has been made for federal income taxes in the accompanying consolidated financial statements, except for federal income taxes of our taxable REIT subsidiaries. The income taxes recorded on our consolidated statements of income represent amounts paid by Realty Income and its subsidiaries for city and state income and franchise taxes.

Earnings and profits that determine the taxability of distributions to stockholders differ from net income reported for financial reporting purposes due to differences in the estimated useful lives and methods used to compute depreciation and the carrying value (basis) of the investments in properties for tax purposes, among other things.

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We regularly analyze our various federal and state filing positions and only recognize the income tax effect in our financial statements when certain criteria regarding uncertain income tax positions have been met. We believe that our income tax positions would more likely than not be sustained upon examination by all relevant taxing authorities. Therefore, no provisions for uncertain income tax positions have been recorded in our financial statements.

Net Income per Common Share. Basic net income per common share is computed by dividing net income available to common stockholders by the weighted average number of common shares outstanding during each period. Diluted net income per common share is computed by dividing net income available to common stockholders, plus income attributable to dilutive shares and convertible common units, for the period by the weighted average number of common shares that would have been outstanding assuming the issuance of common shares for all potentially dilutive common shares outstanding during the reporting period.

The following is a reconciliation of the denominator of the basic net income per common share computation to the denominator of the diluted net income per common share computation.

	2016	2015	2014
Weighted average shares used for the basic net income per share computation	255,066,500	235,767,932	218,390,885
Incremental shares from share-based compensation	240,728	123,436	59,978
Weighted average partnership common units convertible to common shares that were dilutive	317,022	317,022	317,022
Weighted average shares used for diluted net income per share computation	255,624,250	236,208,390	218,767,885
Unvested shares from share-based compensation that were anti-dilutive	475	106,103	51,749
Weighted average partnership common units convertible to common shares that were anti-dilutive	198,429	417,060	523,847

Discontinued Operations. During the first quarter of 2014, the Financial Accounting Standards Board issued guidance that changed the definition of discontinued operations by limiting discontinued operations reporting to disposals of components of an entity that represent strategic shifts that have, or will have, a major effect on an entity's operations and financial results. We early adopted the requirements of this accounting pronouncement in the first quarter of 2014.

Starting with the first quarter of 2014, the results of operations for all qualifying disposals and properties classified as held for sale that were not previously reported in discontinued operations in our 2013 Annual Report on Form 10-K are presented within income from continuing operations on our consolidated statements of income. Prior to the date of adoption of Accounting Standards Update 2014-08 (ASU 2014-08), which amends Topic 205, *Presentation of Financial Statements*, and Topic 360, *Property, Plant, and Equipment*, we reported, in discontinued operations, the results of operations of properties that had either been disposed of or classified as held for sale in financial statements issued.

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Operations from 15 properties were classified as held for sale at December 31, 2016, and are included in income from continuing operations. We do not depreciate properties that are classified as held for sale.

If the property was previously reclassified as held for sale but the applicable criteria for this classification are no longer met, the property is reclassified to real estate held for investment. A property that is reclassified to held for investment is measured and recorded at the lower of (i) its carrying amount before the property was classified as held for sale, adjusted for any depreciation expense that would have been recognized had the property been continuously classified as held for investment, or (ii) the fair value at the date of the subsequent decision not to sell.

No debt was assumed by buyers of our properties, or repaid as a result of our property sales.

For the year ended December 31, 2014, we recorded income from discontinued operations of \$2.8 million, or \$0.01 per common share, basic and diluted.

Revenue Recognition and Accounts Receivable. All leases are accounted for as operating leases. Under this method, leases that have fixed and determinable rent increases are recognized on a straight-line basis over the lease term. Any rental revenue contingent upon a tenant's sales is recognized only after the tenant exceeds their sales breakpoint. Rental increases based upon changes in the consumer price indexes are recognized only after the changes in the indexes have occurred and are then applied according to the lease agreements. Contractually obligated reimbursements from tenants for recoverable real estate taxes and operating expenses are included in tenant reimbursements in the period when such costs are incurred.

We recognize an allowance for doubtful accounts relating to accounts receivable for amounts deemed uncollectible. We consider tenant specific issues, such as financial stability and ability to pay, when determining collectability of accounts receivable and appropriate allowances to record. The allowance for doubtful accounts was \$74,000 at December 31, 2016 and \$429,000 at December 31, 2015.

Other revenue, which comprises property-related revenue not included in rental revenue or tenant reimbursements, was \$2.7 million in 2016, \$4.4 million in 2015 and \$2.9 million in 2014.

Principles of Consolidation. The accompanying consolidated financial statements include the accounts of Realty Income and other subsidiaries for which we make operating and financial decisions (i.e. control), after elimination of all material intercompany balances and transactions. We consolidate entities that we control and record a noncontrolling interest for the portion that we do not own. Noncontrolling interest that was created or assumed as part of a business combination was recognized at fair value as of the date of the transaction (see note 10). We have no unconsolidated investments.

Cash Equivalents. We consider all short-term, highly liquid investments that are readily convertible to cash and have an original maturity of three months or less at the time of purchase to be cash equivalents. Our cash equivalents are primarily investments in United States government money market funds.

Gain on Sales of Properties. When real estate is sold, the related net book value of the applicable assets is removed and a gain from the sale is recognized in our consolidated statements of income. We record a gain from the sale of real estate provided that various criteria, relating to the terms of the sale and any subsequent involvement by us with the real estate, have been met.

Allocation of the Purchase Price of Real Estate Acquisitions. When acquiring a property for investment purposes, we typically allocate the fair value of real estate acquired to: (1) land, (2) building and improvements, and (3) identified intangible assets and liabilities, based in each case on their estimated fair values. Intangible assets and liabilities consist of above-market or below-market lease value of in-place leases, the value of in-place leases, and tenant relationships, as applicable. In an acquisition of multiple properties, we must also allocate the purchase price among the properties. The allocation of the purchase price is based on our assessment of estimated fair value and is often based upon the expected future cash flows of the property and various characteristics of the markets where the property is located. In addition, any assumed mortgages receivable or payable and any assumed or issued noncontrolling interests are recorded at their estimated fair values. The estimated fair values of our mortgages payable have been calculated by discounting the future cash flows using applicable interest rates that have been adjusted for factors, such as industry type, tenant investment grade, maturity date, and comparable borrowings for similar assets. The initial allocation of the purchase price is based on management's preliminary assessment, which may differ when final information becomes available. Subsequent adjustments made to the initial purchase price allocation are made within the allocation period, which does not exceed one year. The use of different assumptions in the allocation of the purchase price of the acquired properties and liabilities assumed could affect the timing of recognition of the related revenue and expenses.

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Our estimated fair value determinations are based on management's judgment, utilizing various factors, including: (1) market conditions, (2) industry that the tenant operates in, (3) characteristics of the real estate, i.e.: location, size, demographics, value and comparative rental rates, (4) tenant credit profile, (5) store profitability and the importance of the location of the real estate to the operations of the tenant's business, and/or (6) real estate valuations, prepared either internally or by an independent valuation firm. Our methodologies for measuring fair value related to the allocation of the purchase price of real estate acquisitions include both observable market data (and thus should be categorized as level 2 on the Financial Accounting Standards Board, or FASB's, three-level valuation hierarchy) and unobservable inputs that reflect our own internal assumptions and calculations (and thus should be categorized as level 3 on FASB's three-level valuation hierarchy).

The fair value of the tangible assets of an acquired property with an in-place operating lease (which includes land and buildings/improvements) is determined by valuing the property as if it were vacant, and the as-if-vacant value is then allocated to land and buildings/improvements based on our determination of the fair value of these assets. Our fair value determinations are based primarily on internally prepared real estate valuations for each property, and consider estimates of carrying costs during the expected lease-up periods, current market conditions, as well as costs to execute similar leases. In allocating the fair value to identified intangibles for above-market or below-market leases, an amount is recorded based on the present value of the difference between (i) the contractual amount to be paid pursuant to the in-place lease and (ii) our estimate of fair market lease rate for the corresponding in-place lease, measured over the remaining term of the lease.

The values of the above-market and below-market leases are amortized over the term of the respective leases, including any bargain renewal options, as an adjustment to rental revenue on our consolidated statements of income.

The aggregate value of other acquired intangible assets consists of the fair value of in-place leases and tenant relationships, as applicable. The value of in-place leases, exclusive of the value of above-market and below-market in-place leases, is amortized to depreciation and amortization expense over the remaining periods of the respective leases.

If a lease was terminated prior to its stated expiration, all unamortized amounts relating to that lease would be recorded to revenue or expense as appropriate.

In allocating the fair value to assumed mortgages, amounts are recorded to debt premiums or discounts based on the present value of the estimated cash flows, which is calculated to account for either above or below-market interest rates. Our assumed net debt premiums are amortized as a reduction to interest expense over the remaining term of the respective mortgages.

In allocating noncontrolling interests, amounts are recorded based on the fair value of units issued or contributions made at the date of acquisition, as determined by the terms of the applicable agreement.

Depreciation and Amortization. Land, buildings and improvements are recorded and stated at cost. Major replacements and betterments, which improve or extend the life of the asset, are capitalized and depreciated over their estimated useful lives, while ordinary repairs and maintenance are expensed as

incurred. Buildings and improvements that are under redevelopment, or are being developed, are carried at cost and no depreciation is recorded on these assets. Additionally, amounts essential to the development of the property, such as pre-construction, development, construction, interest and other costs incurred during the period of development are capitalized. We cease capitalization when the property is available for occupancy upon substantial completion of tenant improvements, but in any event no later than one year from the completion of major construction activity.

Properties are depreciated using the straight-line method over the estimated useful lives of the assets. The estimated useful lives are as follows:

Buildings	25 years or 35 years
Building improvements	4 to 20 years
Tenant improvements and lease commissions	The shorter of the term of the related lease or useful life
Acquired in-place leases	Remaining terms of the respective leases

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Provision for Impairment. We review long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. A provision is made for impairment if estimated future operating cash flows (undiscounted and without interest charges) plus estimated disposition proceeds (undiscounted) are less than the current book value of the property. Key factors that we utilize in this analysis include projected rental rates, estimated holding periods, historical sales and releases, capital expenditures and property sales capitalization rates. If a property is classified as held for sale, it is carried at the lower of carrying cost or estimated fair value, less estimated cost to sell, and depreciation of the property ceases.

In 2016, we recorded total provisions for impairment of \$20.7 million on six properties classified as held for sale, two properties classified as held for investment, and 31 sold properties in the following industries: one in the automotive parts industry, two in the automotive services industry, one in the automotive tire services industry, one in the convenience stores industry, one in the financial services industry, one in the general merchandise industry, one in the health and fitness industry, two in the home furnishings industry, 24 in the restaurant-casual dining industry, two in the restaurant-quick service industry, and three among the industry we classify as other. These properties were not previously classified as held for sale in financial statements issued prior to the date of adoption of ASU 2014-08; accordingly, the provisions for impairment are included in income from continuing operations on our consolidated statement of income.

In 2015, we recorded total provisions for impairment of \$10.6 million on three properties classified as held for investment, 11 sold properties, and one property disposed of other than by sale in the following industries: one in the convenience stores industry, one in the health and fitness industry, one in the pet supplies and services industry, 11 in the restaurant-casual dining industry, and one among the industry we classify as other. These properties were not previously classified as held for sale in financial statements issued prior to the date of adoption of ASU 2014-08; accordingly, the provisions for impairment are included in income from continuing operations on our consolidated statement of income.

In 2014, we recorded total provisions for impairment of \$4.6 million. Provisions for impairment of \$4.1 million are included in income from continuing operations on 10 sold properties and one property classified as held for sale in the following industries: one in the consumer electronics industry, one in the convenience stores industry, one in the home furnishings industry, two in the home improvement industry, and six in the restaurant-casual dining industry. These properties were not previously classified as held for sale in financial statements issued prior to the date of adoption of ASU 2014-08; accordingly, these provisions for impairment are included in income from continuing operations on our consolidated statements of income. Additionally, a provision for impairment of \$510,000 is included in income from discontinued operations on one sold property that was classified as held for sale as of December 31, 2013.

Asset Retirement Obligations. We analyze our future legal obligations associated with the other-than-temporary removal of tangible long-lived assets, also referred to as asset retirement obligations. When we determine that we have a legal obligation to provide services upon the retirement of a tangible long-lived asset, we record a liability for this obligation based on the estimated fair value of this obligation and adjust the carrying amount of the related long-lived asset by the same amount. This asset is amortized over its estimated useful life. The estimated fair value of the asset retirement obligation is calculated by discounting the future cash flows using a credit-adjusted risk-free interest rate.

Goodwill. Goodwill is tested for impairment during the second quarter of each year as well as when events or circumstances occur indicating that our goodwill might be impaired. Under the amendments issued in conjunction with ASU No. 2011-08, *Intangibles - Goodwill and Other* (Topic 350), an entity, through an assessment of qualitative factors, is not required to calculate the estimated fair value of a reporting unit, in connection with the two-step goodwill impairment test, unless the entity determines that it is more likely than not that its fair value is less than its carrying amount. During our tests for impairment of goodwill during the second quarters of 2016, 2015 and 2014, we determined that the fair values of our reporting units are not more likely than not to be less than their respective carrying amounts and that no impairment was recorded on our goodwill during 2016, 2015 or 2014.

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Equity Offering Costs. Underwriting commissions and offering costs have been reflected as a reduction of additional paid-in-capital on our consolidated balance sheets.

Noncontrolling Interests. Noncontrolling interests are reflected on our consolidated balance sheets as a component of equity. Noncontrolling interests are recorded initially at fair value based on the price of the applicable units issued or contributions made, and subsequently adjusted each period for distributions, additional contributions and the allocation of net income attributable to the noncontrolling interests.

As consideration for two separate acquisitions during 2013, partnership units of Tau Operating Partnership, L.P. and Realty Income, L.P. were issued to third parties. These common units (discussed in footnote 10) do not have voting rights, are entitled to monthly distributions equal to the amount paid to our common stockholders, and are redeemable in cash or our common stock, at our option and at a conversion ratio of one to one, subject to certain exceptions. As the general partner for each of these partnerships, we have operating and financial control over these entities, consolidate them in our financial statements, and record the partnership units held by third parties as noncontrolling interests.

Use of Estimates. The consolidated financial statements were prepared in conformity with U.S. generally accepted accounting principles, or GAAP, which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Recent Accounting Pronouncements. In May 2014, FASB issued ASU 2014-09, *Revenue from Contracts with Customers*. This ASU outlines a comprehensive model for companies to use in accounting for revenue arising from contracts with customers, and will apply to transactions such as the sale of real estate. This ASU is effective for interim and annual periods beginning after December 15, 2017. The standard permits the use of either the retrospective or cumulative effect transition method. We plan to use the cumulative effect transition method upon adoption of the standard on January 1, 2018, and do not expect this topic to have a material impact on our consolidated financial statements or the related notes.

In February 2015, FASB issued ASU 2015-02, which amends Topic 810, *Consolidation*. This ASU amended the criteria used to evaluate whether an entity is a variable interest entity, or VIE, resulting in the conclusion that all limited partnerships are considered VIEs, unless substantive kick-out rights or participating rights exist. We adopted this ASU during the quarter ended March 31, 2016 and evaluated our applicable entities. The evaluation did not result in changes to our conclusions regarding consolidation of these entities (see note 10).

In April 2015, FASB issued ASU 2015-03, which amends Topic 835, *Other Presentation Matters*. The amendments in this ASU require that debt issuance costs be reported on the balance sheet as a direct reduction of the face amount of the debt instrument they relate to, and should not be classified as a deferred charge, as was previously required under the Accounting Standards

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Codification. We adopted this ASU during the quarter ended March 31, 2016 and, as a result, reclassified deferred financing costs from other assets, net, to the applicable debt caption on the December 31, 2015 balance sheet.

In February 2016, FASB issued Topic 842, *Leases*, which amended Topic 840, *Leases*. Under this amended topic, the accounting applied by a lessor is largely unchanged from that applied under Topic 840, *Leases*. The large majority of operating leases should remain classified as operating leases, and lessors should continue to recognize lease income for those leases on a generally straight-line basis over the lease term. The amendments included in this topic are effective, on a retrospective or modified retrospective basis, for interim and annual periods beginning after December 15, 2018. We have not yet adopted this topic and are currently evaluating the impact this amendment will have on our consolidated financial statements.

In March 2016, FASB issued ASU 2016-09, which amends Topic 718, *Compensation - Stock Compensation*. FASB issued this ASU to simplify several aspects of the accounting for share-based payment transactions, including classification of awards as either equity or liabilities, estimation of forfeitures, and classification on the statement of cash flows. The ASU is effective for interim and annual periods beginning after December 15, 2016, and early adoption is permitted. We early adopted this ASU during the quarter ended March 31, 2016 and it did not have a material impact on our consolidated financial statements.

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In January 2017, FASB issued ASU 2017-01, which amends Topic 805, *Business Combinations*. FASB issued this ASU to clarify the definition of a business with the objective of adding guidance to assist entities with evaluating whether transactions should be accounted for as acquisitions (or disposals) of assets or businesses. The ASU is effective for interim and annual periods beginning after December 15, 2017. We have not yet adopted this topic and are currently evaluating the impact this amendment will have on our consolidated financial statements.

3. Supplemental Detail for Certain Components of Consolidated Balance Sheets

A. Acquired lease intangible assets, net, consist of the following (dollars in thousands) at:	December 31, 2016	December 31, 2015
Acquired in-place leases	\$ 1,164,075	\$ 1,056,715
Accumulated amortization of acquired in-place leases	(358,040)	(264,399)
Acquired above-market leases	365,005	304,548
Accumulated amortization of acquired above-market leases	(88,720)	(62,447)
	\$ 1,082,320	\$ 1,034,417

B. Other assets, net, consist of the following (dollars in thousands) at:	December 31, 2016	December 31, 2015
Prepaid expenses	14,406	14,258
Credit facility origination costs, net	7,303	10,226
Notes receivable issued in connection with property sales	5,390	17,905
Restricted escrow deposits	4,246	4,179
Corporate assets, net	3,585	2,313
Impounds related to mortgages payable	2,015	5,860
Other items	744	44
	\$ 37,689	\$ 54,785

C. Distributions payable consist of the following declared distributions (dollars in thousands) at:	December 31, 2016	December 31, 2015
Common stock distributions	\$ 52,896	\$ 47,963
Preferred stock dividends	2,257	2,257
Noncontrolling interests distributions	82	124
	\$ 55,235	\$ 50,344

D. Accounts payable and accrued expenses consist of the following (dollars in thousands) at:	December 31, 2016	December 31, 2015
Notes payable - interest payable	\$ 60,668	\$ 61,486
Property taxes payable	16,949	13,354
Accrued costs on properties under development	9,049	9,976
Mortgages, term loans, credit line - interest payable and interest rate swaps	5,432	6,813
Other items	29,058	24,197
	\$ 121,156	\$ 115,826

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E. Acquired lease intangible liabilities, net, consist of the following (dollars in thousands) at:	December 31, 2016	December 31, 2015
Acquired below-market leases	\$ 318,926	\$ 288,412
Accumulated amortization of acquired below-market leases	(54,720)	(37,496)
	\$ 264,206	\$ 250,916

F. Other liabilities consist of the following (dollars in thousands) at:	December 31, 2016	December 31, 2015
Rent received in advance and other deferred revenue (1)	\$ 74,098	\$ 42,840
Security deposits	6,502	6,418
Capital lease obligations	5,016	4,707
	\$ 85,616	\$ 53,965

(1) In connection with Diageo's sale of its wine business to Treasury Wine Estates, we agreed to release Diageo from its guarantee of our leases in exchange for Diageo's payment of \$75 million of additional rent to us. The additional rent was paid in two equal installments, one of which was received in August 2016 for \$37.5 million and was recorded as prepaid rent. The final payment of \$37.5 million was received in January 2017, at which time Treasury Wine Estates became the guarantor of our leases on those properties. We have accounted for this transaction as a lease modification and the additional rent will be recognized on a straight-line basis over the remaining lease terms of approximately 15 years.

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4. Investments in Real Estate

We acquire land, buildings and improvements necessary for the successful operations of commercial tenants.

A. Acquisitions during 2016 and 2015

During 2016, we invested \$1.86 billion in 505 new properties and properties under development or expansion with an initial weighted average contractual lease rate of 6.3%. The 505 new properties and properties under development or expansion are located in 40 states, will contain approximately 8.2 million leasable square feet, and are 100% leased with a weighted average lease term of 14.7 years. The tenants occupying the new properties operate in 28 industries and the property types consist of 86.4% retail and 13.6% industrial, based on rental revenue. None of our investments during 2016 caused any one tenant to be 10% or more of our total assets at December 31, 2016.

The \$1.86 billion invested during 2016 was allocated as follows: \$515.5 million to land, \$1.21 billion to buildings and improvements, \$168.0 million to intangible assets related to leases, and \$30.6 million to intangible liabilities related to leases and other assumed liabilities. There was no contingent consideration associated with these acquisitions.

The properties acquired during 2016 generated total revenues of \$44.6 million and income from continuing operations of \$22.0 million during the year ended December 31, 2016.

Of the \$1.86 billion we invested during 2016, \$761.8 million of the purchase price allocation is based on a preliminary measurement of fair value that is subject to change. The allocation for these properties represents our current best estimate of fair value, and we expect to finalize the valuations and complete the purchase price allocations in 2017. During 2016, we finalized the purchase price allocations for \$195.4 million invested in the fourth quarter of 2015. There were no material changes to our consolidated balance sheets or income statements as a result of these purchase price allocations being finalized.

In comparison, during 2015, we invested \$1.26 billion in 286 new properties and properties under development or expansion with an initial weighted average contractual lease rate of 6.6%. The 286 new properties and properties under development or expansion are located in 40 states, contain approximately 6.2 million leasable square feet, and are 100% leased with a weighted average lease term of 16.5 years. The tenants occupying the new properties operate in 21 industries and the property types consist of 87.3% retail and 12.7% industrial, based on rental revenue.

The \$1.26 billion invested during 2015 was allocated as follows: \$257.1 million to land, \$937.1 million to buildings and improvements, \$105.8 million to intangible assets related to leases, and \$40.9 million to intangible liabilities related to leases and other assumed liabilities. There was no contingent consideration associated with these acquisitions.

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The properties acquired during 2015 generated total revenues of \$43.4 million and income from continuing operations of \$21.1 million during the year ended December 31, 2015.

The estimated initial weighted average contractual lease rate for a property is generally computed as estimated contractual net operating income, which, in the case of a net leased property, is equal to the aggregate base rent for the first full year of each lease, divided by the total cost of the property. Since it is possible that a tenant could default on the payment of contractual rent, we cannot provide assurance that the actual return on the funds invested will remain at the percentages listed above.

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In the case of a property under development or expansion, the contractual lease rate is generally fixed such that rent varies based on the actual total investment in order to provide a fixed rate of return. When the lease does not provide for a fixed rate of return on a property under development or expansion, the estimated initial weighted average contractual lease rate is computed as follows: estimated net operating income (determined by the lease) for the first full year of each lease, divided by our projected total investment in the property, including land, construction and capitalized interest costs. Of the \$1.86 billion we invested during 2016, \$103.8 million was invested in 33 properties under development or expansion with an estimated initial weighted average contractual lease rate of 7.1%. Of the \$1.26 billion we invested during 2015, \$45.8 million was invested in 35 properties under development or expansion with an estimated initial weighted average contractual lease rate of 9.7%.

B. Acquisition Transaction Costs

Acquisition transaction costs of \$346,000 and \$913,000 were recorded to general and administrative expense on our consolidated statements of income during 2016 and 2015, respectively.

C. Investments in Existing Properties

During 2016, we capitalized costs of \$16.3 million on existing properties in our portfolio, consisting of \$797,000 for re-leasing costs, \$679,000 for recurring capital expenditures and \$14.9 million for non-recurring building improvements. In comparison, during 2015, we capitalized costs of \$11.5 million on existing properties in our portfolio, consisting of \$748,000 for re-leasing costs, \$7.6 million for recurring capital expenditures and \$3.2 million for non-recurring building improvements.

D. Properties with Existing Leases

Of the \$1.86 billion we invested during 2016, approximately \$741.2 million was used to acquire 90 properties with existing leases. In comparison, of the \$1.26 billion we invested during 2015, approximately \$391.4 million was used to acquire 86 properties with existing leases. The value of the in-place and above-market leases is recorded to acquired lease intangible assets, net on our consolidated balance sheets, and the value of the below-market leases is recorded to acquired lease intangible liabilities, net on our consolidated balance sheets.

The values of the in-place leases are amortized as depreciation and amortization expense. The amounts amortized to expense for all of our in-place leases, for 2016, 2015, and 2014 were \$94.0 million, \$87.9 million, and \$83.6 million, respectively.

The values of the above-market and below-market leases are amortized over the term of the respective leases, including any bargain renewal options, as an adjustment to rental revenue on our consolidated statements of income. The amounts amortized as a net decrease to rental revenue for capitalized above-market and below-market leases for 2016, 2015, and 2014 were \$9.3 million, \$7.9 million, and \$8.0 million, respectively. If a lease were to be terminated prior to its stated expiration, all unamortized amounts relating to that lease would be recorded to revenue or expense as appropriate.

The following table presents the estimated impact during the next five years and thereafter related to the amortization of the acquired above-market and below-market lease intangibles and the amortization of the in-place lease intangibles for

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properties held for investment at December 31, 2016 (in thousands):

	Net increase (decrease) to rental revenue	Increase to amortization expense
2017	\$ (10,076)	\$ 97,299
2018	(9,834)	94,801
2019	(8,880)	84,477
2020	(8,119)	78,972
2021	(6,842)	70,783
Thereafter	31,672	379,703
Totals	\$ (12,079)	\$ 806,035

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5. Credit Facility

In June 2015, we entered into a \$2.0 billion unsecured revolving credit facility, or our credit facility, which replaced our \$1.5 billion credit facility that was scheduled to expire in May 2016. The initial term of our credit facility expires in June 2019 and includes, at our option, two six-month extensions. Our credit facility has a \$1.0 billion accordion expansion option. Under our credit facility, our investment grade credit ratings as of December 31, 2016 provide for financing at the London Interbank Offered Rate, commonly referred to as LIBOR, plus 0.90% with a facility commitment fee of 0.15%, for all-in drawn pricing of 1.05% over LIBOR. The borrowing rate is subject to an interest rate floor and may change if our investment grade credit ratings change. We also have other interest rate options available to us under our credit facility. Our credit facility is unsecured and, accordingly, we have not pledged any assets as collateral for this obligation.

At December 31, 2016, credit facility origination costs of \$7.3 million are included in other assets, net on our consolidated balance sheet. This balance includes \$9.1 million of credit facility origination costs incurred during 2015 as a result of entering into our credit facility. These costs, as well as a portion of the costs incurred as a result of entering into our previous credit facilities, are being amortized over the remaining term of our credit facility.

At December 31, 2016, we had a borrowing capacity of \$880.0 million available on our credit facility (subject to customary conditions to borrowing) and an outstanding balance of \$1.12 billion, as compared to an outstanding balance of \$238.0 million at December 31, 2015.

The weighted average interest rate on outstanding borrowings under our credit facility was 1.4% during 2016 and 1.2% during 2015. At December 31, 2016, the weighted average interest rate on borrowings outstanding was 1.7%. Our credit facility is subject to various leverage and interest coverage ratio limitations, and at December 31, 2016, we remain in compliance with the covenants on our credit facility.

6. Term Loans

In June 2015, in conjunction with entering into our credit facility, we entered into a \$250 million senior unsecured term loan maturing on June 30, 2020. Borrowing under this term loan bears interest at the current one-month LIBOR, plus 0.95%. In conjunction with this term loan, we also entered into an interest rate swap which effectively fixes our per annum interest rate on this term loan at 2.67%.

In January 2013, in conjunction with our acquisition of American Realty Capital Trust, Inc., or ARCT, we entered into a \$70 million senior unsecured term loan maturing January 2018. Borrowing under this term loan bears interest at the current one-month LIBOR, plus 1.20%. In conjunction with this term loan, we also entered into an interest rate swap which effectively fixes our per annum interest rate on this term loan at 2.15%. Deferred financing costs of \$1.2 million incurred in conjunction with the \$250 million term loan and \$303,000 incurred in conjunction with the \$70 million term loan are being amortized over the remaining terms of each respective term loan. The net balance of these deferred financing costs, which was \$873,000 at December 31, 2016, and \$1.2 million at December 31, 2015, is included within term loans, net on our consolidated balance sheets.

7. Mortgages Payable

During 2016, we made \$231.7 million in principal payments, including the repayment of 11 mortgages in full for \$201.8 million, and we assumed mortgages totaling \$44.1 million, excluding net premiums. During 2016, we refinanced one of these assumed mortgages and received an additional \$10.0 million in proceeds. The assumed mortgages are secured by the properties on which the debt was placed and are considered non-recourse debt with limited customary exceptions for items such as solvency, bankruptcy, misrepresentation, fraud, misapplication of payments, environmental liabilities, failure to pay taxes, insurance premiums, liens on the property, violations of the single purpose entity requirements, and uninsured losses. We expect to pay off our mortgages as soon as prepayment penalties make it economically feasible to do so.

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During 2016, a premium of \$692,000 was recorded upon the assumption of one mortgage with an above-market interest rate. The interest rates on the remaining mortgages assumed were at market. Amortization of our net premiums is recorded as a reduction to interest expense over the remaining term of the respective mortgages, using a method that approximates the effective-interest method. These mortgages contain customary covenants, such as limiting our ability to further mortgage each applicable property or to discontinue insurance coverage without the prior consent of the lender. At December 31, 2016, we remain in compliance with these covenants.

During 2015, we made \$198.4 million in principal payments, including the repayment of 13 mortgages in full for \$191.0 million. No mortgages were assumed during 2015.

We did not incur any deferred financing costs on our mortgages assumed in 2016. The balance of our deferred financing costs, which are classified as part of mortgages payable, net, on our consolidated balance sheets, was \$324,000 at December 31, 2016 and \$553,000 at December 31, 2015. These costs are being amortized over the remaining term of each mortgage.

The following is a summary of all our mortgages payable as of December 31, 2016 and 2015, respectively (dollars in thousands):

As Of	Number of Properties(1)	Weighted Average Stated Interest Rate(2)	Weighted Average Effective Interest Rate(3)	Weighted Average Remaining Years Until Maturity	Remaining Principal Balance	Unamortized Premium and Deferred Finance Costs Balance, net	Mortgage Payable Balance
12/31/16	127	4.9%	4.3%	4.0	\$ 460,008	\$ 6,037	\$ 466,045
12/31/15	183	4.9%	4.1%	3.6	\$ 637,658	\$ 8,529	\$ 646,187

(1) At December 31, 2016, there were 36 mortgages on 127 properties, while at December 31, 2015, there were 44 mortgages on 183 properties. The mortgages require monthly payments, with principal payments due at maturity. The mortgages are at fixed interest rates, except for six mortgages on 15 properties totaling \$74.0 million at December 31, 2016, including net unamortized discounts. At December 31, 2015, four mortgages on 13 properties totaling \$51.1 million, including net unamortized discounts, were at variable interest rates. After factoring in arrangements which limit our exposure to interest rate risk and effectively fix our per annum interest rates, our variable rate mortgage debt includes four mortgages totaling \$38.2 million at December 31, 2016, and two mortgages totaling \$15.5 million at December 31, 2015.

(2) Stated interest rates ranged from 2.4% to 6.9% at December 31, 2016, while stated interest rates ranged from 2.0% to 6.9% at December 31, 2015.

(3) Effective interest rates ranged from 2.5% to 8.8% at December 31, 2016, while effective interest rates ranged from 2.2% to 8.9% at December 31, 2015.

The following table summarizes the maturity of mortgages payable, excluding net premiums of \$6.4 million and deferred finance costs of \$324,000, as of December 31, 2016 (dollars in millions):

Year of Maturity	Principal
██████████	██████████

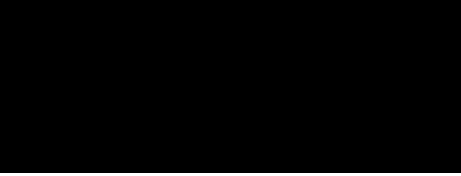


Table of Contents**8. Notes Payable***A. General*

Our senior unsecured notes and bonds consist of the following, sorted by maturity date (dollars in millions):

	December 31, 2016		December 31, 2015
5.950% notes, issued in September 2006 and due in September 2016	\$ -	\$	275
5.375% notes, issued in September 2005 and due in September 2017	175		175
2.000% notes, issued in October 2012 and due in January 2018	350		350
6.750% notes, issued in September 2007 and due in August 2019	550		550
5.750% notes, issued in June 2010 and due in January 2021	250		250
3.250% notes, issued in October 2012 and due in October 2022	450		450
4.650% notes, issued in July 2013 and due in August 2023	750		750
3.875% notes, issued in June 2014 and due in July 2024	350		350
4.125% notes, issued in September 2014 and due in October 2026	250		250
3.000% notes, issued in October 2016 and due in January 2027	600		-
5.875% bonds, \$100 issued in March 2005 and \$150 issued in June 2011, both due in March 2035	250		250
Total principal amount	3,975		3,650
Unamortized original issuance discounts and deferred financing costs	(41)		(32)
	\$ 3,934	\$	3,618

The following table summarizes the maturity of our notes and bonds payable as of December 31, 2016, excluding unamortized original issuance discounts and deferred financing costs (dollars in millions):

Year of Maturity		Principal
2017	\$	175
2018		350
2019		550
2020		-
2021		250
Thereafter		2,650
Totals	\$	3,975

As of December 31, 2016, the weighted average interest rate on our notes and bonds payable was 4.4% and the weighted average remaining years until maturity was 6.6 years.

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Interest incurred on all of the notes and bonds was \$171.5 million for 2016, \$179.5 million for 2015 and \$166.5 million for 2014. The interest rate on each of these notes and bonds is fixed.

Our outstanding notes and bonds are unsecured; accordingly, we have not pledged any assets as collateral for these or any other obligations. Interest on all of the senior note and bond obligations is paid semiannually.

All of these notes and bonds contain various covenants, including: (i) a limitation on incurrence of any debt which would cause our debt to total adjusted assets ratio to exceed 60%; (ii) a limitation on incurrence of any secured debt which would cause our secured debt to total adjusted assets ratio to exceed 40%; (iii) a limitation on incurrence of any debt which would cause our debt service coverage ratio to be less than 1.5 times; and (iv) the maintenance at all times of total unencumbered assets not less than 150% of our outstanding unsecured debt. At December 31, 2016, we remain in compliance with these covenants.

B. Note Issuances

In October 2016, we issued \$600 million of 3.000% senior unsecured notes due January 2027. The public offering price for the notes was 98.671% of the principal amount for an effective yield to maturity of 3.153%. The net proceeds of approximately \$586.7 million from the offering were used to repay borrowings outstanding under our credit facility.

In September 2014, we issued \$250 million of 4.125% senior unsecured notes due October 2026, or the 2026 Notes. The price to the investors for the 2026 Notes was 99.499% of the principal amount for an effective yield of 4.178% per annum. A portion of the total net proceeds of \$246.4 million from this offering were used to repay all outstanding borrowings under our credit facility, and the remaining proceeds were used for other general corporate purposes, including additional property acquisitions.

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In June 2014, we issued \$350 million of 3.875% senior unsecured notes due July 2024, or the 2024 Notes. The price to the investors for the 2024 Notes was 99.956% of the principal amount for an effective yield of 3.88% per annum. The total net proceeds of \$346.7 million from these offerings were used to repay a portion of the outstanding borrowings under our credit facility.

C. Note Repayment

In September 2016, we repaid all \$275 million of outstanding 5.950% notes, plus accrued and unpaid interest.

In November 2015, we repaid \$150 million of outstanding 5.500% notes, plus accrued and unpaid interest, using proceeds from our October 2015 common stock offering and our credit facility.

9. Equity

A. Issuance of Common Stock

In May 2016, we issued 6,500,000 shares of common stock. After underwriting discounts and other offering costs of \$12.1 million, the net proceeds of \$383.6 million were used to repay borrowings under our credit facility.

In October 2015, we issued 11,500,000 shares of common stock. After underwriting discounts and other offering costs of \$22.0 million, a portion of the net proceeds of \$517.1 million was used to repay borrowings under our credit facility and the remaining portion was used for other general corporate purposes, including acquisitions.

In April 2015, we issued 5,500,000 shares of common stock. After underwriting discounts and other offering costs of \$1.4 million, the net proceeds of \$276.4 million were used to repay borrowings under our credit facility.

In April 2014, we issued 13,800,000 shares of common stock. After underwriting discounts and other offering costs of \$22.8 million, the net proceeds of \$528.6 million were used to repay borrowings under our previous credit facility.

B. Redemption of Preferred Stock

In September 2014, we issued an irrevocable notice of redemption for all 8.8 million shares of our 6.75% Monthly Income Class E Preferred Stock for \$25 per share, plus accrued dividends. The redemption occurred in October 2014. We incurred a charge of \$6.0 million, representing the Class E preferred stock original issuance costs that we paid in 2006.

C. Dividend Reinvestment and Stock Purchase Plan

Our Dividend Reinvestment and Stock Purchase Plan, or our DRSP, provides our common stockholders, as well as new investors, with a convenient and economical method of purchasing our common stock and reinvesting their distributions. Our DRSP also allows our current stockholders to buy additional shares of common stock by reinvesting all or a portion of their distributions. Our DRSP authorizes up to 26,000,000 common shares to be issued. During 2016, we issued 170,027 shares and raised approximately \$10.3 million under our DRSP. During 2015, we issued 7,608,354 shares and raised approximately \$363.0 million under our DRSP. From the inception of our DRSP through December 31, 2016, we have issued 12,869,889 shares and raised \$591.9 million.

Our DRSP includes a waiver approval process, allowing larger investors or institutions, per a formal approval process, to purchase shares at a small discount, if approved by us. During 2016, we did not issue shares under the waiver approval process. During 2015, we issued 7,413,207 shares and raised \$353.7 million under the waiver approval process. These shares are included in the total activity for 2015 noted in the preceding paragraph.

D. At-the-Market (ATM) Program

In September 2015, we established an at-the-market equity distribution program, or our ATM program, pursuant to which we can offer and sell up to 12,000,000 shares of common stock. The shares of common stock may be sold to, or through, a consortium of banks acting as our sales agents either by means of ordinary brokers transactions on the NYSE at prevailing market prices or at negotiated prices. During 2016, we issued 2,779,140 shares and raised \$166.8 million under the ATM program. During 2015, we issued 714,301 shares and raised \$36.3 million under the ATM program. From the inception of our ATM program through December 31, 2016, we have issued 3,493,441 shares and raised \$203.1 million.

Table of Contents**10. Noncontrolling Interests**

In January 2013, we completed our acquisition of ARCT. Equity issued as consideration for this transaction included common and preferred partnership units issued by Tau Operating Partnership, L.P., or Tau Operating Partnership, the consolidated subsidiary which owns properties acquired through the ARCT acquisition. We and our subsidiaries hold a 99.4% interest in Tau Operating Partnership, and consolidate the entity.

In June 2013, we completed the acquisition of a portfolio of properties by issuing common partnership units in Realty Income, L.P. The units were issued as consideration for the acquisition. At December 31, 2016, the remaining units from this issuance represent a 0.4% ownership in Realty Income, L.P. We hold the remaining 99.6% interests in this entity and consolidate the entity.

Neither of the common partnership units have voting rights. Both common partnership units are entitled to monthly distributions equal to the amount paid to common stockholders of Realty Income, and are redeemable in cash or Realty Income common stock, at our option, and at a conversion ratio of one to one, subject to certain exceptions. Noncontrolling interests with redemption provisions that permit the issuer to settle in either cash or common stock, at the option of the issuer, were evaluated to determine whether temporary or permanent equity classification on the balance sheet was appropriate. We determined that the units meet the requirements to qualify for presentation as permanent equity.

In 2016, we completed the acquisition of two properties by acquiring a controlling interest in two separate joint ventures. We are the managing member of each of these joint ventures, and possess the ability to control the business and manage the affairs of these entities. At December 31, 2016, we and our subsidiaries held 90.5% and 74% interests, and fully consolidated these entities in our consolidated financial statements.

The following table represents the change in the carrying value of all noncontrolling interests through December 31, 2016 (dollars in thousands):

	Tau Operating Partnership units(1)	Realty Income, L.P. units(2)	Other Noncontrolling Interests	Total
Carrying value at December 31, 2015	\$ 13,410	\$ 8,327	-	\$ 21,737
Reallocation of equity	491	52	-	543
Redemptions	-	(6,161)	-	(6,161)
Contributions	-	-	15,906	15,906
Distributions	(762)	(459)	(11,461)	(12,682)
Allocation of net income	266	457	183	906
Carrying value at December 31, 2016	\$ 13,405	\$ 2,216	4,628	\$ 20,249

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	Tau Operating Partnership units(1)		Realty Income, L.P. units(2)		Total
Carrying value at December 31, 2014	\$ 13,067	\$	14,631	\$	27,698
Reallocation of equity	836		(1,887)		(1,051)
Redemptions	-		(4,347)		(4,347)
Distributions	(722)		(930)		(1,652)
Allocation of net income	229		860		1,089
Carrying value at December 31, 2015	\$ 13,410	\$	8,327	\$	21,737

(1) 317,022 Tau Operating Partnership units were issued on January 22, 2013 and remained outstanding as of December 31, 2016 and December 31, 2015.

(2) 534,546 Realty Income, L.P. units were issued on June 27, 2013, 331,364 units were outstanding as of December 31, 2015, and 88,182 remain outstanding as of December 31, 2016.

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The Tau Operating Partnership preferred units were recorded at fair value as of the date of acquisition. Since they were redeemable at a fixed price on a determinable date, we initially classified them in other liabilities on our consolidated balance sheets. Payments on these preferred units were made monthly at a rate of 2% per annum and were included in interest expense. In January 2015, we redeemed all 6,750 Tau Operating Partnership preferred units for \$1,000 per unit, plus accrued and unpaid distributions.

During the first quarter of 2016, we adopted ASU 2015-02, which amends Topic 810, *Consolidation*. This ASU amended the criteria used to evaluate whether an entity is a variable interest entity, or VIE, resulting in the conclusion that all limited partnerships are considered VIEs, unless substantive kick-out rights or participating rights exist. Accordingly, we determined that both Tau Operating Partnership and Realty Income, L.P. are VIEs. We have also concluded that we are the primary beneficiary of these VIEs, based on our controlling financial interests. We evaluated the minority unitholder rights noting that they do not hold substantive kick-out rights or participating rights. These conclusions did not result in changes to our historical accounting for these partnerships. Below is a summary of selected financial data of consolidated VIEs, including the joint ventures acquired during 2016, for which we are the primary beneficiary included in the consolidated balance sheets at December 31, 2016 and 2015 (in thousands):

		2016		2015
Net real estate	\$	3,040,903	\$	3,082,025
Total assets		3,499,481		3,586,239
Total debt		251,047		393,812
Total liabilities		364,797		511,476

11. Distributions Paid and Payable

A. Common Stock

We pay monthly distributions to our common stockholders. The following is a summary of monthly distributions paid per common share for 2016, 2015 and 2014:

Month	2016	2015	2014

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The following presents the federal income tax characterization of distributions paid or deemed to be paid per common share for the years:

		2016		2015		2014
Ordinary income	\$	1.8771975	\$	1.7307023	\$	1.6483522
Nontaxable distributions		0.5143025		0.5407144		0.5432732
Totals	\$	2.3915000	\$	2.2714167	\$	2.1916254

At December 31, 2016, a distribution of \$0.2025 per common share was payable and was paid in January 2017. At December 31, 2015, a distribution of \$0.191 per common share was payable and was paid in January 2016.

B. Class E Preferred Stock

Prior to the redemption of the Class E preferred stock in October 2014, dividends of \$0.140625 per share were paid monthly in arrears on the Class E preferred stock. We paid distributions to holders of our Class E preferred stock totaling \$12.7 million in 2014. For 2014, dividends paid per share in the amount of \$1.4484375 were characterized as ordinary income for federal income tax purposes.

C. Class F Preferred Stock

Dividends of \$0.138021 per share are paid monthly in arrears on the Class F preferred stock. We declared dividends to holders of our Class F preferred stock totaling \$27.1 million in 2016, 2015 and 2014. For 2016, 2015 and 2014, dividends paid per share of \$1.656252 were characterized as ordinary income for federal income tax purposes. At December 31, 2016, a monthly dividend of \$0.138021 per share was payable and was paid in January 2017. We are current in our obligations to pay dividends on our Class F preferred stock.

12. Operating Leases

A. At December 31, 2016, we owned 4,944 properties in 49 states and Puerto Rico. Of the 4,944 properties, 4,920, or 99.5%, are single-tenant properties, and the remaining are multi-tenant properties. At December 31, 2016, 84 properties were available for lease or sale.

Substantially all leases are net leases where the tenant pays or reimburses us for property taxes and assessments, maintains the interior and exterior of the building and leased premises, and carries insurance coverage for public liability, property damage, fire and extended coverage.

Rent based on a percentage of a tenants gross sales (percentage rents) was \$5.3 million for 2016, \$4.5 million for 2015 and \$3.6 million for 2014.

At December 31, 2016, minimum future annual rents to be received on the operating leases for the next five years and thereafter are as follows (dollars in thousands):

2017	\$	1,146,053
2018		1,092,071
2019		1,042,068
2020		992,192
2021		940,379
Thereafter		6,043,472
Total	\$	11,256,235

B. Major Tenants - No individual tenant's rental revenue, including percentage rents, represented more than 10% of our total revenue for each of the years ended December 31, 2016, 2015 or 2014.

13. Gain on Sales of Real Estate

During 2016, we sold 77 properties for \$90.5 million, which resulted in a gain of \$22.0 million.

During 2015, we sold 38 properties for \$65.8 million, which resulted in a gain of \$22.2 million.

These property sales in 2016 and 2015 do not represent a strategic shift that will have a major effect on our operations and financial results, and therefore do not require presentation as discontinued operations.

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During 2014, we sold 47 properties for \$108.1 million, which resulted in a gain of \$42.1 million. Only the results of operations specifically related to the properties classified as held for sale at December 31, 2013 and sold during the year were reclassified as discontinued operations.

Additionally, during 2016 we sold our former corporate headquarters building for \$8.6 million.

14. Fair Value of Financial Instruments

Fair value is defined as the price that would be received from the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The disclosure for assets and liabilities measured at fair value requires allocation to a three-level valuation hierarchy. This valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. Categorization within this hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

We believe that the carrying values reflected in our consolidated balance sheets reasonably approximate the fair values for cash and cash equivalents, accounts receivable, escrow deposits, loans receivable, line of credit payable, term loans and all other liabilities, due to their short-term nature or interest rates and terms that are consistent with market, except for our notes receivable issued in connection with property sales, mortgages payable and our senior notes and bonds payable, which are disclosed as follows (dollars in millions):

		Carrying value per balance sheet		Estimated fair value
At December 31, 2016				
Notes receivable issued in connection with property sales	\$	5.4	\$	5.5
Mortgages payable assumed in connection with acquisitions, net		466.0		468.7
Notes and bonds payable, net		3,934.4		4,143.3
At December 31, 2015				
Notes receivable issued in connection with property sales	\$	17.9	\$	19.4
Mortgages payable assumed in connection with acquisitions, net		646.2		651.5
Notes and bonds payable, net		3,618.0		3,828.1

The estimated fair values of our notes receivable issued in connection with property sales and our mortgages payable have been calculated by discounting the future cash flows using an interest rate based upon the relevant Treasury yield curve, plus an applicable credit-adjusted spread. Because this methodology includes unobservable inputs that reflect our own internal assumptions and calculations, the measurement of estimated fair values related to our notes receivable and mortgages payable is categorized as level three on the three-level valuation hierarchy.

The estimated fair values of our senior notes and bonds payable are based upon indicative market prices and recent trading activity of our senior notes and bonds payable. Because this methodology includes inputs that are less observable by the public and are not necessarily reflected in active markets, the measurement of the estimated fair values, related to our notes and bonds payable, is categorized as level two on the three-level valuation hierarchy.

We record interest rate swaps on the consolidated balance sheet at fair value. At December 31, 2016, interest rate swaps in a liability position valued at \$2.3 million were included in accounts payable and accrued expenses and interest rate swaps in an asset position valued at \$66,000 were included in other assets, net on the consolidated balance sheet. The fair value of our interest rate swaps are based on valuation techniques including discounted cash flow analysis on the expected cash flows of each swap, using both observable and unobservable market-based inputs, including interest rate curves. Because this methodology uses observable and unobservable inputs, and the unobservable inputs are not significant to the fair value measurement, the measurement of interest rate swaps is categorized as level two on the three-level valuation hierarchy.

15. Supplemental Disclosures of Cash Flow Information

Cash paid for interest was \$214.3 million in 2016, \$229.5 million in 2015, and \$207.3 million in 2014.

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Interest capitalized to properties under development was \$469,000 in 2016, \$594,000 in 2015, and \$444,000 in 2014.

Cash paid for income taxes was \$3.6 million in 2016, \$3.1 million in 2015, and \$3.7 million in 2014.

The following non-cash activities are included in the accompanying consolidated financial statements:

A. During 2016, we assumed mortgages payable to third-party lenders of \$44.1 million and recorded a premium of \$692,000. During 2014, we assumed mortgages payable to third-party lenders of \$166.7 million, recorded \$604,000 of net premiums, and recorded \$901,000 of interest rate swap value to other assets, net, related to property acquisitions.

B. During 2016, consolidated joint venture members made real estate contributions of \$15.9 million, net of contributed mortgages payable included in the figures disclosed above in 15.A.

C. See note 9 for a discussion of the \$6.0 million excess of redemption value over carrying value of preferred shares subject to redemption charge recorded during 2014.

D. During 2014, we applied \$48.9 million of loans receivable to the purchase price of five acquired properties.

E. During 2014, we acquired real estate for \$11.6 million via exchanges of our properties.

F. Accrued costs on properties under development resulted in an increase in buildings and improvements and accounts payable of \$2.6 million and \$4.0 million at December 31, 2016 and 2014, respectively.

16. Employee Benefit Plan

We have a 401(k) plan covering substantially all of our employees. Under our 401(k) plan, employees may elect to make contributions to the plan up to a maximum of 60% of their compensation, subject to limits under the Code. We match 50% of each

of our employee's salary deferrals up to the first 6% of the employee's eligible compensation. Our aggregate matching contributions each year have been immaterial to our results of operations.

17. Common Stock Incentive Plan

In 2012, our Board of Directors adopted and stockholders approved the Realty Income Corporation 2012 Incentive Award Plan, or the 2012 Plan, to enable us to motivate, attract and retain the services of directors and employees considered essential to our long-term success. The 2012 Plan offers our directors and employees an opportunity to own our stock or rights that will reflect our growth, development and financial success. Under the terms of the 2012 plan, the aggregate number of shares of our common stock subject to options, restricted stock, stock appreciation rights, restricted stock units and other awards, will be no more than 3,985,734 shares. The 2012 Plan has a term of ten years from the date it was adopted by our Board of Directors.

The amount of share-based compensation costs recognized in general and administrative expense on our consolidated statements of income was \$12.0 million during 2016, \$10.4 million during 2015, and \$12.0 million during 2014.

A. Restricted Stock

The following table summarizes our common stock grant activity under our 2012 Plan. Our outstanding restricted stock vests over periods ranging from immediately to five years.

	2016		2015		2014	
	Number of shares	Weighted average price(1)	Number of shares	Weighted average price(1)	Number of shares	Weighted average price(1)
Outstanding nonvested shares, beginning of year	456,282	\$ 30.46	527,176	\$ 29.02	722,263	\$ 23.37
Shares granted	260,171	\$ 54.14	161,949	\$ 50.87	262,655	\$ 39.87
Shares vested	(200,066)	\$ 43.26	(205,248)	\$ 37.70	(440,348)	\$ 36.88
Shares forfeited	(2,864)	\$ 48.15	(27,595)	\$ 45.58	(17,394)	\$ 39.07
Outstanding nonvested shares, end of each period	513,523	\$ 48.33	456,282	\$ 30.46	527,176	\$ 29.02

(1) Grant date fair value.

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The vesting schedule for shares granted to non-employee directors is as follows:

For directors with less than six years of service at the date of grant, shares vest in 33.33% increments on each of the first three anniversaries of the date the shares of stock are granted;

For directors with six years of service at the date of grant, shares vest in 50% increments on each of the first two anniversaries of the date the shares of stock are granted;

For directors with seven years of service at the date of grant, shares are 100% vested on the first anniversary of the date the shares of stock are granted; and

For directors with eight or more years of service at the date of grant, there is immediate vesting as of the date the shares of stock are granted.

During 2016, 28,000 shares were granted to our Board of Directors, of which 20,000 vested immediately and 8,000 shares vest annually in equal parts over a three-year service period.

For shares granted on or after January 1, 2015, shares granted to employees typically vest in 20% increments on each of the first five anniversaries of the grant date. For shares granted prior to December 2014, the typical vesting schedule for shares granted to employees was as follows:

For employees age 55 and below at the grant date, shares vest in 20% increments on each of the first five anniversaries of the grant date;

For employees age 56 at the grant date, shares vest in 25% increments on each of the first four anniversaries of the grant date;

For employees age 57 at the grant date, shares vest in 33.33% increments on each of the first three anniversaries of the grant date;

For employees age 58 at the grant date, shares vest in 50% increments on each of the first two anniversaries of the grant date;

For employees age 59 at the grant date, shares are 100% vested on the first anniversary of the grant date; and

For employees age 60 and above at the grant date, shares vest immediately on the grant date.

Of the 232,171 shares granted to employees during 2016, 143,739 will vest over a five-year service period and 88,432 will vest over a four-year service period.

As of December 31, 2016, the remaining unamortized share-based compensation expense related to restricted stock totaled \$18.7 million, which is being amortized on a straight-line basis over the service period of each applicable award. The amount of share-based compensation is based on the fair value of the stock at the grant date. We define the grant date as the date the recipient and Realty Income have a mutual understanding of the key terms and condition of the award, and the recipient of the grant begins to benefit from, or be adversely affected by, subsequent changes in the price of the shares.

As of December 31, 2016, 2015 and 2014, there were no common stock options outstanding for any of the periods presented.

B. Performance Shares

During 2016, 2015 and 2014, we granted performance share awards, as well as dividend equivalent rights, to our executive officers. The number of performance shares that vest is based on the achievement of the following performance goals:

2016 & 2015 Performance Awards

Metrics	Weighting
Total shareholder return (TSR) relative to MSCI US REIT Index	50%
TSR relative to NAREIT Freestanding Index	20%
Dividend per share growth rate	20%
Debt-to-EBITDA ratio	10%

2014 Performance Awards

Metrics	Weighting
TSR relative to MSCI US REIT Index	60%
TSR relative to NAREIT Freestanding Index	20%
Debt-to-EBITDA ratio	20%

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The performance shares are earned based on our performance, and vest 50% on the first and second January 1 after the end of the three year performance period, subject to continued service. The performance period for the 2014 performance awards began on January 1, 2014 and ended on December 31, 2016. The performance period for the 2015 performance awards began on January 1, 2015 and will end on December 31, 2017. The performance period for the 2016 performance awards began on January 1, 2016 and will end on December 31, 2018.

The fair value of the performance shares was estimated on the date of grant using a Monte Carlo Simulation model. The following table summarizes our performance share grant activity:

	2016		2015		2014	
	Number of performance shares	Weighted average price(1)	Number of performance shares	Weighted average price(1)	Number of performance shares	Weighted average price(1)
Outstanding nonvested shares, beginning of year	115,121	\$ 46.94	59,405	\$ 41.46	-	\$ -
Shares granted	58,575	\$ 55.07	55,716	\$ 52.78	71,705	\$ 41.46
Shares vested	(10,454)	\$ 44.54	-	\$ -	(4,067)	\$ 41.46
Shares forfeited	(3,491)	\$ 52.55	-	\$ -	(8,233)	\$ 41.46
Outstanding nonvested shares, end of each period	159,751	\$ 49.95	115,121	\$ 46.94	59,405	\$ 41.46

(1) Grant date fair value.

As of December 31, 2016, the remaining share-based compensation expense related to the performance shares totaled \$3.7 million and is being recognized on a tranche-by-tranche basis over the service period.

c. Restricted Stock Units

During 2016 and 2015 we also granted restricted stock units that vest over a five-year service period and have the same economic rights as shares of restricted stock.

	2016		2015	
	Number of restricted stock units	Weighted average price(1)	Number of restricted stock units	Weighted average price(1)
Outstanding nonvested shares, beginning of year	10,136	\$ 52.21	-	\$ -
Shares granted	14,783	\$ 52.76	10,136	\$ 52.21
Shares vested	(6,459)	\$ 52.21	-	\$ -
Shares forfeited	-	\$ -	-	\$ -
Outstanding nonvested shares, end of each period	18,460	\$ 52.65	10,136	\$ 52.21

(1) Grant date fair value.

As of December 31, 2016, the remaining share-based compensation expense related to the restricted stock units totaled \$752,000 and is being recognized on a straight-line basis over the service period.

18. Segment Information

We evaluate performance and make resource allocation decisions on an industry by industry basis. For financial reporting purposes, we have grouped our tenants into 47 activity segments. All of the properties are incorporated into one of the applicable segments. Because almost all of our leases require the tenant to pay operating expenses, rental revenue is the only component of segment profit and loss we measure.

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The following tables set forth certain information regarding the properties owned by us, classified according to the business of the respective tenants (dollars in thousands):

Assets, as of December 31:	2016		2015	
Segment net real estate:				
Apparel	\$	175,418	\$	180,175
Automotive service		152,220		129,328
Automotive tire services		238,151		247,200
Beverages		293,447		297,724
Child care		49,584		52,392
Convenience stores		1,050,285		724,972
Dollar stores		1,120,896		1,158,948
Drug stores		1,541,846		1,384,506
Financial services		408,228		254,022
General merchandise		248,040		195,030
Grocery stores		464,359		331,565
Health and fitness		823,697		839,872
Health care		214,971		220,018
Home improvement		311,459		268,974
Motor vehicle dealerships		197,713		137,315
Restaurants-casual dining		511,863		419,455
Restaurants-quick service		574,532		467,643
Theaters		370,732		371,617
Transportation services		796,717		686,041
Wholesale club		439,557		452,563
27 other non-reportable segments		1,920,076		1,799,524
Total segment net real estate		11,903,791		10,618,884
Intangible assets:				
Apparel		43,786		48,116
Automotive service		33,160		19,131
Automotive tire services		11,533		13,202
Beverages		2,280		2,538
Convenience stores		14,372		16,040
Dollar stores		51,249		56,420
Drug stores		182,981		189,433
Financial services		29,749		34,626
General merchandise		43,248		41,301
Grocery stores		65,412		42,823
Health and fitness		63,574		65,037
Health care		25,039		29,950
Home improvement		49,932		42,630
Motor vehicle dealerships		25,032		13,182
Restaurants-casual dining		22,058		9,392
Restaurants-quick service		43,356		32,612
Theaters		13,822		17,673
Transportation services		101,664		92,602
Wholesale club		32,723		36,215
Other non-reportable segments		227,350		231,494
Goodwill:				
Automotive service		440		448
Automotive tire services		862		865
Child care		4,945		5,034

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Convenience stores	2,008	2,009
Restaurants-casual dining	2,107	2,215
Restaurants-quick service	1,068	1,082
Other non-reportable segments	3,637	3,668
Other corporate assets	151,693	176,757
Total assets	\$ 13,152,871	\$ 11,845,379

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Revenue for the years ended December 31,	2016	2015	2014
Segment rental revenue:			
Apparel	\$ 19,975	\$ 19,819	\$ 17,674
Automotive service	20,212	18,632	16,548
Automotive tire services	28,754	28,627	28,222
Beverages	27,587	25,451	25,147
Child care	19,712	19,949	20,022
Convenience stores	91,784	90,093	89,754
Dollar stores	90,746	88,126	85,049
Drug stores	117,758	103,324	84,625
Financial services	18,769	17,044	16,828
General merchandise	18,976	16,411	13,550
Grocery stores	32,815	29,506	27,270
Health and fitness	85,901	75,881	62,086
Health care	16,168	16,057	16,039
Home improvement	25,695	23,112	15,593
Motor vehicle dealerships	20,329	15,332	13,909
Restaurants-casual dining	42,312	37,645	38,473
Restaurants-quick service	52,674	41,407	33,388
Theaters	51,926	49,456	47,102
Transportation services	57,694	51,745	46,287
Wholesale club	37,531	37,391	36,588
27 other non-reportable segments	180,095	171,857	159,303
Total rental revenue	1,057,413	976,865	893,457
Tenant reimbursements	43,104	42,015	37,118
Other revenue	2,655	4,405	2,930
Total revenue	\$ 1,103,172	\$ 1,023,285	\$ 933,505

19. Commitments and Contingencies

In the ordinary course of business, we are party to various legal actions which we believe are routine in nature and incidental to the operation of our business. We believe that the outcome of the proceedings will not have a material adverse effect upon our consolidated financial position or results of operations.

At December 31, 2016, we had commitments of \$7.0 million for re-leasing costs, recurring capital expenditures, and non-recurring building improvements. In addition, as of December 31, 2016, we had committed \$21.9 million under construction contracts, which is expected to be paid in the next twelve months.

We have certain properties that are subject to ground leases which are accounted for as operating leases. At December 31, 2016, minimum future rental payment for the next five years and thereafter are as follows (dollars in millions):

	Ground Leases Paid by Realty Income (1)	Ground Leases Paid by Our Tenants (2)	Total
2017	\$ 1.6	\$ 13.4	\$ 15.0
2018	1.6	13.5	15.1

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2019		1.5		13.3		14.8
2020		1.4		13.1		14.5
2021		1.2		12.8		14.0
Thereafter		22.1		106.6		128.7
Total	\$	29.4	\$	172.7	\$	202.1

(1) Realty Income currently pays the ground lessors directly for the rent under the ground leases.

(2) Our tenants, who are generally sub-tenants under the ground leases, are responsible for paying the rent under these ground leases. In the event a tenant fails to pay the ground lease rent, we are primarily responsible.

20. Subsequent Events

In January and February 2017, we declared the following dividends, which will be paid in February 2017 and March 2017, respectively:

- \$0.2105 per share to our common stockholders and
- \$0.138021 per share to our Class F preferred stockholders.

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REALTY INCOME CORPORATION AND SUBSIDIARIES

CONSOLIDATED QUARTERLY FINANCIAL DATA

(dollars in thousands, except per share data)

(not covered by Report of Independent Registered Public Accounting Firm)

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Year (1)
2016					
Total revenue	\$ 267,116	\$ 271,039	\$ 277,174	\$ 287,843	\$ 1,103,172
Depreciation and amortization expense	107,933	110,342	113,917	117,752	449,943
Interest expense	60,678	57,409	52,952	48,935	219,974
Other expenses	30,310	35,878	37,438	35,128	138,757
Net income	70,484	76,068	77,202	92,724	316,477
Net income available to common stockholders	63,473	69,045	70,302	85,671	288,491
Net income per common share					
Basic	0.25	0.27	0.27	0.33	1.13
Diluted	0.25	0.27	0.27	0.33	1.13
Dividends paid per common share	0.5880000	0.5970000	0.6005000	0.6060000	2.3915000
2015					
Total revenue	\$ 246,867	\$ 253,860	\$ 258,889	\$ 263,668	\$ 1,023,285
Depreciation and amortization expense	98,037	101,101	104,338	105,739	409,215
Interest expense	58,468	58,680	63,950	51,982	233,079
Other expenses	29,999	31,404	29,012	27,962	118,379
Net income	67,581	66,350	67,813	83,111	284,855
Net income available to common stockholders	60,494	59,317	60,705	76,171	256,686
Net income per common share					
Basic	0.27	0.26	0.26	0.31	1.09
Diluted	0.27	0.25	0.26	0.31	1.09
Dividends paid per common share	0.5614167	0.5685000	0.5700000	0.5715000	2.2714167

(1) Amounts for each period are calculated independently. The sum of the quarters may differ from the annual amount.

Item 9: Changes In and Disagreements With Accountants on Accounting and Financial Disclosure

We have had no disagreements with our independent registered public accounting firm on accounting matters or financial disclosure, nor have we changed accountants in the two most recent fiscal years.

Item 9A: Controls and Procedures

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended) that are designed to ensure that information required to be disclosed in our Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

As of and for the year ended December 31, 2016, we carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures, under the supervision and with the participation of management, including our Chief Executive Officer and Chief Financial Officer. Based on the foregoing, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective and were operating at a reasonable assurance level.

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Management's Report on Internal Control Over Financial Reporting

Internal control over financial reporting refers to the process designed by, or under the supervision of, our Chief Executive Officer and Chief Financial Officer, and effected by our Board of Directors, management and other personnel, 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, and includes those policies and procedures that:

(1) Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the Company;

(2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and

(3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

Management is responsible for establishing and maintaining adequate internal control over financial reporting for the Company.

Management has used the framework set forth in the report entitled "Internal Control--Integrated Framework (2013)" published by the Committee of Sponsoring Organizations of the Treadway Commission to evaluate the effectiveness of the Company's internal control over financial reporting. Management has concluded that the Company's internal control over financial reporting was effective as of the end of the most recent fiscal year. KPMG LLP has issued an attestation report on the effectiveness of the Company's internal control over financial reporting.

Submitted on February 23, 2017 by,

John P. Case, Chief Executive Officer

Paul M. Meurer, Executive Vice President, Chief Financial Officer, and Treasurer

Changes in Internal Controls

There were no changes to our internal control over financial reporting that occurred during the quarter ended December 31, 2016 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting. As of December 31, 2016, there were no material weaknesses in our internal controls, and therefore, no corrective actions were taken.

Limitations on the Effectiveness of Controls

Internal control over financial reporting cannot provide absolute assurance of achieving financial reporting objectives because of its inherent limitations. Internal control over financial reporting is a process that involves human diligence and compliance and is subject to lapses in judgment and breakdowns resulting from human failures. Internal control over financial reporting also can be circumvented by collusion or improper management override. Because of such limitations, there is a risk that material misstatements may not be prevented or detected on a timely basis by internal control over financial reporting. However, these inherent limitations are known features of the financial reporting process. Therefore, it is possible to design into the process safeguards to reduce, though not eliminate, this risk.

Item 9B: Other Information

None.

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PART III

Item 10: Directors, Executive Officers and Corporate Governance

The information required by this item is set forth under the captions Board of Directors and Executive Officers of the Company and Section 16(a) Beneficial Ownership Reporting Compliance in our definitive Proxy Statement for the 2017 Annual Meeting of Stockholders, to be filed pursuant to Regulation 14A, and is incorporated herein by reference. The Annual Meeting of Stockholders is presently scheduled to be held on May 16, 2017.

Item 11: Executive Compensation

The information required by this item is set forth under the caption Executive Compensation in our definitive Proxy Statement for the 2017 Annual Meeting of Stockholders, to be filed pursuant to Regulation 14A, and is incorporated herein by reference.

Item 12: Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information required by this item is set forth under the caption Security Ownership of Certain Beneficial Owners and Management in our definitive Proxy Statement for the 2017 Annual Meeting of Stockholders, to be filed pursuant to Regulation 14A, and is incorporated herein by reference.

Item 13: Certain Relationships, Related Transactions and Director Independence

The information required by this item is set forth under the caption Related Party Transactions in our definitive Proxy Statement for the 2017 Annual Meeting of Stockholders, to be filed pursuant to Regulation 14A, and is incorporated herein by reference.

Item 14: Principal Accounting Fees and Services

The information required by this item is set forth under the caption Independent Registered Public Accounting Firm Fees and Services in our definitive Proxy Statement for the 2017 Annual Meeting of Stockholders, to be filed pursuant to Regulation 14A, and is incorporated herein by reference.

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PART IV

Item 15: Exhibits and Financial Statement Schedules

- A. The following documents are filed as part of this report.
 - 1. Financial Statements (see Item 8)
 - a. Reports of Independent Registered Public Accounting Firm
 - b. Consolidated Balance Sheets,
December 31, 2016 and 2015
 - c. Consolidated Statements of Income,
Years ended December 31, 2016, 2015 and 2014
 - d. Consolidated Statements of Equity,
Years ended December 31, 2016, 2015 and 2014
 - e. Consolidated Statements of Cash Flows,
Years ended December 31, 2016, 2015 and 2014
 - f. Notes to Consolidated Financial Statements
 - g. Consolidated Quarterly Financial Data,

(unaudited) for 2016 and 2015

2. Financial Statement Schedule. Reference is made to page F-1 of this report for Schedule III Real Estate and Accumulated Depreciation (electronically filed with the Securities and Exchange Commission).

Schedules not Filed: All schedules, other than those indicated in the Table of Contents, have been omitted as the required information is either not material, inapplicable or the information is presented in the financial statements or related notes.

3. Exhibits

Articles of Incorporation and By-Laws

Exhibit No. **Description**

2.1 Agreement and Plan of Merger, dated as of September 6, 2012, by and among Realty Income Corporation, Tau Acquisition LLC and American Realty Capital Trust, Inc. (filed as exhibit 2.1 to the Company's Form 8-K, filed on September 6, 2012 and incorporated herein by reference).

2.2 First Amendment to Agreement and Plan of Merger, dated as of January 6, 2013, by and among Realty Income Corporation, Tau Acquisition LLC and American Realty Capital Trust, Inc. (filed as exhibit 2.1 to the Company's Form 8-K, filed on January 7, 2013 and incorporated herein by reference).

3.1 Articles of Incorporation of the Company, as amended by amendment No. 1 dated May 10, 2005 and amendment No. 2 dated May 10, 2005 (filed as exhibit 3.1 to the Company's Form 10-Q for the quarter ended June 30, 2005 and incorporated herein by reference), amendment No. 3 dated July 29, 2011 (filed as exhibit 3.1 to the Company's Form 8-K, filed on August 2, 2011 and incorporated herein by reference); and amendment No. 4 dated June 21, 2012 (filed as exhibit 3.1 to the Company's Form 8-K, filed on June 21, 2012 and incorporated herein by reference).

3.2 Amended and Restated Bylaws of the Company dated June 16, 2015 (filed as exhibit 3.1 to the Company's Form 8-K filed on June 17, 2015 and incorporated herein by reference)

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3.3 Articles Supplementary to the Articles of Incorporation of the Company classifying and designating the 6.625% Monthly Income Class F Cumulative Redeemable Preferred Stock, dated February 3, 2012 (the First Class F Articles Supplementary) (filed as exhibit 3.1 to the Company s Form 8-K, filed on February 3, 2012 and incorporated herein by reference).

3.4 Certificate of Correction to the First Class F Articles Supplementary, dated April 11, 2012 (filed as exhibit 3.2 to the Company s Form 8-K, filed on April 17, 2012 and incorporated herein by reference).

3.5 Articles Supplementary to the Articles of Incorporation of the Company classifying and designating additional shares of the 6.625% Monthly Income Class F Cumulative Redeemable Preferred Stock, dated April 17, 2012 (filed as exhibit 3.3 to the Company s Form 8-K, filed on April 17, 2012 and incorporated herein by reference).

Instruments defining the rights of security holders, including indentures

4.1 Indenture dated as of October 28, 1998 between the Company and The Bank of New York (filed as exhibit 4.1 to the Company s Form 8-K, filed on October 28, 1998 and incorporated herein by reference).

4.2 Form of 5.875% Senior Notes due 2035 (filed as exhibit 4.2 to the Company s Form 8-K, filed on March 11, 2005 and incorporated herein by reference).

4.3 Officer s Certificate pursuant to sections 201, 301 and 303 of the Indenture dated October 28, 1998 between the Company and The Bank of New York, as Trustee, establishing a series of securities entitled 5.875% Senior Debentures due 2035 (filed as exhibit 4.3 to the Company s Form 8-K, filed on March 11, 2005 and incorporated herein by reference).

4.4 Form of 5.375% Senior Notes due 2017 (filed as exhibit 4.2 to the Company s Form 8-K, filed on September 16, 2005 and incorporated herein by reference).

4.5 Officer s Certificate pursuant to sections 201, 301 and 303 of the Indenture dated October 28, 1998 between the Company and The Bank of New York, as Trustee, establishing a series of securities entitled 5.375% Senior Notes due 2017 (filed as exhibit 4.3 to the Company s Form 8-K, filed on

September 16, 2005 and incorporated herein by reference).

4.6 Form of 6.75% Notes due 2019 (filed as exhibit 4.2 to Company's Form 8-K, filed on September 5, 2007 and incorporated herein by reference).

4.7 Officer's Certificate pursuant to sections 201, 301 and 303 of the Indenture dated October 28, 1998 between the Company and The Bank of New York Trust Company, N.A., as Trustee, establishing a series of securities entitled 6.75% Senior Notes due 2019 (filed as exhibit 4.3 to the Company's Form 8-K, filed on September 5, 2007 and incorporated herein by reference).

4.8 Form of 5.750% Notes due 2021 (filed as exhibit 4.2 to Company's Form 8-K, filed on June 29, 2010 and incorporated herein by reference).

4.9 Officer's Certificate pursuant to sections 201, 301 and 303 of the Indenture dated October 28, 1998 between the Company and The Bank of New York Mellon Trust Company, N.A., as Successor Trustee, establishing a series of securities entitled 5.750% Notes due 2021 (filed as exhibit 4.3 to the Company's Form 8-K, filed on June 29, 2010 and incorporated herein by reference).

4.10 Form of Common Stock Certificate (filed as exhibit 4.16 to the Company's Form 10-Q for the quarter ended September 30, 2011 and incorporated herein by reference).

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4.11 Form of Preferred Stock Certificate representing the 6.625% Monthly Income Class F Cumulative Redeemable Preferred Stock (filed as exhibit 4.1 to the Company's Form 8-K, filed on February 3, 2012 and incorporated herein by reference).

4.12 Form of 2.000% Note due 2018 (filed as exhibit 4.2 to Company's Form 8-K, filed on October 10, 2012 and incorporated herein by reference).

4.13 Form of 3.250% Note due 2022 (filed as exhibit 4.3 to Company's Form 8-K, filed on October 10, 2012 and incorporated herein by reference).

4.14 Officer's Certificate pursuant to sections 201, 301 and 303 of the Indenture dated October 28, 1998 between the Company and The Bank of New York Mellon Trust Company, N.A., as successor trustee, establishing a series of securities entitled 2.000% Notes due 2018 and establishing a series of securities entitled 3.250% Notes due 2022 (filed as exhibit 4.4 to the Company's Form 8-K, filed on October 10, 2012 and incorporated herein by reference).

4.15 Form of 4.650% Note due 2023 (filed as exhibit 4.2 to Company's Form 8-K, filed on July 16, 2013 and incorporated herein by reference).

4.16 Officer's Certificate pursuant to sections 201, 301 and 303 of the Indenture dated October 28, 1998 between the Company and The Bank of New York Mellon Trust Company, N.A., as successor trustee, establishing a series of securities entitled 4.650% Notes due 2023 (filed as exhibit 4.3 to the Company's Form 8-K, filed on July 16, 2013 and incorporated herein by reference).

4.17 Form of 3.875% Note due 2024 (filed as exhibit 4.2 to Company's Form 8-K, filed on June 25, 2014 and incorporated herein by reference).

4.18 Officer's Certificate pursuant to sections 201, 301 and 303 of the Indenture dated October 28, 1998 between the Company and The Bank of New York Mellon Trust Company, N.A., as successor trustee, establishing a series of securities entitled 3.875% Notes due 2024 (filed as exhibit 4.3 to the Company's Form 8-K, filed on June 25, 2014 and incorporated herein by reference).

4.19 Form of 4.125% Note due 2026 (filed as exhibit 4.2 to Company's Form 8-K, filed on September 23, 2014 and incorporated herein by reference).

4.20 Officer's Certificate pursuant to sections 201, 301 and 303 of the Indenture dated October 28, 1998 between the Company and The Bank of New York Mellon Trust Company, N.A., as successor trustee, establishing a series of securities entitled 4.125% Notes due 2026 (filed as exhibit 4.3 to the Company's Form 8-K, filed on September 23, 2014 and incorporated herein by reference).

4.21 Form of 3.000% Note due 2027 (filed as exhibit 4.2 to Company's Form 8-K, filed on October 12, 2016 and incorporated herein by reference).

4.22 Officer's Certificate pursuant to sections 201, 301 and 303 of the Indenture dated October 28, 1998 between the Company and The Bank of New York Mellon Trust Company, N.A., as successor trustee, establishing a series of securities entitled 3.000% Notes due 2027 (filed as exhibit 4.3 to the Company's Form 8-K, filed on October 12, 2016 and incorporated herein by reference).

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Material Contracts

10.1 Management Incentive Plan (filed as Exhibit 10.10 to the Company's Form 10-K for the year ended December 31, 1997 and incorporated herein by reference).

10.2 Form of Nonqualified Stock Option Agreement for Independent Directors (filed as Exhibit 10.11 to the Company's Form 10-K for the year ended December 31, 1997 and incorporated herein by reference).

10.3 Form of Restricted Stock Agreement between the Company and Executive Officers under the 2003 Stock Incentive Award Plan of Realty Income Corporation (filed as exhibit 10.11 to the Company's Form 8-K, filed on January 6, 2005 and dated January 1, 2005 and incorporated herein by reference).

10.4 2003 Stock Incentive Award Plan of Realty Income Corporation, as amended and restated February 21, 2006 (filed as exhibit 10.10 to the Company's Form 10-K for the year ended December 31, 2005 and incorporated herein by reference).

10.5 Amendment dated May 15, 2007 to the Amended and Restated 2003 Stock Incentive Award Plan of Realty Income Corporation (filed as exhibit 10.1 to the Company's Form 10-Q, for the quarter ended June 30, 2007 and incorporated herein by reference).

10.6 Form of Restricted Stock Agreement under the 2003 Stock Incentive Award Plan of Realty Income Corporation (filed as exhibit 10.2 to the Company's Form 10-Q, for the quarter ended June 30, 2007 and incorporated herein by reference).

10.7 Amended and Restated Form of Employment Agreement between the Company and its Executive Officers (filed as exhibit 10.1 to the Company's Form 8-K, filed on January 7, 2010 and dated January 5, 2010 and incorporated herein by reference).

10.8 Form of Restricted Stock Agreement for John P. Case (filed as exhibit 10.1 to the Company's Form 10-Q, for the quarter ended March 31, 2010 and incorporated herein by reference).

- 10.9 Realty Income Corporation 2012 Incentive Award Plan (filed as Appendix B to the Company's Proxy Statement on Schedule 14A filed on March 30, 2012 and incorporated herein by reference).
- 10.10 Amended and Restated Credit Agreement dated May 10, 2012 (filed as exhibit 10.1 to the Company's Form 8-K, filed on May 11, 2012 and incorporated herein by reference).
- 10.11 Form of Restricted Stock Agreement for Employees under the Realty Income Corporation 2012 Incentive Award Plan (filed as exhibit 10.1 to the Company's Form 8-K, filed on January 8, 2013 and incorporated herein by reference).
- 10.12 Form of Restricted Stock Agreement for Non-Employee Directors under the Realty Income Corporation 2012 Incentive Award Plan (filed as exhibit 10.2 to the Company's Form 8-K, filed on January 8, 2013 and incorporated herein by reference).
- 10.13 Term Loan Agreement, dated as of January 22, 2013, by and among Tau Operating Partnership, L.P. and Lenders (as defined therein) (filed as exhibit 10.1 to the Company's Form 8-K, filed on January 23, 2013 and incorporated herein by reference).
- 10.14 The First Amendment to Amended and Restated Credit Agreement among the Company, as Borrower, each of the Lenders party thereto and Wells Fargo Bank, National Association, as Administrative Agent (filed as exhibit 10.1 to the Company's Form 8-K, filed on June 3, 2013 and incorporated herein by reference).
- 10.15 Form of Amendment to Employment Agreement (filed as exhibit 10.1 to the Company's Form 8-K, filed on June 19, 2013 and incorporated herein by reference).

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10.16 Form of Addendum to Restricted Stock Agreement (filed as exhibit 10.2 to the Company's Form 8-K, filed on June 19, 2013 and incorporated herein by reference).

10.17 The Second Amendment to Amended and Restated Credit Agreement among the Company, as Borrower, each of the Lenders party thereto and Wells Fargo Bank, National Association, as Administrative Agent (filed as exhibit 10.1 to the Company's Form 8-K, filed on August 28, 2013 and incorporated herein by reference).

10.18 Amended and Restated Employment Agreement dated September 3, 2013 between the Company and John P. Case (filed as exhibit 10.2 to the Company's Form 8-K, filed on September 6, 2013 and incorporated herein by reference).

10.19 Form of Time-Based Restricted Stock Agreement for John P. Case dated September 3, 2013 (filed as exhibit 10.7 to the Company's Form 10-Q, for the quarter ended September 30, 2013 and incorporated herein by reference).

10.20 Form of Performance-Based Restricted Stock Agreement for John P. Case dated September 26, 2013 (filed as exhibit 10.8 to the Company's Form 10-Q, for the quarter ended September 30, 2013 and incorporated herein by reference).

10.21 The Third Amendment to Amended and Restated Credit Agreement among the Company, as Borrower, each of the Lenders party thereto and Wells Fargo Bank, National Association, as Administrative Agent (filed as exhibit 10.1 to the Company's Form 8-K, filed on October 29, 2013 and incorporated herein by reference).

10.23 Form of Performance Share Award Agreement (filed as exhibit 99.1 to the Company's Form 8-K, filed on April 11, 2014 and incorporated herein by reference).

10.24 Severance Agreement for Gary M. Malino (filed as exhibit 10.2 to the Company's Form 10-Q, filed on October 30, 2014 and incorporated herein by reference).

10.25 Amended and Restated Form Indemnification Agreement, between the Company and each executive officer and each director of the Board of Directors of the Company (filed as exhibit 10.1 to the Company's Form 8-K, filed on October 30, 2014 and incorporated herein by reference).

10.26 Form of Performance Share Award Agreement (filed as exhibit 10.1 to the Company's Form 10-Q, filed on April 30, 2015 and incorporated herein by reference).

10.27 Dividend Reinvestment and Stock Purchase Plan (filed pursuant to Rule 424(b)(5) under the Securities Act of 1933, as amended, on February 23, 2015, as a prospectus supplement to the Company's prospectus dated February 22, 2013 (File No. 333-186788) and incorporated herein by reference).

10.28 Credit Agreement dated June 30, 2015 (filed as exhibit 10.1 to the Company's Form 8-K, filed on July 2, 2015 and incorporated herein by reference).

10.29 Dividend Reinvestment and Stock Purchase Plan (filed pursuant to Rule 424(b)(5) under the Securities Act of 1933, as amended, on July 30, 2015, as a prospectus supplement to the Company's prospectus dated February 22, 2013 (File No. 333-186788) and incorporated herein by reference).

10.30 Form of Restricted Stock Agreement (filed as exhibit 10.30 to the Company's Form 10-K for the year ended December 31, 2015 and incorporated herein by reference).

10.31 Form of Restricted Stock Unit Award Agreement (filed as exhibit 10.31 to the Company's Form 10-K for the year ended December 31, 2015 and incorporated herein by reference).

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10.32 Form of Second Amendment to Employment Agreement (filed as exhibit 10.32 to the Company's Form 10-K for the year ended December 31, 2015 and incorporated herein by reference).

*10.33 First Amendment to Realty Income Corporation 2012 Incentive Award Plan.

10.34 Second Amendment to Realty Income Corporation 2012 Incentive Award Plan (filed as exhibit 10.1 to the Company's Form 8-K, filed on February 17, 2017 and incorporated herein by reference).

Statement of Ratios

*12.1 Statements re computation of ratios.

Subsidiaries of the Registrant

*21.1 Subsidiaries of the Company as of February 23, 2017.

Consents of Experts and Counsel

*23.1 Consent of Independent Registered Public Accounting Firm.

Certifications

*31.1 Rule 13a-14(a) Certifications as filed by the Chief Executive Officer pursuant to SEC release No. 33-8212 and 34-47551.

*31.2 Rule 13a-14(a) Certifications as filed by the Chief Financial Officer pursuant to SEC release No. 33-8212 and 34-47551.

*32 Section 1350 Certifications as furnished by the Chief Executive Officer and the Chief Financial Officer pursuant to SEC release No. 33-8212 and 34-47551.

Interactive Data Files

*101 The following materials from Realty Income Corporation's Annual Report on Form 10-K for the year ended December 31, 2016, formatted in Extensible Business Reporting Language: (i) Consolidated Balance Sheets, (ii) Consolidated Statements of Income, (iii) Consolidated Statements of Stockholders Equity, (iv) Consolidated Statements of Cash Flows, (v) Notes to Consolidated Financial Statements, and (vi) Schedule III Real Estate and Accumulated Depreciation.

* Filed herewith.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

REALTY INCOME CORPORATION

By: /s/JOHN P. CASE Date: February 23, 2017
John P. Case
Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By: /s/MICHAEL D. MCKEE Date: February 23, 2017
Michael D. McKee
Non-Executive Chairman of the Board of Directors

By: /s/KATHLEEN R. ALLEN, Ph.D. Date: February 23, 2017
Kathleen R. Allen, Ph.D.
Director

By: /s/JOHN P. CASE Date: February 23, 2017
John P. Case
Director, Chief Executive Officer
(Principal Executive Officer)

By: /s/A. LARRY CHAPMAN Date: February 23, 2017
A. Larry Chapman
Director

By: /s/PRIYA CHERIAN HUSKINS Date: February 23, 2017
Priya Cherian Huskins
Director

By: /s/GREGORY T. MCLAUGHLIN Date: February 23, 2017
Gregory T. McLaughlin
Director

By: /s/RONALD L. MERRIMAN Date: February 23, 2017
Ronald L. Merriman
Director

By: /s/STEPHEN E. STERRETT Date: February 23, 2017
Stephen E. Sterrett
Director

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By: /s/PAUL M. MEURER
Paul M. Meurer
Executive Vice President, Chief Financial Officer and Treasurer
(Principal Financial Officer)

Date: February 23, 2017

By: /s/SEAN P. NUGENT
Sean P. Nugent
Senior Vice President, Controller
(Principal Accounting Officer)

Date: February 23, 2017

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REALTY INCOME CORPORATION AND SUBSIDIARIES

SCHEDULE III REAL ESTATE AND ACCUMULATED DEPRECIATION

AS OF DECEMBER 31, 2016

Description	Encumbrances	Initial Cost to Company			Cost Capitalized Subsequent to Acquisition		Gross Amount at Which Carried at Close of Period (Notes 3, 4, 6 and 7)			Accumulated Depreciation	Date of Construction	Acquisition
		Land	Fees	Buildings, Improvements and Acquisition	Improvements	Costs	Land	Fees	Total			
<u>Aerospace</u>												
Batesville	MS	4,801,438	2,160,849	17,219,291	None	None	2,160,849	17,219,291	19,380,140	3,013,376		8/9
Ellisville	MS		4,140,000	20,930,630	171,570	None	4,140,000	21,102,200	25,242,200	2,123,750		6/2
Columbus	OH	14,501,413	-	19,637,318	None	None	-	19,637,318	19,637,318	1,987,110		6/1
DFW Airport	TX		-	37,503,886	13,600	None	-	37,517,486	37,517,486	8,316,658		6/2
Lufkin	TX		589,925	15,492,255	None	None	589,925	15,492,255	16,082,180	1,752,100		1/2
<u>Apparel stores</u>												
Mesa	AZ		619,035	867,013	6,484	None	619,035	873,497	1,492,532	626,341		2/1
El Cajon	CA		6,930,000	12,518,083	89,660	None	6,930,000	12,607,743	19,537,743	1,280,704		6/1
Elk Grove	CA		804,327	2,668,492	24,266	None	804,327	2,692,758	3,497,085	464,831		9/1
Elk Grove	CA		3,250,000	16,776,852	None	None	3,250,000	16,776,852	20,026,852	1,705,647		6/2
Folsom	CA		2,370,000	11,342,375	None	None	2,370,000	11,342,375	13,712,375	1,077,526		8/1
Hanford	CA		562,812	3,468,215	None	None	562,812	3,468,215	4,031,027	595,377		9/1
Lodi	CA		3,153,559	2,661,260	None	None	3,153,559	2,661,260	5,814,819	456,850		9/1
Manteca	CA		1,565,672	4,440,141	None	None	1,565,672	4,440,141	6,005,813	748,224		9/1
Moreno Valley	CA		1,654,486	3,305,084	197,969	None	1,654,486	3,503,053	5,157,539	634,187		9/1
Redlands	CA		3,006,680	2,242,430	279,091	None	3,006,680	2,521,521	5,528,201	478,579		9/1
Sacramento	CA		3,446,351	4,460,201	None	None	3,446,351	4,460,201	7,906,552	765,668		9/1
South Lake Tahoe	CA		3,110,000	3,176,091	9,750	None	3,110,000	3,185,841	6,295,841	794,986		10/2
Sun Valley	CA		4,631,964	4,710,912	None	None	4,631,964	4,710,912	9,342,876	808,707		9/1
Vacaville	CA		1,299,816	3,375,574	183,515	None	1,299,816	3,559,089	4,858,905	641,410		9/1
Danbury	CT		1,096,861	6,217,688	491,514	56	1,096,861	6,709,258	7,806,119	4,938,185		9/3
Manchester	CT		771,660	3,653,539	324,665	161	771,660	3,978,365	4,750,025	2,751,514		3/2
Manchester	CT		1,250,464	5,917,037	7,082	None	1,250,464	5,924,119	7,174,583	4,450,218		3/2
Deerfield Beach	FL		3,160,000	4,832,848	58,463	None	3,160,000	4,891,311	8,051,311	1,210,727		10/2
Cumming	GA	4,675,000	2,100,000	6,472,785	None	None	2,100,000	6,472,785	8,572,785	701,218		4/1
Collinsville	IL	3,570,500	675,724	7,021,479	None	None	675,724	7,021,479	7,697,203	1,111,734		1/2
Georgetown	KY	5,679,500	1,922,820	10,448,325	None	None	1,922,820	10,448,325	12,371,145	1,654,318		1/2
Missoula	MT		163,100	362,249	28,843	16,199	163,100	407,291	570,391	386,812		10/3
Staten Island	NY		4,202,093	3,385,021	231,501	None	4,202,093	3,616,522	7,818,615	2,608,474		3/2
Bend	OR		4,060,000	13,198,790	None	None	4,060,000	13,198,790	17,258,790	1,561,857		1/3
Clarksville	TN		3,992,886	-	None	None	3,992,886	-	3,992,886	-		7/1
Jackson	TN		381,076	857,261	49,140	19,237	381,076	925,638	1,306,714	690,498		9/2
Dallas	TX		1,210,000	2,675,265	292,532	None	1,210,000	2,967,797	4,177,797	690,960		10/2
The Colony	TX		2,580,000	2,214,133	285,298	158	2,580,000	2,499,589	5,079,589	582,598		10/2

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Automotive
collision
services

Colorado Springs	CO	1,085,560	2,137,425	None	None	1,085,560	2,137,425	3,222,985	420,281		1/3
Denver	CO	480,348	2,127,792	None	None	480,348	2,127,792	2,608,140	392,189	6/8/2012	9/3
Highlands Ranch	CO	583,289	2,139,057	None	None	583,289	2,139,057	2,722,346	1,086,643	7/10/2007	8/1
Littleton	CO	601,388	2,169,898	None	None	601,388	2,169,898	2,771,286	955,543	2/2/2006	11/1
Parker	CO	868,768	2,653,745	None	None	868,768	2,653,745	3,522,513	1,172,405	9/7/2012	7/3
Thornton	CO	693,323	1,896,616	None	None	693,323	1,896,616	2,589,939	911,563	10/5/2004	10/1
Fort Myers	FL	1,050,000	1,395,464	None	None	1,050,000	1,395,464	2,445,464	58,144		12/2
Fort Myers	FL	530,000	955,371	None	None	530,000	955,371	1,485,371	39,807		12/2
Naples	FL	1,590,000	918,896	None	None	1,590,000	918,896	2,508,896	38,287		12/2
Cumming	GA	661,624	1,822,363	None	None	661,624	1,822,363	2,483,987	964,146	9/18/2003	12/3
Douglasville	GA	679,868	1,935,515	None	None	679,868	1,935,515	2,615,383	1,029,755	8/11/2003	12/3
Lilburn	GA	1,150,000	1,670,724	None	None	1,150,000	1,670,724	2,820,724	220,006	7/29/2013	2/2
Macon	GA	1,400,000	1,317,435	None	None	1,400,000	1,317,435	2,717,435	241,505	5/11/2012	1/1
Morrow	GA	725,948	1,846,315	None	None	725,948	1,846,315	2,572,263	987,713	7/7/2003	8/3
Peachtree City	GA	1,190,380	689,284	None	None	1,190,380	689,284	1,879,664	385,693	12/16/2002	9/1
Roswell	GA	1,825,000	1,934,495	None	None	1,825,000	1,934,495	3,759,495	385,648	12/22/2011	8/1
Warner Robins	GA	1,250,000	1,012,258	None	None	1,250,000	1,012,258	2,262,258	198,753	1/11/2012	9/1
Chicago	IL	1,300,000	1,600,000	None	None	1,300,000	1,600,000	2,900,000	29,333		7/2
Crystal Lake	IL	250,000	1,143,500	None	None	250,000	1,143,500	1,393,500	36,211		3/3
Maryville	IL	320,000	882,122	None	None	320,000	882,122	1,202,122	104,360		1/1
Naperville	IL	1,090,000	1,596,107	None	None	1,090,000	1,596,107	2,686,107	194,193		12/2
Oak Lawn	IL	180,000	1,021,577	None	None	180,000	1,021,577	1,201,577	68,376		11/1
Oak Lawn	IL	370,000	1,137,293	None	None	370,000	1,137,293	1,507,293	135,859		12/2
Orland Park	IL	120,000	1,015,358	None	None	120,000	1,015,358	1,135,358	123,535		12/2
South Holland	IL	80,000	1,548,690	None	None	80,000	1,548,690	1,628,690	188,424		12/2
Cedar Lake	IN	300,000	1,037,278	None	None	300,000	1,037,278	1,337,278	81,253		1/7
Gary	IN	100,000	1,875,652	None	None	100,000	1,875,652	1,975,652	146,926		1/7
Hammond	IN	230,000	1,217,329	None	None	230,000	1,217,329	1,447,329	95,357		1/7
Highland	IN	390,000	910,537	None	None	390,000	910,537	1,300,537	71,325		1/7
Florence	KY	350,000	1,350,428	None	None	350,000	1,350,428	1,700,428	28,757		5/2
Ann Arbor	MI	680,000	1,433,382	None	None	680,000	1,433,382	2,113,382	117,060		12/1
Clawson	MI	220,000	517,432	None	None	220,000	517,432	737,432	42,257		12/1
Clinton Township	MI	480,000	3,578,405	None	None	480,000	3,578,405	4,058,405	256,452		3/3
Livonia	MI	317,728	1,035,971	None	None	317,728	1,035,971	1,353,699	84,604		12/1
Novi	MI	530,000	2,092,323	None	None	530,000	2,092,323	2,622,323	149,950		3/3
Rochester Hills	MI	280,000	1,179,451	None	None	280,000	1,179,451	1,459,451	84,527		3/3
Sterling Heights	MI	480,000	1,920,459	None	None	480,000	1,920,459	2,400,459	80,019		12/2
Warren	MI	300,000	746,229	None	None	300,000	746,229	1,046,229	53,480		3/3
Washington	MI	240,000	474,241	None	None	240,000	474,241	714,241	38,730		12/1
Wayne	MI	190,000	1,009,116	None	None	190,000	1,009,116	1,199,116	82,411		12/1
Woodhaven	MI	170,000	1,148,368	None	None	170,000	1,148,368	1,318,368	93,783		12/1
Ham Lake	MN	192,610	1,930,958	None	None	192,610	1,930,958	2,123,568	930,290	7/1/2004	10/3
Stillwater	MN	656,250	1,218,901	187,158	None	656,250	1,406,059	2,062,309	245,727		11/1
Olive Branch	MS	350,000	1,965,718	None	None	350,000	1,965,718	2,315,718	432,592	6/29/2011	11/1
Cary	NC	610,389	1,492,235	None	None	610,389	1,492,235	2,102,624	634,200		5/2
Durham	NC	680,969	1,323,140	None	None	680,969	1,323,140	2,004,109	562,334		5/2
Wilmington	NC	378,813	1,150,679	None	None	378,813	1,150,679	1,529,492	526,442	7/15/2005	12/2
Las Vegas	NV	720,000	2,710,126	None	None	720,000	2,710,126	3,430,126	213,035		10/2
Huber Heights	OH	160,000	799,843	None	None	160,000	799,843	959,843	17,330		6/3
Moraine	OH	170,000	873,745	None	None	170,000	873,745	1,043,745	18,931		6/3
Bartlett	TN	648,526	1,960,733	None	None	648,526	1,960,733	2,609,259	944,641	8/3/2004	10/2
Nashville	TN	1,830,000	2,575,466	None	None	1,830,000	2,575,466	4,405,466	176,043	In-progress	9/3
Riverton	UT	1,100,000	1,576,390	None	None	1,100,000	1,576,390	2,676,390	239,119	1/18/2013	7/2
Salt Lake City	UT	2,900,000	1,598,391	None	None	2,900,000	1,598,391	4,498,391	307,251	2/17/2012	10/1

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Automotive

parts										
Birmingham	AL	355,823	660,814	None	None	355,823	660,814	1,016,637	106,832	12/
Flomaton	AL	90,000	808,163	None	None	90,000	808,163	898,163	117,184	5/
Harvest	AL	744,737	1,537,832	None	None	744,737	1,537,832	2,282,569	243,490	1/2
Millbrook	AL	108,000	518,741	174,419	None	108,000	693,160	801,160	438,069	12/10/1998
Montgomery	AL	254,465	502,350	10,819	84	254,465	513,253	767,718	381,268	6/3
Cabot	AR	267,787	595,578	None	None	267,787	595,578	863,365	68,491	2/2
San Luis	AZ	287,508	694,650	None	None	287,508	694,650	982,158	91,462	9/2
Tucson	AZ	194,250	431,434	None	None	194,250	431,434	625,684	431,434	10/3
Grass Valley	CA	325,000	384,955	None	None	325,000	384,955	709,955	384,955	5/2
Sacramento	CA	210,000	466,419	None	None	210,000	466,419	676,419	466,419	11/2
Colorado Springs	CO	520,000	922,073	None	None	520,000	922,073	1,442,073	13,831	8/3
Denver	CO	141,400	314,056	None	82	141,400	314,138	455,538	314,138	11/
Denver	CO	315,000	699,623	None	161	315,000	699,784	1,014,784	699,782	5/1
Littleton	CO	252,925	561,758	None	53	252,925	561,811	814,736	561,811	2/1
Smyrna	DE	232,273	472,855	15,774	None	232,273	488,629	720,902	354,379	8/7
Apopka	FL	820,000	1,115,761	None	None	820,000	1,115,761	1,935,761	158,066	6/2
Deerfield Beach	FL	475,000	871,738	2,420	None	475,000	874,158	1,349,158	620,755	1/2
Jacksonville	FL	330,000	1,196,260	None	None	330,000	1,196,260	1,526,260	25,919	6/5
Kissimmee	FL	1,000,000	1,169,792	None	None	1,000,000	1,169,792	2,169,792	165,721	6/2
Kissimmee	FL	580,290	1,290,608	None	None	580,290	1,290,608	1,870,898	122,608	8/1

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REALTY INCOME CORPORATION AND SUBSIDIARIES

SCHEDULE III REAL ESTATE AND ACCUMULATED DEPRECIATION

AS OF DECEMBER 31, 2016

Description	Encumbrances	Initial Cost to Company		Cost Capitalized Subsequent to Acquisition		Gross Amount at Which Carried at Close of Period (Notes 3, 4, 6 and 7)			Accumulated Depreciation	Date of Construction
		Land	Buildings, Improvements and Acquisition Fees	Improvements	Carrying Costs	Land	Buildings, Improvements and Acquisition Fees	Total		
(Note 1)	(Note 2)								(Note 5)	
Merritt Island	FL	309,652	482,459	44,387	21,831	309,652	548,677	858,329	419,364	11/1999
Atlanta	GA	652,551	763,360	27,163	45,249	652,551	835,772	1,488,323	577,360	12/1999
Byron	GA	359,612	868,859	None	None	359,612	868,859	1,228,471	117,296	8/1999
Council Bluffs	IA	194,355	431,668	None	None	194,355	431,668	626,023	431,668	5/1999
Des Moines	IA	441,273	981,424	None	None	441,273	981,424	1,422,697	119,407	12/1999
Boise	ID	158,400	351,812	None	5,428	158,400	357,240	515,640	357,240	5/1999
Moscow	ID	117,250	260,417	None	None	117,250	260,417	377,667	260,417	9/1999
Chicago	IL	760,000	1,483,800	4,850	None	760,000	1,488,650	2,248,650	122,844	12/1999
Chicago	IL	270,000	1,639,501	56,000	None	270,000	1,695,501	1,965,501	138,676	12/1999
Chicago	IL	490,000	1,533,006	3,425	None	490,000	1,536,431	2,026,431	126,516	12/1999
Joliet	IL	1,288,779	2,571,856	None	None	723,567	2,571,856	3,295,423	407,211	1/1999
Brazil	IN	183,952	453,831	26,716	None	183,952	480,547	664,499	334,995	3/1999
Chesterton	IN	293,382	708,842	None	None	293,382	708,842	1,002,224	93,331	9/1999
Griffith	IN	343,778	830,602	None	None	343,778	830,602	1,174,380	109,363	9/1999
Indianapolis	IN	243,422	541,389	24,391	None	243,422	565,780	809,202	61,442	6/1999
Lafayette	IN	276,924	960,817	None	None	276,924	960,817	1,237,741	1,601	12/1999
Muncie	IN	148,901	645,660	238,611	28,327	148,901	912,598	1,061,499	679,516	11/1999
Plainfield	IN	453,645	908,485	42,619	47,025	453,645	998,129	1,451,774	722,582	1/1999
Princeton	IN	134,209	560,113	11,238	None	134,209	571,351	705,560	400,424	3/1999
Vincennes	IN	185,312	489,779	30,324	None	185,312	520,103	705,415	357,404	3/1999
Kansas City	KS	222,000	455,881	18,738	None	222,000	474,619	696,619	472,357	5/1999
Harrodsburg	KY	262,048	1,029,125	None	None	262,048	1,029,125	1,291,173	121,780	1/1999
Lawrenceburg	KY	272,228	1,069,102	None	None	272,228	1,069,102	1,341,330	122,947	2/1999
Lexington	KY	475,041	1,056,527	None	None	475,041	1,056,527	1,531,568	65,152	4/11/2014
Paris	KY	250,000	1,158,644	None	None	250,000	1,158,644	1,408,644	13,518	9/1999
Scottsville	KY	503,473	1,039,640	None	None	503,473	1,039,640	1,543,113	164,610	1/1999
Stanford	KY	293,686	1,153,374	None	None	293,686	1,153,374	1,447,060	121,104	5/1999
Kaplan	LA	232,224	911,999	None	None	232,224	911,999	1,144,223	104,880	2/1999
Lafayette	LA	740,444	1,528,968	None	None	740,444	1,528,968	2,269,412	242,087	1/1999
Lafayette	LA	462,043	1,027,618	None	None	462,043	1,027,618	1,489,661	114,751	3/1999
Slidell	LA	629,335	1,299,536	None	None	629,335	1,299,536	1,928,871	205,760	1/1999
Sulphur	LA	290,047	700,785	3,835	None	290,047	704,620	994,667	95,717	8/1999
West Monroe	LA	462,715	1,394,603	None	None	462,715	1,394,603	1,857,318	220,812	1/1999
Alma	MI	155,000	600,282	13,902	None	155,000	614,184	769,184	430,586	4/29/1999
Alma	MI	187,704	737,155	None	None	187,704	737,155	924,859	40,544	8/1999
Detroit	MI	496,691	1,104,676	None	None	496,691	1,104,676	1,601,367	127,038	2/1999
Flushing	MI	367,724	817,846	None	None	367,724	817,846	1,185,570	85,874	5/1999
Lansing	MI	265,000	574,931	132,237	94	265,000	707,262	972,262	502,589	4/30/1999
Rockford	MI	870,632	1,726,400	None	None	870,632	1,726,400	2,597,032	273,347	1/1999
Roseville	MI	558,997	1,810,289	None	None	558,997	1,810,289	2,369,286	286,629	1/1999
Saginaw	MI	948,826	1,959,264	None	None	948,826	1,959,264	2,908,090	310,217	1/1999
Saginaw	MI	859,956	1,775,753	None	None	859,956	1,775,753	2,635,709	281,161	1/1999
St. Johns	MI	201,681	792,050	41,226	None	201,681	833,276	1,034,957	43,649	8/1999

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Sturgis	MI		109,558	550,274	10,272	94	109,558	560,640	670,198	402,615	12/
Waterford	MI		995,991	2,056,657	53,469	None	995,991	2,110,126	3,106,117	329,275	1/2/
St. Peters	MO		469,776	1,044,816	None	None	469,776	1,044,816	1,514,592	109,706	5/
Crystal Springs	MS		514,234	1,061,859	None	None	514,234	1,061,859	1,576,093	168,128	1/2/
Horn Lake	MS		142,702	514,779	62,817	None	142,702	577,596	720,298	384,060	6/3/
Richland	MS		243,565	558,645	10,302	None	243,565	568,947	812,512	386,877	12/
Vicksburg	MS		631,900	1,304,832	None	None	631,900	1,304,832	1,936,732	206,598	1/2/
Biscoe	NC		340,000	1,012,799	None	None	340,000	1,012,799	1,352,799	18,568	7/2/
Harrisburg	NC		680,000	813,119	None	None	680,000	813,119	1,493,119	115,192	6/2/
Omaha	NE		196,000	435,321	None	32	196,000	435,353	631,353	435,350	5/2/
Omaha	NE		199,100	412,042	None	32	199,100	412,074	611,174	412,071	5/2/
Artesia	NM		400,000	807,227	None	None	400,000	807,227	1,207,227	114,357	6/2/
Las Cruces	NM		370,000	1,010,676	None	None	370,000	1,010,676	1,380,676	143,179	6/2/
Rio Rancho	NM		211,577	469,923	None	None	211,577	469,923	681,500	469,923	2/2/
Santa Fe	NM		550,775	1,224,964	None	None	550,775	1,224,964	1,775,739	157,204	10/
Fernley	NV		300,000	1,027,155	None	None	300,000	1,027,155	1,327,155	145,514	6/2/
Las Vegas	NV		161,000	357,585	260,000	None	161,000	617,585	778,585	574,252	10/
Dunkirk	NY		631,375	1,303,749	None	None	631,375	1,303,749	1,935,124	206,427	1/2/
Akron	OH		264,619	588,531	None	None	264,619	588,531	853,150	36,293	6/
Canton	OH		396,560	597,553	None	25,452	396,560	623,005	1,019,565	449,235	8/
Centerville	OH		601,408	758,192	9,017	38,193	601,408	805,402	1,406,810	581,577	6/3/
Delaware	OH		240,000	705,447	None	None	240,000	705,447	945,447	38,800	8/
Hamilton	OH		183,000	515,727	6,508	None	183,000	522,235	705,235	369,232	4/7/1999
Middlefield	OH		258,980	1,017,075	None	None	258,980	1,017,075	1,276,055	103,403	6/3/
New Lexington	OH		290,000	955,997	None	None	290,000	955,997	1,245,997	14,340	8/2/
Oberlin	OH		212,325	1,026,562	None	None	212,325	1,026,562	1,238,887	128,320	11/
Toledo	OH		130,000	1,562,052	None	None	130,000	1,562,052	1,692,052	231,704	4/
Toledo	OH		140,000	1,059,979	None	None	140,000	1,059,979	1,199,979	157,230	4/
Waverly	OH		176,895	694,710	None	None	176,895	694,710	871,605	38,209	8/
Del City	OK		634,664	1,178,662	None	None	634,664	1,178,662	1,813,326	190,550	12/
Oklahoma City	OK		602,052	1,118,096	None	None	602,052	1,118,096	1,720,148	169,578	3/
Albany	OR		152,250	338,153	None	58	152,250	338,211	490,461	338,193	8/2/
Beaverton	OR		210,000	466,419	None	58	210,000	466,477	676,477	466,458	8/2/
Portland	OR		190,750	423,664	None	58	190,750	423,722	614,472	423,703	8/
Portland	OR		147,000	326,493	None	58	147,000	326,551	473,551	326,533	8/2/
Salem	OR		136,500	303,170	None	58	136,500	303,228	439,728	303,210	8/2/
Butler	PA		339,929	633,078	47,758	None	339,929	680,836	1,020,765	491,401	8/
Carnegie	PA		260,000	1,208,582	None	None	260,000	1,208,582	1,468,582	18,129	8/2/
Dover	PA		265,112	593,341	3,962	None	265,112	597,303	862,415	440,357	6/3/
Enola	PA		220,228	546,026	11,416	172	220,228	557,614	777,842	402,776	11/
Hanover	PA		132,500	719,511	9,982	None	132,500	729,493	861,993	504,004	7/26/1999
Harrisburg	PA		327,781	608,291	10,681	172	327,781	619,144	946,925	455,778	6/3/
Harrisburg	PA		283,417	352,473	10,519	172	283,417	363,164	646,581	260,070	9/3/
Lancaster	PA		199,899	774,838	84,970	None	199,899	859,808	1,059,707	590,963	8/
Lebanon	PA		360,751	802,338	10,935	None	360,751	813,273	1,174,024	71,046	11/
New Castle	PA		180,009	525,774	91,802	None	180,009	617,576	797,585	439,950	6/3/
Reading	PA		379,000	658,722	43,750	None	379,000	702,472	1,081,472	479,009	6/9/1999
Guayama	PR	972,663	874,937	1,806,689	None	None	874,937	1,806,689	2,681,626	286,059	1/2/
Humacao	PR	1,483,311	1,161,891	2,399,229	None	None	1,161,891	2,399,229	3,561,120	379,878	1/2/
Ponce	PR	1,775,110	1,321,292	2,728,382	None	None	1,321,292	2,728,382	4,049,674	431,994	1/2/
San Juan	PR	1,483,311	1,158,525	2,392,278	None	None	1,158,525	2,392,278	3,550,803	378,777	1/2/
Chester	SC		132,006	518,420	4,106	None	132,006	522,526	654,532	52,786	6/3/
Columbia	SC		474,027	1,427,348	None	None	474,027	1,427,348	1,901,375	225,997	1/2/
Gaston	SC		250,000	956,334	None	None	250,000	956,334	1,206,334	20,721	6/
Manning	SC		260,000	999,132	None	None	260,000	999,132	1,259,132	18,317	7/2/
Winnsboro	SC		90,000	921,541	None	None	90,000	921,541	1,011,541	19,967	6/
York	SC		198,409	779,197	None	None	198,409	779,197	977,606	79,218	6/3/
Arlington	TN		381,083	707,726	None	None	381,083	707,726	1,088,809	114,416	12/
Columbia	TN		273,120	431,716	None	None	273,120	431,716	704,836	302,919	6/3/
Decatur	TN		180,000	880,938	None	None	180,000	880,938	1,060,938	89,562	6/3/
Channelview	TX		483,804	1,168,921	None	None	483,804	1,168,921	1,652,725	157,804	8/
Dallas	TX		562,612	1,251,290	None	None	562,612	1,251,290	1,813,902	123,044	7/
Denton	TX		368,635	1,047,327	None	None	368,635	1,047,327	1,415,962	130,916	11/
Edinburg	TX		320,000	963,916	None	None	320,000	963,916	1,283,916	136,555	6/2/
Grand Prairie	TX		574,574	1,277,896	None	None	574,574	1,277,896	1,852,470	117,140	9/
Hallettsville	TX		237,572	932,999	18,920	None	237,572	951,919	1,189,491	120,315	10/
Katy	TX		558,684	1,242,555	None	None	558,684	1,242,555	1,801,239	126,326	6/3/

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Laredo	TX	807,044	1,498,795	None	None	807,044	1,498,795	2,305,839	242,305	12
Richmond	TX	441,254	1,253,642	None	None	441,254	1,253,642	1,694,896	160,884	10/
Roma	TX	200,000	1,004,538	None	None	200,000	1,004,538	1,204,538	142,310	6/2
San Benito	TX	449,015	998,643	None	None	449,015	998,643	1,447,658	128,159	10/

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REALTY INCOME CORPORATION AND SUBSIDIARIES

SCHEDULE III REAL ESTATE AND ACCUMULATED DEPRECIATION

AS OF DECEMBER 31, 2016

Description (Note 1)	Encumbrances (Note 2)	Initial Cost to Company		Cost Capitalized Subsequent to Acquisition		Gross Amount at Which Carried at Close of Period (Notes 3, 4, 6 and 7)			Accumulated Depreciation (Note 5)	Date of Construction	A
		Land	Buildings, Improvements and Acquisition Fees	Improvements	Carrying Costs	Land	Buildings, Improvements and Acquisition Fees	Total			
Richmond	VA	366,287	814,648	None	None	366,287	814,648	1,180,935	50,237		6/2
Bellevue	WA	185,500	411,997	None	107	185,500	412,104	597,604	412,103		8/2
Bellingham	WA	168,000	373,133	None	107	168,000	373,240	541,240	373,239		8/2
East Wenatchee	WA	148,400	329,602	None	107	148,400	329,709	478,109	329,709		8/2
Kenmore	WA	199,500	443,098	None	107	199,500	443,205	642,705	443,204		8/2
Kent	WA	199,500	443,091	None	107	199,500	443,198	642,698	443,198		8/2
Moses Lake	WA	138,600	307,831	None	107	138,600	307,938	446,538	307,938		8/2
Renton	WA	185,500	412,003	None	107	185,500	412,110	597,610	412,110		9/2
Seattle	WA	162,400	360,697	None	107	162,400	360,804	523,204	360,804		8/2
Silverdale	WA	183,808	419,777	None	107	183,808	419,884	603,692	419,883		9/2
Tacoma	WA	191,800	425,996	None	107	191,800	426,103	617,903	426,102		8/2
Tacoma	WA	196,000	435,324	None	107	196,000	435,431	631,431	435,431		10/2
Vancouver	WA	180,250	400,343	None	58	180,250	400,401	580,651	400,382		8/2
Vancouver	WA	168,000	373,135	None	58	168,000	373,193	541,193	373,175		5/2
Viroqua	WI	130,000	751,418	None	None	130,000	751,418	881,418	108,956		5/2
Wausau	WI	499,159	1,138,765	6,800	None	499,159	1,145,565	1,644,724	48,863		12/2
Nutter Fort	WV	259,179	899,248	None	None	259,179	899,248	1,158,427	1,499		12/2
<u>Automotive service</u>											
Flagstaff	AZ	144,821	417,485	8,150	36	144,821	425,671	570,492	313,791	4/11/2002	8/2
Mesa	AZ	210,620	475,072	None	None	210,620	475,072	685,692	277,913		5/2
Phoenix	AZ	189,341	546,984	None	None	189,341	546,984	736,325	319,986		5/2
Phoenix	AZ	384,608	279,824	None	None	384,608	279,824	664,432	163,695		5/2
Sierra Vista	AZ	175,114	345,508	None	None	175,114	345,508	520,622	202,121		5/2
Tucson	AZ	226,596	437,972	None	None	226,596	437,972	664,568	256,212		5/2
Bakersfield	CA	65,165	206,927	None	None	65,165	206,927	272,092	121,051		5/2
Chula Vista	CA	313,293	409,654	26,019	177	313,293	435,850	749,143	338,382	5/1/1996	1/2
Dublin	CA	415,620	1,153,928	None	None	415,620	1,153,928	1,569,548	675,046		5/2
Folsom	CA	471,813	325,610	None	None	471,813	325,610	797,423	190,480		5/2
Indio	CA	264,956	265,509	None	None	264,956	265,509	530,465	155,321		5/2
Los Angeles	CA	580,446	158,876	None	None	580,446	158,876	739,322	92,940		5/2
Oxnard	CA	186,980	198,236	None	None	186,980	198,236	385,216	115,966		5/2
Simi Valley	CA	213,920	161,012	None	None	213,920	161,012	374,932	94,190		5/2
Stockton	CA	1,395,822	2,882,282	None	None	1,395,822	2,882,282	4,278,104	456,361		1/2
Vacaville	CA	358,067	284,931	None	None	358,067	284,931	642,998	166,682		5/2
Aurora	CO	231,314	430,495	None	115	231,314	430,610	661,924	160,115		9/2
Broomfield	CO	154,930	503,626	None	2,667	154,930	506,293	661,223	412,679	8/22/1996	3/2
Denver	CO	79,717	369,587	None	79	79,717	369,666	449,383	369,663		10/2
Denver	CO	239,024	444,785	None	115	239,024	444,900	683,924	165,426		9/2
Lakewood	CO	70,422	132,296	None	None	70,422	132,296	202,718	49,170		9/2

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Longmont	CO	87,385	163,169	None	408	87,385	163,577	250,962	60,779		9/
Thornton	CO	276,084	415,464	None	316	276,084	415,780	691,864	331,542	12/31/1996	10/
Hartford	CT	248,540	482,460	35,465	1,076	248,540	519,001	767,541	412,232		9/3/
Southington	CT	225,882	672,910	None	172	225,882	673,082	898,964	526,052		6/
Vernon	CT	81,529	300,518	None	None	81,529	300,518	382,047	174,801		6/2/
Jacksonville	FL	76,585	355,066	28,668	178	76,585	383,912	460,497	360,795		12/
Miami Gardens	FL	163,239	262,726	None	None	163,239	262,726	425,965	152,819		6/2/
Orange City	FL	99,613	139,008	None	None	99,613	139,008	238,621	81,318		5/3/
Atlanta	GA	309,474	574,737	None	None	309,474	574,737	884,211	156,137		3/2/
Bogart	GA	66,807	309,733	None	None	66,807	309,733	376,540	309,733		12/
Duluth	GA	222,275	316,925	2,288	89	222,275	319,302	541,577	241,431	10/24/1997	6/2/
Duluth	GA	290,842	110,056	None	None	290,842	110,056	400,898	64,381		5/3/
Gainesville	GA	53,589	248,452	None	None	53,589	248,452	302,041	248,452		12/
Kennesaw	GA	266,865	139,425	None	None	266,865	139,425	406,290	81,562		5/3/
Marietta	GA	60,900	293,461	67,871	84	60,900	361,416	422,316	330,960		12/
Marietta	GA	69,561	346,024	None	41	69,561	346,065	415,626	346,065		6/
Norcross	GA	244,124	151,831	None	None	244,124	151,831	395,955	88,819		5/3/
Norcross	GA	503,773	937,121	39,032	None	503,773	976,153	1,479,926	403,090		11/
Riverdale	GA	58,444	270,961	None	None	58,444	270,961	329,405	270,961		1/3/
Snellville	GA	253,316	132,124	None	None	253,316	132,124	385,440	77,291		5/3/
Tucker	GA	78,646	364,625	32,603	3,258	78,646	400,486	479,132	377,386		12/
Arlington Hts	IL	441,437	215,983	None	None	441,437	215,983	657,420	126,348		5/3/
Chicago	IL	329,076	255,294	None	None	329,076	255,294	584,370	149,345		5/3/
Westchester	IL	421,239	184,812	None	None	421,239	184,812	606,051	108,113		5/3/
Anderson	IN	232,170	385,661	None	179	232,170	385,840	618,010	293,921		12/
Indianapolis	IN	231,384	428,307	None	130	231,384	428,437	659,821	347,772		9/2/
Michigan City	IN	392,638	297,650	(3,065)	None	389,573	297,650	687,223	174,124		5/3/
Warsaw	IN	140,893	228,116	None	None	140,893	228,116	369,009	133,446		5/3/
Olathe	KS	217,995	367,055	1,975	124	217,995	369,154	587,149	288,218	4/22/1997	11/
Topeka	KS	32,022	60,368	None	None	32,022	60,368	92,390	22,437		9/
Wichita	KS	787,377	1,463,936	78,745	70,913	787,377	1,613,594	2,400,971	628,366		11/
Louisville	KY	56,054	259,881	None	12	56,054	259,893	315,947	259,886		12/
East Wareham	MA	149,680	278,669	None	None	149,680	278,669	428,349	163,019		5/3/
Fairhaven	MA	138,957	289,294	None	None	138,957	289,294	428,251	169,235		5/3/
Gardner	MA	138,990	289,361	None	None	138,990	289,361	428,351	169,274		5/3/
Hyannis	MA	180,653	458,522	None	None	180,653	458,522	639,175	266,707		6/2/
Lenox	MA	287,769	535,273	None	None	287,769	535,273	823,042	380,925		3/3/
Newburyport	MA	274,698	466,449	None	None	274,698	466,449	741,147	271,318		6/2/
North Reading	MA	180,546	351,161	None	None	180,546	351,161	531,707	205,427		5/3/
Orleans	MA	138,212	394,065	None	None	138,212	394,065	532,277	230,526		5/3/
Teaticket	MA	191,302	340,539	None	None	191,302	340,539	531,841	199,214		5/3/
Aberdeen	MD	223,617	225,605	None	None	223,617	225,605	449,222	131,227		6/2/
Bethesda	MD	282,717	525,928	None	None	282,717	525,928	808,645	195,470		9/
Capitol Heights	MD	547,173	219,979	(12,319)	None	534,854	219,979	754,833	128,684		5/3/
Clinton	MD	70,880	328,620	11,440	None	70,880	340,060	410,940	335,770		11/
Lexington Park	MD	111,396	335,288	(7,600)	None	103,796	335,288	439,084	196,140		5/3/
Kalamazoo	MI	391,745	296,975	(2,196)	None	389,549	296,975	686,524	173,729		5/3/
Portage	MI	402,409	286,441	(2,112)	None	400,297	286,441	686,738	167,566		5/3/
Southfield	MI	275,952	350,765	None	None	275,952	350,765	626,717	205,196		5/3/
Troy	MI	214,893	199,299	None	None	214,893	199,299	414,192	116,588		5/3/
Saint Cloud	MN	203,338	258,626	None	None	203,338	258,626	461,964	150,434		6/2/
Independence	MO	297,641	233,152	4,467	3,958	297,641	241,577	539,218	191,998		12/
Asheville	NC	441,746	242,565	None	None	441,746	242,565	684,311	141,899		5/3/
Asheville	NC	838,421	1,558,792	480	27,477	838,421	1,586,749	2,425,170	634,113		11/
Concord	NC	237,688	357,976	6,863	26	237,688	364,865	602,553	265,303		11/
Durham	NC	55,074	255,336	None	647	55,074	255,983	311,057	255,983		11/
Durham	NC	354,676	361,203	67,400	12	354,676	428,615	783,291	291,834	8/29/1997	3/3/
Fayetteville	NC	224,326	257,733	None	131	224,326	257,864	482,190	196,417		12/
Greensboro	NC	286,068	244,606	None	None	286,068	244,606	530,674	143,086		5/3/
Matthews	NC	295,580	338,472	17,484	13,514	295,580	369,470	665,050	272,485	8/28/1998	2/2/
Pineville	NC	254,460	355,630	None	23	254,460	355,653	610,113	274,401	8/28/1997	4/3/
Raleigh	NC	89,145	413,301	None	None	89,145	413,301	502,446	413,301		10/
Raleigh	NC	398,694	263,621	None	None	398,694	263,621	662,315	202,514		10/
Salisbury	NC	235,614	150,592	None	None	235,614	150,592	386,206	88,094		5/3/
Fargo	ND	53,973	100,262	None	None	53,973	100,262	154,235	37,264		9/
Lincoln	NE	337,138	316,958	None	None	337,138	316,958	654,096	185,418		5/3/

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Cherry Hill	NJ	463,808	862,240	None	None	463,808	862,240	1,326,048	320,466	9/
Edison	NJ	448,936	238,773	None	None	448,936	238,773	687,709	139,679	5/
Glassboro	NJ	182,013	312,480	None	None	182,013	312,480	494,493	181,759	6/
Hamilton	NJ	422,477	291,555	None	None	422,477	291,555	714,032	170,556	5/
Square										
Pleasantville	NJ	77,105	144,693	None	None	77,105	144,693	221,798	53,777	9/
Randolph	NJ	452,629	390,163	None	None	452,629	390,163	842,792	228,243	5/
Trenton	NJ	265,238	298,167	None	None	265,238	298,167	563,405	174,424	5/
West Deptford	NJ	212,788	320,283	None	None	212,788	320,283	533,071	187,362	5/

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SCHEDULE III REAL ESTATE AND ACCUMULATED DEPRECIATION

AS OF DECEMBER 31, 2016

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		Land	Buildings, Improvements and Acquisition Fees	Improvements	Costs	Land	Buildings, Improvements and Acquisition Fees	Total		
Westfield	NJ	705,337	288,720	None	None	705,337	288,720	994,057	168,897	5/1/97
Albuquerque	NM	231,553	430,026	None	None	231,553	430,026	661,579	116,824	3/1/97
Las Vegas	NV	326,879	359,101	None	None	326,879	359,101	685,980	210,072	5/1/97
Las Vegas	NV	316,441	369,768	None	None	316,441	369,768	686,209	216,313	5/1/97
Las Vegas	NV	252,169	562,715	None	None	252,169	562,715	814,884	329,186	5/1/97
Las Vegas	NV	1,940,015	3,624,877	None	None	1,940,015	3,624,877	5,564,892	573,939	1/1/97
Sparks	NV	326,813	306,311	None	None	326,813	306,311	633,124	179,190	5/1/97
Bethpage	NY	334,120	621,391	None	None	334,120	621,391	955,511	230,950	9/1/97
Commack	NY	400,427	744,533	None	316	400,427	744,849	1,145,276	276,723	9/1/97
East Amherst	NY	260,708	484,788	None	None	260,708	484,788	745,496	344,999	3/1/97
East Syracuse	NY	250,609	466,264	None	None	250,609	466,264	716,873	331,813	3/1/97
Freeport	NY	134,828	251,894	None	None	134,828	251,894	386,722	93,620	9/1/97
Johnson City	NY	242,863	451,877	None	None	242,863	451,877	694,740	321,575	3/1/97
Queens Village	NY	242,775	451,749	None	None	242,775	451,749	694,524	167,900	9/1/97
Riverhead	NY	143,929	268,795	None	None	143,929	268,795	412,724	99,902	9/1/97
West Amherst	NY	268,692	499,619	None	None	268,692	499,619	768,311	355,554	3/1/97
Beavercreek Canal	OH	205,000	492,538	None	None	205,000	492,538	697,538	389,925	2/13/1997
Winchester	OH	443,751	825,491	None	None	443,751	825,491	1,269,242	461,945	12/19/2002
Centerville	OH	305,000	420,448	None	None	305,000	420,448	725,448	344,067	7/24/1996
Cincinnati	OH	211,185	392,210	None	None	211,185	392,210	603,395	205,910	1/1/97
Cincinnati	OH	305,556	244,662	None	None	305,556	244,662	550,218	120,292	9/1/97
Cincinnati	OH	589,286	160,932	None	None	589,286	160,932	750,218	79,124	9/1/97
Cincinnati	OH	159,375	265,842	None	None	159,375	265,842	425,217	130,705	9/1/97
Cincinnati	OH	350,000	300,217	None	None	350,000	300,217	650,217	144,605	12/1/97
Cleveland	OH	337,593	451,944	None	None	337,593	451,944	789,537	246,309	5/1/97
Cleveland	OH	317,308	307,842	None	None	317,308	307,842	625,150	151,355	9/1/97
Columbus	OH	71,098	329,627	None	None	71,098	329,627	400,725	329,627	10/1/97
Columbus	OH	75,761	351,247	None	None	75,761	351,247	427,008	351,247	10/1/97
Columbus	OH	432,110	386,553	None	None	432,110	386,553	818,663	210,670	5/1/97
Columbus	OH	466,696	548,133	None	None	466,696	548,133	1,014,829	298,731	5/1/97
Columbus	OH	337,679	272,484	None	None	337,679	272,484	610,163	133,971	9/1/97
Columbus	OH	190,000	260,162	None	None	190,000	260,162	450,162	127,913	9/1/97
Columbus	OH	371,429	278,734	None	None	371,429	278,734	650,163	137,044	9/1/97
Cuyahoga Falls	OH	253,750	271,400	None	None	253,750	271,400	525,150	133,438	9/1/97
Dayton	OH	70,000	324,538	None	None	70,000	324,538	394,538	324,538	10/1/97
Dayton	OH	349,091	251,127	None	None	349,091	251,127	600,218	123,470	9/1/97
Dublin	OH	437,887	428,046	None	None	437,887	428,046	865,933	233,284	5/1/97
Fairfield	OH	323,408	235,024	44,232	3,330	323,408	282,586	605,994	206,062	9/1/97
Fairlawn	OH	280,000	270,150	None	None	280,000	270,150	550,150	132,823	9/1/97

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Findlay	OH	283,515	397,004	None	16,801	283,515	413,805	697,320	303,490		12
Hamilton	OH	252,608	413,279	None	None	252,608	413,279	665,887	323,043	3/31/1997	10
Huber Heights	OH	282,000	449,381	None	None	282,000	449,381	731,381	358,755	12/3/1996	7
Lima	OH	241,132	114,085	None	None	241,132	114,085	355,217	56,092		9
Marion	OH	100,000	275,162	None	None	100,000	275,162	375,162	132,536		12
Mason	OH	310,990	405,373	None	None	310,990	405,373	716,363	220,928		5
Mount Vernon	OH	216,115	375,357	None	114	216,115	375,471	591,586	286,011		12
Norwalk	OH	200,205	366,000	None	114	200,205	366,114	566,319	278,882		12
Parma	OH	268,966	381,184	None	None	268,966	381,184	650,150	187,415		9
Reynoldsburg	OH	267,750	497,371	None	None	267,750	497,371	765,121	244,541		9
Reynoldsburg	OH	374,000	176,162	None	None	374,000	176,162	550,162	86,613		9
Sandusky	OH	264,708	404,011	None	114	264,708	404,125	668,833	307,839		12
Solon	OH	794,305	222,797	None	None	794,305	222,797	1,017,102	121,425		5
Springboro	OH	191,911	522,902	None	None	191,911	522,902	714,813	413,805		3
Springfield	OH	320,000	280,217	None	None	320,000	280,217	600,217	137,773		9
Springfield	OH	189,091	136,127	None	None	189,091	136,127	325,218	66,928		9
Stow	OH	310,000	415,150	None	None	310,000	415,150	725,150	204,115		9
Toledo	OH	120,000	230,217	None	None	120,000	230,217	350,217	113,190		9
Toledo	OH	250,000	175,217	None	None	250,000	175,217	425,217	86,148		9
Toledo	OH	320,000	280,217	None	None	320,000	280,217	600,217	137,773		9
Toledo	OH	250,000	530,217	None	None	250,000	530,217	780,217	260,690		9
West Chester	OH	446,449	768,644	None	None	446,449	768,644	1,215,093	412,891	6/27/2003	3
Willowick	OH	321,347	459,774	None	None	321,347	459,774	781,121	386,976		12
Zanesville	OH	125,000	300,162	None	None	125,000	300,162	425,162	147,579		9
Midwest City	OK	106,312	333,551	None	5	106,312	333,556	439,868	245,246	8/6/1998	8
Tulsa	OK	133,648	249,702	None	None	133,648	249,702	383,350	92,806		9
Portland	OR	251,499	345,952	None	58	251,499	346,010	597,509	197,232		9
Salem	OR	337,711	253,855	None	58	337,711	253,913	591,624	148,543		5
Bethel Park	PA	299,595	331,264	None	114	299,595	331,378	630,973	252,434		12
Bethlehem	PA	275,328	389,067	None	172	275,328	389,239	664,567	296,517		12
Bethlehem	PA	229,162	310,526	None	172	229,162	310,698	539,860	236,685		12
Bridgeville	PA	275,000	375,150	None	None	275,000	375,150	650,150	184,448		9
Coraopolis	PA	225,000	375,150	None	None	225,000	375,150	600,150	184,448		9
Harrisburg	PA	131,529	220,317	(2,515)	None	129,014	220,317	349,331	128,882		5
Monroeville	PA	275,000	250,150	None	None	275,000	250,150	525,150	122,990		9
North Wales	PA	2,813,873	4,379,809	None	None	2,813,873	4,379,809	7,193,682	693,470		1
Pittsburgh	PA	378,715	685,374	None	None	378,715	685,374	1,064,089	388,732	8/22/2002	1
Pittsburgh	PA	219,938	408,466	None	None	219,938	408,466	628,404	214,445		1
Pittsburgh	PA	175,000	300,150	None	None	175,000	300,150	475,150	147,573		9
Pittsburgh	PA	243,750	406,400	None	None	243,750	406,400	650,150	199,813		9
Pittsburgh	PA	208,333	416,817	None	None	208,333	416,817	625,150	204,934		9
Pittsburgh	PA	121,429	303,721	None	None	121,429	303,721	425,150	149,329		9
Warminster	PA	323,847	216,999	(3,929)	None	319,918	216,999	536,917	126,941		5
Wexford	PA	284,375	240,775	None	None	284,375	240,775	525,150	118,381		9
York	PA	249,436	347,424	None	172	249,436	347,596	597,032	264,794		12
Charleston	SC	217,250	294,079	6,700	159	217,250	300,938	518,188	231,231	7/14/1997	3
Columbia	SC	267,622	298,594	4,116	None	267,622	302,710	570,332	224,576	3/31/1998	1
Greenville	SC	221,946	315,163	None	None	221,946	315,163	537,109	242,122	9/5/1997	3
Lexington	SC	241,534	342,182	None	None	241,534	342,182	583,716	242,523		9
North	SC	174,980	341,466	14,074	153	174,980	355,693	530,673	256,427	8/6/1998	3
Charleston											
Sioux Falls	SD	48,833	91,572	None	None	48,833	91,572	140,405	34,034		9
Antioch	TN	400,000	781,228	None	None	400,000	781,228	1,181,228	55,988		3
Brentwood	TN	305,546	505,728	None	None	305,546	505,728	811,274	383,503	3/13/1998	5
Columbia	TN	540,000	749,813	None	None	540,000	749,813	1,289,813	53,737		3
Gallatin	TN	720,000	862,737	None	None	720,000	862,737	1,582,737	61,829		3
Hendersonville	TN	175,764	327,096	None	None	175,764	327,096	502,860	182,629		1
Hendersonville	TN	680,000	972,437	None	None	680,000	972,437	1,652,437	69,691		3
Hermitage	TN	204,296	172,695	None	None	204,296	172,695	376,991	101,025		5
Hermitage	TN	480,000	789,017	None	None	480,000	789,017	1,269,017	56,546		3
Madison	TN	175,769	327,068	None	None	175,769	327,068	502,837	182,613		1
Memphis	TN	108,094	217,079	None	None	108,094	217,079	325,173	126,989		5
Memphis	TN	214,110	193,591	None	None	214,110	193,591	407,701	113,248		5
Memphis	TN	215,017	216,794	None	None	215,017	216,794	431,811	126,102		6
Mount Juliet	TN	540,000	929,909	None	None	540,000	929,909	1,469,909	66,643		3
Murfreesboro	TN	150,411	215,528	None	None	150,411	215,528	365,939	126,082		5
Murfreesboro	TN	563,164	814,275	None	None	563,164	814,275	1,377,439	58,356		3
Murfreesboro	TN	550,000	851,709	None	None	550,000	851,709	1,401,709	61,039		3
Nashville	TN	342,960	227,440	None	None	342,960	227,440	570,400	175,458		9
Nashville	TN	600,000	752,612	None	None	600,000	752,612	1,352,612	53,937		3

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Nashville	TN	510,210	792,902	None	None	510,210	792,902	1,303,112	56,825	3/
Nashville	TN	568,793	822,413	None	None	568,793	822,413	1,391,206	58,940	3/
Smyrna	TN	560,000	874,142	None	None	560,000	874,142	1,434,142	62,647	3/
Carrollton	TX	174,284	98,623	None	None	174,284	98,623	272,907	57,692	5/
Carrollton	TX	177,041	199,088	None	None	177,041	199,088	376,129	116,465	5/
Copperas Cove	TX	820,000	1,069,475	None	None	820,000	1,069,475	1,889,475	16,042	8

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		Land	Buildings, Improvements and Acquisition Fees	Improvements	Carrying Costs	Land	Buildings, Improvements and Acquisition Fees	Total			
Dallas TX		234,604	325,951	12,719	15,373	234,604	354,043	588,647	278,429	8/9/1996	2/1
Fort Worth TX		83,530	111,960	None	None	83,530	111,960	195,490	65,495		5/1
Houston TX		285,000	369,697	None	234	285,000	369,931	654,931	284,228	8/8/1997	8/8
Houston TX		2,350,000	1,115,798	None	None	2,350,000	1,115,798	3,465,798	31,614		4/5
Humble TX		257,169	325,652	None	None	257,169	325,652	582,821	190,504		5/1
Killeen TX		710,000	991,863	None	None	710,000	991,863	1,701,863	14,878		8/9
Killeen TX		210,000	1,596,000	None	None	210,000	1,596,000	1,806,000	23,940		8/9
Lake Jackson TX		197,170	256,376	None	None	197,170	256,376	453,546	149,978		5/1
Lewisville TX		199,942	324,736	None	None	199,942	324,736	524,678	264,659	8/2/1996	2/1
Lewisville TX		130,238	207,683	None	None	130,238	207,683	337,921	120,803		6/2
Pflugerville TX		410,000	1,356,656	None	None	410,000	1,356,656	1,766,656	20,350		8/9
Temple TX		530,000	1,453,900	None	None	530,000	1,453,900	1,983,900	21,809		8/9
Waco TX		232,105	431,053	None	None	232,105	431,053	663,158	117,103		3/2
American Fork UT		849,848	2,561,827	None	None	849,848	2,561,827	3,411,675	337,307		9/2
Cottonwood Hghts UT		720,000	1,734,194	None	None	720,000	1,734,194	2,454,194	31,794		7/2
Draper UT		1,220,000	1,574,521	None	None	1,220,000	1,574,521	2,794,521	28,866		7/2
Layton UT		390,000	1,575,711	None	None	390,000	1,575,711	1,965,711	128,683		12/
Park City UT		780,000	1,082,808	None	None	780,000	1,082,808	1,862,808	88,429		12/
South Jordan UT		1,620,150	1,879,850	None	None	1,620,150	1,879,850	3,500,000	241,247		10/
Richmond VA		403,549	876,981	None	None	403,549	876,981	1,280,530	453,508	7/8/2004	10/
Roanoke VA		349,628	322,545	None	153	349,628	322,698	672,326	245,830		12/
Warrenton VA		186,723	241,173	None	None	186,723	241,173	427,896	141,083		5/1
Bremerton WA		261,172	373,080	None	2,621	261,172	375,701	636,873	302,558	3/19/1997	7/2
Tacoma WA		109,127	202,691	None	None	109,127	202,691	311,818	75,333		9/4
Cudahy WI		470,000	1,208,890	None	None	470,000	1,208,890	1,678,890	22,163		7/1
Franklin WI		1,090,000	2,175,218	None	None	1,090,000	2,175,218	3,265,218	39,879		7/1
Menomonee Falls WI		1,280,000	1,892,112	None	None	1,280,000	1,892,112	3,172,112	34,689		7/1
Milwaukee WI		173,005	499,244	None	None	173,005	499,244	672,249	420,197		12/
Milwaukee WI		152,509	475,480	None	None	152,509	475,480	627,989	385,931		9/2
Mount Pleasant WI		184,002	114,167	None	None	184,002	114,167	298,169	66,786		5/1
New Berlin WI		188,491	466,268	55,866	507	188,491	522,641	711,132	397,494		12/
Oshkosh WI		150,000	820,494	None	None	150,000	820,494	970,494	15,042		7/1
West Milwaukee WI		780,000	1,747,681	None	None	780,000	1,747,681	2,527,681	32,041		7/1
<u>Automotive tire services</u>											
Athens AL		760,031	1,413,494	None	None	760,031	1,413,494	2,173,525	572,461		11/

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Auburn	AL	660,210	1,228,112	None	None	660,210	1,228,112	1,888,322	497,381		11/2
Birmingham	AL	635,111	1,180,909	None	None	635,111	1,180,909	1,816,020	478,264		11/2
Birmingham	AL	620,270	1,153,493	None	None	620,270	1,153,493	1,773,763	467,161		11/2
Daphne	AL	876,139	1,629,123	None	None	876,139	1,629,123	2,505,262	659,791		11/2
Decatur	AL	635,111	1,181,499	None	None	635,111	1,181,499	1,816,610	478,503		11/2
Dothan	AL	455,651	565,343	None	None	455,651	565,343	1,020,994	184,296	10/17/2008	6/1
Foley	AL	870,031	1,617,357	None	None	870,031	1,617,357	2,487,388	655,025		11/2
Gardendale	AL	610,055	1,134,554	None	None	610,055	1,134,554	1,744,609	459,119		11/2
Hoover	AL	504,396	938,299	None	None	504,396	938,299	1,442,695	380,007		11/2
Huntsville	AL	499,843	929,863	None	None	499,843	929,863	1,429,706	376,591		11/2
Huntsville	AL	635,111	1,181,499	None	None	635,111	1,181,499	1,816,610	478,503		11/2
Madison	AL	635,111	1,181,532	None	None	635,111	1,181,532	1,816,643	478,516		11/2
Mobile	AL	635,111	1,181,499	None	None	635,111	1,181,499	1,816,610	478,503		11/2
Mobile	AL	525,750	977,810	None	None	525,750	977,810	1,503,560	396,009		11/2
Montgomery	AL	544,181	654,046	None	None	544,181	654,046	1,198,227	224,109		1/2
Orange Beach	AL	630,244	1,172,036	None	None	630,244	1,172,036	1,802,280	474,671		11/2
Pelham	AL	635,111	1,180,909	None	None	635,111	1,180,909	1,816,020	478,264		11/2
Phenix City	AL	630,244	1,172,024	None	None	630,244	1,172,024	1,802,268	474,666		11/2
Benton	AR	976,474	2,016,354	None	None	976,474	2,016,354	2,992,828	319,256		1/2
Tucson	AZ	178,297	396,004	None	None	178,297	396,004	574,301	396,004		1/1
Arvada	CO	301,489	931,092	None	None	301,489	931,092	1,232,581	600,592	9/22/2000	11/1
Aurora	CO	221,691	492,382	None	None	221,691	492,382	714,073	492,382		1/2
Aurora	CO	353,283	1,135,051	None	411	353,283	1,135,462	1,488,745	717,040	1/3/2001	3/1
Colorado Springs	CO	280,193	622,317	None	None	280,193	622,317	902,510	622,317		1/2
Colorado Springs	CO	192,988	433,542	None	None	192,988	433,542	626,530	414,118		5/2
Denver	CO	688,292	1,331,224	None	None	688,292	1,331,224	2,019,516	745,260	1/10/2003	5/3
Grand Junction	CO	1,121,415	2,315,649	None	None	1,121,415	2,315,649	3,437,064	366,645		1/2
Westminster	CO	526,620	1,099,523	None	None	526,620	1,099,523	1,626,143	694,567	1/12/2001	1/1
Destin	FL	1,034,411	1,922,591	None	None	1,034,411	1,922,591	2,957,002	778,645		11/2
Fort Walton Beach	FL	635,111	1,181,032	None	None	635,111	1,181,032	1,816,143	478,314		11/2
Fort Walton Beach	FL	635,111	1,181,032	None	None	635,111	1,181,032	1,816,143	478,314		11/2
Lakeland	FL	500,000	645,402	None	None	500,000	645,402	1,145,402	472,408	6/4/1998	12/3
Middleburg	FL	1,167,247	2,410,289	5,843	None	1,167,247	2,416,132	3,583,379	385,288		1/2
Milton	FL	635,111	1,181,145	None	None	635,111	1,181,145	1,816,256	478,360		11/2
Niceville	FL	920,803	1,711,621	None	None	920,803	1,711,621	2,632,424	693,203		11/2
Orlando	FL	635,111	1,181,076	None	None	635,111	1,181,076	1,816,187	478,332		11/2
Orlando	FL	630,244	1,172,023	None	None	630,244	1,172,023	1,802,267	474,666		11/2
Oviedo	FL	971,996	1,806,780	None	None	971,996	1,806,780	2,778,776	731,742		11/2
Pace	FL	630,244	1,171,993	None	None	630,244	1,171,993	1,802,237	474,653		11/2
Panama City	FL	635,111	1,181,076	None	None	635,111	1,181,076	1,816,187	478,332		11/2
Pensacola	FL	635,111	1,181,063	None	None	635,111	1,181,063	1,816,174	478,326		11/2
Pensacola	FL	588,305	1,094,130	None	None	588,305	1,094,130	1,682,435	443,119		11/2
Saint Cloud	FL	525,207	976,968	None	None	525,207	976,968	1,502,175	395,668		11/2
Sanford	FL	630,244	1,172,023	None	None	630,244	1,172,023	1,802,267	474,666		11/2
Tallahassee	FL	419,902	781,405	None	None	419,902	781,405	1,201,307	316,465		11/2
Tallahassee	FL	611,916	1,137,986	None	None	611,916	1,137,986	1,749,902	460,880		11/2
Tampa	FL	427,395	472,030	None	None	427,395	472,030	899,425	345,528	6/10/1998	12/2
Union Park	FL	1,004,103	1,866,287	None	None	1,004,103	1,866,287	2,870,390	755,842		11/2
Alpharetta	GA	630,244	1,171,870	None	None	630,244	1,171,870	1,802,114	474,603		11/2
Atlanta	GA	55,840	258,889	16,005	14,141	55,840	289,035	344,875	280,562		11/2
Canton	GA	1,010,000	1,352,903	None	None	1,010,000	1,352,903	2,362,903	137,545		6/3
Columbus	GA	630,244	1,171,988	None	None	630,244	1,171,988	1,802,232	474,651		11/2
Conyers	GA	531,935	1,180,296	None	None	531,935	1,180,296	1,712,231	694,093	3/28/2002	11/1
Conyers	GA	635,111	1,181,027	None	None	635,111	1,181,027	1,816,138	478,312		11/2
Douglasville	GA	795,842	1,643,361	None	None	795,842	1,643,361	2,439,203	260,199		1/2
Duluth	GA	638,509	1,186,594	None	None	638,509	1,186,594	1,825,103	622,958		11/2
Hiram	GA	635,111	1,181,017	None	None	635,111	1,181,017	1,816,128	478,308		11/2
Kennesaw	GA	519,903	967,180	None	None	519,903	967,180	1,487,083	391,704		11/2
Kennesaw	GA	659,964	1,827,997	None	None	659,964	1,827,997	2,487,961	289,433		1/2
Lawrenceville	GA	635,111	1,181,137	None	None	635,111	1,181,137	1,816,248	478,357		11/2
Lilburn	GA	994,894	1,807,565	None	None	994,894	1,807,565	2,802,459	286,198		1/2
Marietta	GA	500,293	930,657	None	None	500,293	930,657	1,430,950	376,912		11/2
McDonough	GA	635,111	1,181,032	None	None	635,111	1,181,032	1,816,143	478,314		11/2
McDonough	GA	910,000	1,400,696	None	None	910,000	1,400,696	2,310,696	142,404		6/3

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Peachtree City	GA	625,316	1,162,827	None	None	625,316	1,162,827	1,788,143	470,941	11/2
Roswell	GA	515,617	959,138	None	None	515,617	959,138	1,474,755	388,447	11/2
Sandy Springs	GA	586,211	1,090,241	None	None	586,211	1,090,241	1,676,452	441,543	11/2
Stockbridge	GA	632,128	1,175,478	None	None	632,128	1,175,478	1,807,606	476,064	11/2
Aurora	IL	513,204	953,885	None	None	513,204	953,885	1,467,089	500,786	11/2
Joliet	IL	452,267	840,716	None	None	452,267	840,716	1,292,983	441,372	11/2
Lombard	IL	428,170	795,965	None	2,000	428,170	797,965	1,226,135	419,165	11/2
Niles	IL	366,969	682,306	None	None	366,969	682,306	1,049,275	358,207	11/2
Orland Park	IL	663,087	1,232,240	None	None	663,087	1,232,240	1,895,327	646,922	11/2
Round Lake Beach	IL	472,132	236,585	None	None	472,132	236,585	708,717	138,400	5/1
Vernon Hills	IL	524,948	975,668	None	None	524,948	975,668	1,500,616	512,222	11/2
West Dundee	IL	530,835	986,628	None	None	530,835	986,628	1,517,463	517,976	11/2
Overland Park	KS	1,101,841	2,047,067	None	None	1,101,841	2,047,067	3,148,908	1,074,706	11/2
Wichita	KS	935,607	1,989,962	6,300	None	935,607	1,996,262	2,931,869	315,379	1/2

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REALTY INCOME CORPORATION AND SUBSIDIARIES

SCHEDULE III REAL ESTATE AND ACCUMULATED DEPRECIATION

AS OF DECEMBER 31, 2016

Description (Note 1)	Encumbrances (Note 2)	Initial Cost to Company Buildings, Improvements and Acquisition				Cost Capitalized Subsequent to Acquisition	Gross Amount at Which Carried at Close of Period (Notes 3, 4, 6 and 7)			Accumulated Depreciation (Note 5)	Date of Construction
		Land	Fees	Improvements	Costs	Carrying	Land	Fees	Total		
Winchester	KY	355,474	929,177	20,045	22,464	355,474	971,686	1,327,160	706,882		
Baton Rouge	LA	1,158,316	2,391,847	None	None	1,158,316	2,391,847	3,550,163	378,709		
Allston	MA	576,505	1,071,520	None	None	576,505	1,071,520	1,648,025	562,543		
Billerica	MA	399,043	462,240	None	172	399,043	462,412	861,455	364,473		
Shrewsbury	MA	721,065	1,339,913	None	None	721,065	1,339,913	2,060,978	703,450		
Waltham	MA	338,955	630,279	None	None	338,955	630,279	969,234	330,893		
Weymouth	MA	752,234	1,397,799	None	None	752,234	1,397,799	2,150,033	733,840		
Woburn	MA	676,968	1,258,018	None	None	676,968	1,258,018	1,934,986	660,455		
Annapolis	MD	780,806	1,450,860	None	None	780,806	1,450,860	2,231,666	761,697		
Bowie	MD	734,558	1,364,970	None	None	734,558	1,364,970	2,099,528	716,605		
Capitol Heights	MD	701,705	1,303,958	None	None	701,705	1,303,958	2,005,663	684,574		
Germantown	MD	808,296	1,501,913	None	None	808,296	1,501,913	2,310,209	788,500		
Waldorf	MD	427,033	793,854	None	None	427,033	793,854	1,220,887	416,769		
Eagan	MN	902,443	845,536	None	None	902,443	845,536	1,747,979	621,494	6/19/1998	
Grandview	MO	347,150	711,024	None	None	347,150	711,024	1,058,174	520,266	8/20/1998	
Independence	MO	721,020	1,339,829	None	None	721,020	1,339,829	2,060,849	703,406		
Lake Saint Louis	MO	1,222,303	2,019,908	57,356	None	1,222,303	2,077,264	3,299,567	320,416		
St. Louis	MO	386,112	717,856	None	None	386,112	717,856	1,103,968	376,870		
Charlotte	NC	508,100	457,295	None	None	508,100	457,295	965,395	249,226		
Charlotte	NC	181,662	338,164	None	None	181,662	338,164	519,826	177,532		
Clemmons	NC	630,000	1,100,160	None	None	630,000	1,100,160	1,730,160	401,558		
Jamestown	NC	650,000	857,823	None	None	650,000	857,823	1,507,823	313,105		
Matthews	NC	489,063	909,052	None	None	489,063	909,052	1,398,115	477,248		
Omaha	NE	253,128	810,922	None	32	253,128	810,954	1,064,082	560,965	7/22/1999	
Manchester	NH	722,532	1,342,636	None	None	722,532	1,342,636	2,065,168	704,880		
Newington	NH	690,753	1,283,624	None	None	690,753	1,283,624	1,974,377	673,899		
Salem	NH	597,833	1,111,059	None	None	597,833	1,111,059	1,708,892	583,302		
Deptford	NJ	619,376	1,151,062	None	None	619,376	1,151,062	1,770,438	604,303		
Maple Shade	NJ	508,285	944,750	None	None	508,285	944,750	1,453,035	495,990		
Northfield	NJ	1,364,997	2,361,337	None	None	1,364,997	2,361,337	3,726,334	373,878		
Albuquerque	NM	1,210,015	2,498,602	None	None	1,210,015	2,498,602	3,708,617	395,612		
Akron	OH	242,133	450,467	None	None	242,133	450,467	692,600	236,491		
Cambridge	OH	103,368	192,760	None	None	103,368	192,760	296,128	101,195		
Canton	OH	337,161	626,948	None	None	337,161	626,948	964,109	329,144		
Cleveland	OH	582,107	1,081,848	None	None	582,107	1,081,848	1,663,955	567,966		
Columbus	OH	385,878	717,422	None	None	385,878	717,422	1,103,300	376,643		
Edmond	OK	1,240,403	2,561,350	None	None	1,240,403	2,561,350	3,801,753	405,547		
Oklahoma City	OK	509,370	752,691	None	None	509,370	752,691	1,262,061	528,309	4/14/1999	
Oklahoma City	OK	1,127,056	2,327,297	14,950	None	1,127,056	2,342,247	3,469,303	368,644		
Owasso	OK	1,078,296	2,226,612	5,698	None	1,078,296	2,232,310	3,310,606	356,998		
Tulsa	OK	964,367	1,996,137	5,993	None	964,367	2,002,130	2,966,497	320,068		
Yukon	OK	1,173,070	2,422,313	10,243	None	1,173,070	2,432,556	3,605,626	389,244		

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Greensburg	PA	594,891	1,105,589	None	None	594,891	1,105,589	1,700,480	580,430	
Lancaster	PA	431,050	801,313	None	None	431,050	801,313	1,232,363	420,685	
Mechanicsburg	PA	455,854	847,377	None	None	455,854	847,377	1,303,231	444,869	
Monroeville	PA	723,660	1,344,733	None	None	723,660	1,344,733	2,068,393	705,981	
Philadelphia	PA	334,939	622,821	None	None	334,939	622,821	957,760	326,977	
Pittsburgh	PA	384,756	715,339	None	None	384,756	715,339	1,100,095	375,549	
York	PA	389,291	723,760	None	None	389,291	723,760	1,113,051	379,970	
Columbia	SC	343,785	295,001	183,130	None	343,785	478,131	821,916	405,919	5/27/1997
Sioux Falls	SD	332,979	498,108	None	None	332,979	498,108	831,087	366,124	6/1/1999
Goodlettsville	TN	601,306	1,117,504	None	None	601,306	1,117,504	1,718,810	586,685	
Hermitage	TN	560,443	1,011,799	None	None	560,443	1,011,799	1,572,242	583,267	10/15/2001
Allen	TX	1,162,614	2,400,722	46,748	None	1,162,614	2,447,470	3,610,084	392,386	
Arlington	TX	599,558	1,114,256	None	None	599,558	1,114,256	1,713,814	584,980	
Austin	TX	185,454	411,899	None	None	185,454	411,899	597,353	411,899	
Austin	TX	710,485	1,320,293	None	None	710,485	1,320,293	2,030,778	693,149	
Austin	TX	590,828	1,098,073	None	None	590,828	1,098,073	1,688,901	576,483	
Austin	TX	569,909	1,059,195	None	None	569,909	1,059,195	1,629,104	556,073	
Austin	TX	532,497	989,715	None	None	532,497	989,715	1,522,212	519,596	
Austin	TX	1,066,021	2,201,264	None	None	1,066,021	2,201,264	3,267,285	348,534	
Carrollton	TX	568,401	1,056,394	None	None	568,401	1,056,394	1,624,795	554,603	
Conroe	TX	396,068	736,346	None	None	396,068	736,346	1,132,414	386,577	
Crowley	TX	1,103,218	2,278,074	None	None	1,103,218	2,278,074	3,381,292	360,695	
Dallas	TX	191,267	424,811	None	None	191,267	424,811	616,078	424,811	
Fort Worth	TX	543,950	1,010,984	None	None	543,950	1,010,984	1,554,934	530,763	
Garland	TX	242,887	539,461	33,982	26,371	242,887	599,814	842,701	550,791	
Houston	TX	151,018	335,417	None	58	151,018	335,475	486,493	335,444	
Houston	TX	392,113	729,002	None	None	392,113	729,002	1,121,115	382,722	
Houston	TX	1,030,379	1,914,353	None	None	1,030,379	1,914,353	2,944,732	1,005,031	
Houston	TX	619,101	1,150,551	None	None	619,101	1,150,551	1,769,652	604,035	
Houston	TX	642,495	1,193,997	None	None	642,495	1,193,997	1,836,492	626,844	
Houston	TX	872,866	1,621,829	None	None	872,866	1,621,829	2,494,695	851,456	
Humble	TX	612,414	1,138,132	None	None	612,414	1,138,132	1,750,546	597,515	
League City	TX	1,032,003	2,131,018	None	None	1,032,003	2,131,018	3,163,021	337,411	
Leon Valley	TX	178,221	395,834	None	None	178,221	395,834	574,055	395,834	
Leon Valley	TX	529,967	985,046	None	None	529,967	985,046	1,515,013	517,144	
Mesquite	TX	591,538	1,099,363	None	None	591,538	1,099,363	1,690,901	577,162	
Pasadena	TX	107,391	238,519	None	58	107,391	238,577	345,968	238,546	
Pasadena	TX	147,535	274,521	10,646	11,252	147,535	296,419	443,954	205,160	
Pearland	TX	935,739	1,932,240	None	None	935,739	1,932,240	2,867,979	305,938	
Plano	TX	187,564	417,157	700	91	187,564	417,948	605,512	417,078	
Plano	TX	494,407	918,976	None	None	494,407	918,976	1,413,383	482,458	
Richardson	TX	555,188	1,031,855	None	None	555,188	1,031,855	1,587,043	541,720	
Rockwall	TX	1,178,158	2,432,819	None	None	1,178,158	2,432,819	3,610,977	385,196	
San Antonio	TX	245,164	544,518	None	None	245,164	544,518	789,682	544,518	
San Antonio	TX	688,249	1,278,967	None	None	688,249	1,278,967	1,967,216	671,454	
Stafford	TX	706,786	1,313,395	None	None	706,786	1,313,395	2,020,181	689,528	
Waco	TX	401,999	747,362	None	None	401,999	747,362	1,149,361	392,361	
Weatherford	TX	971,317	2,005,706	None	None	971,317	2,005,706	2,977,023	317,570	
Webster	TX	600,261	1,115,563	None	None	600,261	1,115,563	1,715,824	585,666	
Bountiful	UT	183,750	408,115	None	None	183,750	408,115	591,865	408,115	
Alexandria	VA	542,791	1,008,832	None	None	542,791	1,008,832	1,551,623	529,633	
Alexandria	VA	592,698	1,101,517	None	None	592,698	1,101,517	1,694,215	578,292	
Chesapeake	VA	770,000	1,112,334	None	None	770,000	1,112,334	1,882,334	406,002	
Chester	VA	1,204,525	2,487,265	None	None	1,204,525	2,487,265	3,691,790	393,817	
Lynchburg	VA	342,751	637,329	None	None	342,751	637,329	980,080	334,594	
Virginia Beach	VA	780,000	1,026,384	None	None	780,000	1,026,384	1,806,384	374,630	
Woodbridge	VA	774,854	1,439,806	None	None	774,854	1,439,806	2,214,660	755,894	
Lakewood	WA	187,111	415,579	None	None	187,111	415,579	602,690	415,579	
Brown Deer	WI	257,408	802,141	None	None	257,408	802,141	1,059,549	578,941	12/15/1998
Delafield	WI	324,574	772,702	None	None	324,574	772,702	1,097,276	533,797	7/29/1999
Madison	WI	452,630	811,977	None	None	452,630	811,977	1,264,607	591,446	10/20/1998
Milwaukee	WI	1,304,098	2,692,877	None	None	1,304,098	2,692,877	3,996,975	426,372	
Oak Creek	WI	420,465	852,408	None	None	420,465	852,408	1,272,873	620,897	8/7/1998
<u>Beverages</u>										
Calistoga	CA	12,677,285	2,750,715	None	None	12,677,285	2,750,715	15,428,000	735,409	
Calistoga	CA	5,445,030	21,154,970	None	None	5,445,030	21,154,970	26,600,000	5,535,550	
Calistoga	CA	6,039,131	1,576,869	None	None	6,039,131	1,576,869	7,616,000	412,614	
Calistoga	CA	4,988,527	1,999,473	None	None	4,988,527	1,999,473	6,988,000	526,115	
Calistoga	CA	8,146,907	2,067,093	None	None	8,146,907	2,067,093	10,214,000	540,889	

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Calistoga	CA	12,675,172	4,907,828	None	None	12,675,172	4,907,828	17,583,000	1,286,995
Calistoga	CA	45,184,528	10,437,472	None	None	45,184,528	10,437,472	55,622,000	2,738,437

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REALTY INCOME CORPORATION AND SUBSIDIARIES

SCHEDULE III REAL ESTATE AND ACCUMULATED DEPRECIATION

AS OF DECEMBER 31, 2016

Description	Encumbrances	Initial Cost to Company Buildings, Improvements and Acquisition		Cost Capitalized Subsequent to Acquisition		Gross Amount at Which Carried at Close of Period (Notes 3, 4, 6 and 7)			Accumulated Depreciation	Date of Construction
		Land	Fees	Improvements	Costs	Land	Fees	Total		
Calistoga	CA	10,630,191	5,580,929	None	None	10,630,191	5,580,929	16,211,120	1,350,265	
Calistoga	CA	6,860,862	524,117	None	None	6,860,862	524,117	7,384,979	105,697	
Napa	CA	6,000,000	25,000,000	None	None	6,000,000	25,000,000	31,000,000	6,541,667	
Napa	CA	11,253,989	2,846,011	None	None	11,253,989	2,846,011	14,100,000	750,545	
Napa	CA	17,590,091	5,898,149	None	None	17,590,091	5,898,149	23,488,240	1,609,240	
Napa	CA	23,471,336	6,589,664	None	None	23,471,336	6,589,664	30,061,000	1,734,721	
Napa	CA	10,777,485	390,515	None	None	10,777,485	390,515	11,168,000	105,125	
Napa	CA	4,675,262	298,928	None	None	4,675,262	298,928	4,974,190	72,241	
Paicines	CA	12,058,127	1,607,783	None	None	12,058,127	1,607,783	13,665,910	505,430	
Saint Helena	CA	15,254,700	4,150,300	None	None	15,254,700	4,150,300	19,405,000	1,105,846	
Shreveport	LA	1,320,003	8,130,438	None	147	1,320,003	8,130,585	9,450,588	1,856,597	
Book stores										
Tampa	FL	998,250	3,696,707	129,751	79	998,250	3,826,537	4,824,787	2,963,972	
Child care										
Hoover	AL	63,800	295,791	58,263	16,414	63,800	370,468	434,268	319,121	
Avondale	AZ	242,723	1,129,139	None	None	242,723	1,129,139	1,371,862	792,366	4/20/1999
Chandler	AZ	291,720	647,923	None	None	291,720	647,923	939,643	647,923	
Chandler	AZ	271,695	603,446	9,758	19,469	271,695	632,673	904,368	626,919	
Mesa	AZ	308,951	1,025,612	None	None	308,951	1,025,612	1,334,563	709,419	7/26/1999
Phoenix	AZ	260,719	516,181	52,737	32,125	260,719	601,043	861,762	541,817	
Scottsdale	AZ	291,993	648,529	None	None	291,993	648,529	940,522	648,529	
Scottsdale	AZ	264,504	587,471	None	27,467	264,504	614,938	879,442	614,928	
Tempe	AZ	292,200	648,989	None	164	292,200	649,153	941,353	649,143	
Tucson	AZ	283,500	546,878	7,228	299	283,500	554,405	837,905	547,466	
Calabasas	CA	156,430	725,248	100,838	58,367	156,430	884,453	1,040,883	849,808	
Carmichael	CA	131,035	607,507	80,368	21,673	131,035	709,548	840,583	661,232	
Chino	CA	155,000	634,071	None	32,148	155,000	666,219	821,219	647,032	
Chula Vista	CA	350,563	778,614	None	43,353	350,563	821,967	1,172,530	821,967	
El Cajon	CA	157,804	731,621	2,540	44,802	157,804	778,963	936,767	777,746	
Escondido	CA	276,286	613,638	5,000	44,375	276,286	663,013	939,299	657,183	
Folsom	CA	281,563	625,363	None	None	281,563	625,363	906,926	625,363	
Gold River	CA	276,328	613,733	24,967	None	276,328	638,700	915,028	636,238	
Mission Viejo	CA	353,891	744,367	12,500	None	353,891	756,867	1,110,758	718,678	
Oceanside	CA	145,568	674,889	52,954	None	145,568	727,843	873,411	689,693	
Palmdale	CA	249,490	554,125	9,864	None	249,490	563,989	813,479	563,989	
Rancho Cucamonga	CA	471,733	1,047,739	273,383	170	471,733	1,321,292	1,793,025	1,119,649	
Simi Valley	CA	208,585	967,055	79,082	108	208,585	1,046,245	1,254,830	1,023,329	
Valencia	CA	301,295	669,185	70,470	46	301,295	739,701	1,040,996	718,924	
Walnut	CA	217,365	1,007,753	57,287	51,049	217,365	1,116,089	1,333,454	1,054,813	

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Aurora	CO	287,000	637,440	20,313	18,188	287,000	675,941	962,941	657,629	
Broomfield	CO	155,306	344,941	25,000	82	155,306	370,023	525,329	367,707	
Colorado Springs	CO	58,400	271,217	25,000	82	58,400	296,299	354,699	292,311	
Fort Collins	CO	55,200	256,356	15,030	79	55,200	271,465	326,665	261,129	
Greenwood Village	CO	131,216	608,372	52,959	719	131,216	662,050	793,266	618,154	
Littleton	CO	161,617	358,956	None	82	161,617	359,038	520,655	359,038	
Longmont	CO	115,592	535,931	None	71	115,592	536,002	651,594	536,002	
Parker	CO	153,551	341,042	None	82	153,551	341,124	494,675	341,124	
Westminster	CO	306,387	695,737	170,091	11,233	306,387	877,061	1,183,448	722,546	
Bradenton	FL	160,060	355,501	25,000	79	160,060	380,580	540,640	377,640	
Clearwater	FL	42,223	269,380	None	79	42,223	269,459	311,682	269,459	
Jacksonville	FL	48,000	243,060	None	None	48,000	243,060	291,060	243,060	
Jacksonville	FL	184,800	410,447	22,872	None	184,800	433,319	618,119	429,319	
Margate	FL	66,686	309,183	None	None	66,686	309,183	375,869	309,183	
Melbourne	FL	256,439	549,345	None	79	256,439	549,424	805,863	525,208	
Niceville	FL	73,696	341,688	None	None	73,696	341,688	415,384	341,688	
Orlando	FL	68,001	313,922	None	140	68,001	314,062	382,063	313,966	
Orlando	FL	159,177	353,538	None	154	159,177	353,692	512,869	353,691	
Oviedo	FL	166,409	369,598	38,918	19,157	166,409	427,673	594,082	376,609	
Panama City	FL	69,500	244,314	82,701	None	69,500	327,015	396,515	291,296	
Pensacola	FL	147,000	326,492	20,000	None	147,000	346,492	493,492	338,804	
Royal Palm Beach	FL	194,193	431,309	25,000	None	194,193	456,309	650,502	450,337	
Saint Augustine	FL	44,800	213,040	23,090	None	44,800	236,130	280,930	228,443	
Sunrise	FL	245,000	533,280	92,266	153	245,000	625,699	870,699	595,450	
Tampa	FL	53,385	199,846	None	154	53,385	200,000	253,385	200,000	
Duluth	GA	310,000	1,040,008	None	None	310,000	1,040,008	1,350,008	715,922	8/25/1999
Ellenwood	GA	119,678	275,414	58,545	272	119,678	334,231	453,909	305,001	
Lawrenceville	GA	141,449	314,161	156,426	14,612	141,449	485,199	626,648	420,391	
Lithia Springs	GA	187,444	363,358	None	84	187,444	363,442	550,886	363,442	
Lithonia	GA	239,715	524,459	24,410	380	239,715	549,249	788,964	539,267	
Marietta	GA	148,620	330,090	25,000	None	148,620	355,090	503,710	352,654	
Marietta	GA	295,750	596,299	76,426	None	295,750	672,725	968,475	602,387	
Marietta	GA	301,000	668,529	71,474	19,961	301,000	759,964	1,060,964	720,426	
Smyrna	GA	274,750	610,229	None	None	274,750	610,229	884,979	610,229	
Stockbridge	GA	168,700	374,688	85,264	5,382	168,700	465,334	634,034	414,601	
Cedar Rapids	IA	194,950	427,085	None	None	194,950	427,085	622,035	417,211	
Iowa City	IA	186,900	408,910	None	None	186,900	408,910	595,810	399,444	
Addison	IL	125,780	583,146	None	132	125,780	583,278	709,058	583,278	
Algonquin	IL	241,500	509,629	28,260	583	241,500	538,472	779,972	519,829	
Aurora	IL	165,679	398,738	105,300	21,963	165,679	526,001	691,680	438,312	
Aurora	IL	468,000	1,259,926	None	None	468,000	1,259,926	1,727,926	858,940	10/26/1999
Bartlett	IL	120,824	560,166	74,917	12,101	120,824	647,184	768,008	592,390	
Carol Stream	IL	122,831	586,416	None	132	122,831	586,548	709,379	586,548	
Crystal Lake	IL	400,000	1,259,424	None	None	400,000	1,259,424	1,659,424	862,786	9/28/1999
Glendale Heights	IL	318,500	707,399	None	None	318,500	707,399	1,025,899	707,399	
Hoffman Estates	IL	318,500	707,399	None	85	318,500	707,484	1,025,984	707,484	
Homer Glen	IL	189,477	442,018	None	655	189,477	442,673	632,150	442,127	
Lake In The Hills	IL	375,000	1,127,678	None	None	375,000	1,127,678	1,502,678	772,537	9/3/1999
Naperville	IL	425,000	1,230,654	None	None	425,000	1,230,654	1,655,654	838,979	10/6/1999
O Fallon	IL	141,250	313,722	None	232	141,250	313,954	455,204	313,953	
Oswego	IL	380,000	1,165,818	None	None	380,000	1,165,818	1,545,818	802,525	8/18/1999
Palatine	IL	121,911	565,232	None	132	121,911	565,364	687,275	565,365	
Roselle	IL	297,541	561,037	None	None	297,541	561,037	858,578	561,037	
Schaumburg	IL	218,798	485,955	20,461	None	218,798	506,416	725,214	498,569	
Vernon Hills	IL	132,523	614,430	None	583	132,523	615,013	747,536	614,661	
Westmont	IL	124,742	578,330	77,621	24,741	124,742	680,692	805,434	611,396	
Fishers	IN	212,118	419,958	26,509	11,338	212,118	457,805	669,923	435,381	
Highland	IN	220,460	436,476	None	None	220,460	436,476	656,936	436,476	
Indianapolis	IN	245,000	544,153	None	None	245,000	544,153	789,153	544,153	
Lenexa	KS	318,500	707,399	98,590	127	318,500	806,116	1,124,616	734,462	
Olathe	KS	304,500	676,308	87,242	44	304,500	763,594	1,068,094	717,576	
Overland Park	KS	357,500	1,115,171	None	None	357,500	1,115,171	1,472,671	771,364	7/23/1999

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Shawnee	KS	315,000	699,629	None	251	315,000	699,880	1,014,880	699,838	
Shawnee	KS	288,246	935,875	None	127	288,246	936,002	1,224,248	669,277	12/29/1998
Wichita	KS	209,890	415,549	33,984	16,592	209,890	466,125	676,015	454,966	
Acton	MA	315,533	700,813	None	None	315,533	700,813	1,016,346	700,813	
Westborough	MA	359,412	773,877	63,037	22,260	359,412	859,174	1,218,586	818,593	
Ellicott City	MD	219,368	630,839	26,550	None	219,368	657,389	876,757	653,055	
Frederick	MD	203,352	1,017,109	None	2,874	203,352	1,019,983	1,223,335	753,041	
Olney	MD	342,500	760,701	4,400	41,272	342,500	806,373	1,148,873	797,101	
Waldorf	MD	130,430	604,702	None	385	130,430	605,087	735,517	604,998	
Waldorf	MD	237,207	526,844	None	172	237,207	527,016	764,223	527,015	
Canton	MI	55,000	378,848	2,913	304	55,000	382,065	437,065	381,071	

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REALTY INCOME CORPORATION AND SUBSIDIARIES

SCHEDULE III REAL ESTATE AND ACCUMULATED DEPRECIATION

AS OF DECEMBER 31, 2016

Description	Encumbrances	Initial Cost to Company		Cost Capitalized Subsequent to Acquisition		Gross Amount at Which Carried at Close of Period (Notes 3, 4, 6 and 7)			Accumulated Depreciation	Date of Construction	Acquisition
		Land	Buildings, Improvements and Acquisition Fees	Improvements	Carrying Costs	Land	Buildings, Improvements and Acquisition Fees	Total			
Apple Valley MN		113,523	526,319	87,374	13,814	113,523	627,507	741,030	547,722		3/2
Brooklyn Park MN		118,111	547,587	None	197	118,111	547,784	665,895	547,784		3/2
Eden Prairie MN		124,286	576,243	None	197	124,286	576,440	700,726	576,440		3/2
Maple Grove MN		313,250	660,149	None	288	313,250	660,437	973,687	660,268		7/1
Plymouth MN		134,221	622,350	None	197	134,221	622,547	756,768	622,547		12/
Saint Paul MN		242,165	537,856	None	288	242,165	538,144	780,309	537,974		8/3
Florissant MO		318,500	707,399	102,410	256	318,500	810,065	1,128,565	750,744		3/3
Gladstone MO		294,000	652,987	66,064	2,763	294,000	721,814	1,015,814	659,548		9/2
Kansas City MO		307,784	910,401	None	None	307,784	910,401	1,218,185	656,485	9/28/1999	8/2
Lee s Summit MO		239,627	532,220	97,856	15,958	239,627	646,034	885,661	538,763		9/2
Lee s Summit MO		330,000	993,787	40,769	160	330,000	1,034,716	1,364,716	690,317	7/26/1999	6/1
Lee s Summit MO		313,740	939,367	None	None	313,740	939,367	1,253,107	646,645	9/8/1999	6/3
Jackson MS		248,483	572,522	54,227	17,780	248,483	644,529	893,012	429,873		11/
Tupelo MS		121,697	637,691	87,858	56	121,697	725,605	847,302	538,013		11/
Cary NC		75,200	262,973	15,000	None	75,200	277,973	353,173	271,182		1/2
Charlotte NC		134,582	268,222	24,478	None	134,582	292,700	427,282	290,371		11/
Concord NC		32,441	190,859	None	None	32,441	190,859	223,300	190,859		12/
Durham NC		175,700	390,234	26,312	None	175,700	416,546	592,246	413,660		3/2
Durham NC		220,728	429,380	None	None	220,728	429,380	650,108	429,380		12/
Kernersville NC		162,216	316,300	28,800	None	162,216	345,100	507,316	317,320		12/
Bellevue NE		60,568	280,819	None	None	60,568	280,819	341,387	280,819		12/
Omaha NE		60,500	280,491	None	32	60,500	280,523	341,023	280,520		8/
Omaha NE		53,000	245,720	72,027	32	53,000	317,779	370,779	262,095		10/
Omaha NE		142,867	317,315	None	32	142,867	317,347	460,214	317,344		12/
Londonderry NH		335,467	745,082	86,581	11,802	335,467	843,465	1,178,932	786,086		8/1
Las Vegas NV		201,250	446,983	37,014	6,657	201,250	490,654	691,904	460,245		6/2
Beavercreek OH		179,552	398,786	None	None	179,552	398,786	578,338	398,786		6/3
Centerville OH		174,519	387,613	79,900	361	174,519	467,874	642,393	392,009		7/2
Cincinnati OH		170,778	379,305	None	85	170,778	379,390	550,168	379,389		9/2
Dublin OH		84,000	389,446	None	None	84,000	389,446	473,446	389,446		10/
Englewood OH		74,000	343,083	None	85	74,000	343,168	417,168	343,168		10/
Huber Heights OH		245,000	544,153	None	None	245,000	544,153	789,153	544,153		9/2
Pickerington OH		87,580	406,055	None	None	87,580	406,055	493,635	406,055		12/
Westerville OH		82,000	380,173	None	None	82,000	380,173	462,173	380,173		10/
Broken Arrow OK		78,705	220,434	None	None	78,705	220,434	299,139	220,434		1/2
Midwest City OK		67,800	314,338	None	None	67,800	314,338	382,138	314,338		8/1

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Oklahoma City	OK	50,800	214,474	None	None	50,800	214,474	265,274	214,474		6/1
Oklahoma City	OK	79,000	366,261	17,659	None	79,000	383,920	462,920	383,921		11/
Yukon	OK	61,000	282,812	27,000	None	61,000	309,812	370,812	307,097		5/
Charleston	SC	140,700	312,498	25,000	153	140,700	337,651	478,351	334,092		3/2
Columbia	SC	58,160	269,643	None	None	58,160	269,643	327,803	269,643		11/
Columbia	SC	160,831	313,600	None	None	160,831	313,600	474,431	313,600		12/
Goose Creek	SC	61,635	192,905	None	153	61,635	193,058	254,693	193,058		12/
North Charleston	SC	125,593	278,947	12,126	14,855	125,593	305,928	431,521	294,743		5/2
Summerville	SC	44,400	174,500	None	153	44,400	174,653	219,053	174,653		12/
Memphis	TN	238,000	528,608	157,924	9,063	238,000	695,595	933,595	548,212		9/3
Arlington	TX	241,500	550,559	45,046	242	241,500	595,847	837,347	587,031		9/2
Austin	TX	88,872	222,684	54,562	281	88,872	277,527	366,399	263,921		1/1
Austin	TX	134,383	623,103	2,379	21,981	134,383	647,463	781,846	635,059		12/
Austin	TX	191,636	425,629	15,530	None	191,636	441,159	632,795	441,159		12/
Austin	TX	217,878	483,913	148,301	9,167	217,878	641,381	859,259	543,194		6/2
Bedford	TX	241,500	550,559	34,949	None	241,500	585,508	827,008	585,507		9/2
Carrollton	TX	277,850	617,113	52,614	261	277,850	669,988	947,838	639,435		12/
Cedar Park	TX	168,857	375,036	5,200	139	168,857	380,375	549,232	380,375		11/
Colleyville	TX	250,000	1,070,360	None	102	250,000	1,070,462	1,320,462	736,894	8/17/1999	5/1
Corinth	TX	285,000	1,041,626	None	None	285,000	1,041,626	1,326,626	723,925	6/4/1999	5/1
Eules	TX	234,111	519,962	None	None	234,111	519,962	754,073	519,962		5/
Flower Mound	TX	202,773	442,845	32,069	16,315	202,773	491,229	694,002	478,430		4/2
Flower Mound	TX	281,735	1,099,726	46,581	31,678	281,735	1,177,985	1,459,720	803,296	4/23/1999	1/1
Fort Worth	TX	85,518	396,495	54,750	12,923	85,518	464,168	549,686	426,394		12/
Fort Worth	TX	238,000	528,608	73,662	91	238,000	602,361	840,361	556,856		9/2
Fort Worth	TX	216,160	427,962	None	54	216,160	428,016	644,176	428,015		2/
Grand Prairie	TX	167,164	371,276	58,206	16,456	167,164	445,938	613,102	432,931		12/
Houston	TX	139,125	308,997	19,128	286	139,125	328,411	467,536	327,793		5/2
Houston	TX	149,109	323,314	27,979	245	149,109	351,538	500,647	335,903		6/2
Houston	TX	294,582	919,276	None	None	294,582	919,276	1,213,858	654,267	1/11/1999	8/1
Humble	TX	278,915	1,034,868	None	None	278,915	1,034,868	1,313,783	715,814	7/19/1999	5/1
Katy	TX	309,898	983,041	None	None	309,898	983,041	1,292,939	706,177	11/30/1998	8/2
Lewisville	TX	192,777	428,121	47,371	95	192,777	475,587	668,364	449,005		1/
Mansfield	TX	181,375	402,839	46,878	83	181,375	449,800	631,175	436,602		12/
Mesquite	TX	85,000	394,079	16,984	91	85,000	411,154	496,154	404,118		10/
Mesquite	TX	139,466	326,525	60,455	680	139,466	387,660	527,126	353,833		10/
Plano	TX	261,912	581,658	52,751	159	261,912	634,568	896,480	609,402		1/
Plano	TX	250,514	556,399	33,978	425	250,514	590,802	841,316	572,666		12/
San Antonio	TX	130,833	606,596	43,050	22,373	130,833	672,019	802,852	634,945		3/2
San Antonio	TX	102,512	475,288	54,593	16,961	102,512	546,842	649,354	499,632		12/
San Antonio	TX	81,530	378,007	None	None	81,530	378,007	459,537	378,007		12/
San Antonio	TX	181,412	402,923	None	139	181,412	403,062	584,474	403,063		7/
San Antonio	TX	234,500	520,831	None	139	234,500	520,970	755,470	520,970		12/
San Antonio	TX	217,000	481,967	32,529	None	217,000	514,496	731,496	514,496		10/
San Antonio	TX	182,868	406,155	18,940	None	182,868	425,095	607,963	425,095		12/
San Antonio	TX	220,500	447,108	None	None	220,500	447,108	667,608	447,108		3/3
Sugar Land	TX	339,310	1,000,876	None	None	339,310	1,000,876	1,340,186	698,943	5/30/1999	1/1
Layton	UT	136,574	269,008	None	None	136,574	269,008	405,582	269,008		2/
Sandy	UT	168,089	373,330	None	None	168,089	373,330	541,419	373,330		2/
Centreville	VA	371,000	824,003	None	463	371,000	824,466	1,195,466	824,456		9/2
Chesapeake	VA	190,050	422,107	24,568	None	190,050	446,675	636,725	443,585		3/2
Glen Allen	VA	74,643	346,060	None	153	74,643	346,213	420,856	346,214		6/2
Portsmouth	VA	171,575	381,073	24,932	None	171,575	406,005	577,580	402,954		12/
Virginia Beach	VA	69,080	320,270	29,024	None	69,080	349,294	418,374	335,096		11/
Federal Way	WA	150,785	699,101	None	107	150,785	699,208	849,993	699,207		12/
Federal Way	WA	261,943	581,782	27,500	107	261,943	609,389	871,332	605,401		11/
Kent	WA	128,300	539,141	None	None	128,300	539,141	667,441	539,141		6/
Kent	WA	140,763	678,809	36,500	None	140,763	715,309	856,072	715,309		12/
Kirkland	WA	301,000	668,534	None	107	301,000	668,641	969,641	668,641		3/3
Puyallup	WA	195,552	434,327	27,000	107	195,552	461,434	656,986	457,860		12/
Redmond	WA	279,830	621,513	None	107	279,830	621,620	901,450	621,620		7/2
Renton	WA	111,183	515,490	None	None	111,183	515,490	626,673	515,490		3/2

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Appleton	WI	196,000	424,038	None	409	196,000	424,447	620,447	424,426	7/1
Waukesha	WI	233,100	461,500	None	211	233,100	461,711	694,811	461,690	12/
Waukesha	WI	215,950	427,546	None	409	215,950	427,955	643,905	427,933	12/

Consumer appliances

North Liberty	IA	6,395,970	19,385,806	None	None	6,395,970	19,385,806	25,781,776	2,192,442	1/2
Greenville	OH	1,704,130	21,387,076	None	55	1,704,130	21,387,131	23,091,261	2,317,033	7/3
Marion	OH	801,003	25,410,810	None	None	801,003	25,410,810	26,211,813	2,873,842	1/2

Consumer electronics

Tampa	FL	401,874	933,768	103,336	32,053	401,874	1,069,157	1,471,031	843,540	12/
Smyrna	GA	1,094,058	3,090,236	None	None	1,094,058	3,090,236	4,184,294	2,415,420	6/
Jackson	MI	550,162	571,590	None	210	550,162	571,800	1,121,962	408,895	1/15/1999
Pineville	NC	567,864	840,284	37,249	153	567,864	877,686	1,445,550	632,511	12/
Albion	NY	170,589	317,424	100,000	7,680	170,589	425,104	595,693	231,329	3/3
Wellsville	NY	161,331	300,231	75,000	5,760	161,331	380,991	542,322	214,364	3/3

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SCHEDULE III REAL ESTATE AND ACCUMULATED DEPRECIATION

AS OF DECEMBER 31, 2016

Description	Encumbrances	Initial Cost to Company		Cost Capitalized Subsequent to Acquisition		Gross Amount at Which Carried at Close of Period (Notes 3, 4, 6 and 7)			Accumulated Depreciation	Date of Construction
		Land	Buildings, Improvements and Acquisition Fees	Improvements	Carrying Costs	Land	Buildings, Improvements and Acquisition Fees	Total		
Westbury	NY	6,333,590	3,952,773	350,880	None	6,333,590	4,303,653	10,637,243	3,147,656	9
Austin	TX	3,630,000	5,083,734	None	None	3,630,000	5,083,734	8,713,734	482,955	8
Fredericksburg	VA	2,060,000	3,900,193	None	None	2,060,000	3,900,193	5,960,193	32,502	1
<u>Consumer goods</u>										
West Branch	IA	969,797	19,896,576	125,814	706	969,797	20,023,096	20,992,893	3,443,030	9
DeKalb	IL	3,507,503	50,808,610	None	None	3,507,503	50,808,610	54,316,113	5,746,212	1
Loves Park	IL	1,010,778	10,068,142	None	None	1,010,778	10,068,142	11,078,920	1,138,659	1
Rural Hall	NC	710,000	17,739,591	63,900	None	710,000	17,803,491	18,513,491	658,151	9
Grantsville	UT	1,719,381	40,160,295	None	None	1,719,381	40,160,295	41,879,676	4,541,938	1
<u>Convenience stores</u>										
Daphne	AL	140,000	391,637	None	None	140,000	391,637	531,637	200,385	3
Mobile	AL	190,000	301,637	None	None	190,000	301,637	491,637	154,335	3
Mobile	AL	180,000	421,637	None	None	180,000	421,637	601,637	215,735	3
North Little Rock	AR	1,138,381	2,112,637	1,500	None	1,138,381	2,114,137	3,252,518	320,979	3
Florence	AZ	150,000	371,637	None	None	150,000	371,637	521,637	190,152	3
Gilbert	AZ	680,000	1,111,637	None	None	680,000	1,111,637	1,791,637	568,785	3
Glendale	AZ	610,000	531,637	None	None	610,000	531,637	1,141,637	272,018	3
Glendale	AZ	400,000	931,637	None	None	400,000	931,637	1,331,637	476,685	3
Maricopa	AZ	170,000	361,637	None	None	170,000	361,637	531,637	185,035	3
Mesa	AZ	560,000	821,637	None	None	560,000	821,637	1,381,637	420,402	3
Mesa	AZ	750,000	1,071,637	None	None	750,000	1,071,637	1,821,637	548,318	3
Mesa	AZ	810,000	1,061,637	None	None	810,000	1,061,637	1,871,637	543,202	3
Mesa	AZ	890,000	1,081,637	None	None	890,000	1,081,637	1,971,637	553,435	3
Mesa	AZ	780,000	1,071,637	None	None	780,000	1,071,637	1,851,637	548,318	3
Mesa	AZ	900,000	1,191,637	None	None	900,000	1,191,637	2,091,637	609,718	3
Payson	AZ	210,000	351,637	None	None	210,000	351,637	561,637	179,918	3
Payson	AZ	260,000	311,637	None	None	260,000	311,637	571,637	159,452	3
Peoria	AZ	520,000	751,637	None	None	520,000	751,637	1,271,637	384,585	3
Phoenix	AZ	440,000	511,637	None	None	440,000	511,637	951,637	261,785	3
Phoenix	AZ	360,000	421,637	None	None	360,000	421,637	781,637	215,735	3
Phoenix	AZ	710,000	591,637	None	None	710,000	591,637	1,301,637	302,718	3
Phoenix	AZ	320,000	661,637	None	None	320,000	661,637	981,637	338,535	3
Phoenix	AZ	450,000	651,637	None	None	450,000	651,637	1,101,637	333,418	3
Phoenix	AZ	430,000	711,637	None	None	430,000	711,637	1,141,637	364,118	3
Phoenix	AZ	730,000	931,637	None	None	730,000	931,637	1,661,637	476,685	3
Phoenix	AZ	790,000	1,051,637	None	None	790,000	1,051,637	1,841,637	538,085	3
Pinetop	AZ	170,000	311,637	None	None	170,000	311,637	481,637	159,452	3

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Queen Creek	AZ	520,000	891,637	None	None	520,000	891,637	1,411,637	456,218
Scottsdale	AZ	210,000	201,637	None	None	210,000	201,637	411,637	103,168
Scottsdale	AZ	660,000	1,031,637	None	None	660,000	1,031,637	1,691,637	527,852
Sierra Vista	AZ	110,000	301,637	None	None	110,000	301,637	411,637	154,335
Tempe	AZ	620,000	1,071,637	None	None	620,000	1,071,637	1,691,637	548,318
Tempe	AZ	270,000	461,637	None	None	270,000	461,637	731,637	236,202
Tolleson	AZ	460,000	1,231,637	None	None	460,000	1,231,637	1,691,637	630,185
Tombstone	AZ	110,000	381,637	None	None	110,000	381,637	491,637	195,268
Tucson	AZ	180,000	331,637	None	None	180,000	331,637	511,637	169,685
Tucson	AZ	220,000	311,637	None	None	220,000	311,637	531,637	159,452
Tucson	AZ	240,000	341,637	None	None	240,000	341,637	581,637	174,802
Tucson	AZ	550,000	511,637	None	None	550,000	511,637	1,061,637	261,785
Tucson	AZ	126,000	234,565	None	None	126,000	234,565	360,565	119,237
Wellton	AZ	120,000	291,637	None	None	120,000	291,637	411,637	149,218
Wickenburg	AZ	150,000	291,637	None	None	150,000	291,637	441,637	149,218
Clovis	CA	775,775	1,564,225	None	None	775,775	1,564,225	2,340,000	2,107
King City	CA	2,323,521	4,086,479	None	None	2,323,521	4,086,479	6,410,000	6,311
Lake Elsinore	CA	962,113	1,867,887	None	None	962,113	1,867,887	2,830,000	2,613
Merced	CA	1,486,901	2,723,099	None	None	1,486,901	2,723,099	4,210,000	4,039
Oakhurst	CA	1,589,577	2,890,423	None	None	1,589,577	2,890,423	4,480,000	4,317
Richmond	CA	1,673,239	3,026,761	None	None	1,673,239	3,026,761	4,700,000	4,545
Sacramento	CA	1,372,572	2,536,784	None	None	1,372,572	2,536,784	3,909,356	3,728
San Jose	CA	2,034,507	3,615,493	None	None	2,034,507	3,615,493	5,650,000	5,526
Sand City	CA	1,365,211	2,524,789	None	None	1,365,211	2,524,789	3,890,000	3,708
Santa Cruz	CA	1,380,423	2,549,577	None	None	1,380,423	2,549,577	3,930,000	3,749
Santa Cruz	CA	1,893,803	3,386,197	None	None	1,893,803	3,386,197	5,280,000	5,144
Stockton	CA	785,819	1,580,594	None	None	785,819	1,580,594	2,366,413	2,134
Aurora	CO	870,845	1,719,155	None	None	870,845	1,719,155	2,590,000	2,365
Brighton	CO	711,127	1,458,873	None	None	711,127	1,458,873	2,170,000	1,931
Colorado Springs	CO	1,103,650	2,048,135	1,500	None	1,103,650	2,049,635	3,153,285	311,196
Colorado Springs	CO	867,042	1,712,958	None	None	867,042	1,712,958	2,580,000	2,355
Colorado Springs	CO	876,608	1,728,547	None	None	876,608	1,728,547	2,605,155	2,381
Colorado Springs	CO	1,102,095	2,096,006	None	None	1,102,095	2,096,006	3,198,101	2,993
Henderson	CO	1,427,612	2,626,479	None	None	1,427,612	2,626,479	4,054,091	3,877
Peyton	CO	1,595,490	2,900,058	None	None	1,595,490	2,900,058	4,495,548	4,333
Vernon	CT	179,646	319,372	None	13	179,646	319,385	499,031	278,394
Westbrook	CT	98,247	373,340	None	None	98,247	373,340	471,587	325,428
Camden	DE	113,811	174,435	None	None	113,811	174,435	288,246	96,223
Camden	DE	250,528	379,165	None	None	250,528	379,165	629,693	209,166
Dewey	DE	147,465	224,665	None	None	147,465	224,665	372,130	123,933
Dover	DE	278,804	421,707	None	None	278,804	421,707	700,511	232,635
Dover	DE	367,137	554,207	None	None	367,137	554,207	921,344	305,730
Dover	DE	367,425	554,884	None	None	367,425	554,884	922,309	306,104
Felton	DE	307,260	464,391	None	None	307,260	464,391	771,651	256,182
Greenwood	DE	632,303	1,176,711	None	None	632,303	1,176,711	1,809,014	429,498
Harrington	DE	563,812	849,220	None	None	563,812	849,220	1,413,032	468,479
Milford	DE	310,049	468,575	None	None	310,049	468,575	778,624	258,490
New Castle	DE	589,325	887,488	None	None	589,325	887,488	1,476,813	489,590
Smyrna	DE	121,774	186,436	None	None	121,774	186,436	308,210	102,843
Smyrna	DE	401,135	605,332	None	None	401,135	605,332	1,006,467	333,934
Townsend	DE	241,416	365,749	None	None	241,416	365,749	607,165	201,764
Wilmington	DE	280,682	424,525	None	None	280,682	424,525	705,207	234,189
Apopka	FL	1,259,120	2,351,900	None	None	1,259,120	2,351,900	3,611,020	3,420
Archer	FL	296,238	578,145	None	None	296,238	578,145	874,383	407,591
Bradenton	FL	946,638	1,671,528	499	None	946,638	1,672,027	2,618,665	264,854
Bradenton	FL	414,000	107,500	1,500	None	414,000	109,000	523,000	16,879
Bushnell	FL	130,000	291,637	None	None	130,000	291,637	421,637	149,218
Cape Coral	FL	1,135,901	2,151,099	None	None	1,135,901	2,151,099	3,287,000	3,085
Cape Coral	FL	618,843	1,308,484	None	None	618,843	1,308,484	1,927,327	1,681
Casselberry	FL	835,045	1,660,814	None	None	835,045	1,660,814	2,495,859	2,268
Clearwater	FL	359,792	311,845	None	None	359,792	311,845	671,637	159,558
Cocoa	FL	323,827	287,810	None	None	323,827	287,810	611,637	147,260
Deerfield Beach	FL	2,256,641	3,977,489	None	None	2,256,641	3,977,489	6,234,130	6,129
Deltona	FL	140,000	321,637	None	None	140,000	321,637	461,637	164,568
Englewood	FL	270,000	331,637	None	None	270,000	331,637	601,637	169,685

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Estero	FL	638,291	1,340,178	None	None	638,291	1,340,178	1,978,469	1,734	1
Fort Lauderdale	FL	1,245,803	2,330,197	None	None	1,245,803	2,330,197	3,576,000	3,384	1
Fort Lauderdale	FL	2,160,296	3,820,482	None	None	2,160,296	3,820,482	5,980,778	5,867	1
Fort Myers	FL	1,226,387	2,298,557	None	None	1,226,387	2,298,557	3,524,944	3,331	1
Fort Myers	FL	876,598	1,728,531	None	None	876,598	1,728,531	2,605,129	2,381	1
Fort Myers	FL	987,955	1,910,001	None	None	987,955	1,910,001	2,897,956	2,683	1
Gainesville	FL	515,834	873,187	None	None	515,834	873,187	1,389,021	615,596	
Gainesville	FL	480,318	600,633	None	None	480,318	600,633	1,080,951	423,445	
Gainesville	FL	347,310	694,859	None	None	347,310	694,859	1,042,169	489,874	
Gainesville	FL	339,263	658,807	None	None	339,263	658,807	998,070	464,458	

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REALTY INCOME CORPORATION AND SUBSIDIARIES

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		Land	Buildings, Improvements and Fees Acquisition	Improvements	Costs	Land	Buildings, Improvements and Fees Acquisition	Total			
Gainesville	FL	351,921	552,557	None	None	351,921	552,557	904,478	389,551		5/7
Gainesville	FL	500,032	850,291	None	None	500,032	850,291	1,350,323	599,454		5/7
Homosassa Springs	FL	740,000	621,637	None	None	740,000	621,637	1,361,637	318,068		3/1
Hudson	FL	300,000	351,637	None	None	300,000	351,637	651,637	179,918		3/1
Intercession City	FL	161,776	319,861	None	None	161,776	319,861	481,637	163,660		3/1
Jacksonville	FL	266,111	494,206	None	None	266,111	494,206	760,317	251,221		4/1
Jupiter	FL	2,110,993	3,740,136	None	None	2,110,993	3,740,136	5,851,129	5,734		12/2
Jupiter	FL	1,788,923	3,215,282	None	None	1,788,923	3,215,282	5,004,205	4,859		12/2
Key West	FL	873,700	627,937	None	None	873,700	627,937	1,501,637	321,292		3/1
Key West	FL	492,785	208,852	None	None	492,785	208,852	701,637	106,860		3/1
Kissimmee	FL	802,394	1,607,606	None	None	802,394	1,607,606	2,410,000	2,179		12/2
Kissimmee	FL	901,268	1,768,732	None	None	901,268	1,768,732	2,670,000	2,448		12/2
Lake Mary	FL	1,527,924	2,789,949	None	None	1,527,924	2,789,949	4,317,873	4,150		12/2
Lake Worth	FL	2,381,911	4,181,633	None	None	2,381,911	4,181,633	6,563,544	6,469		12/2
Lakeland	FL	527,076	464,561	None	None	527,076	464,561	991,637	237,698		3/1
Lakeland	FL	300,000	321,637	None	None	300,000	321,637	621,637	164,568		3/1
Land O Lakes	FL	120,000	361,637	None	None	120,000	361,637	481,637	185,035		3/1
Largo	FL	900,000	1,475,882	None	None	900,000	1,475,882	2,375,882	158,094	4/9/2014	8/1
Lehigh Acres	FL	1,143,156	2,162,920	None	None	1,143,156	2,162,920	3,306,076	3,105		12/2
Lutz	FL	480,000	421,637	None	None	480,000	421,637	901,637	215,735		3/1
Miramar	FL	1,333,334	2,472,840	None	None	1,333,334	2,472,840	3,806,174	3,621		12/2
Miramar	FL	2,131,924	3,774,246	None	None	2,131,924	3,774,246	5,906,170	5,790		12/2
Moore Haven	FL	180,342	331,295	None	None	180,342	331,295	511,637	169,510		3/1
Mount Dora	FL	1,423,518	2,513,578	751	None	1,423,518	2,514,329	3,937,847	398,277		1/2
Naples	FL	150,000	301,637	None	None	150,000	301,637	451,637	154,335		3/1
Naples	FL	620,000	381,637	None	None	620,000	381,637	1,001,637	195,268		3/1
Naples	FL	1,060,375	2,028,018	None	None	1,060,375	2,028,018	3,088,393	2,880		12/2
Naples	FL	2,457,156	4,304,254	None	None	2,457,156	4,304,254	6,761,410	6,674		12/2
New Port	FL	190,000	601,637	None	None	190,000	601,637	791,637	307,835		3/1
Richey North Fort Myers	FL	140,000	281,637	None	None	140,000	281,637	421,637	144,102		3/1
Ocoee	FL	1,099,792	2,092,254	None	None	1,099,792	2,092,254	3,192,046	2,987		12/2
Okeechobee	FL	195,075	346,562	None	None	195,075	346,562	541,637	177,322		3/1
Orlando	FL	240,000	301,637	None	None	240,000	301,637	541,637	154,335		3/1
Orlando	FL	1,019,155	1,960,845	None	None	1,019,155	1,960,845	2,980,000	2,768		12/2
Orlando	FL	1,380,423	2,549,577	None	None	1,380,423	2,549,577	3,930,000	3,749		12/2
Orlando	FL	1,680,279	3,038,233	None	None	1,680,279	3,038,233	4,718,512	4,564		12/2
Orlando	FL	928,179	1,812,588	None	None	928,179	1,812,588	2,740,767	2,521		12/2
Orlando	FL	569,316	1,227,773	None	None	569,316	1,227,773	1,797,089	1,546		12/2

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Orlando	FL	739,872	1,505,717	None	None	739,872	1,505,717	2,245,589	2,010	12/2
Oviedo	FL	698,027	1,437,525	None	None	698,027	1,437,525	2,135,552	1,896	12/2
Palm Bay	FL	230,880	300,757	None	None	230,880	300,757	531,637	153,885	3/1
Palm Beach Gardns	FL	1,669,049	3,019,931	None	None	1,669,049	3,019,931	4,688,980	4,533	12/2
Palm Harbor	FL	510,000	381,637	None	None	510,000	381,637	891,637	195,268	3/1
Panama City	FL	210,000	431,637	None	None	210,000	431,637	641,637	220,852	3/1
Pensacola	FL	168,000	312,727	None	None	168,000	312,727	480,727	158,967	4/1
Plantation	FL	1,935,946	3,454,874	None	None	1,935,946	3,454,874	5,390,820	5,258	12/2
Pompano Beach	FL	605,398	1,286,575	None	None	605,398	1,286,575	1,891,973	1,644	12/2
Port Charlotte	FL	170,000	311,637	None	None	170,000	311,637	481,637	159,452	3/1
Port Charlotte	FL	200,000	356,637	None	None	200,000	356,637	556,637	182,477	3/1
Port Orange	FL	609,438	512,199	None	None	609,438	512,199	1,121,637	262,073	3/1
Port Saint Lucie	FL	897,465	1,762,535	None	None	897,465	1,762,535	2,660,000	2,438	12/2
Punta Gorda	FL	400,000	511,637	None	None	400,000	511,637	911,637	261,785	3/1
Riverview	FL	1,930,000	1,423,752	None	None	1,930,000	1,423,752	3,353,752	178,194	8/30/2013 8/1
Sanford	FL	1,440,027	2,646,711	None	None	1,440,027	2,646,711	4,086,738	3,911	12/2
Sarasota	FL	1,447,403	2,658,731	None	None	1,447,403	2,658,731	4,106,134	3,931	12/2
Stuart	FL	1,682,532	3,041,904	None	None	1,682,532	3,041,904	4,724,436	4,570	12/2
Tallahassee	FL	600,000	341,637	None	None	600,000	341,637	941,637	174,802	3/1
Tamarac	FL	1,316,246	2,444,994	None	None	1,316,246	2,444,994	3,761,240	3,575	12/2
Tampa	FL	300,000	301,637	None	None	300,000	301,637	601,637	154,335	3/1
Tampa	FL	380,000	361,637	None	None	380,000	361,637	741,637	185,035	3/1
Tampa	FL	320,000	591,637	None	None	320,000	591,637	911,637	302,718	3/1
Webster	FL	640,000	1,071,637	None	None	640,000	1,071,637	1,711,637	548,318	3/1
West Palm Beach	FL	810,656	1,621,069	None	None	810,656	1,621,069	2,431,725	2,202	12/2
Winter Springs	FL	150,000	291,637	None	None	150,000	291,637	441,637	149,218	3/1
Augusta	GA	620,000	383,232	None	None	620,000	383,232	1,003,232	267,618	7/2
Augusta	GA	540,000	337,853	None	None	540,000	337,853	877,853	235,930	7/2
Augusta	GA	510,000	392,929	None	None	510,000	392,929	902,929	274,391	7/2
Augusta	GA	180,000	422,020	None	None	180,000	422,020	602,020	294,707	7/2
Augusta	GA	260,000	392,171	None	None	260,000	392,171	652,171	273,863	7/2
Augusta	GA	240,000	451,637	None	None	240,000	451,637	691,637	231,085	3/1
Calhoun	GA	122,500	228,742	None	None	122,500	228,742	351,242	120,846	10/1
Calhoun	GA	262,500	488,742	None	None	262,500	488,742	751,242	258,212	10/1
Cartersville	GA	262,500	488,742	None	None	262,500	488,742	751,242	258,212	10/1
Chatsworth	GA	140,000	261,242	None	None	140,000	261,242	401,242	138,016	10/1
Chatsworth	GA	140,000	261,242	None	None	140,000	261,242	401,242	138,016	10/1
Chatsworth	GA	140,000	261,242	None	None	140,000	261,242	401,242	138,016	10/1
Chickamauga	GA	181,731	338,742	None	None	181,731	338,742	520,473	178,962	10/1
Dalton	GA	171,500	319,742	None	None	171,500	319,742	491,242	168,924	10/1
Dalton	GA	87,500	163,742	None	None	87,500	163,742	251,242	86,504	10/1
Dalton	GA	485,650	903,162	None	None	485,650	903,162	1,388,812	477,164	10/1
Dalton	GA	146,000	272,385	None	None	146,000	272,385	418,385	143,904	10/1
Dalton	GA	420,000	781,242	None	None	420,000	781,242	1,201,242	412,750	10/1
Dalton	GA	210,000	391,242	None	None	210,000	391,242	601,242	206,700	10/1
Dalton	GA	332,500	618,742	None	None	332,500	618,742	951,242	326,896	10/1
Dalton	GA	437,500	813,742	None	None	437,500	813,742	1,251,242	429,921	10/1
Decatur	GA	529,383	532,429	None	296	529,383	532,725	1,062,108	416,403	6/2
Decatur	GA	1,622,631	2,865,162	856	None	1,622,631	2,866,018	4,488,649	453,986	1/2
Dunwoody	GA	545,462	724,254	None	296	545,462	724,550	1,270,012	566,338	6/2
Flintstone	GA	157,500	293,742	None	None	157,500	293,742	451,242	155,187	10/1
La Fayette	GA	122,500	228,742	None	None	122,500	228,742	351,242	120,846	10/1
Lithonia	GA	386,784	776,436	None	None	386,784	776,436	1,163,220	606,857	6/2
Mableton	GA	491,069	355,957	None	None	491,069	355,957	847,026	278,192	6/2
Martinez	GA	450,000	402,777	None	None	450,000	402,777	852,777	281,268	7/2
Martinez	GA	830,000	871,637	None	None	830,000	871,637	1,701,637	445,985	3/1
Norcross	GA	384,162	651,273	None	None	384,162	651,273	1,035,435	509,018	6/2
Ringgold	GA	234,500	1,168,914	(7,829)	None	226,671	1,168,914	1,395,585	566,347	10/1
Ringgold	GA	385,000	716,242	(21,175)	None	363,825	716,242	1,080,067	378,408	10/1
Ringgold	GA	482,251	896,851	None	None	482,251	896,851	1,379,102	473,830	10/1
Rocky Face	GA	164,231	306,241	None	None	164,231	306,241	470,472	161,791	10/1
Rome	GA	210,000	391,242	None	None	210,000	391,242	601,242	206,700	10/1
Rome	GA	199,199	371,183	None	None	199,199	371,183	570,382	196,102	10/1
Rome	GA	201,791	375,997	(22,030)	None	179,761	375,997	555,758	198,646	10/1
Rome	GA	315,000	586,242	None	None	315,000	586,242	901,242	309,725	10/1

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Rossville	GA	157,500	293,742	None	None	157,500	293,742	451,242	155,187	10/1
Summerville	GA	66,231	124,242	None	None	66,231	124,242	190,473	65,635	10/1
Trenton	GA	129,231	241,242	None	None	129,231	241,242	370,473	127,450	10/1
Adair	IA	779,853	1,377,027	411	None	779,853	1,377,438	2,157,291	218,190	1/2
Neola	IA	784,675	1,385,540	414	None	784,675	1,385,954	2,170,629	219,539	1/2
Belvidere	IL	768,748	1,426,176	1,500	None	768,748	1,427,676	2,196,424	402,756	12/2
Dekalb	IL	661,500	1,226,500	2,000	None	661,500	1,228,500	1,890,000	346,864	12/2
Godfrey	IL	374,586	733,190	None	None	374,586	733,190	1,107,776	573,046	6/2
Granite City	IL	362,287	737,255	None	None	362,287	737,255	1,099,542	576,225	6/2
Hartford	IL	599,172	1,110,747	2,000	None	599,172	1,112,747	1,711,919	314,260	12/2
Loves Park	IL	547,582	1,016,523	1,500	None	547,582	1,018,023	1,565,605	368,991	12/2

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REALTY INCOME CORPORATION AND SUBSIDIARIES

SCHEDULE III REAL ESTATE AND ACCUMULATED DEPRECIATION

AS OF DECEMBER 31, 2016

Description	Encumbrances	Initial Cost to Company		Cost Capitalized Subsequent to Acquisition		Gross Amount at Which Carried at Close of Period (Notes 3, 4, 6 and 7)			Accumulated Depreciation	Date of Construction
		Land	Buildings, Improvements and Acquisition Fees	Improvements	Carrying Costs	Land	Buildings, Improvements and Acquisition Fees	Total		
Loves Park	IL	760,725	1,410,775	2,000	None	760,725	1,412,775	2,173,500	398,768	12/15/11
Machesney Park	IL	562,275	1,043,225	1,000	None	562,275	1,044,225	1,606,500	294,542	12/15/11
Marengo	IL	501,948	930,688	1,500	None	501,948	932,188	1,434,136	263,194	12/15/11
Monee	IL	671,759	1,394,719	None	None	671,759	1,394,719	2,066,478	1,825	12/15/11
Rochelle	IL	607,418	1,128,145	1,000	None	607,418	1,129,145	1,736,563	408,911	12/15/11
Rockford	IL	463,050	858,450	1,500	None	463,050	859,950	1,323,000	242,847	12/15/11
Rockford	IL	388,631	720,244	1,500	None	388,631	721,744	1,110,375	203,919	12/15/11
Tuscola	IL	752,456	1,394,419	3,000	None	752,456	1,397,419	2,149,875	394,861	12/15/11
Albany	IN	427,437	794,632	2,000	None	427,437	796,632	1,224,069	307,847	5/15/11
Alexandria	IN	139,219	259,369	None	None	139,219	259,369	398,588	99,854	5/15/11
Anderson	IN	147,263	274,307	None	None	147,263	274,307	421,570	105,605	5/15/11
Anderson	IN	283,430	527,190	2,000	None	283,430	529,190	812,620	204,881	5/15/11
Elkhart	IN	495,914	922,471	1,500	None	495,914	923,971	1,419,885	356,585	5/15/11
Frankfort	IN	208,666	388,345	2,000	None	208,666	390,345	599,011	151,426	5/15/11
Greenwood	IN	173,250	323,022	None	None	173,250	323,022	496,272	124,360	5/15/11
Hartford City	IN	250,310	465,702	2,000	None	250,310	467,702	718,012	181,208	5/15/11
Indianapolis	IN	129,938	242,134	None	None	129,938	242,134	372,072	93,218	5/15/11
Indianapolis	IN	269,294	500,939	1,500	None	269,294	502,439	771,733	194,296	5/15/11
Indianapolis	IN	318,432	592,193	1,500	None	318,432	593,693	912,125	229,429	5/15/11
Knox	IN	341,250	633,499	1,500	None	341,250	634,999	976,249	234,726	10/15/11
Lafayette	IN	147,263	274,309	None	None	147,263	274,309	421,572	105,606	5/15/11
Lafayette	IN	112,613	209,959	None	None	112,613	209,959	322,572	80,831	5/15/11
Marion	IN	209,196	389,995	1,500	None	209,196	391,495	600,691	151,582	5/15/11
Michigan City	IN	227,500	422,249	1,500	None	227,500	423,749	651,249	156,916	10/15/11
Mishawaka	IN	123,983	231,743	2,000	None	123,983	233,743	357,726	91,134	5/15/11
Morristown	IN	366,590	682,082	2,000	None	366,590	684,082	1,050,672	264,515	5/15/11
Muncie	IN	103,950	193,870	None	None	103,950	193,870	297,820	74,637	5/15/11
Muncie	IN	184,237	342,974	2,000	None	184,237	344,974	529,211	133,958	5/15/11
New Albany	IN	181,459	289,353	None	None	181,459	289,353	470,812	252,220	3/15/11
New Albany	IN	262,465	331,796	None	None	262,465	331,796	594,261	289,215	3/15/11
New Castle	IN	138,600	258,672	None	None	138,600	258,672	397,272	99,585	5/15/11
New Castle	IN	79,854	149,572	1,000	None	79,854	150,572	230,426	58,540	5/15/11
New Castle	IN	203,941	380,019	1,500	None	203,941	381,519	585,460	147,741	5/15/11
Richmond	IN	281,248	523,589	1,500	None	281,248	525,089	806,337	203,016	5/15/11
Richmond	IN	255,908	476,528	2,000	None	255,908	478,528	734,436	185,377	5/15/11
Rushville	IN	138,600	258,672	None	None	138,600	258,672	397,272	99,585	5/15/11
Rushville	IN	121,275	226,497	None	None	121,275	226,497	347,772	87,198	5/15/11
South Bend	IN	372,387	693,064	2,000	None	372,387	695,064	1,067,451	268,743	5/15/11
Wabash	IN	430,437	800,871	2,000	None	430,437	802,871	1,233,308	310,249	5/15/11
Wabash	IN	334,923	623,488	1,500	13	334,923	625,001	959,924	241,486	5/15/11
Warsaw	IN	415,275	772,713	1,500	13	415,275	774,226	1,189,501	298,938	5/15/11

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West Lafayette	IN	1,052,628	1,340,855	2,000	None	1,052,628	1,342,855	2,395,483	517,919	5/2/1996
Zionsville	IN	910,595	1,691,926	2,000	None	910,595	1,693,926	2,604,521	653,305	5/2/1996
Berea	KY	252,077	360,815	None	None	252,077	360,815	612,892	314,511	3/1/1996
Elizabethtown	KY	286,106	286,106	None	484	286,106	286,590	572,696	249,636	3/1/1996
Lebanon	KY	158,052	316,105	None	153	158,052	316,258	474,310	275,691	3/1/1996
Louisville	KY	198,926	368,014	None	None	198,926	368,014	566,940	320,785	3/1/1996
Louisville	KY	216,849	605,697	None	None	216,849	605,697	822,546	497,548	6/18/1996
Mount Vernon	KY	327,245	479,593	None	None	327,245	479,593	806,838	386,104	12/6/1996
Washington										
Baton Rouge	LA	500,000	521,637	None	None	500,000	521,637	1,021,637	266,902	3/1/1996
Baton Rouge	LA	210,000	361,637	None	None	210,000	361,637	571,637	185,035	3/1/1996
Bossier City	LA	230,000	431,637	None	None	230,000	431,637	661,637	220,852	3/1/1996
Destrehan	LA	200,000	411,637	None	None	200,000	411,637	611,637	210,618	3/1/1996
Lafayette	LA	240,000	391,637	None	None	240,000	391,637	631,637	200,385	3/1/1996
Pineville	LA	170,000	371,637	None	None	170,000	371,637	541,637	190,152	3/1/1996
Shreveport	LA	192,500	358,227	None	None	192,500	358,227	550,727	182,096	4/1/1996
Amherst	MA	110,969	639,806	None	None	110,969	639,806	750,775	342,296	8/1/1996
North Reading	MA	574,601	756,174	None	None	574,601	756,174	1,330,775	404,553	8/1/1996
Seekonk	MA	298,354	268,518	None	None	298,354	268,518	566,872	234,058	3/1/1996
Berlin	MD	255,951	387,395	None	None	255,951	387,395	643,346	213,705	3/1/1996
Crisfield	MD	219,704	333,024	None	None	219,704	333,024	552,728	183,711	3/1/1996
Hebron	MD	376,251	567,844	None	None	376,251	567,844	944,095	313,253	3/1/1996
La Plata	MD	1,017,544	2,706,729	None	None	1,017,544	2,706,729	3,724,273	1,556,122	8/1/1996
Laurel	MD	1,048,527	2,008,710	None	None	1,048,527	2,008,710	3,057,237	2,848	12/1/1996
Mechanicsville	MD	1,540,335	2,860,928	None	None	1,540,335	2,860,928	4,401,263	1,664,047	6/1/1996
Millersville	MD	830,737	2,696,245	None	None	830,737	2,696,245	3,526,982	1,568,362	6/1/1996
Breckenridge	MI	437,500	811,968	1,500	None	437,500	813,468	1,250,968	300,462	10/1/1996
Carson City	MI	262,500	486,468	2,000	None	262,500	488,468	750,968	181,032	10/1/1996
Charlevoix	MI	385,000	713,013	2,500	None	385,000	715,513	1,100,513	264,939	10/1/1996
Cheboygan	MI	280,000	518,013	2,500	None	280,000	520,513	800,513	193,114	10/1/1996
Clare	MI	306,250	567,718	2,000	None	306,250	569,718	875,968	210,960	10/1/1996
Clare	MI	229,250	426,218	500	None	229,250	426,718	655,968	157,453	10/1/1996
Comstock Park	MI	315,000	583,761	2,500	None	315,000	586,261	901,261	217,331	10/1/1996
Farwell	MI	437,500	811,468	2,000	None	437,500	813,468	1,250,968	300,741	10/1/1996
Flint	MI	194,492	476,504	None	139	194,492	476,643	671,135	401,197	12/1/1996
Gladwin	MI	140,000	259,013	1,500	None	140,000	260,513	400,513	96,791	10/1/1996
Grand Rapids	MI	437,500	812,261	1,500	None	437,500	813,761	1,251,261	300,570	10/1/1996
Kalamazoo	MI	238,000	442,249	1,000	None	238,000	443,249	681,249	163,820	10/1/1996
Kalkaska	MI	437,500	809,513	3,500	None	437,500	813,013	1,250,513	301,408	10/1/1996
Lake City	MI	115,500	213,513	1,500	None	115,500	215,013	330,513	80,032	10/1/1996
Lakeview	MI	96,250	177,718	2,000	None	96,250	179,718	275,968	67,310	10/1/1996
Mackinaw City	MI	455,000	844,513	1,000	None	455,000	845,513	1,300,513	311,987	10/1/1996
Mecosta	MI	122,500	227,468	1,000	None	122,500	228,468	350,968	84,709	10/1/1996
Midland	MI	437,500	811,013	2,000	None	437,500	813,013	1,250,513	300,573	10/1/1996
Mount Pleasant	MI	162,750	300,794	2,500	13	162,750	303,307	466,057	113,113	10/1/1996
Mount Pleasant	MI	463,750	860,718	1,500	None	463,750	862,218	1,325,968	318,419	10/1/1996
Mount Pleasant	MI	210,000	388,968	2,000	None	210,000	390,968	600,968	145,120	10/1/1996
Mount Pleasant	MI	437,500	810,968	2,500	None	437,500	813,468	1,250,968	301,019	10/1/1996
Mount Pleasant	MI	350,000	649,468	1,500	None	350,000	650,968	1,000,968	240,608	10/1/1996
Mount Pleasant	MI	175,000	324,468	1,500	None	175,000	325,968	500,968	120,900	10/1/1996
Petoskey	MI	490,000	909,513	1,000	None	490,000	910,513	1,400,513	335,929	10/1/1996
Prudenville	MI	133,000	245,013	2,500	None	133,000	247,513	380,513	92,559	10/1/1996
Saginaw	MI	262,500	486,513	1,500	None	262,500	488,013	750,513	180,587	10/1/1996
Standish	MI	92,750	171,263	1,500	None	92,750	172,763	265,513	64,469	10/1/1996
Traverse City	MI	210,000	389,002	2,000	None	210,000	391,002	601,002	145,132	10/1/1996
Walker	MI	586,250	1,088,499	1,500	None	586,250	1,089,999	1,676,249	402,318	10/1/1996
Alexandria	MN	132,924	244,858	2,000	None	132,924	246,858	379,782	60,391	12/1/1996
Andover	MN	888,706	1,648,454	2,000	None	888,706	1,650,454	2,539,160	399,593	12/1/1996
Apple Valley	MN	350,000	648,000	2,000	None	350,000	650,000	1,000,000	157,817	12/1/1996
Baxter	MN	350,000	648,000	2,000	None	350,000	650,000	1,000,000	157,817	12/1/1996
Blaine	MN	767,270	1,422,929	2,000	None	767,270	1,424,929	2,192,199	345,091	12/1/1996
Bloomington	MN	262,500	485,500	2,000	None	262,500	487,500	750,000	118,546	12/1/1996

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Bloomington	MN	676,771	1,255,359	1,500	None	676,771	1,256,859	1,933,630	304,291	12
Brainerd	MN	490,000	907,000	3,000	None	490,000	910,000	1,400,000	221,017	12
Brooklyn Center	MN	979,764	1,818,061	1,500	None	979,764	1,819,561	2,799,325	440,277	12
Brooklyn Center	MN	979,764	1,817,561	2,000	None	979,764	1,819,561	2,799,325	440,461	12
Brooklyn Center	MN	979,764	1,817,561	2,000	None	979,764	1,819,561	2,799,325	440,461	12
Brooklyn Park	MN	830,336	1,540,052	2,000	None	830,336	1,542,052	2,372,388	373,396	12
Brooklyn Park	MN	578,964	1,073,220	2,000	None	578,964	1,075,220	1,654,184	260,578	12
Brooklyn Park	MN	750,697	1,391,651	2,500	None	750,697	1,394,151	2,144,848	202,706	5
Burnsville	MN	615,240	1,141,089	1,500	None	615,240	1,142,589	1,757,829	276,676	12
Burnsville	MN	515,298	954,981	2,000	None	515,298	956,981	1,472,279	232,004	12
Burnsville	MN	350,000	648,000	2,000	None	350,000	650,000	1,000,000	157,817	12
Burnsville	MN	932,558	1,729,892	2,000	None	932,558	1,731,892	2,664,450	419,274	12

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REALTY INCOME CORPORATION AND SUBSIDIARIES

SCHEDULE III REAL ESTATE AND ACCUMULATED DEPRECIATION

AS OF DECEMBER 31, 2016

Description	Encumbrances	Initial Cost to Company				Cost Capitalized Subsequent to Acquisition		Gross Amount at Which Carried at Close of Period (Notes 3, 4, 6 and 7)			Accumulated Depreciation	Date of Construction	Date of Acquisition
		Buildings, Improvements and Acquisition		Improvements	Costs	Land	Fees	Land	Fees	Total			
(Note 1)	(Note 2)	Land	Fees	Improvements	Costs	Land	Fees	Total	(Note 5)	Construction	Acquisition		
Chaska	MN	979,764	1,817,561	2,000	None	979,764	1,819,561	2,799,325	440,461		12/1/11		
Chaska	MN	490,000	908,000	2,000	None	490,000	910,000	1,400,000	220,650		12/1/11		
Chaska	MN	410,797	760,408	2,500	None	410,797	762,908	1,173,705	111,176		5/1/2012		
Columbia Heights	MN	673,068	1,248,483	1,500	None	673,068	1,249,983	1,923,051	302,629		12/1/11		
Coon Rapids	MN	490,000	908,000	2,000	None	490,000	910,000	1,400,000	220,650		12/1/11		
Cottage Grove	MN	805,888	1,494,650	2,000	None	805,888	1,496,650	2,302,538	362,424		12/1/11		
Crystal	MN	552,641	1,024,332	2,000	None	552,641	1,026,332	1,578,973	248,764		12/1/11		
Crystal	MN	740,518	1,373,248	2,000	None	740,518	1,375,248	2,115,766	333,085		12/1/11		
Eagan	MN	906,287	1,680,604	2,500	None	906,287	1,683,104	2,589,391	407,667		12/1/11		
Eagan	MN	699,277	1,296,658	2,000	None	699,277	1,298,658	1,997,935	314,576		12/1/11		
Eden Prairie	MN	947,702	1,758,519	1,500	None	947,702	1,760,019	2,707,721	425,888		12/1/11		
Eden Prairie	MN	485,526	899,690	2,000	None	485,526	901,690	1,387,216	218,642		12/1/11		
Edina	MN	568,893	1,054,516	2,000	None	568,893	1,056,516	1,625,409	256,058		12/1/11		
Elk River	MN	613,113	1,137,137	1,500	None	613,113	1,138,637	1,751,750	275,721		12/1/11		
Elk River	MN	456,850	846,435	2,000	None	456,850	848,435	1,305,285	205,772		12/1/11		
Excelsior	MN	262,500	485,500	2,000	None	262,500	487,500	750,000	118,546		12/1/11		
Falcon Heights	MN	494,415	916,199	2,000	None	494,415	918,199	1,412,614	222,631		12/1/11		
Farmington	MN	437,500	810,500	2,000	None	437,500	812,500	1,250,000	197,088		12/1/11		
Forest Lake	MN	398,985	739,473	1,500	None	398,985	740,973	1,139,958	179,618		12/1/11		
Fridley	MN	519,325	962,461	2,000	None	519,325	964,461	1,483,786	233,811		12/1/11		
Fridley	MN	706,295	1,309,691	2,000	None	706,295	1,311,691	2,017,986	317,725		12/1/11		
Fridley	MN	175,000	323,000	2,000	None	175,000	325,000	500,000	79,275		12/1/11		
Golden Valley	MN	979,764	1,817,561	2,000	None	979,764	1,819,561	2,799,325	440,461		12/1/11		
Ham Lake	MN	979,764	1,817,561	2,000	None	979,764	1,819,561	2,799,325	440,461		12/1/11		
Hastings	MN	979,764	1,817,561	2,000	None	979,764	1,819,561	2,799,325	440,461		12/1/11		
Inver Grove Heigh	MN	134,705	248,666	1,500	None	134,705	250,166	384,871	61,007		12/1/11		
Inver Grove Heigh	MN	979,764	1,817,561	2,000	None	979,764	1,819,561	2,799,325	440,461		12/1/11		
Lakeville	MN	631,855	1,171,446	2,000	None	631,855	1,173,446	1,805,301	284,316		12/1/11		
Lakeville	MN	654,912	1,214,266	2,000	None	654,912	1,216,266	1,871,178	294,664		12/1/11		
Litchfield	MN	388,788	720,536	1,500	None	388,788	722,036	1,110,824	175,042		12/1/11		
Little Falls	MN	175,000	323,500	1,500	None	175,000	325,000	500,000	79,092		12/1/11		
Long Lake	MN	808,543	1,499,579	2,000	None	808,543	1,501,579	2,310,122	363,615		12/1/11		
Maplewood	MN	931,427	1,728,293	1,500	None	931,427	1,729,793	2,661,220	418,583		12/1/11		
Maplewood	MN	175,000	323,000	2,000	None	175,000	325,000	500,000	79,275		12/1/11		

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Mendota Heights	MN	827,026	1,533,906	2,000	None	827,026	1,535,906	2,362,932	371,911	12/1/2019
Mendota Heights	MN	717,808	1,331,072	2,000	None	717,808	1,333,072	2,050,880	322,892	12/1/2019
Minneapolis	MN	967,640	1,795,045	2,000	None	967,640	1,797,045	2,764,685	435,019	12/1/2019
Minneapolis	MN	856,122	1,587,941	2,000	None	856,122	1,589,941	2,446,063	384,969	12/1/2019
Minneapolis	MN	979,764	1,817,561	2,000	None	979,764	1,819,561	2,799,325	440,461	12/1/2019
Minneapolis	MN	979,764	1,817,561	2,000	None	979,764	1,819,561	2,799,325	440,461	12/1/2019
Minneapolis	MN	938,237	1,740,440	2,000	None	938,237	1,742,440	2,680,677	421,823	12/1/2019
Minneapolis	MN	365,977	678,171	1,500	None	365,977	679,671	1,045,648	164,804	12/1/2019
Minneapolis	MN	979,764	1,817,561	2,000	None	979,764	1,819,561	2,799,325	440,461	12/1/2019
Minneapolis	MN	738,535	1,370,064	1,500	None	738,535	1,371,564	2,110,099	332,011	12/1/2019
Minneapolis	MN	811,510	1,505,590	1,500	None	811,510	1,507,090	2,318,600	364,763	12/1/2019
Minneapolis	MN	539,242	999,450	2,000	None	539,242	1,001,450	1,540,692	242,750	12/1/2019
Minneapolis	MN	577,070	1,069,702	2,000	None	577,070	1,071,702	1,648,772	259,728	12/1/2019
Minneapolis	MN	175,000	323,500	1,500	None	175,000	325,000	500,000	79,092	12/1/2019
Minneapolis	MN	175,000	323,000	2,000	None	175,000	325,000	500,000	79,275	12/1/2019
Minneapolis	MN	979,764	1,817,561	2,000	None	979,764	1,819,561	2,799,325	440,461	12/1/2019
Minneapolis	MN	350,000	648,500	1,500	None	350,000	650,000	1,000,000	157,633	12/1/2019
Minneapolis	MN	759,822	1,409,597	1,500	None	759,822	1,411,097	2,170,919	341,565	12/1/2019
Minnetonka	MN	582,162	1,079,158	2,000	None	582,162	1,081,158	1,663,320	157,211	5/1/2020
Monticello	MN	589,643	1,093,051	2,000	None	589,643	1,095,051	1,684,694	265,371	12/1/2019
Mounds View	MN	743,926	1,379,578	2,000	None	743,926	1,381,578	2,125,504	334,615	12/1/2019
New Brighton	MN	585,039	1,085,002	1,500	None	585,039	1,086,502	1,671,541	263,121	12/1/2019
New Hope	MN	175,000	323,500	1,500	None	175,000	325,000	500,000	79,092	12/1/2019
Newport	MN	967,228	1,794,280	2,000	None	967,228	1,796,280	2,763,508	434,834	12/1/2019
Oak Park Heights	MN	635,158	1,177,579	2,000	None	635,158	1,179,579	1,814,737	285,798	12/1/2019
Pine City	MN	644,412	1,194,265	2,500	None	644,412	1,196,765	1,841,177	290,135	12/1/2019
Princeton	MN	546,257	1,012,476	2,000	None	546,257	1,014,476	1,560,733	245,898	12/1/2019
Ramsey	MN	650,205	1,205,523	2,000	None	650,205	1,207,523	1,857,728	292,551	12/1/2019
Richfield	MN	630,540	1,169,003	2,000	None	630,540	1,171,003	1,801,543	283,726	12/1/2019
Richfield	MN	678,216	1,257,543	2,000	None	678,216	1,259,543	1,937,759	305,123	12/1/2019
Richfield	MN	436,919	809,921	1,500	None	436,919	811,421	1,248,340	196,643	12/1/2019
Richfield	MN	839,497	1,557,065	2,000	None	839,497	1,559,065	2,398,562	377,507	12/1/2019
Rogers	MN	781,303	1,448,991	2,000	None	781,303	1,450,991	2,232,294	351,390	12/1/2019
Roseville	MN	403,786	748,387	1,500	None	403,786	749,887	1,153,673	181,773	12/1/2019
Roseville	MN	979,764	1,817,561	2,000	None	979,764	1,819,561	2,799,325	440,461	12/1/2019
Roseville	MN	979,764	1,817,561	2,000	None	979,764	1,819,561	2,799,325	440,461	12/1/2019
Roseville	MN	979,764	1,817,561	2,000	None	979,764	1,819,561	2,799,325	440,461	12/1/2019
Saint Cloud	MN	786,129	1,458,454	1,500	None	786,129	1,459,954	2,246,083	353,372	12/1/2019
Saint Cloud	MN	175,000	322,000	3,000	None	175,000	325,000	500,000	79,642	12/1/2019
Saint Cloud	MN	677,052	1,255,383	2,000	None	677,052	1,257,383	1,934,435	304,601	12/1/2019
Saint Michael	MN	561,604	1,040,480	2,500	None	561,604	1,042,980	1,604,584	252,970	12/1/2019
Saint Paul	MN	808,755	1,500,473	1,500	None	808,755	1,501,973	2,310,728	363,527	12/1/2019
Saint Paul	MN	418,774	776,223	1,500	None	418,774	777,723	1,196,497	188,500	12/1/2019
Saint Paul	MN	175,000	323,500	1,500	None	175,000	325,000	500,000	79,092	12/1/2019
Saint Paul	MN	832,144	1,543,409	2,000	None	832,144	1,545,409	2,377,553	374,207	12/1/2019
Saint Paul	MN	979,764	1,817,561	2,000	None	979,764	1,819,561	2,799,325	440,461	12/1/2019
Saint Paul	MN	175,000	323,500	1,500	None	175,000	325,000	500,000	79,092	12/1/2019
Saint Paul	MN	979,764	1,818,061	1,500	None	979,764	1,819,561	2,799,325	440,277	12/1/2019
Saint Paul	MN	979,764	1,818,061	1,500	None	979,764	1,819,561	2,799,325	440,277	12/1/2019
Saint Paul	MN	576,820	1,069,736	1,500	None	576,820	1,071,236	1,648,056	259,432	12/1/2019
Saint Paul	MN	979,764	1,818,061	1,500	None	979,764	1,819,561	2,799,325	440,277	12/1/2019
Saint Paul	MN	531,091	984,311	2,000	None	531,091	986,311	1,517,402	239,092	12/1/2019
Saint Paul	MN	592,617	1,099,075	1,500	None	592,617	1,100,575	1,693,192	266,522	12/1/2019
Saint Paul	MN	739,277	1,371,444	1,500	None	739,277	1,372,944	2,112,221	332,345	12/1/2019
Saint Paul	MN	788,752	1,463,324	1,500	None	788,752	1,464,824	2,253,576	354,549	12/1/2019
Saint Paul	MN	950,678	1,764,046	1,500	None	950,678	1,765,546	2,716,224	427,224	12/1/2019
Saint Paul	MN	175,000	323,500	1,500	None	175,000	325,000	500,000	79,092	12/1/2019
Saint Paul	MN	262,500	486,000	1,500	None	262,500	487,500	700,000	118,363	12/1/2019
Saint Paul	MN	541,547	1,004,231	1,500	None	541,547	1,005,731	1,547,278	243,602	12/1/2019
Saint Paul	MN	827,608	1,535,987	1,000	None	827,608	1,536,987	2,364,595	371,805	12/1/2019
Saint Paul	MN	789,790	1,464,752	2,000	None	789,790	1,466,752	2,256,542	355,198	12/1/2019
Saint Paul	MN	648,354	1,202,586	1,500	None	648,354	1,204,086	1,852,440	174,925	5/1/2020
Saint Paul Park	MN	1,925,000	3,575,000	None	None	1,925,000	3,575,000	5,500,000	863,958	12/1/2019

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Sauk Rapids	MN	175,000	323,000	2,000	None	175,000	325,000	500,000	79,275	12/1/2019
Savage	MN	605,220	1,122,481	1,500	None	605,220	1,123,981	1,729,201	272,179	12/1/2019
Savage	MN	569,195	1,055,575	1,500	None	569,195	1,057,075	1,626,270	256,010	12/1/2019
Savage	MN	175,000	323,000	2,000	None	175,000	325,000	500,000	79,275	12/1/2019
Shakopee	MN	522,391	966,156	4,000	None	522,391	970,156	1,492,547	235,921	12/1/2019
Shakopee	MN	477,517	883,817	3,000	None	477,517	886,817	1,364,334	215,414	12/1/2019
Shakopee	MN	688,324	1,276,317	2,000	None	688,324	1,278,317	1,966,641	309,660	12/1/2019
Shakopee	MN	783,764	1,454,062	1,500	None	783,764	1,455,562	2,239,326	352,311	12/1/2019
Vadnais Heights	MN	931,400	1,727,742	2,000	None	931,400	1,729,742	2,661,142	418,754	12/1/2019
White Bear Lake	MN	943,945	1,751,040	2,000	None	943,945	1,753,040	2,696,985	424,385	12/1/2019
White Bear Lake	MN	860,523	1,596,113	2,000	None	860,523	1,598,113	2,458,636	386,944	12/1/2019
Woodbury	MN	962,500	1,786,000	1,500	None	962,500	1,787,500	2,750,000	432,529	12/1/2019
Zimmerman	MN	979,764	1,817,561	2,000	None	979,764	1,819,561	2,799,325	440,461	12/1/2019
Bolivar	MO	712,586	1,258,249	376	None	712,586	1,258,625	1,971,211	199,370	1/22/2020
Bolivar	MO	734,876	1,297,609	388	None	734,876	1,297,997	2,032,873	205,607	1/22/2020
Fair Grove	MO	331,197	584,812	130,479	127	331,197	715,418	1,046,615	116,227	1/22/2020
Hollister	MO	660,909	1,167,001	349	None	660,909	1,167,350	1,828,259	184,912	1/22/2020

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REALTY INCOME CORPORATION AND SUBSIDIARIES

SCHEDULE III REAL ESTATE AND ACCUMULATED DEPRECIATION

AS OF DECEMBER 31, 2016

Description (Note 1)	Encumbrances (Note 2)	Initial Cost to Company				Cost Capitalized Subsequent to Acquisition		Gross Amount at Which Carried at Close of Period (Notes 3, 4, 6 and 7)			Accumulated Depreciation (Note 5)	Date of Construction	D
		Land	Buildings, Improvements and Acquisition Fees	Improvements	Costs	Land	Fees	Total					
Monett MO		493,610	871,592	260	None	493,610	871,852	1,365,462	138,104		1/22		
Springfield MO		471,920	833,292	249	None	471,920	833,541	1,305,461	132,036		1/22		
Springfield MO		794,438	1,402,780	419	None	794,438	1,403,199	2,197,637	222,271		1/22		
Springfield MO		805,817	1,422,872	425	None	805,817	1,423,297	2,229,114	225,455		1/22		
Springfield MO		600,117	1,059,657	317	None	600,117	1,059,974	1,660,091	167,903		1/22		
Springfield MO		735,236	1,298,243	388	None	735,236	1,298,631	2,033,867	205,707		1/22		
Springfield MO		782,041	1,380,889	413	None	782,041	1,381,302	2,163,343	218,802		1/22		
Springfield MO		1,955,824	3,453,498	1,032	None	1,955,824	3,454,530	5,410,354	547,208		1/22		
Springfield MO		839,527	1,482,396	443	None	839,527	1,482,839	2,322,366	234,886		1/22		
Waynesville MO		511,912	903,909	270	None	511,912	904,179	1,416,091	143,225		1/22		
Brandon MS		671,486	1,247,588	None	None	671,486	1,247,588	1,919,074	575,970		6/30		
Flowood MS		437,926	813,832	None	None	437,926	813,832	1,251,758	375,720		6/30		
Flowood MS		399,972	743,347	None	None	399,972	743,347	1,143,319	343,179		6/30		
Jackson MS		329,904	613,221	None	None	329,904	613,221	943,125	283,104		6/30		
Jackson MS		540,108	1,003,600	None	None	540,108	1,003,600	1,543,708	463,329		6/30		
Marion MS		350,341	651,013	None	None	350,341	651,013	1,001,354	300,552		6/30		
Meridian MS		437,926	813,671	None	None	437,926	813,671	1,251,597	375,645		6/30		
Meridian MS		405,811	754,030	None	None	405,811	754,030	1,159,841	348,111		6/30		
Meridian MS		145,975	271,478	None	None	145,975	271,478	417,453	125,333		6/30		
Meridian MS		280,273	520,887	None	None	280,273	520,887	801,160	240,477		6/30		
Meridian MS		321,146	596,794	None	None	321,146	596,794	917,940	273,531		7/15		
Newton MS		467,121	867,891	None	None	467,121	867,891	1,335,012	400,677		6/30		
Pearl MS		544,488	1,011,733	None	None	544,488	1,011,733	1,556,221	467,084		6/30		
Philadelphia MS		472,960	878,735	None	None	472,960	878,735	1,351,695	405,683		6/30		
Southaven MS		310,000	641,637	None	None	310,000	641,637	951,637	328,302		3/18		
Terry MS		583,901	1,084,930	None	None	583,901	1,084,930	1,668,831	500,876		6/30		
Waveland MS		180,000	331,637	None	None	180,000	331,637	511,637	169,685		3/18		
Archdale NC		410,000	731,637	None	None	410,000	731,637	1,141,637	374,352		3/18		
Banner Elk NC		386,993	718,861	2,000	None	386,993	720,861	1,107,854	254,548		3/21		
Banner Elk NC		355,330	660,558	1,500	None	355,330	662,058	1,017,388	233,608		3/21		
Burgaw NC		198,774	369,653	1,000	None	198,774	370,653	569,427	130,869		3/21		
Burgaw NC		457,356	849,377	1,500	None	457,356	850,877	1,308,233	300,009		3/21		
Carolina Beach NC		457,356	848,929	2,000	None	457,356	850,929	1,308,285	300,289		3/21		
Cary NC		255,064	473,349	2,500	None	255,064	475,849	730,913	168,647		3/21		
Charlotte NC		300,000	291,637	None	None	300,000	291,637	591,637	149,218		3/18		
Charlotte NC		640,000	581,637	None	None	640,000	581,637	1,221,637	297,602		3/18		
Charlotte NC		882,254	1,737,746	None	None	882,254	1,737,746	2,620,000	2,396		12/21		
Durham NC		720,000	851,637	None	None	720,000	851,637	1,571,637	435,752		3/18		
Goldsboro NC		460,000	740,625	None	None	460,000	740,625	1,200,625	472,742		1/25		
Hampstead NC		562,900	1,045,971	1,000	None	562,900	1,046,971	1,609,871	368,707		3/21		
Holly Ridge NC		721,215	1,339,486	1,500	None	721,215	1,340,986	2,062,201	472,364		3/21		
Hubert NC		404,584	750,372	2,500	None	404,584	752,872	1,157,456	266,067		3/21		

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Jacksonville	NC	180,000	371,637	None	None	180,000	371,637	551,637	190,152	3/18
Jacksonville	NC	140,000	260,727	None	None	140,000	260,727	400,727	132,534	4/14
Jacksonville	NC	351,812	653,367	1,500	None	351,812	654,867	1,006,679	231,079	3/27
Kinston	NC	550,000	1,057,833	None	153	550,000	1,057,986	1,607,986	812,848	10/27
Raleigh	NC	740,000	791,637	None	None	740,000	791,637	1,531,637	405,052	3/18
Richlands	NC	492,537	914,735	1,500	None	492,537	916,235	1,408,772	322,993	3/27
Richlands	NC	376,439	698,103	2,500	None	376,439	700,603	1,077,042	247,686	3/27
Riegelwood	NC	-	452,416	1,500	None	-	453,916	453,916	169,963	3/27
Roanoke	NC	834,223	1,551,226	480	50,351	834,223	1,602,057	2,436,280	636,737	11/17
Rapids										
Roxboro	NC	243,112	368,107	None	None	243,112	368,107	611,219	203,065	3/18
Shalotte	NC	492,537	914,766	1,500	None	492,537	916,266	1,408,803	323,004	3/27
Southern	NC	600,000	300,625	None	None	600,000	300,625	900,625	191,876	1/23
Pines										
Wallace	NC	-	175,408	2,000	None	-	177,408	177,408	86,218	3/27
Wilmington	NC	527,718	979,145	2,500	None	527,718	981,645	1,509,363	346,519	3/27
Wilmington	NC	351,812	653,930	1,000	None	351,812	654,930	1,006,742	230,839	3/27
Wilmington	NC	474,946	881,640	2,000	None	474,946	883,640	1,358,586	311,792	3/27
Wilmington	NC	-	351,366	2,000	None	-	353,366	353,366	219,739	3/27
Wilmington	NC	364,126	676,287	1,500	None	364,126	677,787	1,041,913	239,139	3/27
Wilmington	NC	439,765	817,271	1,000	None	439,765	818,271	1,258,036	288,281	3/27
Wilmington	NC	-	804,196	1,500	None	-	805,696	805,696	284,120	3/27
Wilmington	NC	386,993	718,788	1,500	None	386,993	720,288	1,107,281	254,085	3/27
Wilmington	NC	527,718	979,102	2,500	None	527,718	981,602	1,509,320	346,504	3/27
Wilmington	NC	334,222	620,284	2,000	None	334,222	622,284	956,506	219,882	3/27
Wilmington	NC	334,222	620,751	1,500	None	334,222	622,251	956,473	219,609	3/27
Winston	NC	320,000	311,637	None	None	320,000	311,637	631,637	159,452	3/18
Salem										
Zebulon	NC	306,077	568,087	2,500	None	306,077	570,587	876,664	201,964	3/27
Absecon	NJ	1,367,872	2,540,604	None	None	1,367,872	2,540,604	3,908,476	1,477,742	6/27
Mays	NJ	1,539,117	2,858,630	None	None	1,539,117	2,858,630	4,397,747	1,663,663	6/27
Landing										
Millville	NJ	953,891	1,771,782	None	None	953,891	1,771,782	2,725,673	1,030,577	6/27
Toms River	NJ	1,265,861	2,351,154	None	None	1,265,861	2,351,154	3,617,015	1,367,942	6/27
Toms River	NJ	982,526	1,824,961	None	None	982,526	1,824,961	2,807,487	1,061,167	6/27
Wall	NJ	1,459,957	2,712,264	None	None	1,459,957	2,712,264	4,172,221	1,559,512	8/6
Township										
Albuquerque	NM	200,000	271,637	None	None	200,000	271,637	471,637	138,985	3/18
Amherst	NY	829,014	1,650,986	None	None	829,014	1,650,986	2,480,000	2,252	12/27
Kingston	NY	257,763	456,042	None	None	257,763	456,042	713,805	395,996	4/6
Rochester	NY	632,586	1,116,989	334	None	632,586	1,117,323	1,749,909	176,987	1/23
Alliance	OH	454,440	841,460	2,500	None	454,440	843,960	1,298,400	221,807	6/27
Atwater	OH	118,555	266,748	None	None	118,555	266,748	385,303	232,516	3/3
Bellefontaine	OH	560,000	1,039,610	2,500	None	560,000	1,042,110	1,602,110	371,259	2/29
Bellefontaine	OH	455,000	845,610	1,500	None	455,000	847,110	1,302,110	301,506	2/29
Columbus	OH	147,296	304,411	None	None	147,296	304,411	451,707	265,345	3/3
Columbus	OH	273,085	471,693	13,088	None	273,085	484,781	757,866	403,279	12/27
Cuyahoga	OH	321,792	1,144,619	None	None	321,792	1,144,619	1,466,411	623,935	3/3
Falls										
De Graff	OH	302,750	561,860	2,500	None	302,750	564,360	867,110	201,658	2/29
Eaton	OH	164,588	306,934	None	None	164,588	306,934	471,522	118,166	5/23
Galion	OH	138,981	327,597	None	None	138,981	327,597	466,578	285,556	3/6
Jackson	OH	367,500	682,110	2,500	None	367,500	684,610	1,052,110	244,347	2/29
Center										
Kenton	OH	140,000	261,462	1,000	None	140,000	262,462	402,462	88,413	8/29
Marysville	OH	507,500	943,110	1,500	None	507,500	944,610	1,452,110	336,118	2/29
Marysville	OH	700,000	1,300,610	1,500	None	700,000	1,302,110	2,002,110	463,031	2/29
Marysville	OH	350,000	650,610	1,500	None	350,000	652,110	1,002,110	232,281	2/29
Perrysburg	OH	211,678	390,680	None	134	211,678	390,814	602,492	313,681	1/10/1996
Russells	OH	546,000	1,013,610	2,500	None	546,000	1,016,110	1,562,110	362,029	2/29
Point										
Streetsboro	OH	402,988	533,349	None	114	402,988	533,463	936,451	400,125	1/27/1997
Tiffin	OH	117,017	273,040	None	None	117,017	273,040	390,057	238,000	3/7
Troy	OH	355,009	588,111	None	85	355,009	588,196	943,205	446,061	1/31/1997
Wadsworth	OH	266,507	496,917	None	116	266,507	497,033	763,540	383,735	11/26/1996
Edmond	OK	544,681	365,152	1,000	None	365,152	716,425	1,081,577	101,702	6/27
Edmond	OK	454,910	352,862	2,000	None	352,862	694,398	1,047,260	98,790	6/27
Edmond	OK	856,418	519,976	1,500	None	519,976	1,019,075	1,539,051	144,681	6/27
Edmond	OK	1,435,403	962,803	1,000	None	962,803	1,887,389	2,850,192	267,588	6/27
Midwest City	OK	604,624	405,372	1,000	None	405,372	795,228	1,200,600	112,866	6/27

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Midwest City	OK	663,965	445,188	872,239	1,000	None	445,188	873,239	1,318,427	123,917	6/2
Moore	OK	457,500	306,341	600,193	2,000	None	306,341	602,193	908,534	85,727	6/2
Moore	OK	440,160	294,864	577,709	1,500	None	294,864	579,209	874,073	82,367	6/2
Norman	OK	357,463	248,874	487,810	2,000	None	248,874	489,810	738,684	69,806	6/2
Norman	OK	481,067	390,000	521,739	2,000	None	390,000	523,739	913,739	74,613	6/2
Norman	OK	741,775	470,199	920,644	2,000	None	470,199	922,644	1,392,843	131,125	6/2
Norman	OK	1,040,929	697,964	1,367,492	1,500	None	697,964	1,368,992	2,066,956	194,253	6/2
Norman	OK	244,009	163,252	319,845	1,500	None	163,252	321,345	484,597	45,836	6/2
Oklahoma City	OK	706,752	453,873	888,815	2,000	None	453,873	890,815	1,344,688	126,615	6/2
Oklahoma City	OK	776,271	520,386	1,019,567	1,500	None	520,386	1,021,067	1,541,453	144,964	6/2

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REALTY INCOME CORPORATION AND SUBSIDIARIES

SCHEDULE III REAL ESTATE AND ACCUMULATED DEPRECIATION

AS OF DECEMBER 31, 2016

Description (Note 1)	Encumbrances (Note 2)	Initial Cost to Company			Cost Capitalized Subsequent to Acquisition		Gross Amount at Which Carried at Close of Period (Notes 3, 4, 6 and 7)			Accumulated Depreciation (Note 5)	Date of Construction	Ac
		Land	Fees	Buildings, Improvements and Acquisition	Improvements	Costs	Land	Fees	Total			
Oklahoma City	OK	612,873	410,750	804,762	1,500	None	410,750	806,262	1,217,012	114,533	6/2	
Oklahoma City	OK	628,833	421,459	825,743	1,500	None	421,459	827,243	1,248,702	117,505	6/2	
Oklahoma City	OK	228,063	166,843	327,194	2,000	None	166,843	329,194	496,037	47,053	6/2	
Oklahoma City	OK	637,261	426,956	836,510	2,000	None	426,956	838,510	1,265,466	119,206	6/2	
Oklahoma City	OK	627,179	456,873	895,930	2,000	None	456,873	897,930	1,354,803	127,623	6/2	
Oklahoma City	OK	345,167	220,000	510,953	2,500	None	220,000	513,453	733,453	73,260	6/2	
Oklahoma City	OK	514,142	344,347	674,656	2,000	None	344,347	676,656	1,021,003	96,276	6/2	
Oklahoma City	OK	244,009	178,588	350,229	2,000	None	178,588	352,229	530,817	50,316	6/2	
Oklahoma City	OK	299,838	200,554	392,926	2,000	None	200,554	394,926	595,480	56,365	6/2	
Oklahoma City	OK	677,738	479,805	940,620	1,000	None	479,805	941,620	1,421,425	133,604	6/2	
Oklahoma City	OK	579,464	388,491	761,152	1,000	None	388,491	762,152	1,150,643	108,180	6/2	
Oklahoma City	OK	661,812	514,604	1,009,798	1,000	None	514,604	1,010,798	1,525,402	143,405	6/2	
Oklahoma City	OK	914,085	612,698	1,200,429	2,000	None	612,698	1,202,429	1,815,127	170,761	6/2	
Oklahoma City	OK	331,511	221,963	434,876	1,500	None	221,963	436,376	658,339	62,132	6/2	
Oklahoma City	OK	491,498	306,360	599,729	1,000	None	306,360	600,729	907,089	85,312	6/2	
Oklahoma City	OK	425,198	180,000	616,260	2,000	None	180,000	618,260	798,260	88,003	6/2	
Oklahoma City	OK	638,778	440,000	827,361	2,000	None	440,000	829,361	1,269,361	117,909	6/2	
Oklahoma City	OK	575,459	411,910	807,611	1,000	None	411,910	808,611	1,220,521	114,762	6/2	
Oklahoma City	OK	760,776	471,600	923,140	1,500	None	471,600	924,640	1,396,240	131,303	6/2	
Oklahoma City	OK	620,761	481,598	945,011	1,000	None	481,598	946,011	1,427,609	134,227	6/2	
Oklahoma City	OK	422,259	275,094	538,804	1,500	None	275,094	540,304	815,398	76,856	6/2	
Oklahoma City	OK	604,145	404,894	793,287	1,500	None	404,894	794,787	1,199,681	112,907	6/2	

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Oklahoma City											
Tulsa	OK		126,545	508,266	None	None	126,545	508,266	634,811	397,253	6/2
Yukon	OK	922,218	618,155	1,211,121	2,000	None	618,155	1,213,121	1,831,276	172,276	6/2
Yukon	OK	591,063	390,000	696,726	1,500	None	390,000	698,226	1,088,226	99,228	6/2
Yukon	OK	988,190	713,299	1,398,650	1,000	None	713,299	1,399,650	2,112,949	198,492	6/2
Yukon	OK	1,213,232	813,732	1,594,318	1,000	None	813,732	1,595,318	2,409,050	226,212	6/2
Gresham	OR		764,719	1,546,209	None	None	764,719	1,546,209	2,310,928	2,077	12/2
Aliquippa	PA		226,195	452,631	None	None	226,195	452,631	678,826	234,612	1/2
Allentown	PA		3,922,420	5,970,215	1,565	None	3,922,420	5,971,780	9,894,200	945,897	1/2
Beaver	PA		95,626	223,368	None	None	95,626	223,368	318,994	115,777	1/2
Beaver Falls	PA		92,207	230,758	None	None	92,207	230,758	322,965	119,607	1/2
Bensalem	PA		569,763	387,611	None	None	569,763	387,611	957,374	211,242	5/2
Downingtown	PA		1,722,222	576	None	None	1,722,222	576	1,722,798	318	2/2
Mount	PA		118,118	231,108	None	None	118,118	231,108	349,226	119,789	1/2
Washington											
Penndel	PA		739,487	1,003,809	None	None	739,487	1,003,809	1,743,296	547,070	5/2
Perryopolis	PA		148,953	134,299	None	None	148,953	134,299	283,252	69,609	1/2
Philadelphia	PA		808,681	256,843	None	None	808,681	256,843	1,065,524	139,974	5/2
Philadelphia	PA		425,928	167,147	None	None	425,928	167,147	593,075	91,090	5/2
Philadelphia	PA		390,342	226,919	None	None	390,342	226,919	617,261	123,665	5/2
Philadelphia	PA		541,792	236,049	None	None	541,792	236,049	777,841	128,641	5/2
Philadelphia	PA		614,101	277,277	None	None	614,101	277,277	891,378	151,110	5/2
Philadelphia	PA		1,011,389	491,302	None	None	1,011,389	491,302	1,502,691	267,754	5/2
Philadelphia	PA		935,672	448,426	None	None	935,672	448,426	1,384,098	244,387	5/2
Philadelphia	PA		689,172	426,596	None	None	689,172	426,596	1,115,768	232,489	5/2
Philadelphia	PA		349,294	134,485	None	None	349,294	134,485	483,779	73,289	5/2
Pittsburgh	PA		497,668	320,170	None	None	497,668	320,170	817,838	165,953	1/2
Pittsburgh	PA		296,277	287,540	None	None	296,277	287,540	583,817	149,039	1/2
Pittsburgh	PA		395,417	474,741	None	None	395,417	474,741	870,158	246,072	1/2
South Park	PA		252,247	436,182	None	None	252,247	436,182	688,429	226,046	1/2
Southampton	PA		783,279	163,721	None	None	783,279	163,721	947,000	89,222	5/2
Valencia	PA		440,565	278,492	None	None	440,565	278,492	719,057	144,350	1/2
Verona	PA		1,254,411	-	None	None	1,254,411	-	1,254,411	-	1/2
Willow Grove	PA		329,934	73,123	None	None	329,934	73,123	403,057	39,847	5/2
Aiken	SC		400,000	402,665	None	None	400,000	402,665	802,665	281,190	7/2
Aiken	SC		320,000	432,527	None	None	320,000	432,527	752,527	302,044	7/2
Aiken	SC		330,000	472,679	None	None	330,000	472,679	802,679	330,083	7/2
Aiken	SC		560,000	543,588	None	None	560,000	543,588	1,103,588	379,600	7/2
Aiken	SC		360,000	542,982	None	None	360,000	542,982	902,982	379,178	7/2
Aiken	SC		540,000	388,058	None	None	540,000	388,058	928,058	270,989	7/2
Aiken	SC		250,000	251,770	None	None	250,000	251,770	501,770	175,817	7/2
Beech Island	SC		330,000	481,637	None	None	330,000	481,637	811,637	246,435	3/1
Belvedere	SC		490,000	463,080	None	None	490,000	463,080	953,080	323,380	7/2
Bishopville	SC		191,738	356,130	1,500	None	191,738	357,630	549,368	126,550	3/2
Bonneau	SC		128,411	239,191	1,500	None	128,411	240,691	369,102	85,427	3/2
Camden	SC		269,136	499,897	1,500	None	269,136	501,397	770,533	177,108	3/2
Columbia	SC		520,000	471,637	None	None	520,000	471,637	991,637	241,318	3/1
Conway	SC		-	251,890	1,000	None	-	252,890	252,890	138,518	3/2
Cordova	SC		137,207	255,025	2,000	None	137,207	257,025	394,232	91,433	3/2
Eastover	SC		138,966	258,625	1,000	None	138,966	259,625	398,591	91,824	3/2
Florence	SC		193,497	359,413	1,500	None	193,497	360,913	554,410	127,705	3/2
Florence	SC		337,740	627,293	1,500	None	337,740	628,793	966,533	221,909	3/2
Goose Creek	SC		150,000	241,637	None	None	150,000	241,637	391,637	123,635	3/1
Greenville	SC		390,000	462,847	None	None	390,000	462,847	852,847	323,217	7/2
Greenville	SC		300,000	402,392	None	None	300,000	402,392	702,392	281,000	7/2
Greenville	SC		370,000	432,695	None	None	370,000	432,695	802,695	302,161	7/2
Greenville	SC		620,000	483,604	None	None	620,000	483,604	1,103,604	337,711	7/2
Greenville	SC		680,000	423,604	None	None	680,000	423,604	1,103,604	295,811	7/2
Greer	SC		400,000	502,879	None	None	400,000	502,879	902,879	351,172	7/2
Hemingway	SC		246,269	458,069	1,500	None	246,269	459,569	705,838	162,399	3/2
Hilton Head	SC		500,000	691,637	None	None	500,000	691,637	1,191,637	353,885	3/1
Hilton Head	SC		185,500	344,510	None	None	185,500	344,510	530,010	175,126	4/1
Irmo	SC		690,000	461,637	None	None	690,000	461,637	1,151,637	236,202	3/1
Jackson	SC		170,000	632,626	None	None	170,000	632,626	802,626	441,780	7/2
Kingstree	SC		-	301,766	2,000	None	-	303,766	303,766	155,510	3/2
Kingstree	SC		209,328	389,965	1,000	None	209,328	390,965	600,293	138,012	3/2
Lake City	SC		202,292	376,398	1,500	None	202,292	377,898	580,190	133,678	3/2
Lexington	SC		640,000	563,891	None	None	640,000	563,891	1,203,891	393,778	7/2
Lexington	SC		540,000	563,588	None	None	540,000	563,588	1,103,588	393,567	7/2

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Lexington	SC	360,000	843,891	None	None	360,000	843,891	1,203,891	589,311	7/2
Lugoff	SC	200,533	372,490	1,500	None	200,533	373,990	574,523	132,304	3/2
Moncks Corner	SC	351,812	654,578	1,000	None	351,812	655,578	1,007,390	231,067	3/2
Mount Pleasant	SC	668,443	1,241,940	1,000	None	668,443	1,242,940	1,911,383	437,623	3/2
Myrtle Beach	SC	492,537	913,807	2,500	None	492,537	916,307	1,408,844	323,542	3/2
Myrtle Beach	SC	703,624	1,307,326	1,000	None	703,624	1,308,326	2,011,950	460,617	3/2
Myrtle Beach	SC	-	176,002	1,500	None	-	177,502	177,502	63,205	3/2
Myrtle Beach	SC	-	753,979	1,500	None	-	755,479	755,479	266,460	3/2
Myrtle Beach	SC	-	327,278	1,000	None	-	328,278	328,278	210,065	3/2
Myrtle Beach	SC	-	277,019	1,000	None	-	278,019	278,019	155,457	3/2
North Augusta	SC	400,000	452,777	None	None	400,000	452,777	852,777	316,185	7/2
North Augusta	SC	490,000	1,221,637	None	None	490,000	1,221,637	1,711,637	625,068	3/1
Orangeburg	SC	320,000	691,637	None	None	320,000	691,637	1,011,637	353,885	3/1
Pinewood	SC	325,426	605,076	1,500	None	325,426	606,576	932,002	214,096	3/2
Simpsonville	SC	530,000	573,485	None	None	530,000	573,485	1,103,485	400,478	7/2
Spartanburg	SC	470,000	432,879	None	None	470,000	432,879	902,879	302,289	7/2
Summerton	SC	142,484	265,326	1,500	None	142,484	266,826	409,310	94,618	3/2
Summerville	SC	297,500	553,227	None	None	297,500	553,227	850,727	281,221	4/1
Sumter	SC	211,087	392,065	1,500	None	211,087	393,565	604,652	139,188	3/2
Sumter	SC	263,859	490,128	1,500	None	263,859	491,628	755,487	173,673	3/2
Sumter	SC	362,367	673,012	1,500	None	362,367	674,512	1,036,879	237,987	3/2
Sumter	SC	181,183	336,587	1,500	None	181,183	338,087	519,270	119,678	3/2
Sumter	SC	154,797	287,584	1,500	None	154,797	289,084	443,881	102,445	3/2
Sumter	SC	351,812	653,469	1,500	None	351,812	654,969	1,006,781	231,115	3/2
Sumter	SC	334,222	620,801	1,500	None	334,222	622,301	956,523	219,626	3/2

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REALTY INCOME CORPORATION AND SUBSIDIARIES

SCHEDULE III REAL ESTATE AND ACCUMULATED DEPRECIATION

AS OF DECEMBER 31, 2016

Description	Encumbrances	Initial Cost to Company				Cost Capitalized Subsequent to Acquisition		Gross Amount at Which Carried at Close of Period (Notes 3, 4, 6 and 7)			Accumulated Depreciation	Date of Construction	Date of Acquisition
		Land	Buildings, Improvements and Acquisition Fees	Improvements	Costs	Land	Fees	Total	(Note 5)				
Sumter	SC	281,450	522,796	1,500	None	281,450	524,296	805,746	185,161		3/2/16		
Sumter	SC	146,002	271,250	1,500	None	146,002	272,750	418,752	96,701		3/2/16		
Sumter	SC	372,921	693,113	1,000	None	372,921	694,113	1,067,034	244,619		3/2/16		
Sumter	SC	149,520	277,726	1,500	None	149,520	279,226	428,746	98,978		3/2/16		
Sumter	SC	262,100	486,861	1,500	None	262,100	488,361	750,461	172,524		3/2/16		
Sumter	SC	184,701	344,620	None	None	184,701	344,620	529,321	121,190		3/2/16		
West	SC	410,000	693,574	None	None	410,000	693,574	1,103,574	484,340		7/2/16		
Columbia													
West	SC	336,000	624,727	None	None	336,000	624,727	960,727	317,567		4/1/16		
Columbia													
Arrington	TN	385,000	716,242	None	None	385,000	716,242	1,101,242	378,408		10/1/16		
Athens	TN	175,000	326,242	None	None	175,000	326,242	501,242	172,358		10/1/16		
Athens	TN	124,179	231,860	None	None	124,179	231,860	356,039	122,493		10/1/16		
Benton	TN	192,500	358,742	None	None	192,500	358,742	551,242	189,529		10/1/16		
Chattanooga	TN	181,731	338,741	None	None	181,731	338,741	520,472	178,962		10/1/16		
Chattanooga	TN	175,000	326,242	(79,571)	None	162,879	258,792	421,671	136,722		10/1/16		
Chattanooga	TN	159,979	298,346	None	None	159,979	298,346	458,325	157,620		10/1/16		
Chattanooga	TN	105,000	196,242	None	None	105,000	196,242	301,242	103,675		10/1/16		
Chattanooga	TN	245,000	456,242	None	None	245,000	456,242	701,242	241,041		10/1/16		
Chattanooga	TN	297,500	553,742	None	None	297,500	553,742	851,242	292,554		10/1/16		
Chattanooga	TN	323,750	822,529	None	None	323,750	822,529	1,146,279	414,649		10/1/16		
Chattanooga	TN	280,000	521,242	None	None	280,000	521,242	801,242	275,383		10/1/16		
Chattanooga	TN	257,250	478,992	None	None	257,250	478,992	736,242	253,061		10/1/16		
Chattanooga	TN	283,209	527,201	None	None	283,209	527,201	810,410	278,532		10/1/16		
Chattanooga	TN	542,500	1,008,742	None	None	542,500	1,008,742	1,551,242	532,946		10/1/16		
Chattanooga	TN	332,500	618,742	None	None	332,500	618,742	951,242	326,896		10/1/16		
Chattanooga	TN	300,373	559,077	(39,679)	None	260,694	559,077	819,771	295,373		10/1/16		
Chattanooga	TN	175,000	326,242	(24,664)	None	150,336	326,242	476,578	172,358		10/1/16		
Cleveland	TN	110,009	205,545	None	None	110,009	205,545	315,554	108,590		10/1/16		
Cleveland	TN	227,500	423,742	None	None	227,500	423,742	651,242	223,871		10/1/16		
Cleveland	TN	280,000	521,242	None	None	280,000	521,242	801,242	275,383		10/1/16		
Cleveland	TN	245,000	456,242	None	None	245,000	456,242	701,242	241,041		10/1/16		
Cleveland	TN	157,500	293,742	None	None	157,500	293,742	451,242	155,187		10/1/16		
Cleveland	TN	122,500	228,742	None	None	122,500	228,742	351,242	120,846		10/1/16		
Cleveland	TN	300,373	559,077	None	None	300,373	559,077	859,450	295,373		10/1/16		
Dayton	TN	262,500	488,742	None	None	262,500	488,742	751,242	258,212		10/1/16		
Decatur	TN	181,731	338,742	None	None	181,731	338,742	520,473	178,962		10/1/16		
Dunlap	TN	315,000	586,242	None	None	315,000	586,242	901,242	309,725		10/1/16		
Etowah	TN	192,500	358,742	None	None	192,500	358,742	551,242	189,529		10/1/16		
Gallatin	TN	525,000	976,242	None	None	525,000	976,242	1,501,242	515,775		10/1/16		
Gray	TN	191,151	355,563	None	None	191,151	355,563	546,714	129,779		11/2/16		
Harrison	TN	484,313	900,680	None	None	484,313	900,680	1,384,993	475,853		10/1/16		
Hixson	TN	350,000	651,242	None	None	350,000	651,242	1,001,242	344,066		10/1/16		

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Hixson	TN	271,250	504,992	None	None	271,250	504,992	776,242	266,798	10/1
Hixson	TN	513,215	954,355	None	None	513,215	954,355	1,467,570	504,211	10/1
Hixson	TN	94,500	176,742	None	None	94,500	176,742	271,242	93,372	10/1
Hixson	TN	300,373	559,077	None	None	300,373	559,077	859,450	295,373	10/1
Kimball	TN	332,500	618,742	None	None	332,500	618,742	951,242	326,896	10/1
Kingsport	TN	155,603	289,545	None	None	155,603	289,545	445,148	105,683	11/2
Kingsport	TN	310,303	576,845	None	None	310,303	576,845	887,148	210,547	11/2
La Vergne	TN	577,500	1,073,742	(15,745)	None	561,755	1,073,742	1,635,497	567,287	10/1
Manchester	TN	266,119	495,463	None	None	266,119	495,463	761,582	261,763	10/1
Manchester	TN	281,675	524,352	None	None	281,675	524,352	806,027	277,026	10/1
Manchester	TN	319,846	595,242	None	None	319,846	595,242	915,088	314,480	10/1
Monteagle	TN	271,173	504,849	None	None	271,173	504,849	776,022	266,722	10/1
Mount Juliet	TN	397,128	738,764	None	None	397,128	738,764	1,135,892	390,308	10/1
Murfreesboro	TN	549,500	1,021,742	None	None	549,500	1,021,742	1,571,242	539,814	10/1
Murfreesboro	TN	467,810	870,032	None	None	467,810	870,032	1,337,842	459,661	10/1
Murfreesboro	TN	300,373	559,077	None	None	300,373	559,077	859,450	295,373	10/1
Nashville	TN	498,628	927,264	None	None	498,628	927,264	1,425,892	489,898	10/1
Ocoee	TN	119,792	223,713	(11,239)	None	108,553	223,713	332,266	118,189	10/1
Ooltewah	TN	234,231	436,241	None	None	234,231	436,241	670,472	230,475	10/1
Ooltewah	TN	700,000	1,301,242	(190,623)	None	635,909	1,174,710	1,810,619	623,997	10/1
Ooltewah	TN	105,000	196,242	None	None	105,000	196,242	301,242	103,675	10/1
Roan	TN	286,303	532,274	None	None	286,303	532,274	818,577	194,278	11/2
Mountain										
Shelbyville	TN	320,229	595,953	None	None	320,229	595,953	916,182	314,855	10/1
Smyrna	TN	426,466	793,251	None	None	426,466	793,251	1,219,717	419,094	10/1
Smyrna	TN	630,000	1,170,036	None	None	630,000	1,170,036	1,800,036	481,664	9/2
Soddy Daisy	TN	297,500	553,732	None	None	297,500	553,732	851,232	292,549	10/1
Soddy Daisy	TN	350,000	651,242	None	None	350,000	651,242	1,001,242	344,066	10/1
Soddy Daisy	TN	245,000	456,242	None	None	245,000	456,242	701,242	241,041	10/1
Sweetwater	TN	122,500	228,742	None	None	122,500	228,742	351,242	120,846	10/1
Sweetwater	TN	339,231	1,131,287	None	None	339,231	1,131,287	1,470,518	520,183	10/1
Sweetwater	TN	133,000	248,242	None	None	133,000	248,242	381,242	131,148	10/1
Austin	TX	620,920	1,311,870	None	None	620,920	1,311,870	1,932,790	1,686	12/2
Austin	TX	572,896	1,233,608	None	None	572,896	1,233,608	1,806,504	1,556	12/2
Carrollton	TX	622,963	1,315,199	None	None	622,963	1,315,199	1,938,162	1,692	12/2
Dallas	TX	675,268	1,400,436	None	None	675,268	1,400,436	2,075,704	1,834	12/2
Dallas	TX	1,332,627	2,471,689	None	None	1,332,627	2,471,689	3,804,316	3,619	12/2
Dallas	TX	1,408,443	2,595,241	None	None	1,408,443	2,595,241	4,003,684	3,825	12/2
Duncanville	TX	764,026	1,545,079	None	None	764,026	1,545,079	2,309,105	2,075	12/2
Elmendorf	TX	905,650	1,775,875	None	None	905,650	1,775,875	2,681,525	2,460	12/2
Flower	TX	503,918	1,121,199	None	None	503,918	1,121,199	1,625,117	1,369	12/2
Mound										
Forney	TX	996,338	1,923,662	None	None	996,338	1,923,662	2,920,000	2,706	12/2
Fort Worth	TX	912,676	1,787,324	None	None	912,676	1,787,324	2,700,000	2,479	12/2
Fort Worth	TX	1,007,746	1,942,254	None	None	1,007,746	1,942,254	2,950,000	2,737	12/2
Fort Worth	TX	508,143	1,128,085	None	None	508,143	1,128,085	1,636,228	1,380	12/2
Fort Worth	TX	1,509,438	2,759,824	None	None	1,509,438	2,759,824	4,269,262	4,100	12/2
Garland	TX	1,194,085	2,245,915	None	None	1,194,085	2,245,915	3,440,000	3,243	12/2
Grand Prairie	TX	1,185,095	2,231,266	None	None	1,185,095	2,231,266	3,416,361	3,219	12/2
Grapevine	TX	1,724,069	3,109,593	None	None	1,724,069	3,109,593	4,833,662	4,683	12/2
Irving	TX	1,329,747	2,466,995	None	None	1,329,747	2,466,995	3,796,742	3,612	12/2
Irving	TX	814,003	1,626,524	None	None	814,003	1,626,524	2,440,527	2,211	12/2
Leander	TX	620,467	1,311,131	None	None	620,467	1,311,131	1,931,598	1,685	12/2
Roanoke	TX	829,014	1,650,986	None	None	829,014	1,650,986	2,480,000	2,252	12/2
San Antonio	TX	726,717	1,484,279	None	None	726,717	1,484,279	2,210,996	1,974	12/2
San Antonio	TX	742,794	1,510,480	None	None	742,794	1,510,480	2,253,274	2,017	12/2
San Antonio	TX	981,613	1,899,665	None	None	981,613	1,899,665	2,881,278	2,666	12/2
San Antonio	TX	574,336	1,235,955	None	None	574,336	1,235,955	1,810,291	1,560	12/2
San Antonio	TX	574,421	1,236,093	None	None	574,421	1,236,093	1,810,514	1,560	12/2
San Antonio	TX	528,525	1,161,301	None	None	528,525	1,161,301	1,689,826	1,436	12/2
San Antonio	TX	722,998	1,478,219	None	None	722,998	1,478,219	2,201,217	1,964	12/2
San Antonio	TX	2,372,794	4,166,775	None	None	2,372,794	4,166,775	6,539,569	6,445	12/2
San Antonio	TX	526,458	1,157,932	None	None	526,458	1,157,932	1,684,390	1,430	12/2
San Antonio	TX	1,376,985	2,543,975	None	None	1,376,985	2,543,975	3,920,960	3,740	12/2
San Antonio	TX	849,068	1,683,667	None	None	849,068	1,683,667	2,532,735	2,306	12/2
Schertz	TX	737,074	1,501,158	None	None	737,074	1,501,158	2,238,232	2,002	12/2
Temple	TX	558,673	1,210,430	None	None	558,673	1,210,430	1,769,103	1,517	12/2
The Colony	TX	973,521	1,886,479	None	None	973,521	1,886,479	2,860,000	2,644	12/2
Universal	TX	464,999	1,057,776	None	None	464,999	1,057,776	1,522,775	1,263	12/2
City										

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Roy	UT	611,806	1,297,017	None	None	611,806	1,297,017	1,908,823	1,662	12/2
Springville	UT	1,405,148	2,589,871	None	None	1,405,148	2,589,871	3,995,019	3,816	12/2
West Jordan	UT	362,645	890,977	None	None	362,645	890,977	1,253,622	985	12/2
Abingdon	VA	57,847	107,997	None	None	57,847	107,997	165,844	39,417	11/2
Big Stone	VA	527,303	979,860	None	None	527,303	979,860	1,507,163	357,647	11/2
Gap										
Bristol	VA	213,369	396,824	None	None	213,369	396,824	610,193	144,839	11/2

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REALTY INCOME CORPORATION AND SUBSIDIARIES

SCHEDULE III REAL ESTATE AND ACCUMULATED DEPRECIATION

AS OF DECEMBER 31, 2016

Description (Note 1)	Encumbrances (Note 2)	Initial Cost to Company		Cost Capitalized Subsequent to Acquisition		Gross Amount at Which Carried at Close of Period (Notes 3, 4, 6 and 7)			Accumulated Depreciation (Note 5)	Date of Construction
		Land	Buildings, Improvements and Acquisition Fees	Improvements	Carrying Costs	Land	Buildings, Improvements and Acquisition Fees	Total		
Bristol VA		268,303	498,845	None	None	268,303	498,845	767,148	182,077	1
Bristol VA		171,156	318,428	None	None	171,156	318,428	489,584	116,225	1
Carrollton VA		1,011,549	1,948,451	None	None	1,011,549	1,948,451	2,960,000	2,747	12
Castlewood VA		387,303	720,307	None	None	387,303	720,307	1,107,610	262,911	1
Charlottesville VA		817,604	1,619,856	2,000	None	817,604	1,621,856	2,439,460	192,266	1
Charlottesville VA		536,443	1,062,813	2,500	None	536,443	1,065,313	1,601,756	126,495	1
Charlottesville VA		692,490	1,371,977	2,000	None	692,490	1,373,977	2,066,467	162,934	1
Chatham VA		347,728	525,031	None	None	347,728	525,031	872,759	289,635	3
Chesapeake VA		225,000	400,366	None	None	225,000	400,366	625,366	182,166	8
Clintwood VA		378,553	703,610	None	None	378,553	703,610	1,082,163	256,816	1
Coeburn VA		168,934	314,764	None	None	168,934	314,764	483,698	114,887	1
Coeburn VA		312,303	581,021	None	None	312,303	581,021	893,324	212,071	1
Coeburn VA		282,303	525,307	None	None	282,303	525,307	807,610	191,736	1
Collinsville VA		84,465	130,137	None	None	84,465	130,137	214,602	71,785	3
Danville VA		149,276	227,333	None	None	149,276	227,333	376,609	125,405	3
Danville VA		83,644	128,884	None	None	83,644	128,884	212,528	71,094	3
Danville VA		266,722	403,501	None	None	266,722	403,501	670,223	222,591	3
Franklin VA		536,667	863,699	None	None	536,667	863,699	1,400,366	392,983	8
Gate City VA		422,303	784,845	None	None	422,303	784,845	1,207,148	286,467	1
Glen Allen VA		329,698	498,015	None	None	329,698	498,015	827,713	274,731	3
Gordonsville VA		770,000	1,155,478	1,500	None	770,000	1,156,978	1,926,978	137,169	1
Gordonsville VA		2,190,000	2,286,653	3,000	None	2,190,000	2,289,653	4,479,653	271,462	1
Hampton VA		433,985	459,108	None	None	433,985	459,108	893,093	343,555	4
Highland Springs VA		396,720	598,547	None	None	396,720	598,547	995,267	330,191	3
Honaker VA		492,303	915,307	None	None	492,303	915,307	1,407,610	334,086	1
Martinsville VA		246,820	373,653	None	None	246,820	373,653	620,473	206,125	3
Martinsville VA		83,521	128,706	None	None	83,521	128,706	212,227	70,995	3
Midlothian VA		325,000	302,872	None	153	325,000	303,025	628,025	234,832	8
Newport News VA		490,616	605,304	None	None	490,616	605,304	1,095,920	423,627	1/20/2000
Newport News VA		1,186,479	2,233,521	None	None	1,186,479	2,233,521	3,420,000	3,223	12
Newport News VA		787,183	1,582,817	None	None	787,183	1,582,817	2,370,000	2,138	12
Norfolk VA		1,045,775	2,004,225	None	None	1,045,775	2,004,225	3,050,000	2,840	12
Norfolk VA		1,026,761	1,973,239	None	None	1,026,761	1,973,239	3,000,000	2,789	12
Norton VA		157,826	293,688	None	None	157,826	293,688	451,514	107,194	1
Norton VA		457,303	849,860	None	None	457,303	849,860	1,307,163	310,197	1
Norton VA		222,256	413,344	None	None	222,256	413,344	635,600	150,869	1
Pound VA		256,170	476,327	None	None	256,170	476,327	732,497	173,858	1
Pound VA		276,303	513,717	None	None	276,303	513,717	790,020	187,505	1

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Richlands	VA	492,303	915,307	None	None	492,303	915,307	1,407,610	334,086	1
Richlands	VA	140,051	261,125	None	None	140,051	261,125	401,176	95,309	1
Richmond	VA	700,000	400,740	None	None	700,000	400,740	1,100,740	299,879	4
Richmond	VA	400,000	250,875	None	None	400,000	250,875	650,875	187,729	4
Richmond	VA	1,000,000	740	None	None	1,000,000	740	1,000,740	546	4
Richmond	VA	700,000	100,695	None	None	700,000	100,695	800,695	75,346	4
Richmond	VA	1,144,841	3,371,146	None	None	1,144,841	3,371,146	4,515,987	1,936,569	8
Richmond	VA	298,227	451,014	None	None	298,227	451,014	749,241	248,802	3
Richmond	VA	213,982	324,659	None	None	213,982	324,659	538,641	179,096	3
Richmond	VA	482,735	727,776	None	None	482,735	727,776	1,210,511	401,483	3
Richmond	VA	350,453	529,365	None	None	350,453	529,365	879,818	292,026	3
Richmond	VA	323,496	488,918	None	None	323,496	488,918	812,414	269,712	3
Richmond	VA	278,443	421,584	None	None	278,443	421,584	700,027	232,567	3
Roanoke	VA	325,000	575,366	None	None	325,000	575,366	900,366	261,791	8
Rosedale	VA	211,147	393,160	None	None	211,147	393,160	604,307	143,502	1
Saint Paul	VA	334,803	622,807	None	None	334,803	622,807	957,610	227,323	1
Saint Paul	VA	422,303	785,307	None	None	422,303	785,307	1,207,610	286,636	1
Sandston	VA	152,535	232,528	None	None	152,535	232,528	385,063	128,271	3
South Boston	VA	160,893	244,778	None	None	160,893	244,778	405,671	135,029	3
Stafford	VA	271,865	601,997	None	161	271,865	602,158	874,023	482,761	12
Staunton	VA	675,000	1,000,366	None	None	675,000	1,000,366	1,675,366	455,166	8
Suffolk	VA	700,000	1,000,366	None	None	700,000	1,000,366	1,700,366	455,166	8
Tazewell	VA	153,382	285,882	None	None	153,382	285,882	439,264	104,345	1
Troutville	VA	575,000	975,366	(93,309)	None	481,691	975,366	1,457,057	443,791	8
Virginia	VA	1,194,560	2,218,773	None	None	1,194,560	2,218,773	3,413,333	1,290,571	6
Beach	VA									
Virginia	VA	566,987	1,223,979	None	None	566,987	1,223,979	1,790,966	1,540	12
Beach	VA									
Warrenton	VA	515,971	649,125	None	161	515,971	649,286	1,165,257	520,543	12
Weber City	VA	369,803	687,345	None	None	369,803	687,345	1,057,148	250,879	1
Williamsburg	VA	838,172	1,556,910	None	None	838,172	1,556,910	2,395,082	905,527	6
Wise	VA	334,803	622,360	None	None	334,803	622,360	957,163	227,160	1
Wise	VA	66,733	124,517	None	None	66,733	124,517	191,250	45,447	1
Wise	VA	527,303	979,860	None	None	527,303	979,860	1,507,163	357,647	1
Wytheville	VA	1,222,535	1,577,830	None	None	1,222,535	1,577,830	2,800,365	717,913	8
Yorktown	VA	309,435	447,144	None	None	309,435	447,144	756,579	334,597	4
Yorktown	VA	2,121,289	4,701,469	1,623	None	2,121,289	4,703,092	6,824,381	745,035	1
Tumwater	WA	422,960	989,269	None	None	422,960	989,269	1,412,229	1,149	12
East Troy	WI	578,813	1,072,938	2,000	None	578,813	1,074,938	1,653,751	303,611	12
Ellsworth	WI	175,000	323,500	1,500	None	175,000	325,000	500,000	79,092	1
Menomonie	WI	770,442	1,428,821	2,000	None	770,442	1,430,821	2,201,263	346,515	1
Menomonie	WI	175,000	323,000	2,000	None	175,000	325,000	500,000	79,275	1
Menomonie	WI	441,256	817,975	1,500	None	441,256	819,475	1,260,731	198,590	1
Mondovi	WI	175,000	323,500	1,500	None	175,000	325,000	500,000	79,092	1
Osseo	WI	613,373	1,136,622	2,500	None	613,373	1,139,122	1,752,495	276,204	1

Crafts and novelties

Enterprise	AL	1,187,964	2,667,017	None	None	1,187,964	2,667,017	3,854,981	4,445	12
Morgan Hill	CA	319,063	2,518,205	None	None	319,063	2,518,205	2,837,268	432,292	9
Rancho Cucamonga	CA	2,790,740	4,713,106	45,796	None	2,790,740	4,758,902	7,549,642	817,252	9
Roseville	CA	1,415,674	4,367,269	None	None	1,415,674	4,367,269	5,782,943	749,715	9
Temecula	CA	2,027,441	4,644,558	9,194	None	2,027,441	4,653,752	6,681,193	798,056	9
Clermont	FL	980,500	4,587,292	None	None	980,500	4,587,292	5,567,792	683,565	5/10/2013
Cutler Bay	FL	743,498	657,485	437,136	205	743,498	1,094,826	1,838,324	691,829	6
Albany	GA	653,464	12,112,986	372	None	653,464	12,113,358	12,766,822	1,335,620	1
Rockford	IL	159,587	618,398	178,656	211	159,587	797,265	956,852	537,486	1
Hickory	NC	1,400,000	2,975,082	None	None	1,400,000	2,975,082	4,375,082	37	In-progress
Minot	ND	500,000	2,514,029	None	None	500,000	2,514,029	3,014,029	29,330	9
Clovis	NM	150,000	2,939,618	53,910	None	150,000	2,993,528	3,143,528	310,092	6
Stony Brook	NY	980,000	1,801,586	78,970	None	980,000	1,880,556	2,860,556	1,303,289	1
Columbia	SC	1,102,910	4,391,377	None	None	1,102,910	4,391,377	5,494,287	511,964	1/27/2014

Diversified industrial

Jacksonville	FL	2,210,000	41,394,890	None	None	2,210,000	41,394,890	43,604,890	2,016,006	10/30/2014
West Point	GA	430,000	12,263,738	96,954	None	430,000	12,360,692	12,790,692	308,755	2

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Cedar Rapids	IA		1,000,000	12,981,440	None	None	1,000,000	12,981,440	13,981,440	1,189,965
Buffalo Grove	IL	10,084,963	3,130,000	17,353,386	None	None	3,130,000	17,353,386	20,483,386	1,342,822
Portland	TN	9,687,113	1,481,370	10,969,189	None	None	1,481,370	10,969,189	12,450,559	1,883,044
Deer Park	TX	9,790,000	2,410,000	13,364,183	None	None	2,410,000	13,364,183	15,774,183	1,034,133

Dollar stores

Andalusia	AL		334,025	1,085,582	None	None	334,025	1,085,582	1,419,607	171,884
Ariton	AL		113,182	824,898	None	None	113,182	824,898	938,080	97,613
Bessemer	AL		391,797	1,273,339	None	None	391,797	1,273,339	1,665,136	201,612
Bessemer	AL		279,833	1,100,867	None	None	279,833	1,100,867	1,380,700	148,617
Birmingham	AL		707,673	1,314,251	None	None	707,673	1,314,251	2,021,924	238,756
Birmingham	AL		322,861	599,600	None	None	322,861	599,600	922,461	96,935
Birmingham	AL		248,925	979,275	None	None	248,925	979,275	1,228,200	132,202

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REALTY INCOME CORPORATION AND SUBSIDIARIES

SCHEDULE III REAL ESTATE AND ACCUMULATED DEPRECIATION

AS OF DECEMBER 31, 2016

Description	Encumbrances	Initial Cost to Company		Cost Capitalized Subsequent to Acquisition		Gross Amount at Which Carried at Close of Period (Notes 3, 4, 6 and 7)			Accumulated Depreciation	Date of Construction	Date Acquired
		Land	Buildings, Improvements and Acquisition Fees	Improvements	Costs	Land	Buildings, Improvements and Acquisition Fees	Total			
(Note 1)	(Note 2)	Land	Fees	Improvements	Costs	Land	Fees	Total	(Note 5)	Construction	Acquire
Birmingham AL		235,245	925,455	None	None	235,245	925,455	1,160,700	124,936		8/22/2011
Birmingham AL		265,160	1,043,140	None	None	265,160	1,043,140	1,308,300	140,824		8/22/2011
Birmingham AL		312,444	1,229,156	None	None	312,444	1,229,156	1,541,600	165,936		8/22/2011
Birmingham AL		266,882	1,049,918	None	None	266,882	1,049,918	1,316,800	141,739		8/22/2011
Camp Hill AL		127,780	851,515	None	None	127,780	851,515	979,295	100,763		1/24/2011
Castleberry AL		121,658	810,716	None	None	121,658	810,716	932,374	95,935		1/24/2011
Cedar Bluff AL		160,037	836,150	None	None	160,037	836,150	996,187	98,944		1/24/2011
Center Point AL		232,043	912,857	None	None	232,043	912,857	1,144,900	123,236		8/22/2011
Clanton AL		300,000	962,598	None	None	300,000	962,598	1,262,598	113,907		1/31/2011
Crossville AL		268,814	873,647	None	None	268,814	873,647	1,142,461	138,327		1/22/2011
Cullman AL		277,067	685,954	None	None	277,067	685,954	963,021	81,171		1/24/2011
Decatur AL		301,085	559,159	None	None	301,085	559,159	860,244	101,580		6/1/2011
Decatur AL		269,275	765,035	None	None	269,275	765,035	1,034,310	90,529		1/31/2011
Duncanville AL		162,574	786,023	None	None	162,574	786,023	948,597	93,013		1/31/2011
Enterprise AL		294,944	837,962	None	None	294,944	837,962	1,132,906	99,159		1/31/2011
Eufaula AL		201,712	1,053,886	None	None	201,712	1,053,886	1,255,598	124,710		1/24/2011
Evergreen AL		193,413	1,010,529	None	None	193,413	1,010,529	1,203,942	119,579		1/24/2011
Florence AL		419,440	778,959	None	None	419,440	778,959	1,198,399	125,932		12/14/2010
Forestdale AL		287,839	1,132,361	None	None	287,839	1,132,361	1,420,200	152,869		8/22/2011
Frisco City AL		163,025	788,202	None	None	163,025	788,202	951,227	93,271		1/31/2011
Gilbertown AL		171,006	1,246,332	None	None	171,006	1,246,332	1,417,338	147,483		1/31/2011
Huntsville AL		501,318	931,020	None	None	501,318	931,020	1,432,338	169,135		6/1/2011
Jasper AL		276,246	897,800	None	None	276,246	897,800	1,174,046	142,152		1/22/2011
Jasper AL		282,574	918,366	None	None	282,574	918,366	1,200,940	145,408		1/22/2011
Jasper AL		280,753	912,446	None	None	280,753	912,446	1,193,199	144,471		1/22/2011
Lillian AL		203,832	985,500	None	None	203,832	985,500	1,189,332	116,618		1/31/2011
Livingston AL		239,319	941,481	None	None	239,319	941,481	1,180,800	127,100		8/22/2011
Marbury AL		160,000	1,006,765	None	None	160,000	1,006,765	1,166,765	119,134		1/31/2011
Mobile AL		212,971	837,829	None	None	212,971	837,829	1,050,800	113,107		8/22/2011
Montgomery AL		532,170	988,317	None	None	532,170	988,317	1,520,487	159,778		12/14/2010
Montgomery AL		366,980	681,533	None	None	366,980	681,533	1,048,513	110,181		12/14/2010
Moundville AL		230,583	907,117	None	None	230,583	907,117	1,137,700	122,461		8/22/2011
Odenville AL		176,981	855,676	None	None	176,981	855,676	1,032,657	101,255		1/31/2011
Opelika AL		331,598	1,077,694	None	None	331,598	1,077,694	1,409,292	170,635		1/22/2011
Prichard AL		429,411	797,478	None	None	429,411	797,478	1,226,889	128,926		12/14/2010
Remlap AL		177,711	859,208	None	None	177,711	859,208	1,036,919	101,673		1/31/2011
Samson AL		181,064	1,319,631	None	None	181,064	1,319,631	1,500,695	156,156		1/31/2011
Shelby AL		277,350	901,388	None	None	277,350	901,388	1,178,738	142,720		1/22/2011
Slocomb AL		268,240	1,055,260	None	None	268,240	1,055,260	1,323,500	142,460		8/22/2011
Slocomb AL		280,000	2,597,341	None	None	280,000	2,597,341	2,877,341	307,352		1/31/2011
Smiths Station AL		359,391	1,168,019	None	None	359,391	1,168,019	1,527,410	184,936		1/22/2011
Sycamore AL		50,000	885,687	None	None	50,000	885,687	935,687	104,806		1/31/2011

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Sylacauga	AL	147,110	980,328	None	None	147,110	980,328	1,127,438	116,006	1/24/20
Thorsby	AL	298,516	970,178	None	None	298,516	970,178	1,268,694	153,611	1/22/20
Troy	AL	257,985	1,014,915	None	None	257,985	1,014,915	1,272,900	137,014	8/22/20
Uriah	AL	140,000	776,826	None	None	140,000	776,826	916,826	91,924	1/31/20
Weaver	AL	220,771	627,231	19,229	None	220,771	646,460	867,231	77,830	12/20/20
Webb	AL	173,294	905,411	None	None	173,294	905,411	1,078,705	107,140	1/24/20
Wedowee	AL	251,256	988,444	None	None	251,256	988,444	1,239,700	133,440	8/22/20
York	AL	218,727	860,473	None	None	218,727	860,473	1,079,200	116,164	8/22/20
Atkins	AR	264,657	491,507	None	None	264,657	491,507	756,164	79,460	12/14/20
Black Rock	AR	137,428	915,809	None	None	137,428	915,809	1,053,237	108,371	1/24/20
Cabot	AR	479,323	1,186,692	None	None	479,323	1,186,692	1,666,015	140,425	1/24/20
Clarendon	AR	156,618	1,043,684	None	None	156,618	1,043,684	1,200,302	123,503	1/24/20
Dermott	AR	137,299	540,136	None	None	137,299	540,136	677,435	71,118	9/18/20
Drasco	AR	135,176	900,796	None	None	135,176	900,796	1,035,972	106,594	1/24/20
England	AR	147,813	985,008	None	None	147,813	985,008	1,132,821	116,559	1/24/20
Greenbrier	AR	277,423	1,449,455	None	None	277,423	1,449,455	1,726,878	171,519	1/24/20
Gurdon	AR	99,815	727,471	None	None	99,815	727,471	827,286	90,934	11/20/20
Hampton	AR	128,214	854,405	None	None	128,214	854,405	982,619	101,105	1/24/20
Haskell	AR	191,254	999,249	None	None	191,254	999,249	1,190,503	118,245	1/24/20
Hope	AR	421,413	782,623	None	None	421,413	782,623	1,204,036	142,177	6/1/20
Huntsville	AR	168,806	1,124,906	None	None	168,806	1,124,906	1,293,712	133,114	1/24/20
Jasper	AR	110,000	835,511	None	None	110,000	835,511	945,511	98,869	1/24/20
Jonesboro	AR	240,000	867,698	None	None	240,000	867,698	1,107,698	102,678	1/24/20
Jonesboro	AR	380,000	806,115	None	None	380,000	806,115	1,186,115	95,390	1/24/20
Little Rock	AR	248,520	977,680	None	None	248,520	977,680	1,226,200	131,987	8/22/20
Little Rock	AR	157,195	618,405	None	None	157,195	618,405	775,600	83,485	8/22/20
Malvern	AR	139,776	570,280	None	None	139,776	570,280	710,056	90,294	1/24/20
Marianna	AR	230,373	427,836	None	None	230,373	427,836	658,209	69,167	12/14/20
Ola	AR	126,412	842,394	None	None	126,412	842,394	968,806	99,683	1/24/20
Pine Bluff	AR	562,282	1,044,237	None	None	562,282	1,044,237	1,606,519	189,703	6/1/20
Pine Bluff	AR	579,851	1,076,865	None	None	579,851	1,076,865	1,656,716	174,093	12/14/20
Pine Bluff	AR	243,412	602,631	None	None	243,412	602,631	846,043	71,311	1/24/20
Pine Bluff	AR	279,924	693,026	None	None	279,924	693,026	972,950	82,008	1/24/20
Prescott	AR	119,075	793,501	None	None	119,075	793,501	912,576	93,898	1/24/20
Sherwood	AR	225,665	887,766	None	None	225,665	887,766	1,113,431	122,808	7/9/20
West Fork	AR	281,211	1,469,249	None	None	281,211	1,469,249	1,750,460	173,861	1/24/20
West Helena	AR	331,612	615,851	None	None	331,612	615,851	947,463	99,563	12/14/20
Bisbee	AZ	181,118	946,292	None	None	181,118	946,292	1,127,410	111,978	1/24/20
Camp Verde	AZ	244,826	454,678	None	None	244,826	454,678	699,504	82,600	6/1/20
Douglas	AZ	188,809	986,472	None	None	188,809	986,472	1,175,281	116,733	1/24/20
Gila Bend	AZ	161,460	1,075,950	None	None	161,460	1,075,950	1,237,410	127,321	1/24/20
Phoenix	AZ	712,708	1,323,600	None	None	712,708	1,323,600	2,036,308	240,454	6/1/20
Phoenix	AZ	642,917	1,193,990	None	None	642,917	1,193,990	1,836,907	216,908	6/1/20
Phoenix	AZ	721,637	1,340,182	None	None	721,637	1,340,182	2,061,819	243,466	6/1/20
Phoenix	AZ	580,167	1,077,452	None	None	580,167	1,077,452	1,657,619	195,737	6/1/20
Salome	AZ	251,540	989,560	None	None	251,540	989,560	1,241,100	133,591	8/22/20
Tolleson	AZ	581,123	1,079,228	None	None	581,123	1,079,228	1,660,351	196,060	6/1/20
Tucson	AZ	461,061	856,257	None	None	461,061	856,257	1,317,318	155,553	6/1/20
Tucson	AZ	259,447	1,020,665	None	None	259,447	1,020,665	1,280,112	144,594	6/21/20
Williams	AZ	160,391	1,168,960	None	None	160,391	1,168,960	1,329,351	150,017	10/15/20
Yuma	AZ	225,609	418,988	None	None	225,609	418,988	644,597	76,116	6/1/20
Yuma	AZ	276,672	1,088,428	None	None	276,672	1,088,428	1,365,100	146,938	8/22/20
Yuma	AZ	418,158	1,188,024	None	None	418,158	1,188,024	1,606,182	132,663	3/14/20
Akron	CO	318,751	1,035,939	None	None	318,751	1,035,939	1,354,690	164,024	1/22/20
Federal Heights	CO	561,752	1,043,254	None	None	561,752	1,043,254	1,605,006	189,524	6/1/20
Holyoke	CO	361,977	1,176,425	None	None	361,977	1,176,425	1,538,402	186,267	1/22/20
Keenesburg	CO	339,959	1,104,866	None	None	339,959	1,104,866	1,444,825	174,937	1/22/20
Silver Cliff	CO	245,520	797,939	1,950	None	245,520	799,889	1,045,409	127,986	1/22/20
Anthony	FL	259,074	1,353,588	None	None	259,074	1,353,588	1,612,662	160,175	1/24/20
Baldwin	FL	252,938	995,062	None	None	252,938	995,062	1,248,000	134,333	8/22/20
Bartow	FL	476,372	884,692	None	None	476,372	884,692	1,361,064	143,025	12/14/20
Bradenton	FL	255,520	739,091	573	None	255,520	739,664	995,184	40,484	10/9/20
Brandon	FL	605,652	1,124,782	None	None	605,652	1,124,782	1,730,434	181,840	12/14/20
Cape Coral	FL	310,235	1,220,465	None	None	310,235	1,220,465	1,530,700	164,763	8/22/20
Cape Coral	FL	299,371	1,177,729	None	None	299,371	1,177,729	1,477,100	158,993	8/22/20
Casselberry	FL	314,673	1,237,927	None	None	314,673	1,237,927	1,552,600	167,120	8/22/20
Century	FL	215,484	847,716	None	None	215,484	847,716	1,063,200	114,442	8/22/20
	FL	210,810	1,101,421	None	None	210,810	1,101,421	1,312,231	130,335	1/24/20

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Citrus Springs										
Cottondale	FL	458,337	851,196	None	None	458,337	851,196	1,309,533	137,610	12/14/20
Cross City	FL	308,087	1,609,668	None	None	308,087	1,609,668	1,917,755	190,477	1/24/20
Crystal River	FL	432,782	803,739	None	None	432,782	803,739	1,236,521	129,938	12/14/20
Daytona Beach	FL	315,423	1,240,877	None	None	315,423	1,240,877	1,556,300	167,518	8/22/20

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REALTY INCOME CORPORATION AND SUBSIDIARIES

SCHEDULE III REAL ESTATE AND ACCUMULATED DEPRECIATION

AS OF DECEMBER 31, 2016

Description (Note 1)	Encumbrances (Note 2)	Initial Cost to Company		Cost Capitalized Subsequent to Acquisition		Gross Amount at Which Carried at Close of Period (Notes 3, 4, 6 and 7)			Accumulated Depreciation (Note 5)	Date of Construction	Date Acquired
		Land	Buildings, Improvements and Acquisition Fees	Improvements	Costs	Land	Buildings, Improvements and Acquisition Fees	Total			
Debary	FL	257,762	1,014,038	None	None	257,762	1,014,038	1,271,800	136,895		8/22/2016
DeFuniak Springs	FL	282,063	1,109,637	None	None	282,063	1,109,637	1,391,700	149,801		8/22/2016
Deland	FL	471,921	1,168,367	None	None	471,921	1,168,367	1,640,288	138,257		1/24/2016
Destin	FL	420,175	2,195,293	None	None	420,175	2,195,293	2,615,468	259,776		1/24/2016
Dover	FL	432,677	1,071,208	None	None	432,677	1,071,208	1,503,885	126,760		1/24/2016
Dundee	FL	250,810	986,690	None	None	250,810	986,690	1,237,500	133,203		8/22/2016
Dunedin	FL	353,830	1,391,970	None	None	353,830	1,391,970	1,745,800	187,916		8/22/2016
Edgewater	FL	579,101	1,433,719	None	None	579,101	1,433,719	2,012,820	169,657		1/24/2016
Eustis	FL	572,540	1,417,475	None	None	572,540	1,417,475	1,990,015	167,735		1/24/2016
Fanning Springs	FL	440,000	1,647,482	None	None	440,000	1,647,482	2,087,482	194,952		1/24/2016
Fern Park	FL	663,492	1,232,199	None	None	663,492	1,232,199	1,895,691	199,206		12/14/2016
Florahome	FL	197,567	1,316,563	None	None	197,567	1,316,563	1,514,130	155,793		1/24/2016
Floral City	FL	259,079	1,019,221	None	None	259,079	1,019,221	1,278,300	137,595		8/22/2016
Fort Meade	FL	261,728	1,367,452	None	None	261,728	1,367,452	1,629,180	161,815		1/24/2016
Fort Myers	FL	352,006	1,384,794	None	None	352,006	1,384,794	1,736,800	186,947		8/22/2016
Fort Myers	FL	313,964	1,235,136	None	None	313,964	1,235,136	1,549,100	166,743		8/22/2016
Fort Myers	FL	282,549	1,111,551	None	None	282,549	1,111,551	1,394,100	150,059		8/22/2016
Ft White	FL	200,000	947,109	61,239	None	200,000	1,008,348	1,208,348	112,782		1/15/2016
Ft. Walton Beach	FL	294,345	1,157,955	None	None	294,345	1,157,955	1,452,300	156,324		8/22/2016
Ft. White	FL	204,195	803,305	None	None	204,195	803,305	1,007,500	108,446		8/22/2016
Gainesville	FL	491,957	913,635	None	None	491,957	913,635	1,405,592	147,704		12/14/2016
Gainesville	FL	578,261	1,431,639	None	None	578,261	1,431,639	2,009,900	169,411		1/24/2016
Gainesville	FL	868,725	1,621,793	None	None	868,725	1,621,793	2,490,518	191,912		1/24/2016
Greensboro	FL	185,185	1,234,053	None	None	185,185	1,234,053	1,419,238	146,030		1/24/2016
Groveland	FL	101,782	189,258	None	None	101,782	189,258	291,040	134,686		3/31/1996
Groveland	FL	730,550	1,363,839	None	None	730,550	1,363,839	2,094,389	161,388		1/24/2016
Hilliard	FL	461,328	1,499,315	None	None	461,328	1,499,315	1,960,643	237,392		1/22/2016
Holiday	FL	287,353	1,130,447	None	None	287,353	1,130,447	1,417,800	152,610		8/22/2016
Holiday	FL	296,473	1,166,327	None	None	296,473	1,166,327	1,462,800	157,454		8/22/2016
Homosassa	FL	331,697	1,733,022	None	None	331,697	1,733,022	2,064,719	205,074		1/24/2016
Hudson	FL	485,785	902,173	None	None	485,785	902,173	1,387,958	145,851		12/14/2016
Hudson	FL	917,578	1,712,997	None	None	917,578	1,712,997	2,630,575	202,705		1/24/2016
Immokalee	FL	659,438	1,224,671	None	None	659,438	1,224,671	1,884,109	222,482		6/1/2016
Inglis	FL	221,544	871,556	None	None	221,544	871,556	1,093,100	117,660		8/22/2016
Inglis	FL	231,860	1,545,090	None	None	231,860	1,545,090	1,776,950	182,836		1/24/2016
Jacksonville	FL	479,745	890,954	None	None	479,745	890,954	1,370,699	161,857		6/1/2016
Jacksonville	FL	635,245	1,179,740	None	None	635,245	1,179,740	1,814,985	190,725		12/14/2016
Jacksonville	FL	577,368	1,072,255	None	None	577,368	1,072,255	1,649,623	173,348		12/14/2016
Jacksonville	FL	774,832	1,438,974	None	None	774,832	1,438,974	2,213,806	232,634		12/14/2016
Jacksonville	FL	580,539	1,078,144	None	None	580,539	1,078,144	1,658,683	174,300		12/14/2016

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Jacksonville	FL	484,992	1,576,223	None	None	484,992	1,576,223	2,061,215	249,569	1/22/2011
Jacksonville	FL	284,535	1,119,365	None	None	284,535	1,119,365	1,403,900	151,114	8/22/2011
Jacksonville	FL	316,457	1,244,943	None	None	316,457	1,244,943	1,561,400	168,067	8/22/2011
Jacksonville	FL	717,739	1,181,877	None	None	717,739	1,181,877	1,899,616	64,426	10/9/2011
Jacksonville	FL	501,314	806,878	None	None	501,314	806,878	1,308,192	45,173	10/9/2011
Jasper	FL	397,823	738,814	None	None	397,823	738,814	1,136,637	119,442	12/14/2011
Kissimmee	FL	283,238	1,114,262	None	None	283,238	1,114,262	1,397,500	150,425	8/22/2011
Kissimmee	FL	444,433	1,268,502	None	None	444,433	1,268,502	1,712,935	120,508	8/15/2011
Lake City	FL	262,680	1,372,428	None	None	262,680	1,372,428	1,635,108	162,404	1/24/2011
Lake City	FL	275,994	1,441,991	None	None	275,994	1,441,991	1,717,985	170,636	1/24/2011
Lakeland	FL	342,755	636,546	None	None	342,755	636,546	979,301	115,639	6/1/2011
Lakeland	FL	455,575	846,067	None	None	455,575	846,067	1,301,642	136,781	12/14/2011
Lakeland	FL	249,452	981,348	None	None	249,452	981,348	1,230,800	132,482	8/22/2011
Largo	FL	567,646	1,054,201	None	None	567,646	1,054,201	1,621,847	170,429	12/14/2011
Laurel Hill	FL	330,715	1,074,825	None	None	330,715	1,074,825	1,405,540	170,181	1/22/2011
Lawtey	FL	186,088	1,240,070	None	None	186,088	1,240,070	1,426,158	146,742	1/24/2011
Lehigh Acres	FL	560,116	1,040,215	None	None	560,116	1,040,215	1,600,331	168,168	12/14/2011
Lehigh Acres	FL	391,588	1,540,512	None	None	391,588	1,540,512	1,932,100	207,969	8/22/2011
Masaryktown	FL	290,081	1,141,181	None	None	290,081	1,141,181	1,431,262	161,667	6/10/2011
Mascotte	FL	279,063	1,097,837	None	None	279,063	1,097,837	1,376,900	148,208	8/22/2011
Miami	FL	648,087	1,203,591	None	None	648,087	1,203,591	1,851,678	194,581	12/14/2011
Micco	FL	276,043	1,085,957	None	None	276,043	1,085,957	1,362,000	146,604	8/22/2011
Milton	FL	150,059	784,013	None	None	150,059	784,013	934,072	92,775	1/24/2011
Milton	FL	660,000	1,295,281	None	None	660,000	1,295,281	1,955,281	153,275	1/24/2011
Monticello	FL	335,167	1,751,150	None	None	335,167	1,751,150	2,086,317	207,219	1/24/2011
Ocala	FL	482,475	896,026	None	None	482,475	896,026	1,378,501	144,858	12/14/2011
Ocala	FL	258,877	1,018,423	None	None	258,877	1,018,423	1,277,300	137,487	8/22/2011
Ocala	FL	500,472	1,239,053	None	None	500,472	1,239,053	1,739,525	146,621	1/24/2011
Ocala	FL	470,580	1,165,046	None	None	470,580	1,165,046	1,635,626	137,864	1/24/2011
Ocklawaha	FL	261,265	1,365,037	None	None	261,265	1,365,037	1,626,302	161,529	1/24/2011
Opa Locka	FL	665,870	1,236,615	None	None	665,870	1,236,615	1,902,485	224,652	6/1/2011
Orlando	FL	351,337	1,382,163	None	None	351,337	1,382,163	1,733,500	186,592	8/22/2011
Orlando	FL	401,945	1,560,171	None	None	401,945	1,560,171	1,962,116	96,211	8/22/2011
Pace	FL	322,488	798,404	None	None	322,488	798,404	1,120,892	94,478	1/24/2011
Palatka	FL	311,775	1,226,525	None	None	311,775	1,226,525	1,538,300	165,581	8/22/2011
Palm Bay	FL	290,940	1,144,560	None	None	290,940	1,144,560	1,435,500	154,516	8/22/2011
Panama City	FL	468,060	869,253	None	None	468,060	869,253	1,337,313	140,529	12/14/2011
Panama City	FL	462,383	1,144,753	None	None	462,383	1,144,753	1,607,136	135,462	1/24/2011
Panama City	FL	486,671	1,204,883	None	None	486,671	1,204,883	1,691,554	142,578	1/24/2011
Pensacola	FL	324,665	1,166,541	None	None	324,665	1,166,541	1,491,206	61,733	10/9/2011
Perry	FL	244,021	959,979	None	None	244,021	959,979	1,204,000	129,597	8/22/2011
Perry	FL	213,916	1,117,652	None	None	213,916	1,117,652	1,331,568	132,255	1/24/2011
Pinellas Park	FL	324,807	1,277,793	None	None	324,807	1,277,793	1,602,600	172,502	8/22/2011
Port St Joe	FL	950,000	2,678,477	None	None	950,000	2,678,477	3,628,477	316,953	1/31/2011
Punta Gorda	FL	544,349	1,347,680	None	None	544,349	1,347,680	1,892,029	159,475	1/24/2011
Riverview	FL	318,240	1,251,960	None	None	318,240	1,251,960	1,570,200	169,015	8/22/2011
Riviera Beach	FL	395,095	1,554,305	None	None	395,095	1,554,305	1,949,400	209,831	8/22/2011
Rockledge	FL	246,149	968,351	None	None	246,149	968,351	1,214,500	130,727	8/22/2011
Saint Cloud	FL	403,749	1,588,351	None	None	403,749	1,588,351	1,992,100	214,427	8/22/2011
San Antonio	FL	258,167	1,015,633	None	None	258,167	1,015,633	1,273,800	137,110	8/22/2011
San Mateo	FL	455,279	1,479,656	None	None	455,279	1,479,656	1,934,935	234,279	1/22/2011
Santa Rosa Beach	FL	316,256	1,652,348	None	None	316,256	1,652,348	1,968,604	195,528	1/24/2011
Seminole	FL	541,317	1,005,304	None	None	541,317	1,005,304	1,546,621	162,524	12/14/2011
Sneads	FL	222,497	875,303	None	None	222,497	875,303	1,097,800	118,166	8/22/2011
Sorrento	FL	253,303	996,497	None	None	253,303	996,497	1,249,800	134,527	8/22/2011
South Daytona	FL	652,903	1,212,534	None	None	652,903	1,212,534	1,865,437	196,026	12/14/2011
Spring Hill	FL	315,224	1,286,099	None	None	315,224	1,286,099	1,601,323	186,484	5/23/2011
Spring Hill	FL	314,531	1,237,369	None	None	314,531	1,237,369	1,551,900	167,045	8/22/2011
Tampa	FL	559,416	1,038,915	None	None	559,416	1,038,915	1,598,331	188,736	6/1/2011
Tampa	FL	552,447	1,025,973	None	None	552,447	1,025,973	1,578,420	186,385	6/1/2011
Tampa	FL	549,314	1,020,154	None	None	549,314	1,020,154	1,569,468	164,925	12/14/2011
Tampa	FL	611,153	1,134,998	None	None	611,153	1,134,998	1,746,151	183,491	12/14/2011
Tampa	FL	634,199	1,177,799	None	None	634,199	1,177,799	1,811,998	190,411	12/14/2011
Tampa	FL	378,121	1,228,892	12,109	None	378,121	1,241,001	1,619,122	195,954	1/22/2011
Tavares	FL	534,612	1,323,575	None	None	534,612	1,323,575	1,858,187	156,623	1/24/2011
Temple Terrace	FL	666,400	1,237,599	None	None	666,400	1,237,599	1,903,999	224,831	6/1/2011

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Waldo	FL	150,203	1,000,934	None	None	150,203	1,000,934	1,151,137	118,444	1/24/201
Webster	FL	244,703	962,663	12,302	None	244,703	974,965	1,219,668	131,969	8/2/201
Weirsdale	FL	440,625	1,090,885	None	None	440,625	1,090,885	1,531,510	129,088	1/24/201
Wildwood	FL	553,758	1,370,976	None	None	553,758	1,370,976	1,924,734	162,232	1/24/201
Winter Haven	FL	441,079	819,148	None	None	441,079	819,148	1,260,227	148,812	6/1/201
Winter Haven	FL	437,109	811,775	None	None	437,109	811,775	1,248,884	131,237	12/14/20
Winter Springs	FL	336,947	1,325,553	None	None	336,947	1,325,553	1,662,500	178,950	8/22/201
Yulee	FL	331,698	1,304,902	None	None	331,698	1,304,902	1,636,600	176,162	8/22/201

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REALTY INCOME CORPORATION AND SUBSIDIARIES

SCHEDULE III REAL ESTATE AND ACCUMULATED DEPRECIATION

AS OF DECEMBER 31, 2016

Description (Note 1)	Encumbrances (Note 2)	Initial Cost to Company				Cost Capitalized Subsequent to Acquisition		Gross Amount at Which Carried at Close of Period (Notes 3, 4, 6 and 7)			Accumulated Depreciation (Note 5)	Date of Construction	Date
		Land	Buildings, Improvements and Acquisition Fees	Improvements	Carrying Costs	Land	Fees	Total					
Zephyrhills	FL	304,398	1,197,502	None	None	304,398	1,197,502	1,501,900	161,663		8/22/20		
Zolfo Springs	FL	420,000	1,144,259	None	None	420,000	1,144,259	1,564,259	135,404		1/24/20		
Athens	GA	396,815	982,422	None	None	396,815	982,422	1,379,237	116,253		1/24/20		
Atlanta	GA	368,101	1,045,807	None	None	368,101	1,045,807	1,413,908	127,240		12/4/20		
Atlanta	GA	386,653	1,098,516	None	None	386,653	1,098,516	1,485,169	122,668		3/28/20		
Atlanta	GA	477,551	1,363,030	None	None	477,551	1,363,030	1,840,581	129,488		8/1/20		
Auburn	GA	234,333	921,867	None	None	234,333	921,867	1,156,200	124,452		8/22/20		
Augusta	GA	572,784	1,063,741	None	None	572,784	1,063,741	1,636,525	193,246		6/1/20		
Augusta	GA	396,046	735,513	None	None	396,046	735,513	1,131,559	118,908		12/14/20		
Augusta	GA	244,244	960,856	None	None	244,244	960,856	1,205,100	129,716		8/22/20		
Augusta	GA	240,656	946,744	None	None	240,656	946,744	1,187,400	127,810		8/22/20		
Bogart	GA	341,583	970,468	None	None	341,583	970,468	1,312,051	118,074		12/4/20		
Brooklet	GA	189,211	988,573	None	None	189,211	988,573	1,177,784	116,981		1/24/20		
Brunswick	GA	525,784	976,455	None	None	525,784	976,455	1,502,239	157,860		12/14/20		
Brunswick	GA	374,722	695,913	None	None	374,722	695,913	1,070,635	112,506		12/14/20		
Carrollton	GA	184,110	724,290	None	None	184,110	724,290	908,400	97,779		8/22/20		
Carrollton	GA	266,882	1,049,918	None	None	266,882	1,049,918	1,316,800	141,739		8/22/20		
Collins	GA	120,219	876,179	None	None	120,219	876,179	996,398	103,681		1/31/20		
Conyers	GA	737,753	1,370,114	None	None	737,753	1,370,114	2,107,867	248,904		6/1/20		
Dalton	GA	401,120	748,837	None	None	401,120	748,837	1,149,957	88,612		1/24/20		
Dawson	GA	413,732	768,359	None	None	413,732	768,359	1,182,091	124,218		12/14/20		
Dewy Rose	GA	190,003	747,472	None	None	190,003	747,472	937,475	100,909		8/20/20		
Dexter	GA	58,236	424,437	22,815	None	58,236	447,252	505,488	58,676		12/20/20		
Dublin	GA	208,680	1,008,938	None	None	208,680	1,008,938	1,217,618	119,391		1/31/20		
Elberton	GA	194,222	764,071	None	None	194,222	764,071	958,293	103,150		8/20/20		
Forest Park	GA	288,001	1,132,999	None	None	288,001	1,132,999	1,421,000	152,955		8/22/20		
Glennville	GA	245,706	966,610	None	None	245,706	966,610	1,212,316	133,714		7/3/20		
Gordon	GA	179,124	704,676	None	None	179,124	704,676	883,800	95,131		8/22/20		
Greenville	GA	170,000	880,648	None	None	170,000	880,648	1,050,648	104,210		1/24/20		
Hartwell	GA	222,699	876,101	None	None	222,699	876,101	1,098,800	118,274		8/22/20		
Hoschton	GA	312,038	1,227,562	None	None	312,038	1,227,562	1,539,600	165,721		8/22/20		
Irwinton	GA	331,310	1,076,757	None	None	331,310	1,076,757	1,408,067	170,487		1/22/20		
Jonesboro	GA	316,862	1,246,538	None	None	316,862	1,246,538	1,563,400	168,283		8/22/20		
LaGrange	GA	270,000	831,559	None	None	270,000	831,559	1,101,559	98,401		1/31/20		
Lilburn	GA	323,652	1,273,248	None	None	323,652	1,273,248	1,596,900	171,889		8/22/20		
Ludowici	GA	344,543	1,119,765	12,235	None	344,543	1,132,000	1,476,543	184,523		1/22/20		
Macon	GA	245,825	967,075	None	None	245,825	967,075	1,212,900	130,555		8/22/20		
Marietta	GA	289,116	1,137,384	None	None	289,116	1,137,384	1,426,500	153,547		8/22/20		
Midway	GA	243,028	956,072	None	None	243,028	956,072	1,199,100	129,070		8/22/20		
Milledgeville	GA	245,290	696,890	None	None	245,290	696,890	942,180	82,465		1/31/20		
Monticello	GA	146,301	1,066,274	None	None	146,301	1,066,274	1,212,575	119,067		3/28/20		
Nicholls	GA	198,723	781,777	None	None	198,723	781,777	980,500	105,540		8/22/20		
Pooler	GA	279,935	1,101,265	None	None	279,935	1,101,265	1,381,200	148,671		8/22/20		

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Powder Springs	GA	290,373	1,142,327	None	None	290,373	1,142,327	1,432,700	154,214	8/22/20
Resaca	GA	600,000	2,830,403	None	None	600,000	2,830,403	3,430,403	334,931	1/31/20
Richmond Hill	GA	297,203	1,169,197	None	None	297,203	1,169,197	1,466,400	157,842	8/22/20
Savannah	GA	450,992	1,774,208	None	None	450,992	1,774,208	2,225,200	239,518	8/22/20
Screven	GA	198,288	780,067	None	None	198,288	780,067	978,355	105,309	8/8/20
Stockbridge	GA	348,721	863,351	None	None	348,721	863,351	1,212,072	102,163	1/24/20
Talbotton	GA	128,449	855,969	None	None	128,449	855,969	984,418	101,290	1/24/20
Thomasville	GA	407,954	757,629	None	None	407,954	757,629	1,165,583	122,483	12/14/20
Tifton	GA	202,011	824,197	None	None	202,011	824,197	1,026,208	119,509	5/23/20
Uvalda	GA	187,576	737,924	None	None	187,576	737,924	925,500	99,620	8/22/20
Vienna	GA	340,000	2,529,310	None	None	340,000	2,529,310	2,869,310	299,302	1/31/20
Warrenton	GA	298,668	554,669	None	None	298,668	554,669	853,337	89,671	12/14/20
Waycross	GA	417,843	775,994	None	None	417,843	775,994	1,193,837	125,452	12/14/20
Waynesville	GA	132,112	880,378	None	None	132,112	880,378	1,012,490	104,178	1/24/20
Whigham	GA	123,430	822,527	None	None	123,430	822,527	945,957	97,332	1/24/20
Wrightsville	GA	274,254	509,328	None	None	274,254	509,328	783,582	82,341	12/14/20
Wrightsville	GA	166,239	868,552	None	None	166,239	868,552	1,034,791	102,779	1/24/20
Des Moines	IA	455,336	845,625	None	None	455,336	845,625	1,300,961	153,622	6/1/20
Des Moines	IA	214,167	842,533	None	None	214,167	842,533	1,056,700	113,742	8/22/20
Mason City	IA	242,135	449,678	None	None	242,135	449,678	691,813	81,692	6/1/20
Montrose	IA	307,533	999,483	None	None	307,533	999,483	1,307,016	158,251	1/22/20
Waterloo	IA	366,422	1,190,872	None	None	366,422	1,190,872	1,557,294	188,555	1/22/20
Calumet City	IL	561,828	1,043,394	None	None	561,828	1,043,394	1,605,222	189,550	6/1/20
Catlin	IL	373,096	1,212,561	None	None	373,096	1,212,561	1,585,657	191,989	1/22/20
Cerro Gordo	IL	312,718	1,016,334	None	None	312,718	1,016,334	1,329,052	160,920	1/22/20
Columbia	IL	383,895	1,247,660	None	None	383,895	1,247,660	1,631,555	197,546	1/22/20
Dwight	IL	355,224	659,701	None	None	355,224	659,701	1,014,925	106,652	12/14/20
East Saint Louis	IL	564,367	1,048,111	None	None	564,367	1,048,111	1,612,478	169,445	12/14/20
Farina	IL	161,831	1,078,428	None	None	161,831	1,078,428	1,240,259	127,614	1/24/20
Galesburg	IL	325,959	605,353	None	None	325,959	605,353	931,312	109,972	6/1/20
Gillespie	IL	346,508	1,126,153	None	None	346,508	1,126,153	1,472,661	178,308	1/22/20
Goreville	IL	175,538	690,566	None	None	175,538	690,566	866,104	90,925	9/13/20
Harvey	IL	356,530	662,127	None	None	356,530	662,127	1,018,657	107,044	12/14/20
Joliet	IL	396,961	737,212	None	None	396,961	737,212	1,134,173	119,183	12/14/20
La Salle	IL	457,726	1,487,609	None	None	457,726	1,487,609	1,945,335	235,538	1/22/20
Marseilles	IL	364,551	1,184,791	None	None	364,551	1,184,791	1,549,342	187,592	1/22/20
Metropolis	IL	522,911	971,120	None	None	522,911	971,120	1,494,031	156,998	12/14/20
Mount Zion	IL	344,938	1,121,050	1,723	None	344,938	1,122,773	1,467,711	177,697	1/22/20
Peoria	IL	378,198	702,367	None	None	378,198	702,367	1,080,565	127,597	6/1/20
Quincy	IL	351,325	869,798	None	None	351,325	869,798	1,221,123	102,926	1/24/20
Virden	IL	546,679	1,015,261	None	None	546,679	1,015,261	1,561,940	164,134	12/14/20
Anderson	IN	634,963	1,179,216	None	None	634,963	1,179,216	1,814,179	190,640	12/14/20
Anderson	IN	335,312	830,155	None	None	335,312	830,155	1,165,467	98,235	1/24/20
Indianapolis	IN	454,789	844,607	None	None	454,789	844,607	1,299,396	153,437	6/1/20
Muncie	IN	347,731	860,902	None	None	347,731	860,902	1,208,633	101,873	1/24/20
Muncie	IN	327,861	811,707	None	None	327,861	811,707	1,139,568	96,052	1/24/20
New Albany	IN	437,343	812,209	None	None	437,343	812,209	1,249,552	131,307	12/14/20
New Carlisle	IN	210,347	1,099,005	None	None	210,347	1,099,005	1,309,352	130,049	1/24/20
Oxford	IN	60,000	940,000	None	None	60,000	940,000	1,000,000	111,233	1/24/20
Parker City	IN	266,530	494,983	None	None	266,530	494,983	761,513	89,922	6/1/20
Rockport	IN	203,782	378,451	None	None	203,782	378,451	582,233	61,183	12/14/20
South Bend	IN	507,845	943,140	None	None	507,845	943,140	1,450,985	152,474	12/14/20
Arma	KS	170,875	793,860	None	None	170,875	793,860	964,735	138,925	8/30/20
Basehor	KS	171,627	872,548	None	None	171,627	872,548	1,044,175	152,696	8/30/20
Burlington	KS	173,930	806,439	None	None	173,930	806,439	980,369	141,127	8/30/20
Cheney	KS	161,300	770,354	None	None	161,300	770,354	931,654	134,812	8/30/20
Cherryvale	KS	90,248	811,836	None	None	90,248	811,836	902,084	142,071	8/30/20
Coffeyville	KS	519,254	964,328	None	None	519,254	964,328	1,483,582	155,900	12/14/20
Edwardsville	KS	161,785	906,004	None	None	161,785	906,004	1,067,789	158,551	8/30/20
Elkhart	KS	119,882	848,233	None	None	119,882	848,233	968,115	148,441	8/30/20
Elwood	KS	273,826	677,929	None	None	273,826	677,929	951,755	80,222	1/24/20
Fort Scott	KS	486,062	752,183	None	None	486,062	752,183	1,238,245	126,617	10/31/20
Fredonia	KS	412,134	637,779	None	None	412,134	637,779	1,049,913	107,359	10/31/20
Galena	KS	419,578	649,300	None	None	419,578	649,300	1,068,878	109,299	10/31/20
Girard	KS	129,389	862,237	None	None	129,389	862,237	991,626	102,031	1/24/20
Great Bend	KS	190,000	886,627	None	None	190,000	886,627	1,076,627	36,943	12/15/20
Herington	KS	200,000	1,101,329	None	None	200,000	1,101,329	1,301,329	45,889	12/15/20
Horton	KS	101,571	844,142	None	None	101,571	844,142	945,713	147,725	8/30/20

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Hoxie	KS	393,962	609,658	None	None	393,962	609,658	1,003,620	102,626	10/31/2
Independence	KS	370,000	671,122	None	None	370,000	671,122	1,041,122	112,972	10/31/2
Kansas City	KS	577,037	1,071,640	None	None	577,037	1,071,640	1,648,677	194,681	6/1/20

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REALTY INCOME CORPORATION AND SUBSIDIARIES

SCHEDULE III REAL ESTATE AND ACCUMULATED DEPRECIATION

AS OF DECEMBER 31, 2016

Description	Encumbrances	Initial Cost to Company			Cost Capitalized Subsequent to Acquisition		Gross Amount at Which Carried at Close of Period (Notes 3, 4, 6 and 7)			Accumulated Depreciation	Date of Construction	Date Acquired
		Land	Buildings, Improvements and Acquisition Fees	Improvements	Carrying Costs	Land	Buildings, Improvements and Acquisition Fees	Total				
(Note 1)	(Note 2)	Land	Fees	Improvements	Costs	Land	Fees	Total	(Note 5)	Construction	Acquire	
Kansas City	KS	140,147	922,934	None	None	140,147	922,934	1,063,081	161,513		8/30/20	
Kansas City	KS	147,689	581,011	None	None	147,689	581,011	728,700	78,436		8/22/20	
Lawrence	KS	236,948	965,247	None	None	236,948	965,247	1,202,195	168,918		8/30/20	
Leavenworth	KS	430,140	665,644	None	None	430,140	665,644	1,095,784	112,050		10/31/20	
Liberal	KS	394,833	611,006	None	None	394,833	611,006	1,005,839	102,853		10/31/20	
Lyndon	KS	100,642	822,510	None	None	100,642	822,510	923,152	143,939		8/30/20	
Neodesha	KS	124,388	867,203	None	None	124,388	867,203	991,591	151,761		8/30/20	
Newton	KS	110,986	873,540	None	None	110,986	873,540	984,526	152,869		8/30/20	
Norton	KS	142,749	951,265	None	None	142,749	951,265	1,094,014	112,566		1/24/20	
Oskaloosa	KS	152,298	1,014,896	None	None	152,298	1,014,896	1,167,194	120,096		1/24/20	
Phillipsburg	KS	146,172	974,073	None	None	146,172	974,073	1,120,245	115,265		1/24/20	
Salina	KS	194,508	889,894	None	None	194,508	889,894	1,084,402	155,731		8/30/20	
Topeka	KS	395,822	612,536	None	None	395,822	612,536	1,008,358	103,110		10/31/20	
Wakeeney	KS	124,960	832,723	None	None	124,960	832,723	957,683	98,539		1/24/20	
Washington	KS	81,586	828,885	None	None	81,586	828,885	910,471	145,055		8/30/20	
Wichita	KS	533,216	825,154	None	None	533,216	825,154	1,358,370	138,901		10/31/20	
Wichita	KS	530,000	901,373	None	None	530,000	901,373	1,431,373	151,731		10/31/20	
Wichita	KS	625,585	968,095	None	None	625,585	968,095	1,593,680	162,963		10/31/20	
Wichita	KS	541,521	838,007	None	None	541,521	838,007	1,379,528	141,064		10/31/20	
Wichita	KS	498,745	771,810	None	None	498,745	771,810	1,270,555	129,921		10/31/20	
Benton	KY	132,553	883,318	None	None	132,553	883,318	1,015,871	104,526		1/24/20	
Bronston	KY	297,256	966,082	None	None	297,256	966,082	1,263,338	152,963		1/22/20	
Corydon	KY	161,985	766,073	None	None	161,985	766,073	928,058	90,652		1/24/20	
Dayton	KY	141,508	508,446	None	None	141,508	508,446	649,954	26,907		10/9/20	
Dorton	KY	283,556	921,558	None	None	283,556	921,558	1,205,114	145,913		1/22/20	
Fordsville	KY	130,000	785,971	None	None	130,000	785,971	915,971	93,007		1/24/20	
Ledbetter	KY	100,000	771,540	None	None	100,000	771,540	871,540	91,299		1/24/20	
Louisville	KY	499,759	928,124	None	None	499,759	928,124	1,427,883	150,047		12/14/20	
Louisville	KY	265,221	1,043,379	None	None	265,221	1,043,379	1,308,600	140,856		8/22/20	
Louisville	KY	251,195	988,205	None	None	251,195	988,205	1,239,400	133,408		8/22/20	
Louisville	KY	456,605	1,297,257	None	None	456,605	1,297,257	1,753,862	166,481		10/11/20	
Louisville	KY	409,904	1,164,574	None	None	409,904	1,164,574	1,574,478	122,280		5/28/20	
Mount Vernon	KY	470,619	874,008	None	None	470,619	874,008	1,344,627	141,298		12/14/20	
Paducah	KY	200,750	789,750	None	None	200,750	789,750	990,500	106,616		8/22/20	
Prestonsburg	KY	223,906	1,082,554	None	None	223,906	1,082,554	1,306,460	138,928		10/11/20	
Providence	KY	199,919	786,481	None	None	199,919	786,481	986,400	106,175		8/22/20	
Radcliff	KY	280,806	1,104,694	None	None	280,806	1,104,694	1,385,500	149,134		8/22/20	
Sacramento	KY	113,547	756,668	None	None	113,547	756,668	870,215	89,539		1/24/20	
Somerset	KY	456,467	847,725	None	None	456,467	847,725	1,304,192	154,003		6/1/20	
Somerset	KY	330,419	818,041	None	None	330,419	818,041	1,148,460	96,802		1/24/20	
Wingo	KY	106,789	711,629	None	None	106,789	711,629	818,418	84,209		1/24/20	
Abbeville	LA	386,990	1,257,716	None	None	386,990	1,257,716	1,644,706	199,138		1/22/20	

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Bastrop	LA	179,126	935,881	None	None	179,126	935,881	1,115,007	110,746	1/24/20
Baton Rouge	LA	563,114	1,045,783	None	None	563,114	1,045,783	1,608,897	189,984	6/1/20
Baton Rouge	LA	433,213	804,539	None	None	433,213	804,539	1,237,752	130,067	12/14/20
Baton Rouge	LA	279,327	1,098,873	None	None	279,327	1,098,873	1,378,200	148,348	8/22/20
Baton Rouge	LA	188,485	535,504	20,913	None	188,485	556,417	744,902	70,229	12/20/20
Baton Rouge	LA	342,664	848,357	None	None	342,664	848,357	1,191,021	100,389	1/24/20
Baton Rouge	LA	422,535	1,046,098	None	None	422,535	1,046,098	1,468,633	123,788	1/24/20
Blanchard	LA	177,898	860,109	56,090	None	177,898	916,199	1,094,097	113,692	12/20/20
Colfax	LA	148,313	583,465	None	None	148,313	583,465	731,778	78,768	8/21/20
Deridder	LA	250,446	985,254	None	None	250,446	985,254	1,235,700	133,009	8/22/20
Dixie Inn	LA	318,870	592,187	None	None	318,870	592,187	911,057	95,737	12/14/20
Duson	LA	355,640	1,155,831	None	None	355,640	1,155,831	1,511,471	183,007	1/22/20
Florien	LA	323,203	1,050,409	None	None	323,203	1,050,409	1,373,612	166,315	1/22/20
Franklinton	LA	150,109	1,000,309	None	None	150,109	1,000,309	1,150,418	118,370	1/24/20
Geismar	LA	489,660	909,368	None	None	489,660	909,368	1,399,028	147,015	12/14/20
Gretna	LA	880,000	839,022	None	None	880,000	839,022	1,719,022	99,284	1/24/20
Hammond	LA	417,284	774,955	None	None	417,284	774,955	1,192,239	140,784	6/1/20
Lafayette	LA	402,767	1,308,994	None	None	402,767	1,308,994	1,711,761	207,257	1/22/20
Lafayette	LA	262,452	745,651	31,902	None	262,452	777,553	1,040,005	96,706	12/20/20
Lafitte	LA	259,861	1,228,959	None	None	259,861	1,228,959	1,488,820	145,427	1/24/20
Logansport	LA	494,202	917,805	None	None	494,202	917,805	1,412,007	148,378	12/14/20
Many	LA	199,395	1,041,784	None	None	199,395	1,041,784	1,241,179	123,278	1/24/20
Melville	LA	367,000	1,192,748	None	None	367,000	1,192,748	1,559,748	188,852	1/22/20
Minden	LA	339,679	630,832	None	None	339,679	630,832	970,511	114,601	6/1/20
Monroe	LA	667,232	1,073,926	None	None	667,232	1,073,926	1,741,158	60,123	10/9/20
Moreauville	LA	186,423	974,008	None	None	186,423	974,008	1,160,431	115,258	1/24/20
Morse	LA	352,771	1,146,506	None	None	352,771	1,146,506	1,499,277	181,530	1/22/20
Natchitoches	LA	250,162	984,138	None	None	250,162	984,138	1,234,300	132,859	8/22/20
Opelousas	LA	350,277	1,138,401	None	None	350,277	1,138,401	1,488,678	180,247	1/22/20
Opelousas	LA	365,368	1,187,446	None	None	365,368	1,187,446	1,552,814	188,012	1/22/20
Port Vincent	LA	398,039	1,293,627	None	None	398,039	1,293,627	1,691,666	204,824	1/22/20
Robeline	LA	329,964	1,072,382	None	None	329,964	1,072,382	1,402,346	169,794	1/22/20
Saint	LA	447,884	831,784	None	None	447,884	831,784	1,279,668	151,107	6/1/20
Bernard										
Shreveport	LA	605,336	1,124,196	None	None	605,336	1,124,196	1,729,532	204,229	6/1/20
Shreveport	LA	719,595	1,336,390	None	None	719,595	1,336,390	2,055,985	216,050	12/14/20
Sibley	LA	180,316	942,101	None	None	180,316	942,101	1,122,417	111,482	1/24/20
Tallulah	LA	287,313	473,108	None	None	287,313	473,108	760,421	25,790	10/9/20
Violet	LA	342,764	848,603	None	None	342,764	848,603	1,191,367	100,418	1/24/20
West Monroe	LA	362,591	1,178,420	None	None	362,591	1,178,420	1,541,011	186,583	1/22/20
West Monroe	LA	262,241	1,031,659	None	None	262,241	1,031,659	1,293,900	139,274	8/22/20
West Monroe	LA	160,000	755,108	None	None	160,000	755,108	915,108	89,354	1/24/20
Pittsfield	MA	350,000	1,195,114	None	None	350,000	1,195,114	1,545,114	49,796	12/15/20
Alanson	MI	314,390	1,021,767	5,337	None	314,390	1,027,104	1,341,494	162,080	1/22/20
Bangor	MI	513,772	954,149	None	None	513,772	954,149	1,467,921	173,337	6/1/20
Battle Creek	MI	438,869	815,042	None	None	438,869	815,042	1,253,911	148,066	6/1/20
Beaverton	MI	242,135	449,678	None	None	242,135	449,678	691,813	81,692	6/1/20
Brockway	MI	248,856	462,160	None	None	248,856	462,160	711,016	83,959	6/1/20
Buckley	MI	296,289	962,940	None	None	296,289	962,940	1,259,229	152,466	1/22/20
Clinton	MI	326,088	1,059,786	None	None	326,088	1,059,786	1,385,874	167,799	1/22/20
Copemish	MI	292,975	952,167	None	None	292,975	952,167	1,245,142	150,760	1/22/20
Croswell	MI	387,461	719,571	None	None	387,461	719,571	1,107,032	130,722	6/1/20
Dearborn	MI	522,650	970,637	None	None	522,650	970,637	1,493,287	176,332	6/1/20
Detroit	MI	264,876	860,847	5,054	None	264,876	865,901	1,130,777	139,151	1/22/20
Farmington	MI	325,172	1,279,228	None	None	325,172	1,279,228	1,604,400	172,696	8/22/20
Flat Rock	MI	264,268	1,039,632	None	None	264,268	1,039,632	1,303,900	140,350	8/22/20
Flint	MI	510,751	948,537	None	None	510,751	948,537	1,459,288	172,318	6/1/20
Gladwin	MI	265,925	864,258	None	None	265,925	864,258	1,130,183	136,841	1/22/20
Grand	MI	526,567	977,911	None	None	526,567	977,911	1,504,478	158,096	12/14/20
Rapids										
Grand	MI	225,609	363,123	None	None	225,609	363,123	588,732	20,329	10/9/20
Rapids										
Jackson	MI	473,329	879,039	None	None	473,329	879,039	1,352,368	159,692	6/1/20
Jackson	MI	592,388	1,100,149	None	None	592,388	1,100,149	1,692,537	177,857	12/14/20
Litchfield	MI	314,519	1,022,185	None	None	314,519	1,022,185	1,336,704	161,846	1/22/20
Mancelona	MI	294,344	956,617	None	None	294,344	956,617	1,250,961	151,464	1/22/20
Marion	MI	354,869	659,042	None	None	354,869	659,042	1,013,911	106,545	12/14/20
Muskegon	MI	318,001	1,033,502	None	None	318,001	1,033,502	1,351,503	163,638	1/22/20
New	MI	237,040	932,516	None	None	237,040	932,516	1,169,556	132,107	6/25/20
Baltimore										

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Onaway	MI	510,098	947,326	None	None	510,098	947,326	1,457,424	153,151	12/14/20
Pinckney	MI	305,815	993,898	None	None	305,815	993,898	1,299,713	157,367	1/22/20
Romulus	MI	578,474	1,074,310	None	None	578,474	1,074,310	1,652,784	195,166	6/1/20
Sheridan	MI	307,737	1,000,144	None	None	307,737	1,000,144	1,307,881	158,356	1/22/20
Spring Arbor	MI	325,553	1,058,048	None	None	325,553	1,058,048	1,383,601	167,524	1/22/20
St John s	MI	324,325	1,054,055	None	None	324,325	1,054,055	1,378,380	166,892	1/22/20

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REALTY INCOME CORPORATION AND SUBSIDIARIES

SCHEDULE III REAL ESTATE AND ACCUMULATED DEPRECIATION

AS OF DECEMBER 31, 2016

Description	Encumbrances	Initial Cost to Company				Cost Capitalized Subsequent to Acquisition		Gross Amount at Which Carried at Close of Period (Notes 3, 4, 6 and 7)			Accumulated Depreciation	Date of Construction	Date of Acquisition
		Buildings, Improvements and Acquisition		Improvements	Carrying Costs	Buildings, Improvements and Acquisition							
(Note 1)	(Note 2)	Land	Fees			Improvements	Costs	Land	Fees	Total	(Note 5)	Construction	Acquisition
Tekonsha	MI	269,258	875,089	None	None	269,258	875,089	1,144,347	138,556		1/22/20		
Wellston	MI	270,942	880,562	None	None	270,942	880,562	1,151,504	139,422		1/22/20		
Advance	MO	327,985	1,065,951	None	None	327,985	1,065,951	1,393,936	168,776		1/22/20		
Bonne Terre	MO	254,437	826,921	None	None	254,437	826,921	1,081,358	130,929		1/22/20		
Buckner	MO	188,702	985,916	None	None	188,702	985,916	1,174,618	116,667		1/24/20		
Cole Camp	MO	296,537	963,746	None	None	296,537	963,746	1,260,283	152,593		1/22/20		
Crocker	MO	139,188	927,532	None	None	139,188	927,532	1,066,720	109,758		1/24/20		
Garden City	MO	139,163	927,369	None	None	139,163	927,369	1,066,532	109,739		1/24/20		
Jackson	MO	396,040	1,287,131	None	None	396,040	1,287,131	1,683,171	203,796		1/22/20		
Jackson	MO	201,264	791,776	None	None	201,264	791,776	993,040	104,250		9/13/20		
Kansas City	MO	443,895	824,377	None	None	443,895	824,377	1,268,272	149,762		6/1/20		
Kansas City	MO	557,439	1,035,244	None	None	557,439	1,035,244	1,592,683	188,069		6/1/20		
Kansas City	MO	414,347	641,204	None	None	414,347	641,204	1,055,551	107,936		10/31/20		
Kansas City	MO	277,016	995,336	None	None	277,016	995,336	1,272,352	52,673		10/9/20		
Louisiana	MO	186,741	734,640	None	None	186,741	734,640	921,381	104,074		6/28/20		
Mansfield	MO	152,932	1,019,125	None	None	152,932	1,019,125	1,172,057	120,596		1/24/20		
Oronogo	MO	327,756	1,065,207	None	None	327,756	1,065,207	1,392,963	168,658		1/22/20		
Queen City	MO	309,915	1,007,222	None	None	309,915	1,007,222	1,317,137	159,477		1/22/20		
Richland	MO	137,522	916,435	None	None	137,522	916,435	1,053,957	108,445		1/24/20		
Rolla	MO	340,000	899,367	None	None	340,000	899,367	1,239,367	106,425		1/24/20		
Russellville	MO	122,033	813,218	None	None	122,033	813,218	935,251	96,231		1/24/20		
Sikeston	MO	409,114	2,005,416	None	2,579	409,114	2,007,995	2,417,109	1,200,948		1/24/20		
St. Louis	MO	647,256	1,202,046	None	None	647,256	1,202,046	1,849,302	218,372		6/1/20		
Unionville	MO	324,616	1,055,004	None	None	324,616	1,055,004	1,379,620	167,042		1/22/20		
Amory	MS	191,439	1,000,215	None	None	191,439	1,000,215	1,191,654	118,359		1/24/20		
Belzoni	MS	222,063	873,597	None	None	222,063	873,597	1,095,660	120,848		7/24/20		
Brookhaven	MS	198,152	779,533	None	None	198,152	779,533	977,685	102,638		9/30/20		
Brooksville	MS	114,899	765,676	None	None	114,899	765,676	880,575	90,605		1/24/20		
Canton	MS	960,000	2,510,516	None	None	960,000	2,510,516	3,470,516	297,078		1/31/20		
Coldwater	MS	169,202	884,035	None	None	169,202	884,035	1,053,237	104,611		1/24/20		
Crenshaw	MS	129,543	863,263	None	None	129,543	863,263	992,806	102,153		1/24/20		
Durant	MS	259,403	1,020,492	None	None	259,403	1,020,492	1,279,895	144,570		6/26/20		
Fayette	MS	120,531	803,210	None	None	120,531	803,210	923,741	95,046		1/24/20		
Fulton	MS	192,188	1,004,128	None	None	192,188	1,004,128	1,196,316	118,822		1/24/20		
Hickory Flat	MS	132,720	884,431	None	None	132,720	884,431	1,017,151	104,658		1/24/20		
Horn Lake	MS	369,539	914,893	None	None	369,539	914,893	1,284,432	108,262		1/24/20		
Iuka	MS	161,047	841,427	None	None	161,047	841,427	1,002,474	99,569		1/24/20		
Jackson	MS	465,674	864,824	None	None	465,674	864,824	1,330,498	157,110		6/1/20		
Jackson	MS	668,518	1,241,534	None	None	668,518	1,241,534	1,910,052	225,545		6/1/20		
Jackson	MS	219,884	865,026	None	None	219,884	865,026	1,084,910	122,545		6/6/20		
Jackson	MS	234,313	921,789	None	None	234,313	921,789	1,156,102	130,587		6/26/20		
Jackson	MS	218,911	861,196	None	None	218,911	861,196	1,080,107	116,261		8/22/20		
Jackson	MS	220,000	807,338	None	None	220,000	807,338	1,027,338	95,535		1/24/20		

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Jackson	MS	288,120	713,319	None	None	288,120	713,319	1,001,439	84,409	1/24/20
Jackson	MS	273,913	678,145	None	None	273,913	678,145	952,058	80,247	1/24/20
Kossuth	MS	280,000	725,755	None	None	280,000	725,755	1,005,755	85,881	1/24/20
Lauderdale	MS	141,934	945,836	None	None	141,934	945,836	1,087,770	111,924	1/24/20
Liberty	MS	432,170	802,601	None	None	432,170	802,601	1,234,771	145,806	6/1/20
Lucedale	MS	185,603	730,164	None	None	185,603	730,164	915,767	103,440	6/26/20
Moselle	MS	119,405	795,703	None	None	119,405	795,703	915,108	94,158	1/24/20
Moss Point	MS	205,776	809,525	None	None	205,776	809,525	1,015,301	114,683	6/26/20
Myrtle	MS	112,646	750,663	None	None	112,646	750,663	863,309	88,828	1/24/20
Oakland	MS	143,737	957,846	None	None	143,737	957,846	1,101,583	113,345	1/24/20
Okolona	MS	170,244	1,134,490	None	None	170,244	1,134,490	1,304,734	134,248	1/24/20
Picayune	MS	203,708	801,388	None	None	203,708	801,388	1,005,096	113,530	6/26/20
Pope	MS	170,478	890,701	None	None	170,478	890,701	1,061,179	105,400	1/24/20
Shaw	MS	121,095	806,963	None	None	121,095	806,963	928,058	95,491	1/24/20
Southaven	MS	284,495	1,119,205	None	None	284,495	1,119,205	1,403,700	151,093	8/22/20
Starkville	MS	170,000	745,108	None	None	170,000	745,108	915,108	88,171	1/24/20
Thaxton	MS	122,784	818,223	None	None	122,784	818,223	941,007	96,823	1/24/20
Tunica	MS	166,859	656,426	24,912	None	166,859	681,338	848,197	88,978	9/13/20
Tupelo	MS	350,960	868,896	None	None	350,960	868,896	1,219,856	102,819	1/24/20
Vicksburg	MS	577,491	1,072,483	None	None	577,491	1,072,483	1,649,974	194,834	6/1/20
Waynesboro	MS	126,164	840,743	None	None	126,164	840,743	966,907	99,488	1/24/20
Benson	NC	880,000	1,245,899	None	None	880,000	1,245,899	2,125,899	147,431	1/24/20
Bridgeton	NC	266,399	756,863	23,662	None	266,399	780,525	1,046,924	94,559	12/20/20
Burgaw	NC	239,304	1,250,293	None	None	239,304	1,250,293	1,489,597	147,951	1/24/20
Candler	NC	650,000	2,637,579	None	None	650,000	2,637,579	3,287,579	312,114	1/31/20
Candor	NC	203,498	800,561	None	None	203,498	800,561	1,004,059	105,407	9/6/20
Charlotte	NC	404,476	1,149,152	None	None	404,476	1,149,152	1,553,628	120,661	5/8/20
Chocowinity	NC	225,493	920,001	None	None	225,493	920,001	1,145,494	136,467	4/4/20
Dublin	NC	130,369	681,142	None	None	130,369	681,142	811,511	80,602	1/24/20
Durham	NC	442,367	821,540	None	None	442,367	821,540	1,263,907	132,816	12/14/20
Engelhard	NC	107,915	719,135	None	None	107,915	719,135	827,050	85,098	1/24/20
Erwin	NC	132,370	639,988	6,335	None	132,370	646,323	778,693	78,516	12/20/20
Fairmont	NC	163,886	856,258	None	None	163,886	856,258	1,020,144	101,324	1/24/20
Gibonsville	NC	196,942	774,770	None	None	196,942	774,770	971,712	102,011	9/10/20
Greensboro	NC	325,349	1,279,926	None	None	325,349	1,279,926	1,605,275	172,790	8/8/20
Greensboro	NC	282,204	801,768	None	None	282,204	801,768	1,083,972	89,531	3/27/20
Greenville	NC	516,944	1,279,833	None	None	516,944	1,279,833	1,796,777	151,447	1/24/20
Henderson	NC	428,455	1,060,754	None	None	428,455	1,060,754	1,489,209	125,523	1/24/20
Hertford	NC	213,160	1,030,599	None	None	213,160	1,030,599	1,243,759	121,954	1/31/20
Hudson	NC	222,436	875,064	None	None	222,436	875,064	1,097,500	118,134	8/22/20
Kannapolis	NC	351,788	870,946	None	None	351,788	870,946	1,222,734	103,062	1/24/20
Kings	NC	492,867	915,324	None	None	492,867	915,324	1,408,191	147,977	12/14/20
Mountain										
Kinston	NC	261,745	1,029,709	None	None	261,745	1,029,709	1,291,454	145,875	6/11/20
Lexington	NC	242,683	954,717	None	None	242,683	954,717	1,197,400	128,887	8/22/20
Lincolnton	NC	343,797	638,479	None	None	343,797	638,479	982,276	103,221	12/14/20
Lumberton	NC	459,702	853,731	None	None	459,702	853,731	1,313,433	138,020	12/14/20
Marion	NC	475,680	883,406	None	None	475,680	883,406	1,359,086	142,817	12/14/20
Morganton	NC	197,304	776,196	None	None	197,304	776,196	973,500	104,786	8/22/20
Mount Airy	NC	336,314	832,635	None	None	336,314	832,635	1,168,949	98,529	1/24/20
North	NC	147,567	770,994	None	None	147,567	770,994	918,561	91,234	1/24/20
Wilkesboro										
Rocky Mount	NC	218,842	860,925	None	None	218,842	860,925	1,079,767	113,355	9/19/20
Snow Hill	NC	224,094	914,294	None	None	224,094	914,294	1,138,388	135,620	4/4/20
Spring Hope	NC	226,533	1,183,568	None	None	226,533	1,183,568	1,410,101	140,056	1/24/20
Stantonsburg	NC	173,832	1,158,398	None	None	173,832	1,158,398	1,332,230	137,077	1/24/20
Statesville	NC	166,429	869,543	None	None	166,429	869,543	1,035,972	102,896	1/24/20
Taylorsville	NC	336,401	624,744	None	None	336,401	624,744	961,145	101,000	12/14/20
Taylorsville	NC	222,473	875,210	None	None	222,473	875,210	1,097,683	121,071	7/3/20
Winterville	NC	250,429	465,082	None	None	250,429	465,082	715,511	84,490	6/1/20
Holdrege	NE	216,987	1,049,100	None	None	216,987	1,049,100	1,266,087	131,138	11/15/20
Lexington	NE	370,620	688,294	None	None	370,620	688,294	1,058,914	111,274	12/14/20
Loup City	NE	190,000	922,534	None	None	190,000	922,534	1,112,534	38,439	12/15/20
Minden	NE	330,000	898,300	None	None	330,000	898,300	1,228,300	37,429	12/15/20
Nebraska	NE	190,852	354,439	None	None	190,852	354,439	545,291	57,301	12/14/20
City										
Norfolk	NE	222,044	873,523	10,147	None	222,044	883,670	1,105,714	115,965	9/25/20
Pierce	NE	170,000	989,610	None	None	170,000	989,610	1,159,610	41,234	12/15/20
Red Cloud	NE	160,000	957,280	None	None	160,000	957,280	1,117,280	39,887	12/15/20
	NE	290,379	539,274	None	None	290,379	539,274	829,653	97,968	6/1/20

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South Sioux
City

Valentine	NE	146,625	1,068,632	None	None	146,625	1,068,632	1,215,257	133,579	11/15/2
Manchester	NH	457,288	849,249	None	None	457,288	849,249	1,306,537	137,295	12/14/2
Walpole	NH	477,671	887,103	None	None	477,671	887,103	1,364,774	143,415	12/14/2
Malaga	NJ	513,159	953,010	None	None	513,159	953,010	1,466,169	154,070	12/14/2

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SCHEDULE III REAL ESTATE AND ACCUMULATED DEPRECIATION

AS OF DECEMBER 31, 2016

Description (Note 1)	Encumbrances (Note 2)	Initial Cost to Company		Cost Capitalized Subsequent to Acquisition		Gross Amount at Which Carried at Close of Period (Notes 3, 4, 6 and 7)			Accumulated Depreciation (Note 5)	Date of Construction	Date Acquired
		Land	Buildings, Improvements and Fees Acquisition	Improvements	Costs Carrying	Land	Buildings, Improvements and Fees Acquisition	Total			
Penns Grove NJ		416,842	1,639,858	None	None	416,842	1,639,858	2,056,700	221,381		8/22/14
Albuquerque NM		281,887	523,504	None	None	281,887	523,504	805,391	95,103		6/1/20
Albuquerque NM		395,457	1,123,530	None	None	395,457	1,123,530	1,518,987	125,461		3/14/14
Albuquerque NM		470,559	1,343,072	None	None	470,559	1,343,072	1,813,631	118,638		10/6/14
Belen NM		195,662	1,022,280	None	None	195,662	1,022,280	1,217,942	120,970		1/24/14
Bloomfield NM		458,086	850,732	None	None	458,086	850,732	1,308,818	154,550		6/1/20
Chama NM		392,836	729,552	None	None	392,836	729,552	1,122,388	117,944		12/14/14
Clovis NM		194,637	765,705	None	None	194,637	765,705	960,342	108,475		6/21/14
Cuba NM		543,339	1,009,059	None	None	543,339	1,009,059	1,552,398	183,312		6/1/20
Kirtland NM		688,532	1,278,703	None	None	688,532	1,278,703	1,967,235	232,298		6/1/20
Las Cruces NM		331,422	615,497	None	None	331,422	615,497	946,919	111,815		6/1/20
Los Lunas NM		505,257	938,335	None	None	505,257	938,335	1,443,592	170,464		6/1/20
Roswell NM		334,874	829,069	None	None	334,874	829,069	1,163,943	98,106		1/24/14
Tularosa NM		233,037	432,782	None	None	233,037	432,782	665,819	69,966		12/14/14
Tularosa NM		192,325	1,004,841	None	None	192,325	1,004,841	1,197,166	118,906		1/24/14
Vanderwagon NM		667,383	1,239,426	None	None	667,383	1,239,426	1,906,809	225,162		6/1/20
Mesquite NV		225,609	418,988	None	None	225,609	418,988	644,597	76,116		6/1/20
Mesquite NV		231,028	1,116,987	None	None	231,028	1,116,987	1,348,015	135,900		12/10/14
Sun Valley NV		364,207	1,432,793	None	None	364,207	1,432,793	1,797,000	193,427		8/22/14
Bath NY		145,625	760,850	None	None	145,625	760,850	906,475	90,034		1/24/14
Binghamton NY		256,309	728,197	None	None	256,309	728,197	984,506	74,033		6/30/14
Buffalo NY		356,992	1,014,248	None	None	356,992	1,014,248	1,371,240	120,019		1/31/14
Chamont NY		137,438	915,872	None	None	137,438	915,872	1,053,310	108,378		1/24/14
Falconer NY		541,451	1,340,506	None	None	541,451	1,340,506	1,881,957	158,627		1/24/14
Gouverneur NY		485,614	901,855	None	None	485,614	901,855	1,387,469	145,800		12/14/14
Gowanda NY		503,722	935,484	None	None	503,722	935,484	1,439,206	169,946		6/1/20
Malone NY		119,467	577,603	70,380	None	119,467	647,983	767,450	71,590		12/20/14
Rochester NY		307,714	890,061	9,145	None	307,714	899,206	1,206,920	50,770		10/9/14
Schenectady NY		468,077	869,287	None	None	468,077	869,287	1,337,364	140,535		12/14/14
Schroon Lake NY		106,612	777,013	22,967	None	106,612	799,980	906,592	94,680		12/20/14
Syracuse NY		376,119	619,343	None	None	376,119	619,343	995,462	33,761		10/9/14
Andover OH		469,209	871,388	None	None	469,209	871,388	1,340,597	140,874		12/14/14
Arcanum OH		290,000	1,023,516	None	None	290,000	1,023,516	1,313,516	42,647		12/15/14
Bettsville OH		60,000	1,088,485	None	None	60,000	1,088,485	1,148,485	45,354		12/15/14
Blanchester OH		359,899	668,383	None	None	359,899	668,383	1,028,282	108,055		12/14/14
Bradford OH		172,945	836,166	None	None	172,945	836,166	1,009,111	107,308		10/22/14
Bremen OH		354,866	1,153,316	None	None	354,866	1,153,316	1,508,182	182,608		1/22/14
Cardington OH		364,843	1,185,739	None	None	364,843	1,185,739	1,550,582	187,742		1/22/14
Chillicothe OH		322,923	1,049,499	17,350	None	322,923	1,066,849	1,389,772	176,032		1/22/14
Cincinnati OH		263,944	1,038,356	None	None	263,944	1,038,356	1,302,300	140,178		8/22/14
Columbus OH		574,968	1,067,799	None	None	574,968	1,067,799	1,642,767	193,983		6/1/20
Columbus OH		359,083	666,868	None	None	359,083	666,868	1,025,951	121,148		6/1/20

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Columbus	OH	361,678	895,430	None	None	361,678	895,430	1,257,108	105,959	1/24/
Conneaut	OH	166,644	805,700	None	None	166,644	805,700	972,344	103,398	10/22/
Dayton	OH	315,477	1,025,302	None	None	315,477	1,025,302	1,340,779	162,339	1/22/
Elyria	OH	251,256	988,444	None	None	251,256	988,444	1,239,700	133,440	8/22/
Fairfield	OH	219,943	865,257	None	None	219,943	865,257	1,085,200	116,810	8/22/
Fayette	OH	316,318	1,028,034	None	None	316,318	1,028,034	1,344,352	162,772	1/22/
Findlay	OH	238,609	938,689	None	None	238,609	938,689	1,177,298	132,981	6/21/
Fostoria	OH	262,910	1,034,290	None	None	262,910	1,034,290	1,297,200	139,629	8/22/
Georgetown	OH	381,051	707,665	None	None	381,051	707,665	1,088,716	114,406	12/14/
Grand Rapids	OH	80,000	1,072,480	None	None	80,000	1,072,480	1,152,480	44,687	12/15/
Greenwich	OH	146,371	975,399	None	None	146,371	975,399	1,121,770	115,422	1/24/
Howard	OH	169,394	885,037	None	None	169,394	885,037	1,054,431	104,729	1/24/
Huber Heights	OH	230,867	908,233	None	None	230,867	908,233	1,139,100	122,611	8/22/
Kenton	OH	400,787	744,320	None	None	400,787	744,320	1,145,107	135,218	6/1/2
Kingston	OH	373,121	1,212,643	None	None	373,121	1,212,643	1,585,764	192,002	1/22/
Litchfield	OH	110,000	1,077,669	None	None	110,000	1,077,669	1,187,669	44,903	12/15/
Lorain	OH	248,933	979,305	None	None	248,933	979,305	1,228,238	138,735	6/21/
Manchester	OH	371,453	689,842	None	None	371,453	689,842	1,061,295	111,524	12/14/
Marengo	OH	213,500	839,910	None	None	213,500	839,910	1,053,410	110,588	9/26/
Mechanicsburg	OH	350,151	650,280	None	None	350,151	650,280	1,000,431	118,134	6/1/2
Nashport	OH	319,015	1,036,799	None	None	319,015	1,036,799	1,355,814	164,160	1/22/
New Miami	OH	212,241	834,959	None	None	212,241	834,959	1,047,200	112,719	8/22/
Niles	OH	260,000	1,164,294	None	None	260,000	1,164,294	1,424,294	48,512	12/15/
Oak Harbor	OH	373,483	1,213,820	None	None	373,483	1,213,820	1,587,303	192,188	1/22/
Orwell	OH	293,628	545,309	None	None	293,628	545,309	838,937	99,064	6/1/2
Peebles	OH	436,054	809,815	None	None	436,054	809,815	1,245,869	130,920	12/14/
Perry	OH	70,000	1,114,353	None	None	70,000	1,114,353	1,184,353	46,431	12/15/
Racine	OH	183,196	957,149	None	None	183,196	957,149	1,140,345	113,263	1/24/
Richwood	OH	157,044	1,046,524	None	None	157,044	1,046,524	1,203,568	123,839	1/24/
Ripley	OH	359,515	667,671	None	None	359,515	667,671	1,027,186	121,294	6/1/2
Rockford	OH	117,012	852,812	None	None	117,012	852,812	969,824	106,601	11/15/
Seville	OH	335,945	1,091,822	None	None	335,945	1,091,822	1,427,767	172,872	1/22/
Springfield	OH	246,216	968,616	None	None	246,216	968,616	1,214,832	137,221	6/21/
Tarlton	OH	190,000	1,123,464	None	None	190,000	1,123,464	1,313,464	46,811	12/15/
Thornville	OH	285,644	928,344	17,943	None	285,644	946,287	1,231,931	155,075	1/22/
Toronto	OH	356,055	1,011,585	None	None	356,055	1,011,585	1,367,640	123,076	12/17/
Trenton	OH	439,388	707,205	None	None	439,388	707,205	1,146,593	39,593	10/9/
Warren	OH	505,805	939,353	None	None	505,805	939,353	1,445,158	170,649	6/1/2
West Carrollton	OH	440,000	1,072,193	None	None	440,000	1,072,193	1,512,193	44,675	12/15/
Withamsville	OH	276,510	1,087,790	None	None	276,510	1,087,790	1,364,300	146,852	8/22/
Afton	OK	113,611	757,094	None	None	113,611	757,094	870,705	89,589	1/24/
Antlers	OK	149,985	1,093,124	None	None	149,985	1,093,124	1,243,109	125,709	2/27/
Ardmore	OK	347,932	646,160	None	None	347,932	646,160	994,092	117,386	6/1/2
Broken Arrow	OK	356,064	881,533	None	None	356,064	881,533	1,237,597	104,315	1/24/
Claremore	OK	231,355	774,203	None	None	231,355	774,203	1,005,558	135,485	8/30/
Clayton	OK	533,789	826,041	None	None	533,789	826,041	1,359,830	139,050	10/31/
Cleveland	OK	196,277	1,307,968	None	None	196,277	1,307,968	1,504,245	154,776	1/24/
Collinsville	OK	289,014	715,532	None	None	289,014	715,532	1,004,546	84,671	1/24/
Davis	OK	569,738	881,672	None	None	569,738	881,672	1,451,410	148,415	10/31/
Drumright	OK	169,840	315,418	None	None	169,840	315,418	485,258	50,993	12/14/
Duncan	OK	430,448	799,403	None	None	430,448	799,403	1,229,851	129,237	12/14/
Elgin	OK	194,959	942,597	None	None	194,959	942,597	1,137,556	117,825	11/15/
Eufaula	OK	195,573	769,386	None	None	195,573	769,386	964,959	106,432	7/9/2
Grove	OK	424,722	657,258	None	None	424,722	657,258	1,081,980	110,639	10/31/
Haskell	OK	228,333	424,047	None	None	228,333	424,047	652,380	77,035	6/1/2
Haskell	OK	270,000	829,885	None	None	270,000	829,885	1,099,885	98,203	1/24/
Hollis	OK	61,713	880,041	None	None	61,713	880,041	941,754	154,007	8/30/
Hulbert	OK	395,384	611,858	None	None	395,384	611,858	1,007,242	102,996	10/31/
Kansas	OK	398,387	616,506	None	None	398,387	616,506	1,014,893	103,778	10/31/
Kellyville	OK	422,292	653,499	None	None	422,292	653,499	1,075,791	110,006	10/31/
Konawa	OK	390,916	604,945	None	None	390,916	604,945	995,861	101,832	10/31/
Lawton	OK	445,994	690,178	None	None	445,994	690,178	1,136,172	116,180	10/31/
Lexington	OK	128,927	673,606	None	None	128,927	673,606	802,533	79,710	1/24/
Mooreland	OK	140,000	934,322	None	None	140,000	934,322	1,074,322	38,930	12/15/
Newkirk	OK	100,999	673,045	None	None	100,999	673,045	774,044	79,644	1/24/
Norman	OK	173,541	906,703	None	None	173,541	906,703	1,080,244	107,293	1/24/
Oklahoma City	OK	400,000	678,788	None	None	400,000	678,788	1,078,788	114,263	10/31/
Oklahoma City	OK	318,134	590,821	None	None	318,134	590,821	908,955	95,516	12/14/
Shawnee	OK	288,016	534,887	None	None	288,016	534,887	822,903	97,171	6/1/2
Shawnee	OK	419,371	648,979	None	None	419,371	648,979	1,068,350	109,245	10/31/

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Shawnee	OK	246,641	610,625	None	None	246,641	610,625	857,266	72,257	1/24/
Sperry	OK	157,888	824,918	None	None	157,888	824,918	982,806	97,615	1/24/

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REALTY INCOME CORPORATION AND SUBSIDIARIES

SCHEDULE III REAL ESTATE AND ACCUMULATED DEPRECIATION

AS OF DECEMBER 31, 2016

Description	Encumbrances	Initial Cost to Company		Cost Capitalized Subsequent to Acquisition		Gross Amount at Which Carried at Close of Period (Notes 3, 4, 6 and 7)			Accumulated Depreciation	Date of Construction	Date Acquired
		Land	Buildings, Improvements and Acquisition Fees	Improvements	Costs	Land	Buildings, Improvements and Acquisition Fees	Total			
Stratford	OK	392,814	607,881	None	None	392,814	607,881	1,000,695	102,327		10/31/20
Tulsa	OK	433,486	670,822	None	None	433,486	670,822	1,104,308	112,922		10/31/20
Tulsa	OK	312,846	774,535	None	None	312,846	774,535	1,087,381	91,653		1/24/20
Wilson	OK	89,538	814,202	None	None	89,538	814,202	903,740	142,485		8/30/20
Woodward	OK	221,150	802,563	None	None	221,150	802,563	1,023,713	140,448		8/30/20
Lemont	PA	298,795	848,903	None	None	298,795	848,903	1,147,698	97,624		2/27/20
Furnace											
Smithfield	PA	255,705	1,005,946	None	None	255,705	1,005,946	1,261,651	132,450		9/26/20
Somerset	PA	301,986	1,188,014	None	None	301,986	1,188,014	1,490,000	160,382		8/22/20
Cayce	SC	207,965	818,135	None	None	207,965	818,135	1,026,100	110,448		8/22/20
Denmark	SC	220,498	867,442	None	None	220,498	867,442	1,087,940	114,213		9/30/20
Florence	SC	190,573	777,528	9,344	None	190,573	786,872	977,445	115,353		4/23/20
Heath	SC	158,107	826,065	None	None	158,107	826,065	984,172	97,751		1/24/20
Springs											
Kingtree	SC	198,491	780,866	None	None	198,491	780,866	979,357	102,814		9/18/20
Longs	SC	239,632	1,252,008	None	None	239,632	1,252,008	1,491,640	148,154		1/24/20
Myrtle Beach	SC	268,056	497,817	None	None	268,056	497,817	765,873	80,481		12/14/20
N Myrtle Beach	SC	155,168	610,432	None	None	155,168	610,432	765,600	82,408		8/22/20
Newberry	SC	383,286	711,817	None	None	383,286	711,817	1,095,103	115,077		12/14/20
North Charleston	SC	254,479	1,001,121	None	None	254,479	1,001,121	1,255,600	135,151		8/22/20
Orangeburg	SC	60,000	691,079	None	None	60,000	691,079	751,079	81,778		1/24/20
Ridgeland	SC	375,699	1,349,908	None	None	375,699	1,349,908	1,725,607	71,437		10/9/20
Ridgeway	SC	126,727	844,496	None	None	126,727	844,496	971,223	99,932		1/24/20
Timmonsville	SC	209,841	856,141	None	None	209,841	856,141	1,065,982	126,994		4/23/20
Union	SC	225,174	885,835	None	None	225,174	885,835	1,111,009	116,635		9/30/20
Westminster	SC	350,000	987,266	None	None	350,000	987,266	1,337,266	116,827		1/24/20
Chamberlain	SD	588,809	969,571	None	None	588,809	969,571	1,558,380	52,853		10/9/20
Rapid City	SD	330,000	912,615	None	None	330,000	912,615	1,242,615	38,026		12/15/20
Adams	TN	121,868	812,117	None	None	121,868	812,117	933,985	96,101		1/24/20
Bethel Springs	TN	134,530	702,880	None	None	134,530	702,880	837,410	83,174		1/24/20
Bloomington	TN	173,585	906,933	None	None	173,585	906,933	1,080,518	107,320		1/24/20
Caryville	TN	218,883	861,087	None	None	218,883	861,087	1,079,970	113,376		9/24/20
Celina	TN	157,341	1,048,501	None	None	157,341	1,048,501	1,205,842	124,073		1/24/20
Church Hill	TN	220,676	868,141	None	None	220,676	868,141	1,088,817	117,199		8/1/20
Cordova	TN	362,262	896,875	None	None	362,262	896,875	1,259,137	106,130		1/24/20
Covington	TN	192,392	1,005,191	None	None	192,392	1,005,191	1,197,583	118,948		1/24/20
Crossville	TN	224,273	882,294	None	None	224,273	882,294	1,106,567	116,169		9/24/20
Dresden	TN	169,202	884,035	None	None	169,202	884,035	1,053,237	104,611		1/24/20
Dyersburg	TN	138,691	724,619	None	None	138,691	724,619	863,310	85,747		1/24/20

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Dyersburg	TN	134,528	702,868	None	None	134,528	702,868	837,396	83,173	1/24/20	
Friendship	TN	129,543	863,263	None	None	129,543	863,263	992,806	102,153	1/24/20	
Grand Junction	TN	119,405	795,703	None	None	119,405	795,703	915,108	94,158	1/24/20	
Grimsley	TN	190,000	832,058	None	None	190,000	832,058	1,022,058	109,554	9/24/20	
Halls	TN	224,485	1,172,868	None	None	224,485	1,172,868	1,397,353	138,789	1/24/20	
Harriman	TN	260,000	975,515	None	None	260,000	975,515	1,235,515	112,184	2/5/20	
Humboldt	TN	163,042	665,204	None	None	163,042	665,204	828,246	100,889	3/19/20	
Madisonville	TN	185,976	731,631	41,687	None	185,976	773,318	959,294	99,754	8/30/20	
Martin	TN	160,410	838,094	None	None	160,410	838,094	998,504	99,174	1/24/20	
Mascot	TN	428,927	663,766	None	None	428,927	663,766	1,092,693	111,734	10/31/20	
Memphis	TN	225,548	418,876	None	None	225,548	418,876	644,424	76,096	6/1/20	
Memphis	TN	493,000	915,572	None	None	493,000	915,572	1,408,572	166,329	6/1/20	
Memphis	TN	369,950	687,049	None	None	369,950	687,049	1,056,999	124,814	6/1/20	
Memphis	TN	563,795	1,047,048	None	None	563,795	1,047,048	1,610,843	190,214	6/1/20	
Memphis	TN	552,777	1,026,586	None	None	552,777	1,026,586	1,579,363	186,496	6/1/20	
Memphis	TN	253,148	626,736	None	None	253,148	626,736	879,884	74,164	1/24/20	
Memphis	TN	332,829	824,006	None	None	332,829	824,006	1,156,835	97,507	1/24/20	
Memphis	TN	299,794	742,220	None	None	299,794	742,220	1,042,014	87,829	1/24/20	
Memphis	TN	315,786	781,812	None	None	315,786	781,812	1,097,598	92,514	1/24/20	
Memphis	TN	312,958	774,812	None	None	312,958	774,812	1,087,770	91,686	1/24/20	
Memphis	TN	330,000	1,049,568	None	None	330,000	1,049,568	1,379,568	124,199	1/24/20	
Memphis	TN	327,861	811,707	None	None	327,861	811,707	1,139,568	96,052	1/24/20	
Memphis	TN	312,275	773,121	None	None	312,275	773,121	1,085,396	91,486	1/24/20	
Memphis	TN	390,000	772,302	None	None	390,000	772,302	1,162,302	91,389	1/24/20	
Memphis	TN	352,417	872,503	None	None	352,417	872,503	1,224,920	103,246	1/24/20	
Memphis	TN	409,578	1,014,019	None	None	409,578	1,014,019	1,423,597	119,992	1/24/20	
Memphis	TN	405,442	1,003,781	None	None	405,442	1,003,781	1,409,223	118,781	1/24/20	
Michie	TN	123,911	825,729	None	None	123,911	825,729	949,640	97,711	1/24/20	
Milledgeville	TN	270,000	731,439	None	None	270,000	731,439	1,001,439	86,554	1/24/20	
Nashville	TN	589,570	948,928	None	None	589,570	948,928	1,538,498	53,125	10/9/20	
Niota	TN	152,948	799,110	None	None	152,948	799,110	952,058	94,561	1/24/20	
Rogersville	TN	206,436	812,120	None	None	206,436	812,120	1,018,556	109,636	8/14/20	
Sharon	TN	130,332	868,517	None	None	130,332	868,517	998,849	102,775	1/24/20	
Sunbright	TN	355,282	1,154,668	None	None	355,282	1,154,668	1,509,950	182,822	1/22/20	
Tennessee Ridge	TN	120,926	805,837	None	None	120,926	805,837	926,763	95,357	1/24/20	
Trezevant	TN	170,247	805,149	None	None	170,247	805,149	975,396	95,276	1/24/20	
Alpine	TX	248,256	1,297,068	None	None	248,256	1,297,068	1,545,324	153,486	1/24/20	
Alton	TX	345,945	642,468	None	None	345,945	642,468	988,413	116,715	6/1/20	
Amarillo	TX	191,492	811,497	None	None	191,492	811,497	1,002,989	142,012	8/30/20	
Amarillo	TX	260,864	712,639	None	None	260,864	712,639	973,503	124,712	8/30/20	
Anahuac	TX	531,601	987,259	None	None	531,601	987,259	1,518,860	159,607	12/14/20	
Anson	TX	608,000	139,586	1,017,331	None	None	139,586	1,017,331	1,156,917	110,211	4/30/20
Arcola	TX	309,969	961,069	None	None	309,969	961,069	1,271,038	168,187	8/30/20	
Atlanta	TX	427,591	661,699	None	None	427,591	661,699	1,089,290	111,386	10/31/20	
Austin	TX	590,000	812,479	None	None	590,000	812,479	1,402,479	136,767	10/31/20	
Austin	TX	333,480	947,447	None	None	333,480	947,447	1,280,927	121,589	10/24/20	
Bacliff	TX	557,574	1,035,495	None	None	557,574	1,035,495	1,593,069	188,115	6/1/20	
Baytown	TX	486,394	903,304	None	None	486,394	903,304	1,389,698	164,100	6/1/20	
Baytown	TX	447,005	830,152	None	None	447,005	830,152	1,277,157	150,811	6/1/20	
Beaumont	TX	526,746	978,243	None	None	526,746	978,243	1,504,989	177,714	6/1/20	
Beaumont	TX	186,877	1,007,961	None	None	186,877	1,007,961	1,194,838	176,393	8/30/20	
Beeville	TX	382,613	710,566	None	None	382,613	710,566	1,093,179	129,086	6/1/20	
Bloomington	TX	330,656	1,074,634	None	None	330,656	1,074,634	1,405,290	170,150	1/22/20	
Blossom	TX	82,320	825,297	None	None	82,320	825,297	907,617	144,427	8/30/20	
Borger	TX	589,000	166,456	804,791	None	None	166,456	804,791	971,247	87,186	4/30/20
Brookshire	TX	863,000	281,120	1,359,173	None	None	281,120	1,359,173	1,640,293	147,244	4/30/20
Brownsville	TX	287,319	533,592	None	None	287,319	533,592	820,911	96,936	6/1/20	
Bullard	TX	600,000	183,822	888,752	None	None	183,822	888,752	1,072,574	96,281	4/30/20
Canton	TX	165,267	1,358,083	None	None	165,267	1,358,083	1,523,350	237,664	8/30/20	
Canyon Lake	TX	424,566	788,481	None	None	424,566	788,481	1,213,047	143,241	6/1/20	
Canyon Lake	TX	183,707	1,170,581	None	None	183,707	1,170,581	1,354,288	204,852	8/30/20	
Cedar Creek	TX	183,296	933,294	None	None	183,296	933,294	1,116,590	163,327	8/30/20	
Cisco	TX	531,000	139,059	1,013,495	None	None	139,059	1,013,495	1,152,554	109,795	4/30/20
Corpus Christi	TX	460,501	855,215	None	None	460,501	855,215	1,315,716	155,364	6/1/20	
Christi	TX	577,037	1,071,640	None	None	577,037	1,071,640	1,648,677	194,681	6/1/20	
Christi	TX	291,106	540,626	None	None	291,106	540,626	831,732	98,214	6/1/20	

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Corpus Christi	TX	408,524	1,327,703	None	None	408,524	1,327,703	1,736,227	210,220	1/22/20
Corpus Christi	TX	287,912	1,132,648	None	None	287,912	1,132,648	1,420,560	160,458	6/21/20
Corpus Christi	TX	363,669	900,360	None	None	363,669	900,360	1,264,029	106,543	1/24/20
Corrigan	TX	256,676	834,196	1,514	None	256,676	835,710	1,092,386	133,358	1/22/20
Cotulla	TX	919,863	1,708,316	None	None	919,863	1,708,316	2,628,179	276,178	12/14/20
Creedmoor	TX	490,979	759,793	None	None	490,979	759,793	1,250,772	127,898	10/31/20
Crystal City	TX	549,519	1,020,535	None	None	549,519	1,020,535	1,570,054	164,986	12/14/20
Dallas	TX	660,890	1,227,367	None	None	660,890	1,227,367	1,888,257	222,972	6/1/20
Dallas	TX	474,480	881,177	None	None	474,480	881,177	1,355,657	160,080	6/1/20
Dallas	TX	433,859	1,238,325	None	None	433,859	1,238,325	1,672,184	117,641	8/25/20
Del Rio	TX	507,216	784,918	None	None	507,216	784,918	1,292,134	132,128	10/31/20

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REALTY INCOME CORPORATION AND SUBSIDIARIES

SCHEDULE III REAL ESTATE AND ACCUMULATED DEPRECIATION

AS OF DECEMBER 31, 2016

Description	Encumbrances	Initial Cost to Company			Cost Capitalized Subsequent to Acquisition		Gross Amount at Which Carried at Close of Period (Notes 3, 4, 6 and 7)			Accumulated Depreciation	Date of Construction	Date Acquired
		Land	Buildings, Improvements and Acquisition Fees	Improvements	Carrying Costs	Land	Buildings, Improvements and Acquisition Fees	Total				
Desoto TX		510,567	790,105	None	None	510,567	790,105	1,300,672	133,001		10/31/20	
Dilley TX		141,101	940,281	None	None	141,101	940,281	1,081,382	111,267		1/24/20	
Eagle Pass TX		516,608	959,416	None	None	516,608	959,416	1,476,024	174,294		6/1/20	
Eagle Pass TX		433,864	671,406	None	None	433,864	671,406	1,105,270	113,020		10/31/20	
East Bernard TX	577,000	132,881	968,462	None	None	132,881	968,462	1,101,343	104,917		4/30/20	
Edinburg TX		380,000	716,403	None	None	380,000	716,403	1,096,403	84,774		1/24/20	
El Paso TX		270,000	940,688	None	None	270,000	940,688	1,210,688	39,195		12/15/20	
Elsa TX		379,998	1,234,994	None	None	379,998	1,234,994	1,614,992	195,541		1/22/20	
Fort Stockton TX		465,636	864,752	None	None	465,636	864,752	1,330,388	139,802		12/14/20	
Fort Worth TX		547,855	1,019,204	None	None	547,855	1,019,204	1,567,059	178,361		8/30/20	
Fort Worth TX		213,683	848,314	None	None	213,683	848,314	1,061,997	148,455		8/30/20	
Fort Worth TX		600,746	1,115,672	None	None	600,746	1,115,672	1,716,418	180,367		12/14/20	
Fort Worth TX		160,563	631,657	(7,839)	None	160,563	623,818	784,381	88,155		8/15/20	
Freer TX		269,137	499,827	None	None	269,137	499,827	768,964	80,805		12/14/20	
Garland TX		228,333	424,047	None	None	228,333	424,047	652,380	77,035		6/1/20	
Garland TX		298,055	737,916	None	None	298,055	737,916	1,035,971	87,320		1/24/20	
Glen Rose TX	903,000	269,359	1,302,309	None	None	269,359	1,302,309	1,571,668	141,084		4/30/20	
Glenn Heights TX		297,559	736,686	None	None	297,559	736,686	1,034,245	87,175		1/24/20	
Granite Shoals TX		371,795	1,208,334	None	None	371,795	1,208,334	1,580,129	191,319		1/22/20	
Grape Creek TX		232,999	710,940	None	None	232,999	710,940	943,939	124,415		8/30/20	
Hamilton TX	626,000	140,174	1,021,615	None	None	140,174	1,021,615	1,161,789	110,675		4/30/20	
Hardin TX		143,336	805,614	None	None	143,336	805,614	948,950	140,982		8/30/20	
Harker Heights TX		488,753	907,685	None	None	488,753	907,685	1,396,438	164,896		6/1/20	
Harker Heights TX		469,370	726,352	None	None	469,370	726,352	1,195,722	122,269		10/31/20	
Hebbronville TX		481,250	893,750	None	None	481,250	893,750	1,375,000	144,490		12/14/20	
Hebbronville TX		240,000	1,014,676	None	None	240,000	1,014,676	1,254,676	120,070		1/24/20	
Hewitt TX		493,299	763,382	None	None	493,299	763,382	1,256,681	128,503		10/31/20	
Hidalgo TX		450,411	1,115,114	None	None	450,411	1,115,114	1,565,525	131,955		1/24/20	
Houston TX		279,181	518,479	None	None	279,181	518,479	797,660	94,190		6/1/20	
Houston TX		434,980	807,819	None	None	434,980	807,819	1,242,799	146,754		6/1/20	
Houston TX		429,081	796,866	None	None	429,081	796,866	1,225,947	144,764		6/1/20	
Houston TX		490,377	910,700	None	None	490,377	910,700	1,401,077	165,444		6/1/20	
Houston TX		565,402	874,961	None	None	565,402	874,961	1,440,363	147,285		10/31/20	
Houston TX		650,000	866,899	None	None	650,000	866,899	1,516,899	145,928		10/31/20	
Houston TX		562,086	869,831	None	None	562,086	869,831	1,431,917	146,422		10/31/20	
Houston TX		467,805	868,780	None	None	467,805	868,780	1,336,585	140,453		12/14/20	
Houston TX		610,149	1,133,135	None	None	610,149	1,133,135	1,743,284	183,190		12/14/20	
Houston TX		474,480	881,178	None	None	474,480	881,178	1,355,658	142,457		12/14/20	
Houston TX		310,255	1,220,545	None	None	310,255	1,220,545	1,530,800	164,774		8/22/20	

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Houston	TX		283,623	1,115,777	None	None	283,623	1,115,777	1,399,400	150,630	8/22/20
Houston	TX		440,874	1,091,500	None	None	440,874	1,091,500	1,532,374	129,161	1/24/20
Houston	TX		347,071	986,059	None	None	347,071	986,059	1,333,130	110,110	3/28/20
Hubbard	TX		128,604	857,007	None	None	128,604	857,007	985,611	101,413	1/24/20
Itasca	TX	543,000	118,010	860,081	None	None	118,010	860,081	978,091	93,175	4/1/20
Jefferson	TX		339,075	1,333,925	None	None	339,075	1,333,925	1,673,000	180,080	8/22/20
Joaquin	TX	656,000	135,219	985,502	None	None	135,219	985,502	1,120,721	106,763	4/1/20
Katy	TX		554,109	857,486	None	None	554,109	857,486	1,411,595	144,344	10/31/20
Katy	TX		346,827	985,367	None	None	346,827	985,367	1,332,194	126,455	10/11/20
Kaufman	TX		488,687	907,561	None	None	488,687	907,561	1,396,248	164,874	6/1/20
Kermit	TX		234,478	922,439	None	None	234,478	922,439	1,156,917	130,679	6/21/20
Killeen	TX		480,758	892,837	None	None	480,758	892,837	1,373,595	162,199	6/1/20
Killeen	TX		471,572	729,760	None	None	471,572	729,760	1,201,332	122,843	10/31/20
Killeen	TX		380,000	881,852	None	None	380,000	881,852	1,261,852	36,744	12/15/20
Killeen	TX		440,000	830,465	None	None	440,000	830,465	1,270,465	34,603	12/15/20
Lacy	TX		429,768	798,141	None	None	429,768	798,141	1,227,909	144,996	6/1/20
Lakeview											
Lakehills	TX		183,968	795,341	None	None	183,968	795,341	979,309	139,185	8/30/20
Lamesa	TX		450,012	835,736	None	None	450,012	835,736	1,285,748	151,825	6/1/20
Leonard	TX		277,575	515,496	None	None	277,575	515,496	793,071	93,648	6/1/20
Llano	TX	804,000	179,332	1,307,011	None	None	179,332	1,307,011	1,486,343	141,593	4/1/20
Longview	TX		435,985	809,687	None	None	435,985	809,687	1,245,672	130,899	12/14/20
Longview	TX		473,119	878,650	None	None	473,119	878,650	1,351,769	142,048	12/14/20
Longview	TX		150,012	278,594	None	None	150,012	278,594	428,606	45,039	12/14/20
Los Fresnos	TX		533,059	989,968	None	None	533,059	989,968	1,523,027	179,844	6/1/20
Luffkin	TX		267,700	497,158	None	None	267,700	497,158	764,858	80,374	12/14/20
Marfa	TX		310,000	1,325,712	None	None	310,000	1,325,712	1,635,712	156,876	1/24/20
Marshall	TX		665,113	1,235,211	None	None	665,113	1,235,211	1,900,324	224,397	6/1/20
Memphis	TX	461,000	102,312	745,672	None	None	102,312	745,672	847,984	80,781	4/1/20
Midland	TX		544,075	1,322,431	None	None	544,075	1,322,431	1,866,506	998,323	2/3/19
Midland	TX		194,594	790,843	None	None	194,594	790,843	985,437	138,398	8/30/20
Monahans	TX		473,723	879,770	None	None	473,723	879,770	1,353,493	142,230	12/14/20
Monte Alto	TX		370,770	1,205,004	None	None	370,770	1,205,004	1,575,774	190,792	1/22/20
Morton	TX		190,918	751,074	None	None	190,918	751,074	941,992	106,402	6/21/20
Mount	TX		510,030	947,198	None	None	510,030	947,198	1,457,228	153,130	12/14/20
Enterprise											
Mt Vernon	TX	641,000	132,850	968,238	None	None	132,850	968,238	1,101,088	104,893	4/1/20
Nacogdoches	TX		585,075	1,086,567	None	None	585,075	1,086,567	1,671,642	175,662	12/14/20
New Boston	TX		226,547	420,730	None	None	226,547	420,730	647,277	76,433	6/1/20
Odessa	TX		200,900	874,978	None	None	200,900	874,978	1,075,878	153,121	8/30/20
Odessa	TX		393,275	795,622	None	None	393,275	795,622	1,188,897	139,234	8/30/20
Odessa	TX		299,235	687,360	None	None	299,235	687,360	986,595	120,288	8/30/20
Onalaska	TX		455,522	845,970	None	None	455,522	845,970	1,301,492	136,765	12/14/20
Orange	TX		359,323	1,413,577	None	None	359,323	1,413,577	1,772,900	190,833	8/22/20
Orange	TX		267,166	1,051,034	None	None	267,166	1,051,034	1,318,200	141,890	8/22/20
Paris	TX		194,054	844,235	None	None	194,054	844,235	1,038,289	147,741	8/30/20
Pasadena	TX		274,400	1,079,491	None	None	274,400	1,079,491	1,353,891	152,928	6/21/20
Pearsall	TX		314,465	584,006	None	None	314,465	584,006	898,471	106,094	6/1/20
Pearsall	TX		179,547	938,079	None	None	179,547	938,079	1,117,626	111,006	1/24/20
Perryton	TX		534,489	992,623	None	None	534,489	992,623	1,527,112	160,474	12/14/20
Pharr	TX		506,911	941,407	None	None	506,911	941,407	1,448,318	171,022	6/1/20
Pinehurst	TX		556,823	861,686	None	None	556,823	861,686	1,418,509	145,051	10/31/20
Pineland	TX	703,000	149,928	1,092,708	None	None	149,928	1,092,708	1,242,636	118,377	4/1/20
Pittsburg	TX		469,724	872,344	None	None	469,724	872,344	1,342,068	158,476	6/1/20
Port Acres	TX		268,899	499,384	None	None	268,899	499,384	768,283	90,721	6/1/20
Port Arthur	TX		253,535	828,487	None	None	253,535	828,487	1,082,022	144,985	8/30/20
Port Neches	TX		498,469	925,729	None	None	498,469	925,729	1,424,198	149,659	12/14/20
Porter	TX		559,462	1,039,001	None	None	559,462	1,039,001	1,598,463	167,972	12/14/20
Progreso	TX		200,597	372,537	None	None	200,597	372,537	573,134	60,227	12/14/20
Rio Grande	TX		171,514	896,112	None	None	171,514	896,112	1,067,626	106,040	1/24/20
City											
Rio Vista	TX		61,254	829,871	None	None	61,254	829,871	891,125	145,227	8/30/20
Rockdale	TX	592,000	174,972	845,963	None	None	174,972	845,963	1,020,935	91,646	4/1/20
Rosenberg	TX		408,933	759,448	None	None	408,933	759,448	1,168,381	137,966	6/1/20
Rusk	TX		446,174	828,610	None	None	446,174	828,610	1,274,784	133,959	12/14/20
Saginaw	TX		485,162	901,016	None	None	485,162	901,016	1,386,178	163,685	6/1/20
San Angelo	TX		308,573	1,000,504	None	None	308,573	1,000,504	1,309,077	175,088	8/30/20
San Antonio	TX		663,903	1,232,962	None	None	663,903	1,232,962	1,896,865	223,988	6/1/20
San Antonio	TX		474,828	881,824	None	None	474,828	881,824	1,356,652	160,198	6/1/20
San Antonio	TX		357,827	664,536	None	None	357,827	664,536	1,022,363	120,724	6/1/20

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San Antonio	TX	637,451	1,183,837	None	None	637,451	1,183,837	1,821,288	215,064	6/1/20
San Antonio	TX	265,044	818,313	None	None	265,044	818,313	1,083,357	143,205	8/30/20
San Antonio	TX	273,109	896,601	None	None	273,109	896,601	1,169,710	156,905	8/30/20
San Antonio	TX	408,997	1,329,239	None	None	408,997	1,329,239	1,738,236	210,463	1/22/20
San Antonio	TX	325,537	1,280,663	None	None	325,537	1,280,663	1,606,200	172,890	8/22/20
San	TX	468,018	869,176	None	None	468,018	869,176	1,337,194	140,517	12/14/20
Augustine										
San Benito	TX	149,582	781,526	None	None	149,582	781,526	931,108	92,481	1/24/20
Santa Fe	TX	450,685	1,115,790	None	None	450,685	1,115,790	1,566,475	132,035	1/24/20

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REALTY INCOME CORPORATION AND SUBSIDIARIES

SCHEDULE III REAL ESTATE AND ACCUMULATED DEPRECIATION

AS OF DECEMBER 31, 2016

Description	Encumbrances	Initial Cost to Company				Cost Capitalized Subsequent to Acquisition		Gross Amount at Which Carried at Close of Period (Notes 3, 4, 6 and 7)			Accumulated Depreciation	Date of Construction	Date of Acquisition
		Land	Buildings, Improvements and Acquisition Fees	Improvements	Costs	Land	Fees	Total	(Note 5)				
Schertz TX		300,878	558,773	None	None	300,878	558,773	859,651	101,510			6/1/16	
Sealy TX	723,000	213,880	1,034,081	None	None	213,880	1,034,081	1,247,961	112,025			4/1/16	
Seminole TX		103,470	899,122	None	None	103,470	899,122	1,002,592	157,346			8/30/15	
Seminole TX		364,491	1,433,909	None	None	364,491	1,433,909	1,798,400	193,578			8/22/15	
Sherman TX		242,135	449,678	None	None	242,135	449,678	691,813	81,692			6/1/16	
Sullivan City TX		496,544	922,154	None	None	496,544	922,154	1,418,698	149,082			12/1/15	
Taft TX		177,408	926,908	None	None	177,408	926,908	1,104,316	109,684			1/24/16	
Temple TX		248,015	805,588	None	None	248,015	805,588	1,053,603	140,978			8/30/15	
Temple TX		580,869	1,078,758	None	None	580,869	1,078,758	1,659,627	174,399			12/1/15	
Texas City TX		238,472	973,286	None	None	238,472	973,286	1,211,758	170,325			8/30/15	
Three Rivers TX		225,995	1,068,797	None	None	225,995	1,068,797	1,294,792	126,474			1/24/16	
Valley View TX		185,843	878,905	None	None	185,843	878,905	1,064,748	104,004			1/24/16	
Van Horn TX	707,000	147,318	1,073,686	None	None	147,318	1,073,686	1,221,004	116,316			4/1/16	
Waco TX		527,779	980,161	None	None	527,779	980,161	1,507,940	178,063			6/1/16	
Wells TX		141,780	840,639	None	None	141,780	840,639	982,419	147,112			8/30/15	
Wichita Falls TX		297,454	552,415	None	None	297,454	552,415	849,869	100,355			6/1/16	
Willis TX		664,432	1,233,946	None	None	664,432	1,233,946	1,898,378	224,167			6/1/16	
Wills Point TX		417,304	774,994	None	None	417,304	774,994	1,192,298	125,291			12/1/15	
Wilmer TX		489,576	909,212	None	None	489,576	909,212	1,398,788	146,989			12/1/15	
Winnsboro TX		446,940	830,031	None	None	446,940	830,031	1,276,971	134,188			12/1/15	
Winters TX		50,842	811,377	None	None	50,842	811,377	862,219	141,991			8/30/15	
Zapata TX		249,421	1,303,154	None	None	249,421	1,303,154	1,552,575	154,207			1/24/16	
Kanab UT		563,114	1,045,783	None	None	563,114	1,045,783	1,608,897	189,984			6/1/16	
Mt Pleasant UT		573,530	1,065,126	None	None	573,530	1,065,126	1,638,656	193,498			6/1/16	
Charlotte Ct VA		154,295	1,028,208	None	None	154,295	1,028,208	1,182,503	121,671			1/24/16	
Hous													
Colonial VA		337,535	1,327,865	None	None	337,535	1,327,865	1,665,400	179,262			8/22/15	
Heights													
Colonial VA		283,623	1,115,777	None	None	283,623	1,115,777	1,399,400	150,630			8/22/15	
Heights													
Concord VA		259,997	906,036	None	None	259,997	906,036	1,166,033	158,556			8/30/15	
Craigsville VA		141,713	944,359	None	None	141,713	944,359	1,086,072	111,749			1/24/16	
Danville VA		223,469	879,131	None	None	223,469	879,131	1,102,600	118,683			8/22/15	
Fancy Gap VA		153,509	1,022,966	None	None	153,509	1,022,966	1,176,475	121,051			1/24/16	
Fork Union VA		159,295	1,061,525	None	None	159,295	1,061,525	1,220,820	125,614			1/24/16	
Goshen VA		80,157	831,602	None	None	80,157	831,602	911,759	145,530			8/30/15	
Madison VA		276,413	936,546	None	None	276,413	936,546	1,212,959	163,896			8/30/15	
Heights													
Mineral VA		202,879	1,059,984	None	None	202,879	1,059,984	1,262,863	125,432			1/24/16	
Onley VA		313,433	582,089	None	None	313,433	582,089	895,522	94,104			12/1/15	
Portsmouth VA		524,294	973,688	None	None	524,294	973,688	1,497,982	176,887			6/1/16	
Rich Creek VA		194,447	940,122	None	None	194,447	940,122	1,134,569	104,980			3/25/16	
Richmond VA		709,379	1,317,417	None	None	709,379	1,317,417	2,026,796	239,331			6/1/16	

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Richmond	VA	344,912	1,356,888	None	None	344,912	1,356,888	1,701,800	183,180	8/22
Roanoke	VA	591,344	1,098,210	None	None	591,344	1,098,210	1,689,554	199,508	6/1
Roanoke	VA	655,795	1,217,906	None	None	655,795	1,217,906	1,873,701	196,895	12/1
Roanoke	VA	478,904	889,394	None	None	478,904	889,394	1,368,298	143,785	12/1
Shawsville	VA	334,624	1,066,596	None	None	334,624	1,066,596	1,401,220	186,654	8/30
Shenandoah	VA	192,613	1,006,351	None	None	192,613	1,006,351	1,198,964	119,085	1/24
Spotsylvania	VA	300,324	1,181,476	None	None	300,324	1,181,476	1,481,800	159,499	8/22
Stanleytown	VA	359,846	668,286	None	None	359,846	668,286	1,028,132	108,040	12/1
Stony Creek	VA	237,764	935,366	None	None	237,764	935,366	1,173,130	132,510	6/21
Victoria	VA	194,099	914,642	None	None	194,099	914,642	1,108,741	160,062	8/30
Eagle River	WI	208,955	388,060	None	None	208,955	388,060	597,015	62,736	12/1
Milwaukee	WI	538,419	999,922	None	None	538,419	999,922	1,538,341	181,652	6/1
Milwaukee	WI	120,000	664,289	32,249	None	120,000	696,538	816,538	82,107	3/14
Milwaukee	WI	359,110	591,334	None	None	359,110	591,334	950,444	32,234	10/9
Spooner	WI	564,022	1,047,470	None	None	564,022	1,047,470	1,611,492	190,290	6/1
French Creek	WV	270,000	1,162,377	None	None	270,000	1,162,377	1,432,377	48,432	12/1
Lewisburg	WV	290,000	1,063,577	None	None	290,000	1,063,577	1,353,577	44,316	12/1
Mount Hope	WV	186,300	732,905	None	None	186,300	732,905	919,205	101,385	7/23
Princeton	WV	280,344	911,119	8,500	None	280,344	919,619	1,199,963	148,908	1/22
Rock	WV	332,222	1,079,721	None	None	332,222	1,079,721	1,411,943	170,956	1/22
Shady Spring	WV	204,338	833,689	None	None	204,338	833,689	1,038,027	126,443	3/27
Cheyenne	WY	521,603	968,690	None	None	521,603	968,690	1,490,293	175,979	6/1
Cheyenne	WY	564,022	1,047,470	None	None	564,022	1,047,470	1,611,492	190,290	6/1
<u>Drug stores</u>										
Atmore	AL	1,689,229	4,025,584	None	None	1,689,229	4,025,584	5,714,813	275,082	4/29
Auburn	AL	1,696,833	3,901,754	None	None	1,696,833	3,901,754	5,598,587	617,778	1/22
Bessemer	AL	913,349	2,269,571	None	None	913,349	2,269,571	3,182,920	208,044	9/30
Chelsea	AL	1,157,579	3,575,632	None	None	1,157,579	3,575,632	4,733,211	566,142	1/22
Huntsville	AL	1,971,282	3,528,526	None	None	1,971,282	3,528,526	5,499,808	41,166	9/29
Montgomery	AL	1,150,000	1,479,627	None	None	1,150,000	1,479,627	2,629,627	702,831	2/9
Northport	AL	1,650,000	4,829,538	None	None	1,650,000	4,829,538	6,479,538	330,018	4/29
Tuscaloosa	AL	2,000,550	4,371,497	None	None	2,000,550	4,371,497	6,372,047	298,719	4/29
Monticello	AR	1,990,000	3,710,723	None	None	1,990,000	3,710,723	5,700,723	253,566	4/29
Van Buren	AR	1,328,049	3,008,245	None	None	1,328,049	3,008,245	4,336,294	396,086	9/25
Apache Junction	AZ	2,147,586	3,844,103	None	None	2,147,586	3,844,103	5,991,689	44,848	9/29
Chandler	AZ	-	3,540,215	None	None	-	3,540,215	3,540,215	560,534	1/22
Chandler	AZ	1,086,262	2,460,559	None	None	1,086,262	2,460,559	3,546,821	323,974	9/25
El Mirage	AZ	1,179,770	2,672,369	None	None	1,179,770	2,672,369	3,852,139	351,862	9/25
Mesa	AZ	1,347,649	3,790,620	None	None	1,347,649	3,790,620	5,138,269	537,005	6/14
Mesa	AZ	1,545,555	4,347,285	None	None	1,545,555	4,347,285	5,892,840	615,865	6/14
Phoenix	AZ	-	3,381,632	None	None	-	3,381,632	3,381,632	535,425	1/22
Phoenix	AZ	1,562,759	4,395,676	None	None	1,562,759	4,395,676	5,958,435	622,721	6/14
Surprise	AZ	1,358,528	3,821,220	None	None	1,358,528	3,821,220	5,179,748	541,339	6/14
Tucson	AZ	959,875	2,350,208	None	None	959,875	2,350,208	3,310,083	411,286	8/10
Bakersfield	CA	-	3,501,678	None	None	-	3,501,678	3,501,678	1,243,095	2/26
Blythe	CA	-	3,762,216	None	None	-	3,762,216	3,762,216	156,759	12/4
Clearlake	CA	780,000	4,571,338	None	None	780,000	4,571,338	5,351,338	190,472	12/4
Encinitas	CA	-	3,751,713	None	None	-	3,751,713	3,751,713	1,331,857	2/26
Indio	CA	2,205,539	4,096,524	None	None	2,205,539	4,096,524	6,302,063	1,454,265	2/21
Pico Rivera	CA	-	4,633,063	None	None	-	4,633,063	4,633,063	733,568	1/22
Sacramento	CA	1,490,000	3,473,583	None	None	1,490,000	3,473,583	4,963,583	862,607	10/2
Seal Beach	CA	-	4,448,814	None	None	-	4,448,814	4,448,814	185,367	12/4
Tracy	CA	2,467,993	4,584,246	None	None	2,467,993	4,584,246	7,052,239	1,657,969	12/2
Visalia	CA	-	4,333,023	None	None	-	4,333,023	4,333,023	686,062	1/22
Colorado Springs	CO	1,025,000	1,645,371	36,980	79	1,025,000	1,682,430	2,707,430	810,556	2/9
Colorado Springs	CO	1,547,023	3,504,257	151,037	None	1,547,023	3,655,294	5,202,317	474,648	8/29
Fort Collins	CO	1,100,000	1,385,014	None	79	1,100,000	1,385,093	2,485,093	657,949	2/9
Littleton	CO	1,498,300	3,393,892	306,173	None	1,498,300	3,700,065	5,198,365	463,904	8/29
Montrose	CO	1,958,248	3,505,195	None	None	1,958,248	3,505,195	5,463,443	40,894	9/29
Berlin	CT	1,532,460	3,786,614	None	None	1,532,460	3,786,614	5,319,074	422,839	3/31
Branford	CT	1,760,000	3,849,409	None	None	1,760,000	3,849,409	5,609,409	429,851	3/31
Millsboro	DE	900,000	4,039,490	None	None	900,000	4,039,490	4,939,490	168,312	12/4
Delray Beach	FL	4,893,115	3,541,070	None	None	4,893,115	3,541,070	8,434,185	560,669	1/22

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Deltona	FL	849,162	2,388,495	111,642	140	849,162	2,500,277	3,349,439	342,832	6/4
Gainesville	FL	1,935,853	3,620,924	None	None	1,935,853	3,620,924	5,556,777	573,313	1/22
Jacksonville	FL	1,605,187	3,691,020	None	None	1,605,187	3,691,020	5,296,207	584,412	1/22
Milton	FL	500,000	1,774,311	None	None	500,000	1,774,311	2,274,311	440,621	10/2
Orlando	FL	960,194	2,372,580	14,576	None	960,194	2,387,156	3,347,350	292,672	12/1
Rockledge	FL	1,626,972	4,576,292	8,858	None	1,626,972	4,585,150	6,212,122	648,374	6/7
Saint Augustine	FL	1,442,096	4,056,278	None	None	1,442,096	4,056,278	5,498,374	574,639	6/11
Winter Park	FL	1,075,020	1,664,284	None	None	1,075,020	1,664,284	2,739,304	1,217,729	9/30
Acworth	GA	1,534,095	3,527,548	None	None	1,534,095	3,527,548	5,061,643	558,528	1/22
Adel	GA	500,000	1,056,116	48,524	None	500,000	1,104,640	1,604,640	504,448	4/29
Austell	GA	1,234,384	3,610,300	None	None	1,234,384	3,610,300	4,844,684	571,631	1/22

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REALTY INCOME CORPORATION AND SUBSIDIARIES

SCHEDULE III REAL ESTATE AND ACCUMULATED DEPRECIATION

AS OF DECEMBER 31, 2016

Description	Encumbrances	Initial Cost to Company		Cost Capitalized Subsequent to Acquisition		Gross Amount at Which Carried at Close of Period (Notes 3, 4, 6 and 7)			Accumulated Depreciation	Date of Construction
		Land	Buildings, Improvements and Acquisition Fees	Improvements	Carrying Costs	Land	Buildings, Improvements and Acquisition Fees	Total		
(Note 1)	(Note 2)	Land	Fees	Improvements	Costs	Land	Fees	Total	(Note 5)	Construction
Blackshear	GA	430,000	1,005,393	46,950	None	430,000	1,052,343	1,482,343	473,866	4/
Bowdon	GA	410,000	1,010,615	None	None	410,000	1,010,615	1,420,615	473,299	4/
Cairo	GA	330,000	1,152,243	54,608	None	330,000	1,206,851	1,536,851	542,256	4/
Columbus	GA	1,740,000	5,024,581	800	None	1,740,000	5,025,381	6,765,381	712,224	6/
Decatur	GA	1,546,047	3,555,032	65,720	None	1,546,047	3,620,752	5,166,799	577,543	1/
East Ellijay	GA	1,317,709	3,029,984	None	None	1,317,709	3,029,984	4,347,693	479,748	1/
Lawrenceville	GA	1,109,742	3,121,445	71,737	None	1,109,742	3,193,182	4,302,924	450,591	6/
Lithia Springs	GA	1,543,512	3,549,202	None	None	1,543,512	3,549,202	5,092,714	561,957	1/
Quitman	GA	730,000	856,586	None	None	730,000	856,586	1,586,586	406,870	2/
Rome	GA	-	3,389,465	None	None	-	3,389,465	3,389,465	536,665	1/
Rome	GA	1,293,890	3,639,408	None	None	1,293,890	3,639,408	4,933,298	515,583	6/
Altoona	IA	1,440,000	3,440,755	None	None	1,440,000	3,440,755	4,880,755	40,142	9/
Iowa City	IA	1,892,972	3,388,354	None	None	1,892,972	3,388,354	5,281,326	39,531	9/
Ottumwa	IA	1,687,561	3,880,433	None	None	1,687,561	3,880,433	5,567,994	614,402	1/
Waterloo	IA	1,760,000	4,023,600	None	None	1,760,000	4,023,600	5,783,600	274,946	4/
Blackfoot	ID	560,000	1,932,186	60,641	None	560,000	1,992,827	2,552,827	918,664	2/
Burley	ID	700,000	2,011,543	62,154	None	700,000	2,073,697	2,773,697	956,381	2/
Chubbuck	ID	890,000	1,267,183	52,044	None	890,000	1,319,227	2,209,227	602,445	2/
Chicago	IL	1,589,068	2,841,507	175,063	None	1,589,068	3,016,570	4,605,638	544,149	6/
Chicago	IL	1,462,870	3,735,267	None	None	1,462,870	3,735,267	5,198,137	591,417	1/
Chicago	IL	1,744,950	3,952,594	53,843	None	1,744,950	4,006,437	5,751,387	520,761	9/
Chicago	IL	1,584,794	4,502,544	None	None	1,584,794	4,502,544	6,087,338	562,818	11/
Chicago	IL	1,272,921	3,580,429	40,423	None	1,272,921	3,620,852	4,893,773	507,480	6/
Heights										
Darien	IL	1,198,099	3,369,971	33,928	None	1,198,099	3,403,899	4,601,998	488,843	5/
Deerfield	IL	4,092,687	11,511,770	None	None	4,092,687	11,511,770	15,604,457	1,110,063	8/
Deerfield	IL	4,261,874	11,987,653	None	None	4,261,874	11,987,653	16,249,527	1,155,952	8/
Deerfield	IL	4,082,432	11,482,923	None	None	4,082,432	11,482,923	15,565,355	1,107,282	8/
Deerfield	IL	4,089,453	11,502,673	None	None	4,089,453	11,502,673	15,592,126	1,109,186	8/
Deerfield	IL	2,586,157	7,274,253	None	None	2,586,157	7,274,253	9,860,410	701,446	8/
Deerfield	IL	3,180,926	8,947,200	None	None	3,180,926	8,947,200	12,128,126	862,766	8/
Dolton	IL	1,860,000	4,204,975	None	None	1,860,000	4,204,975	6,064,975	91,108	6/
East Peoria	IL	1,217,434	2,532,652	None	None	1,217,434	2,532,652	3,750,086	54,874	6/
Maryville	IL	780,685	2,344,436	None	None	780,685	2,344,436	3,125,121	543,128	3/
Moline	IL	1,104,813	3,748,707	None	None	1,104,813	3,748,707	4,853,520	593,545	1/
Oak Forest	IL	1,562,490	4,394,918	None	None	1,562,490	4,394,918	5,957,408	622,613	6/
Pekin	IL	897,200	1,866,462	None	None	897,200	1,866,462	2,763,662	40,440	6/
Peoria	IL	867,025	1,803,689	None	None	867,025	1,803,689	2,670,714	39,080	6/
Plainfield	IL	1,463,785	3,365,876	None	None	1,463,785	3,365,876	4,829,661	532,930	1/
Springfield	IL	1,343,188	3,778,072	82,178	None	1,343,188	3,860,250	5,203,438	539,849	6/
Springfield	IL	1,227,859	3,453,680	None	None	1,227,859	3,453,680	4,681,539	489,271	6/
Troy	IL	768,515	1,991,358	None	None	768,515	1,991,358	2,759,873	461,331	3/
Anderson	IN	937,591	2,123,795	None	None	937,591	2,123,795	3,061,386	279,633	9/

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Aurora	IN	980,000	2,521,122	None	None	980,000	2,521,122	3,501,122	96,643	1
Chesterton	IN	616,498	4,930,886	None	None	616,498	4,930,886	5,547,384	780,724	1/
Elkhart	IN	1,772,161	4,074,966	None	None	1,772,161	4,074,966	5,847,127	645,203	1/
Fort Wayne	IN	1,814,885	3,965,792	None	None	1,814,885	3,965,792	5,780,677	270,996	4/
Fort Wayne	IN	1,163,111	2,419,644	None	None	1,163,111	2,419,644	3,582,755	52,426	6/
Fort Wayne	IN	1,319,890	2,745,793	None	None	1,319,890	2,745,793	4,065,683	59,492	6/
Fort Wayne	IN	1,710,000	3,014,685	None	None	1,710,000	3,014,685	4,724,685	35,171	9/
Hammond	IN	667,821	2,656,839	None	50	667,821	2,656,889	3,324,710	500,383	4/
Indianapolis	IN	1,630,000	5,235,915	None	None	1,630,000	5,235,915	6,865,915	741,755	6/
Indianapolis	IN	1,123,685	3,160,662	None	None	1,123,685	3,160,662	4,284,347	447,760	6/
Kokomo	IN	978,592	2,216,668	128,344	None	978,592	2,345,012	3,323,604	300,499	9/
La Porte	IN	1,765,195	3,959,682	None	None	1,765,195	3,959,682	5,724,877	270,578	4/
Logansport	IN	903,696	2,245,585	76,549	None	903,696	2,322,134	3,225,830	190,111	12/
Marion	IN	1,247,236	3,508,184	None	None	1,247,236	3,508,184	4,755,420	496,993	6/
Monticello	IN	694,032	1,952,148	175,768	None	694,032	2,127,916	2,821,948	304,886	6/
Monticello	IN	1,430,000	4,425,257	None	None	1,430,000	4,425,257	5,855,257	302,393	4/
New Haven	IN	1,140,000	2,764,616	None	None	1,140,000	2,764,616	3,904,616	59,900	6/
Princeton	IN	2,033,742	4,676,454	None	None	2,033,742	4,676,454	6,710,196	740,439	1/
Salem	IN	-	2,351,296	None	None	-	2,351,296	2,351,296	975,788	8/
South Bend	IN	1,665,544	4,684,786	None	14	1,665,544	4,684,800	6,350,344	663,681	6/
Emporia	KS	2,035,321	4,447,479	None	None	2,035,321	4,447,479	6,482,800	303,911	4/
Hutchinson	KS	1,456,992	3,620,465	None	None	1,456,992	3,620,465	5,077,457	295,671	12/
Kansas City	KS	1,290,000	5,192,800	None	None	1,290,000	5,192,800	6,482,800	354,841	4/
Liberal	KS	2,000,000	3,595,400	None	None	2,000,000	3,595,400	5,595,400	41,946	9/
Merriam	KS	1,441,117	4,053,526	None	None	1,441,117	4,053,526	5,494,643	574,249	6/
Newton	KS	1,340,000	3,335,460	None	None	1,340,000	3,335,460	4,675,460	272,396	12/
Parsons	KS	2,090,000	4,248,446	None	None	2,090,000	4,248,446	6,338,446	290,310	4/
Lebanon	KY	1,718,716	4,095,853	None	None	1,718,716	4,095,853	5,814,569	279,883	4/
Louisville	KY	2,386,891	4,017,753	None	None	2,386,891	4,017,753	6,404,644	636,144	1/
Louisville	KY	1,785,691	4,106,077	None	None	1,785,691	4,106,077	5,891,768	650,129	1/
Louisville	KY	1,565,241	3,947,885	None	None	1,565,241	3,947,885	5,513,126	625,082	1/
Louisville	KY	2,540,000	3,918,593	None	None	2,540,000	3,918,593	6,458,593	267,771	4/
Mayfield	KY	1,782,381	4,098,467	None	None	1,782,381	4,098,467	5,880,848	648,924	1/
Paducah	KY	1,792,850	4,021,718	None	None	1,792,850	4,021,718	5,814,568	274,817	4/
Radcliff	KY	1,305,607	3,960,699	None	None	1,305,607	3,960,699	5,266,306	627,111	1/
Amite	LA	1,633,328	3,755,728	None	None	1,633,328	3,755,728	5,389,056	594,657	1/
Gretna	LA	3,570,000	5,037,780	None	None	3,570,000	5,037,780	8,607,780	461,797	9/
Morgan City	LA	1,378,894	3,170,675	None	None	1,378,894	3,170,675	4,549,569	502,024	1/
Pineville	LA	1,527,708	3,593,739	None	None	1,527,708	3,593,739	5,121,447	281,510	1/
Brockton	MA	1,420,000	5,586,439	None	None	1,420,000	5,586,439	7,006,439	623,819	3/
Melrose	MA	2,450,000	5,344,307	None	None	2,450,000	5,344,307	7,794,307	596,781	3/
Baltimore	MD	-	3,545,162	None	None	-	3,545,162	3,545,162	147,715	12/
Elkton	MD	1,751,013	3,252,546	None	None	1,751,013	3,252,546	5,003,559	1,154,652	1/
Laurel	MD	-	2,400,696	None	None	-	2,400,696	2,400,696	996,289	8/
Biddeford	ME	-	3,587,125	None	None	-	3,587,125	3,587,125	567,962	1/
Brewer	ME	2,030,000	4,935,503	None	None	2,030,000	4,935,503	6,965,503	699,196	6/
Farmington	ME	1,310,995	3,687,522	None	None	1,310,995	3,687,522	4,998,517	522,399	6/
Lisbon	ME	1,403,949	3,948,979	None	None	1,403,949	3,948,979	5,352,928	559,439	6/
Machias	ME	1,250,032	3,516,047	None	None	1,250,032	3,516,047	4,766,079	498,107	6/
Portland	ME	2,100,849	3,902,402	None	None	2,100,849	3,902,402	6,003,251	1,411,368	12/
Charlotte	MI	466,474	3,640,666	None	None	466,474	3,640,666	4,107,140	576,439	1/
Dearborn	MI	2,170,000	4,413,371	None	None	2,170,000	4,413,371	6,583,371	301,580	4/
Gladwin	MI	1,365,747	2,536,910	None	None	1,365,747	2,536,910	3,902,657	900,602	2/
Jackson	MI	2,140,000	4,436,052	None	None	2,140,000	4,436,052	6,576,052	216,522	4/
Macomb	MI	1,084,185	3,049,559	None	None	1,084,185	3,049,559	4,133,744	432,021	6/
Metamora	MI	859,139	2,291,557	None	None	859,139	2,291,557	3,150,696	950,996	8/
Mount Pleasant	MI	2,650,507	879,419	3,713,692	None	879,419	3,713,692	4,593,111	588,001	1/
Northville	MI	982,099	3,849,614	None	None	982,099	3,849,614	4,831,713	609,522	1/
Norton	MI	2,046,387	4,471,658	None	None	2,046,387	4,471,658	6,518,045	305,563	4/
Shores										
Port Huron	MI	1,908,747	4,281,697	None	None	1,908,747	4,281,697	6,190,444	292,583	4/
Portage	MI	1,640,000	4,489,124	None	None	1,640,000	4,489,124	6,129,124	306,757	4/
Rockwood	MI	972,962	2,736,715	57,268	None	972,962	2,793,983	3,766,945	390,923	6/
Royal Oak	MI	2,550,000	4,382,053	None	None	2,550,000	4,382,053	6,932,053	299,440	4/
Taylor	MI	2,092,605	4,572,653	None	None	2,092,605	4,572,653	6,665,258	312,465	4/
Troy	MI	3,184,828	-	9,976	None	3,184,828	9,976	3,194,804	3,386	6/
Washington	MI	1,028,277	2,892,301	None	None	1,028,277	2,892,301	3,920,578	409,743	6/
Townsh										
	MN	-	4,106,753	None	None	-	4,106,753	4,106,753	650,236	1/

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Brooklyn
Park

Cloquet	MN		1,220,000	5,151,588	None	None	1,220,000	5,151,588	6,371,588	729,808	6
Grand Rapids	MN	3,428,637	499,111	4,072,537	None	None	499,111	4,072,537	4,571,648	644,818	1
Dellwood	MO		766,461	2,438,272	None	None	766,461	2,438,272	3,204,733	564,866	3
Des Peres	MO		2,280,000	3,811,179	None	None	2,280,000	3,811,179	6,091,179	44,464	9
Farmington	MO		1,580,000	5,184,052	None	None	1,580,000	5,184,052	6,764,052	734,407	6

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REALTY INCOME CORPORATION AND SUBSIDIARIES

SCHEDULE III REAL ESTATE AND ACCUMULATED DEPRECIATION

AS OF DECEMBER 31, 2016

Description	Encumbrances	Initial Cost to Company		Cost Capitalized Subsequent to Acquisition		Gross Amount at Which Carried at Close of Period (Notes 3, 4, 6 and 7)			Accumulated Depreciation	Date of Construction
		Land	Buildings, Improvements and Acquisition Fees	Improvements	Costs	Land	Buildings, Improvements and Acquisition Fees	Total		
(Note 1)	(Note 2)	Land	Fees	Improvements	Costs	Land	Fees	Total	(Note 5)	Construction
Harrisonville MO		1,473,335	3,387,834	None	None	1,473,335	3,387,834	4,861,169	536,407	1
Kansas City MO		1,875,478	4,207,068	None	None	1,875,478	4,207,068	6,082,546	287,483	4
Lees Summit MO		2,005,545	3,589,855	None	None	2,005,545	3,589,855	5,595,400	41,882	9
Rolla MO		1,893,125	3,388,626	None	None	1,893,125	3,388,626	5,281,751	39,534	9
Saint Louis MO		2,270,000	4,066,675	None	None	2,270,000	4,066,675	6,336,675	47,445	9
St. John MO		2,300,000	3,824,235	None	None	2,300,000	3,824,235	6,124,235	261,323	4
St. Joseph MO		1,293,855	3,639,311	None	None	1,293,855	3,639,311	4,933,166	515,569	6
St. Louis MO		744,817	2,300,087	None	None	744,817	2,300,087	3,044,904	532,853	3
St. Louis MO		1,117,749	3,143,966	None	None	1,117,749	3,143,966	4,261,715	445,395	6
St. Louis MO		2,190,000	5,109,166	None	None	2,190,000	5,109,166	7,299,166	723,799	6
Wildwood MO		681,200	2,649,759	12,946	None	681,200	2,662,705	3,343,905	614,050	3
Byram MS		1,243,088	3,425,993	None	None	1,243,088	3,425,993	4,669,081	542,449	1
Flowood MS		1,828,528	3,995,605	None	None	1,828,528	3,995,605	5,824,133	273,033	4
Forest MS		-	2,991,069	None	None	-	2,991,069	2,991,069	473,586	1
Greenwood MS		520,000	3,480,407	None	None	520,000	3,480,407	4,000,407	110,213	3
Jackson MS		1,749,695	4,347,797	None	None	1,749,695	4,347,797	6,097,492	398,548	9
Philadelphia MS		1,390,000	3,636,895	None	None	1,390,000	3,636,895	5,026,895	42,430	9
Picayune MS		1,721,543	4,102,591	None	None	1,721,543	4,102,591	5,824,134	280,344	4
Kalispell MT		1,890,000	3,629,051	None	None	1,890,000	3,629,051	5,519,051	247,985	4
Asheville NC		-	3,118,366	None	None	-	3,118,366	3,118,366	493,741	1
Charlotte NC		923,616	2,092,139	21,513	None	923,616	2,113,652	3,037,268	283,257	9
Creedmoor NC		1,280,821	2,945,163	None	None	1,280,821	2,945,163	4,225,984	466,317	1
High Point NC		1,573,851	4,426,874	None	None	1,573,851	4,426,874	6,000,725	627,140	6
Holly Springs NC		1,451,019	3,336,520	None	None	1,451,019	3,336,520	4,787,539	528,282	1
Roanoke Rapids NC		1,103,934	2,538,422	None	None	1,103,934	2,538,422	3,642,356	401,917	1
Walkertown NC		1,351,535	3,107,765	None	None	1,351,535	3,107,765	4,459,300	492,063	1
Whiteville NC		634,507	2,198,831	None	None	634,507	2,198,831	2,833,338	3,665	12
Grand Island NE		1,730,000	3,792,128	None	None	1,730,000	3,792,128	5,522,128	259,129	4
Omaha NE		1,782,721	3,895,510	None	None	1,782,721	3,895,510	5,678,231	266,193	4
Omaha NE		1,651,643	3,229,112	None	None	1,651,643	3,229,112	4,880,755	37,673	9
South Sioux City NE		1,789,238	3,202,672	None	None	1,789,238	3,202,672	4,991,910	37,365	9
Derry NH		1,210,000	4,443,660	None	None	1,210,000	4,443,660	5,653,660	496,209	3
Dover NH		1,844,188	4,556,875	None	None	1,844,188	4,556,875	6,401,063	508,851	3
Plaistow NH		940,000	4,421,512	None	None	940,000	4,421,512	5,361,512	626,381	6
Carlstadt NJ		2,630,000	4,733,522	None	None	2,630,000	4,733,522	7,363,522	433,906	9
Jackson NJ		1,060,000	3,040,000	None	None	1,060,000	3,040,000	4,100,000	126,667	1
Ledgewood NJ		2,060,000	5,490,100	None	None	2,060,000	5,490,100	7,550,100	613,061	3
Mount Ephraim NJ		2,410,000	5,039,976	None	None	2,410,000	5,039,976	7,449,976	562,797	3
Sewell NJ		1,510,000	4,969,996	None	None	1,510,000	4,969,996	6,479,996	554,983	3
Farmington NM		1,652,630	4,106,603	None	None	1,652,630	4,106,603	5,759,233	376,439	9

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Carson City	NV		800,000	2,770,950	94,862	None	800,000	2,865,812	3,665,812	1,316,390	
Reno	NV		1,100,000	2,602,911	None	175	1,100,000	2,603,086	3,703,086	1,236,537	
Reno	NV		850,000	2,606,647	None	None	850,000	2,306,647	3,156,647	1,095,649	
Reno	NV		-	3,951,105	None	None	-	3,951,105	3,951,105	625,592	
Sparks	NV		1,000,000	2,271,513	None	None	1,000,000	2,271,513	3,271,513	1,078,960	
Sun Valley	NV		550,000	2,678,380	None	None	550,000	2,678,380	3,228,380	1,272,222	
Angola	NY		1,644,457	3,781,320	None	None	1,644,457	3,781,320	5,425,777	598,709	
Auburn	NY		1,319,171	4,557,735	None	None	1,319,171	4,557,735	5,876,906	721,641	
Brooklyn	NY		-	3,169,829	None	None	-	3,169,829	3,169,829	501,890	
Brooklyn	NY		6,286,888	3,091,053	None	None	6,286,888	3,091,053	9,377,941	489,417	
Cohoes	NY		993,687	2,284,916	None	None	993,687	2,284,916	3,278,603	361,778	
Flushing	NY		-	2,844,843	None	None	-	2,844,843	2,844,843	450,433	
Greece	NY		1,530,625	4,305,290	None	None	1,530,625	4,305,290	5,835,915	609,916	
Jamaica	NY		-	3,265,890	None	None	-	3,265,890	3,265,890	517,099	
Le Roy	NY		664,571	4,160,651	None	None	664,571	4,160,651	4,825,222	658,770	
Macedon	NY		1,010,000	2,650,110	None	None	1,010,000	2,650,110	3,660,110	110,421	
Olean	NY		940,000	2,626,150	None	None	940,000	2,626,150	3,566,150	83,161	
Ontario	NY		650,000	4,099,160	None	None	650,000	4,099,160	4,749,160	170,798	
Orchard Park	NY		715,690	4,719,148	None	None	715,690	4,719,148	5,434,838	747,198	
Patchogue	NY		1,717,702	5,188,982	None	None	1,717,702	5,188,982	6,906,684	821,589	
Penn Yan	NY		843,439	3,784,664	None	None	843,439	3,784,664	4,628,103	599,239	
Plattsburgh	NY		2,122,505	4,610,552	None	None	2,122,505	4,610,552	6,733,057	730,004	
Ridgewood	NY		6,872,644	3,221,483	None	None	6,872,644	3,221,483	10,094,127	510,068	
Rochester	NY		495,551	3,585,587	None	None	495,551	3,585,587	4,081,138	567,718	
Rochester	NY		-	4,562,079	None	None	-	4,562,079	4,562,079	722,329	
Saint Albans	NY		6,550,000	4,455,729	None	None	6,550,000	4,455,729	11,005,729	631,228	
Stony Point	NY		2,340,671	4,770,714	None	None	2,340,671	4,770,714	7,111,385	755,363	
Syracuse	NY		1,474,646	4,898,244	None	None	1,474,646	4,898,244	6,372,890	775,555	
Wilton	NY		1,763,372	4,054,756	None	None	1,763,372	4,054,756	5,818,128	642,003	
Cadiz	OH	1,184,198	904,795	2,080,515	47,152	None	904,795	2,127,667	3,032,462	332,542	
Carrollton	OH	1,652,738	1,001,306	2,302,436	None	None	1,001,306	2,302,436	3,303,742	364,552	
Centerville	OH		1,971,631	4,308,306	None	None	1,971,631	4,308,306	6,279,937	294,401	
Columbus	OH		1,153,997	3,245,924	None	None	1,153,997	3,245,924	4,399,921	459,839	
Columbus	OH		2,580,000	4,383,667	None	None	2,580,000	4,383,667	6,963,667	299,551	
Cortland	OH		1,440,000	1,364,725	1,250	None	1,440,000	1,365,975	2,805,975	649,272	
East	OH	1,557,318	958,357	2,203,679	55,383	None	958,357	2,259,062	3,217,419	352,814	
Liverpool											
Franklin	OH		1,320,000	4,322,403	None	None	1,320,000	4,322,403	5,642,403	295,364	
Lakewood	OH		1,873,535	4,202,711	None	None	1,873,535	4,202,711	6,076,246	287,185	
Liberty	OH		1,892,611	4,135,636	None	None	1,892,611	4,135,636	6,028,247	282,602	
Township											
Lisbon	OH	1,041,066	706,599	1,624,777	45,482	None	706,599	1,670,259	2,376,858	260,445	
Madison	OH		580,000	1,272,742	None	None	580,000	1,272,742	1,852,742	596,062	
Mansfield	OH		1,653,932	3,803,106	None	None	1,653,932	3,803,106	5,457,038	602,158	
Marysville	OH		1,654,400	3,804,182	None	None	1,654,400	3,804,182	5,458,582	602,329	
Mayfield	OH		-	2,703,730	None	None	-	2,703,730	2,703,730	959,823	
Heights											
Reynoldsburg	OH		1,286,721	3,619,244	185,149	None	1,286,721	3,804,393	5,091,114	518,505	
Reynoldsburg	OH		1,844,354	3,605,879	None	None	1,844,354	3,605,879	5,450,233	42,069	
Sidney	OH		1,359,676	3,198,465	None	None	1,359,676	3,198,465	4,558,141	250,546	
Upper	OH		3,010,646	5,513,043	None	None	3,010,646	5,513,043	8,523,689	872,899	
Arlington											
Warren	OH		960,000	1,326,083	None	None	960,000	1,326,083	2,286,083	629,880	
Warren	OH		800,000	1,241,503	None	None	800,000	1,241,503	2,041,503	589,705	
Willowick	OH		530,000	1,241,308	None	None	530,000	1,241,308	1,771,308	581,340	
Catoosa	OK		1,893,125	3,388,626	None	None	1,893,125	3,388,626	5,281,751	39,534	
Edmond	OK	862,351	946,988	-	None	100,000	946,988	1,000,000	1,046,988	3,984	
El Reno	OK		670,000	3,457,967	None	None	670,000	3,457,967	4,127,967	282,401	
Enid	OK		1,873,096	3,352,776	None	None	1,873,096	3,352,776	5,225,872	39,116	
Midwest City	OK		1,560,000	4,215,560	None	None	1,560,000	4,215,560	5,775,560	288,063	
Moore	OK		1,309,620	2,919,423	None	None	1,309,620	2,919,423	4,229,043	92,448	
Oklahoma	OK		1,700,000	3,525,872	None	None	1,700,000	3,525,872	5,225,872	41,135	
City											
Ponca City	OK		1,247,744	3,100,506	None	None	1,247,744	3,100,506	4,348,250	284,213	
Tulsa	OK		813,500	5,707	1,500	None	813,500	7,207	820,707	1,350	10/31/2013
Warr Acres	OK		1,813,278	3,962,282	None	None	1,813,278	3,962,282	5,775,560	270,756	
Redmond	OR		2,120,000	4,351,271	None	None	2,120,000	4,351,271	6,471,271	181,303	
Beaver	PA		1,933,000	3,003,160	None	None	1,933,000	3,003,160	4,936,160	1,086,143	
Carlisle	PA	2,872,413	1,687,948	3,881,323	None	None	1,687,948	3,881,323	5,569,271	614,543	
Delmont	PA		720,000	1,246,023	10,475	None	720,000	1,256,498	1,976,498	601,019	

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Emmaus	PA	1,568,237	4,411,084	None	None	1,568,237	4,411,084	5,979,321	624,904	6
Export	PA	710,000	1,666,912	55,920	None	710,000	1,722,832	2,432,832	792,684	2
Girard	PA	-	1,352,590	182,974	None	-	1,535,564	1,535,564	1,329,202	2
Harrisburg	PA	2,100,000	3,400,000	None	None	2,100,000	3,400,000	5,500,000	141,667	1
Imperial	PA	1,255,750	2,995,001	None	None	1,255,750	2,995,001	4,250,751	1,242,925	8
Johnstown	PA	250,000	2,593,436	None	None	250,000	2,593,436	2,843,436	1,231,874	2
Johnstown	PA	600,000	2,010,255	None	None	600,000	2,010,255	2,610,255	954,862	2
Norristown	PA	-	3,603,611	None	None	-	3,603,611	3,603,611	1,279,280	2
Philadelphia	PA	-	3,803,732	None	None	-	3,803,732	3,803,732	1,350,323	2

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SCHEDULE III REAL ESTATE AND ACCUMULATED DEPRECIATION

AS OF DECEMBER 31, 2016

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		Land	Fees	Buildings, Improvements and Acquisition	Improvements	Costs	Land	Fees	Total		
Phoenixville PA		3,510,000	5,123,285	None	None	3,510,000	5,123,285	8,633,285	725,799		
Pittsburgh PA	3,925,713	2,784,426	5,002,215	None	None	2,784,426	5,002,215	7,786,641	792,017		
Reading PA		1,400,000	3,304,996	None	None	1,400,000	3,304,996	4,704,996	1,173,272		
Saint Marys PA		1,663,632	3,090,403	None	None	1,663,632	3,090,403	4,754,035	1,117,696		
Slippery Rock PA		-	1,295,495	200,314	None	-	1,495,809	1,495,809	1,322,877		
Uniontown PA		1,617,507	4,549,669	None	None	1,617,507	4,549,669	6,167,176	644,536		
Wexford PA		2,300,000	2,606,080	None	None	2,300,000	2,606,080	4,906,080	925,158		
Yeadon PA		-	3,253,285	None	None	-	3,253,285	3,253,285	1,176,604		
Woonsocket RI		1,297,497	2,939,041	None	None	1,297,497	2,939,041	4,236,538	396,771		
Columbia SC		1,430,093	3,288,404	None	None	1,430,093	3,288,404	4,718,497	520,664		
Conway SC		-	3,451,662	None	None	-	3,451,662	3,451,662	546,513		
Rapid City SD		1,699,906	3,323,470	None	None	1,699,906	3,323,470	5,023,376	38,774		
Athens TN		1,650,000	3,842,297	None	None	1,650,000	3,842,297	5,492,297	262,557		
Bartlett TN		1,563,355	3,677,593	None	None	1,563,355	3,677,593	5,240,948	288,078		
Brownsville TN		1,490,000	3,683,903	None	None	1,490,000	3,683,903	5,173,903	251,733		
Chattanooga TN		1,090,783	2,695,258	None	None	1,090,783	2,695,258	3,786,041	318,939		
Chattanooga TN		844,737	1,757,323	None	None	844,737	1,757,323	2,602,060	32,218		
Colonial Heights TN		1,837,294	4,014,760	None	None	1,837,294	4,014,760	5,852,054	274,342		
Fayetteville TN		1,490,000	4,127,381	None	None	1,490,000	4,127,381	5,617,381	282,038		
Franklin TN		754,510	2,122,261	58,911	None	754,510	2,181,172	2,935,682	303,967		
Hixson TN		973,733	2,406,034	None	None	973,733	2,406,034	3,379,767	284,714		
Lawrenceburg TN		1,633,403	3,892,546	None	None	1,633,403	3,892,546	5,525,949	265,991		
Madisonville TN		1,160,000	3,656,303	None	None	1,160,000	3,656,303	4,816,303	42,657		
Memphis TN		350,000	2,783,909	27,134	None	350,000	2,811,043	3,161,043	337,330		
Soddy Daisy TN		1,726,295	3,090,008	None	None	1,726,295	3,090,008	4,816,303	36,050		
White House TN		1,649,422	3,930,720	None	None	1,649,422	3,930,720	5,580,142	268,599		
Austin TX		1,623,904	3,734,059	None	None	1,623,904	3,734,059	5,357,963	591,226		
Coppell TX		1,076,551	3,097,830	None	None	1,076,551	3,097,830	4,174,381	490,490		
Houston TX		1,268,978	3,569,338	86,677	None	1,268,978	3,656,015	4,924,993	505,837		
Houston TX		2,860,000	3,490,686	None	None	2,860,000	3,490,686	6,350,686	273,437		
Lubbock TX		973,713	2,738,827	3,293	None	973,713	2,742,120	3,715,833	388,229		
Odessa TX		2,670,000	4,437,377	None	None	2,670,000	4,437,377	7,107,377	51,769		
Saginaw TX		1,727,698	3,851,409	None	None	1,727,698	3,851,409	5,579,107	121,961		
Sealy TX		1,514,567	3,482,644	None	None	1,514,567	3,482,644	4,997,211	551,419		
Victoria TX		1,969,399	3,850,355	None	None	1,969,399	3,850,355	5,819,754	44,921		
Wichita Falls TX		1,331,410	3,131,974	None	None	1,331,410	3,131,974	4,463,384	245,338		
Fredericksburg VA		-	2,901,815	None	None	-	2,901,815	2,901,815	1,030,143		
King George VA		1,772,216	4,075,092	None	None	1,772,216	4,075,092	5,847,308	645,223		
Martinsville VA		560,565	3,290,085	None	None	560,565	3,290,085	3,850,650	520,930		
Richmond VA		1,255,931	3,103,326	92,118	None	1,255,931	3,195,444	4,451,375	372,379		
Richmond VA		1,388,198	3,255,705	85,775	None	1,388,198	3,341,480	4,729,678	200,947		
Burlington VT		2,049,745	4,643,003	None	None	2,049,745	4,643,003	6,692,748	642,282		

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Graham	WA	1,396,502	3,928,032	None	None	1,396,502	3,928,032	5,324,534	556,471
Lynnwood	WA	1,410,480	3,967,350	None	None	1,410,480	3,967,350	5,377,830	562,041
Mount Vernon	WA	-	3,785,303	None	None	-	3,785,303	3,785,303	157,721
Puyallup	WA	1,835,489	4,535,379	None	None	1,835,489	4,535,379	6,370,868	551,804
Antigo	WI	1,540,000	4,754,008	None	None	1,540,000	4,754,008	6,294,008	324,857
Burlington	WI	1,330,000	3,994,665	None	None	1,330,000	3,994,665	5,324,665	46,604
Glendale	WI	1,690,491	3,305,064	None	None	1,690,491	3,305,064	4,995,555	38,559
Kaukauna	WI	1,893,714	4,138,045	None	None	1,893,714	4,138,045	6,031,759	282,766
Marshfield	WI	1,010,000	4,175,525	None	None	1,010,000	4,175,525	5,185,525	48,714
Mauston	WI	1,505,223	3,819,442	None	None	1,505,223	3,819,442	5,324,665	44,560
Menomonee Falls	WI	2,180,000	4,235,106	None	None	2,180,000	4,235,106	6,415,106	289,399
Menomonie	WI	2,200,000	3,831,758	None	None	2,200,000	3,831,758	6,031,758	261,837
Milwaukee	WI	1,830,000	4,128,507	None	None	1,830,000	4,128,507	5,958,507	282,115
Milwaukee	WI	1,801,861	3,522,803	None	None	1,801,861	3,522,803	5,324,664	41,099
Monona	WI	1,135,636	2,806,085	None	None	1,135,636	2,806,085	3,941,721	341,407
Racine	WI	1,976,049	4,317,960	None	None	1,976,049	4,317,960	6,294,009	295,061
Two Rivers	WI	1,280,000	4,776,734	None	None	1,280,000	4,776,734	6,056,734	326,410
Wisconsin Rapids	WI	1,893,714	4,138,045	None	None	1,893,714	4,138,045	6,031,759	282,766
Buckhannon	WV	1,716,898	3,189,190	None	None	1,716,898	3,189,190	4,906,088	1,132,161
Huntington	WV	1,085,818	3,802,536	None	None	1,085,818	3,802,536	4,888,354	602,068
Rock Springs	WY	1,970,000	4,644,222	None	None	1,970,000	4,644,222	6,614,222	317,355

Education

Peoria	AZ	281,750	625,779	69,854	18,665	281,750	714,298	996,048	687,539
Corona	CA	144,856	671,584	None	26,846	144,856	698,430	843,286	698,430
Santee	CA	248,418	551,748	37,230	29,831	248,418	618,809	867,227	575,576
Coconut Creek	FL	310,111	1,243,682	None	None	310,111	1,243,682	1,553,793	864,646
Las Vegas	NV	1,080,444	3,346,772	None	73	1,080,444	3,346,845	4,427,289	2,515,634
Beaverton	OR	135,148	626,647	None	26,949	135,148	653,596	788,744	653,578
Memphis	TN	238,263	504,897	11,504	5,352	238,263	521,753	760,016	511,717
Arlington	TX	195,650	387,355	9,289	104	195,650	396,748	592,398	390,565
Austin	TX	238,000	528,604	90,133	22,315	238,000	641,052	879,052	595,290
Mesquite	TX	1,049,287	1,949,085	233,921	63,743	1,049,287	2,246,749	3,296,036	1,359,773
Southlake	TX	228,279	511,750	None	25,283	228,279	537,033	765,312	516,854
Sugar Land	TX	1,600,000	6,300,995	None	None	1,600,000	6,300,995	7,900,995	2,656,916
Chantilly	VA	688,917	3,208,607	None	None	688,917	3,208,607	3,897,524	2,193,702
Kingstowne	VA	300,000	1,191,396	None	None	300,000	1,191,396	1,491,396	788,608

Electric utilities

Fairfield	CA	1,450,000	9,207,989	2,000	None	1,450,000	9,209,989	10,659,989	888,580
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Entertainment

Riverside	CA	7,800,000	130	(416,985)	None	7,383,015	130	7,383,145	73
Vista	CA	2,300,000	22	None	None	2,300,000	22	2,300,022	15
Marietta	GA	1,500,000	768	None	None	1,500,000	768	1,500,768	462
Norcross	GA	1,600,000	768	None	None	1,600,000	768	1,600,768	462
Greensboro	NC	4,000,000	463	None	None	4,000,000	463	4,000,463	260
Omaha	NE	1,956,296	3,949,402	208,052	140,128	1,956,296	4,297,582	6,253,878	3,260,075
Calverton	NY	6,200,000	744	None	None	6,200,000	744	6,200,744	519
Medford	NY	1,500,000	745	None	None	1,500,000	745	1,500,745	520
Arlington	TX	1,330,000	2,776,647	None	None	1,330,000	2,776,647	4,106,647	254,526
San Antonio	TX	1,310,000	1,920,140	None	None	1,310,000	1,920,140	3,230,140	182,413
Sandy	UT	1,970,000	1,983,352	None	None	1,970,000	1,983,352	3,953,352	69,417

Equipment services

Lake Worth	FL	679,079	1,262,568	9,754	140	679,079	1,272,462	1,951,541	679,747
Novi	MI	430,000	6,661,063	None	None	430,000	6,661,063	7,091,063	499,580
Cameron	MO	16,625,597	940,000	18,280,024	624,144	940,000	18,904,168	19,844,168	1,983,083
Sanford	NC	7,692,448	226,784	15,056,005	39,175	226,784	15,095,180	15,321,964	2,586,138
Elko	NV	1,401,115	10,342,501	17,091	None	1,401,115	10,359,592	11,760,707	2,405,043
Lewisville	TX	1,010,134	1,877,384	None	None	1,010,134	1,877,384	2,887,518	1,010,658

Financial services

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Phoenix	AZ	245,137	456,324	None	None	245,137	456,324	701,461	161,995
El Cajon	CA	1,620,871	-	None	None	1,620,871	-	1,620,871	-
Turlock	CA	222,250	493,627	9,911	19,400	222,250	522,938	745,188	503,283
Colorado Springs	CO	313,250	695,730	40,500	79	313,250	736,309	1,049,559	736,307
Fort Myers	FL	1,025,624	2,407,011	None	None	1,025,624	2,407,011	3,432,635	381,110
Orlando	FL	532,556	940,177	None	None	532,556	940,177	1,472,733	393,275
Palm Coast	FL	713,370	2,421,133	None	None	713,370	2,421,133	3,134,503	383,346
Plantation	FL	1,284,678	1,160,000	None	None	1,160,000	1,049,443	2,209,443	124,184
Pompano Beach	FL	1,563,202	2,354,641	None	None	1,563,202	2,354,641	3,917,843	372,818

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REALTY INCOME CORPORATION AND SUBSIDIARIES

SCHEDULE III REAL ESTATE AND ACCUMULATED DEPRECIATION

AS OF DECEMBER 31, 2016

Description (Note 1)	Encumbrances (Note 2)	Initial Cost to Company		Cost Capitalized Subsequent to Acquisition		Gross Amount at Which Carried at Close of Period (Notes 3, 4, 6 and 7)			Accumulated Depreciation (Note 5)	Date of Construction	
		Land	Buildings, Improvements and Acquisition Fees	Improvements	Costs	Land	Buildings, Improvements and Acquisition Fees	Total			
Acworth	GA	1,033,457	650,000	992,950	None	None	650,000	992,950	1,642,950	117,499	1/1/1988
Alpharetta	GA	1,588,122	940,000	1,305,410	None	None	940,000	1,305,410	2,245,410	154,474	1/1/1988
Hinesville	GA		172,611	383,376	48,425	3,796	172,611	435,597	608,208	402,108	12/31/1988
Coeur D Alene	ID		165,900	368,468	None	None	165,900	368,468	534,368	368,468	9/30/1988
Addison	IL		448,447	895,835	None	None	448,447	895,835	1,344,282	4,479	1/1/1988
Addison	IL		450,025	898,989	None	None	450,025	898,989	1,349,014	4,495	1/1/1988
Aurora	IL		557,766	1,114,216	None	None	557,766	1,114,216	1,671,982	5,571	1/1/1988
Aurora	IL		753,553	1,505,327	None	None	753,553	1,505,327	2,258,880	7,527	1/1/1988
Aurora	IL		602,311	1,203,201	None	None	602,311	1,203,201	1,805,512	6,016	1/1/1988
Bensenville	IL		644,432	1,287,344	None	None	644,432	1,287,344	1,931,776	6,437	1/1/1988
Bolingbrook	IL		438,105	875,175	None	None	438,105	875,175	1,313,280	4,376	1/1/1988
Buffalo Grove	IL		445,301	889,550	None	None	445,301	889,550	1,334,851	4,448	1/1/1988
Calumet City	IL		344,815	688,817	None	None	344,815	688,817	1,033,632	3,444	1/1/1988
Carpentersville	IL		1,752,080	-	None	None	1,752,080	-	1,752,080	-	1/1/1988
Carpentersville	IL		630,496	1,259,504	None	None	630,496	1,259,504	1,890,000	6,298	1/1/1988
Cary	IL		701,031	1,400,409	None	None	701,031	1,400,409	2,101,440	7,002	1/1/1988
Chicago	IL		1,000,000	926,582	None	None	1,000,000	926,582	1,926,582	4,633	1/1/1988
Chicago Heights	IL		337,866	674,934	None	None	337,866	674,934	1,012,800	3,375	1/1/1988
Crete	IL		430,000	1,224,782	None	None	430,000	1,224,782	1,654,782	6,124	1/1/1988
Des Plaines	IL		606,386	1,211,342	None	None	606,386	1,211,342	1,817,728	6,057	1/1/1988
Fox Lake	IL		389,384	777,848	None	None	389,384	777,848	1,167,232	3,889	1/1/1988
Frankfort	IL		730,124	1,458,524	None	None	730,124	1,458,524	2,188,648	7,293	1/1/1988
Frankfort	IL		436,824	872,616	None	None	436,824	872,616	1,309,440	4,363	1/1/1988
Hoffman Estates	IL		373,732	746,583	None	None	373,732	746,583	1,120,315	3,733	1/1/1988
Hoffman Estates	IL		378,736	756,579	None	None	378,736	756,579	1,135,315	3,783	1/1/1988
Homer Glen	IL		730,869	1,460,013	None	None	730,869	1,460,013	2,190,882	7,300	1/1/1988
Homewood	IL		572,450	1,143,550	None	None	572,450	1,143,550	1,716,000	5,718	1/1/1988
Huntley	IL		500,362	999,542	None	None	500,362	999,542	1,499,904	4,998	1/1/1988
Huntley	IL		554,276	1,107,244	None	None	554,276	1,107,244	1,661,520	5,536	1/1/1988
La Grange	IL		210,000	1,117,079	None	None	210,000	1,117,079	1,327,079	5,585	1/1/1988
Machesney Park	IL		608,430	1,215,423	None	None	608,430	1,215,423	1,823,853	6,077	1/1/1988
Montgomery	IL		1,636,238	-	None	None	1,636,238	-	1,636,238	-	1/1/1988
Mount Prospect	IL		515,237	1,029,259	None	None	515,237	1,029,259	1,544,496	5,146	1/1/1988
Mundelein	IL		462,358	923,624	None	None	462,358	923,624	1,385,982	4,618	1/1/1988
Naperville	IL		700,990	1,400,325	None	None	700,990	1,400,325	2,101,315	7,002	1/1/1988
Naperville	IL		190,743	381,036	None	None	190,743	381,036	571,779	1,905	1/1/1988
New Lenox	IL		494,115	987,065	None	None	494,115	987,065	1,481,180	4,935	1/1/1988
Niles	IL		622,100	1,242,732	None	None	622,100	1,242,732	1,864,832	6,214	1/1/1988

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North	IL	507,869	1,014,540	None	None	507,869	1,014,540	1,522,409	5,073	1
Riverside										
Northlake	IL	1,461,799	-	None	None	1,461,799	-	1,461,799	-	1
Oak Lawn	IL	2,052,944	2,383,995	21,000	41,052	2,052,944	2,446,047	4,498,991	383,925	1
Oak Lawn	IL	738,341	1,474,939	None	None	738,341	1,474,939	2,213,280	7,375	1
Orland Park	IL	453,462	905,853	None	None	453,462	905,853	1,359,315	4,529	1
Orland Park	IL	377,068	753,247	None	None	377,068	753,247	1,130,315	3,766	1
Oswego	IL	488,712	976,270	None	None	488,712	976,270	1,464,982	4,881	1
Palos Heights	IL	602,746	1,204,070	None	None	602,746	1,204,070	1,806,816	6,020	1
Plainfield	IL	554,808	1,108,307	None	None	554,808	1,108,307	1,663,115	5,542	1
Plainfield	IL	214,079	427,654	None	None	214,079	427,654	641,733	2,138	1
Romeoville	IL	178,839	357,257	None	None	178,839	357,257	536,096	1,786	1
Round Lake	IL	657,349	1,313,147	None	None	657,349	1,313,147	1,970,496	6,566	1
Hghts										
Schaumburg	IL	3,252,143	-	None	None	3,252,143	-	3,252,143	-	1
Schaumburg	IL	893,474	1,784,841	None	None	893,474	1,784,841	2,678,315	8,924	1
Schaumburg	IL	650,222	1,298,910	None	None	650,222	1,298,910	1,949,132	6,495	1
Shorewood	IL	60,000	466,592	None	None	60,000	466,592	526,592	2,333	1
South Elgin	IL	545,534	1,089,781	None	None	545,534	1,089,781	1,635,315	5,449	1
Stickney	IL	743,660	1,363,377	None	None	743,660	1,363,377	2,107,037	215,868	1
Summit	IL	518,968	1,036,712	None	None	518,968	1,036,712	1,555,680	5,184	1
Villa Park	IL	504,530	1,007,870	None	None	504,530	1,007,870	1,512,400	5,039	1
West Dundee	IL	609,792	1,218,144	None	None	609,792	1,218,144	1,827,936	6,091	1
Woodstock	IL	547,297	1,093,303	None	None	547,297	1,093,303	1,640,600	1,822	12
Brockton	MA	229,846	741,196	None	None	229,846	741,196	971,042	117,356	1
Centerville	MA	378,555	1,220,743	None	None	378,555	1,220,743	1,599,298	193,284	1
Chatham	MA	513,702	1,656,556	None	None	513,702	1,656,556	2,170,258	262,288	1
Duxbury	MA	411,113	1,325,735	None	None	411,113	1,325,735	1,736,848	209,908	1
Hanover	MA	434,396	1,400,817	None	None	434,396	1,400,817	1,835,213	221,796	1
Hull	MA	242,499	781,996	None	None	242,499	781,996	1,024,495	123,816	1
Hyannis	MA	830,700	2,678,796	None	None	830,700	2,678,796	3,509,496	424,143	1
Middleborough	MA	1,225,841	3,953,025	None	None	1,225,841	3,953,025	5,178,866	625,896	1
Middleborough	MA	625,848	724,941	None	None	625,848	724,941	1,350,789	114,782	1
Orleans	MA	496,997	1,602,690	None	None	496,997	1,602,690	2,099,687	253,759	1
Pembroke	MA	520,463	1,678,359	None	None	520,463	1,678,359	2,198,822	265,740	1
Plymouth	MA	555,446	7,109,710	None	None	555,446	7,109,710	7,665,156	1,125,704	1
Quincy	MA	289,121	539,719	50,595	15,595	289,121	605,909	895,030	231,238	8
Randolph	MA	530,316	1,710,132	None	None	530,316	1,710,132	2,240,448	270,771	1
Rockland	MA	1,341,048	6,112,682	None	None	1,341,048	6,112,682	7,453,730	967,841	1
Scituate	MA	403,299	1,300,535	None	None	403,299	1,300,535	1,703,834	205,918	1
South	MA	477,020	1,538,269	None	None	477,020	1,538,269	2,015,289	243,559	1
Yarmouth										
West Dennis	MA	1,065,353	898,827	None	None	1,065,353	898,827	1,964,180	142,314	1
Blue Springs	MO	222,569	494,333	None	None	222,569	494,333	716,902	494,333	7
Wilmington	NC	1,049,683	470,000	995,035	None	None	470,000	995,035	1,465,035	117,746
Bloomfield	NJ	392,983	1,267,269	None	None	392,983	1,267,269	1,660,252	200,651	1
Cedar Grove	NJ	409,890	1,321,792	None	None	409,890	1,321,792	1,731,682	209,284	1
Clementon	NJ	424,795	1,369,857	None	None	424,795	1,369,857	1,794,652	216,894	1
Dayton	NJ	376,731	1,214,861	None	None	376,731	1,214,861	1,591,592	192,353	1
Deptford	NJ	308,425	994,592	None	None	308,425	994,592	1,303,017	157,477	1
East	NJ	445,430	1,436,398	None	None	445,430	1,436,398	1,881,828	227,430	1
Brunswick										
Fairfield	NJ	612,188	1,974,149	None	None	612,188	1,974,149	2,586,337	312,574	1
Fanwood	NJ	376,731	1,214,861	None	None	376,731	1,214,861	1,591,592	192,353	1
Garfield	NJ	372,910	1,202,541	None	None	372,910	1,202,541	1,575,451	190,402	1
Green Brook	NJ	319,003	1,028,702	None	None	319,003	1,028,702	1,347,705	162,878	1
Haddonfield	NJ	312,763	1,008,581	None	None	312,763	1,008,581	1,321,344	159,692	1
Kearny	NJ	278,653	898,584	None	None	278,653	898,584	1,177,237	142,276	1
Mahwah	NJ	253,447	817,302	None	None	253,447	817,302	1,070,749	129,406	1
Martinsville	NJ	447,368	1,442,647	None	None	447,368	1,442,647	1,890,015	228,419	1
Millstone	NJ	270,310	871,681	None	None	270,310	871,681	1,141,991	138,016	1
Townshi										
Mountain	NJ	531,890	887,417	None	None	531,890	887,417	1,419,307	140,508	1
Lakes										
Northvale	NJ	259,002	835,217	None	None	259,002	835,217	1,094,219	132,243	1
Orange	NJ	450,522	1,452,819	None	None	450,522	1,452,819	1,903,341	230,030	1
Parlin	NJ	345,431	1,113,926	None	None	345,431	1,113,926	1,459,357	176,372	1
Paterson	NJ	122,722	395,747	None	None	122,722	395,747	518,469	62,660	1
Paterson	NJ	469,318	639,560	None	None	469,318	639,560	1,108,878	101,264	1
Paterson	NJ	226,298	729,755	None	None	226,298	729,755	956,053	115,545	1

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Pompton Plains										
Raritan	NJ	370,127	1,193,564	None	None	370,127	1,193,564	1,563,691	188,981	1/
Somerville	NJ	376,597	1,214,429	None	None	376,597	1,214,429	1,591,026	192,285	1/
Tenafly	NJ	463,499	1,494,667	None	None	463,499	1,494,667	1,958,166	236,656	1/
Trenton	NJ	459,146	1,480,629	None	None	459,146	1,480,629	1,939,775	234,433	1/
Vineland	NJ	236,628	763,064	None	None	236,628	763,064	999,692	120,818	1/
West Orange	NJ	174,486	562,673	None	None	174,486	562,673	737,159	89,090	1/
West Orange	NJ	259,916	838,164	None	None	259,916	838,164	1,098,080	132,709	1/
Westwood	NJ	205,094	661,375	None	None	205,094	661,375	866,469	104,718	1/
Woodland Park	NJ	206,695	666,539	None	None	206,695	666,539	873,234	105,535	1/
Albuquerque	NM	80,500	178,794	8,003	None	80,500	186,797	267,297	185,897	10
Santa Fe	NM	70,000	155,473	None	None	70,000	155,473	225,473	155,473	10
Stony Point	NY	950,455	2,963,243	None	None	950,455	2,963,243	3,913,698	469,180	1/

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REALTY INCOME CORPORATION AND SUBSIDIARIES

SCHEDULE III REAL ESTATE AND ACCUMULATED DEPRECIATION

AS OF DECEMBER 31, 2016

Description	Encumbrances	Initial Cost to Company Buildings, Improvements and Acquisition		Cost Capitalized Subsequent to Acquisition		Gross Amount at Which Carried at Close of Period (Notes 3, 4, 6 and 7)			Accumulated Depreciation	Date of
		Land	Fees	Improvements	Costs	Land	Fees	Total		
Beachwood OH	1,125,779	980,000	1,062,628	None	None	980,000	1,062,628	2,042,628	125,744	
Columbus OH		214,737	85,425	25,900	5,330	214,737	116,655	331,392	63,383	
Dublin OH		2,399,969	17,044,099	None	None	2,399,969	17,044,099	19,444,068	3,948,550	
Euclid OH	602,664	130,000	1,027,248	None	None	130,000	1,027,248	1,157,248	121,558	
Groveport OH		277,198	445,497	53,191	11,520	277,198	510,208	787,406	392,166	
Mentor OH	906,161	350,000	1,276,241	None	None	350,000	1,276,241	1,626,241	151,022	
Milford OH		353,324	269,997	(15,631)	8,576	314,484	301,782	616,266	218,315	
Pepper Pike OH	846,354	530,000	865,808	None	None	530,000	865,808	1,395,808	102,454	
Shaker Heights OH	916,602	650,000	792,759	None	None	650,000	792,759	1,442,759	93,810	
West Chester OH		618,270	1,055,888	None	None	618,270	1,055,888	1,674,158	167,182	
Ambler PA		1,374,943	4,862,810	None	None	1,374,943	4,862,810	6,237,753	769,945	
Blairsville PA		297,140	958,202	None	None	297,140	958,202	1,255,342	151,715	
Clarks Summit PA		165,407	533,394	None	None	165,407	533,394	698,801	84,454	
Dillsburg PA		157,114	506,653	None	None	157,114	506,653	663,767	80,220	
Harleysville PA		1,486,141	16,590,526	None	None	1,486,141	16,590,526	18,076,667	2,626,833	
Lansdale PA		582,679	1,878,990	None	None	582,679	1,878,990	2,461,669	297,507	
Lansford PA		724,643	2,336,788	None	None	724,643	2,336,788	3,061,431	369,991	
Lehighton PA		353,743	1,140,729	None	None	353,743	1,140,729	1,494,472	180,615	
Limerick PA		1,198,208	1,141,397	None	None	1,198,208	1,141,397	2,339,605	180,721	
Media PA		93,870	302,705	None	None	93,870	302,705	396,575	47,928	
Media PA		312,084	1,006,391	None	None	312,084	1,006,391	1,318,475	159,345	
North Wales PA		658,040	2,122,012	None	None	658,040	2,122,012	2,780,052	335,985	
Palmerton PA		1,152,944	3,717,949	None	None	1,152,944	3,717,949	4,870,893	588,675	
Philadelphia PA		680,814	938,913	None	None	680,814	938,913	1,619,727	148,661	
Philadelphia PA		287,110	925,857	None	None	287,110	925,857	1,212,967	146,594	
Philadelphia PA		300,032	967,528	None	None	300,032	967,528	1,267,560	153,192	
Philadelphia PA		200,022	645,020	None	None	200,022	645,020	845,042	102,128	
Philadelphia PA		130,580	421,086	None	None	130,580	421,086	551,666	66,672	
Philadelphia PA		270,560	872,488	None	None	270,560	872,488	1,143,048	138,144	
Pittsburgh PA		203,808	657,230	None	None	203,808	657,230	861,038	104,061	
Sellersville PA		436,843	1,408,706	None	None	436,843	1,408,706	1,845,549	223,045	
Skippack PA		484,437	1,562,185	None	None	484,437	1,562,185	2,046,622	247,346	
Slatington PA		467,608	1,507,917	None	None	467,608	1,507,917	1,975,525	238,753	
Slatington PA		1,331,882	4,294,979	None	None	1,331,882	4,294,979	5,626,861	680,038	
Somerset PA		369,856	1,192,691	None	None	369,856	1,192,691	1,562,547	188,843	
Summit Hill PA		94,816	2,266,101	None	None	94,816	2,266,101	2,360,917	358,799	
Swarthmore PA		165,423	533,447	None	None	165,423	533,447	698,870	84,462	
Tannersville PA		277,284	894,170	None	None	277,284	894,170	1,171,454	141,577	
Walnutport PA		1,068,012	1,437,132	None	None	1,068,012	1,437,132	2,505,144	227,546	
Warren PA		253,725	818,198	None	None	253,725	818,198	1,071,923	129,548	
Wyomissing PA		553,724	1,785,618	None	None	553,724	1,785,618	2,339,342	282,723	

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Mount Pleasant	SC	13,800,000	10,803,051	25,511,279	None	None	10,803,051	25,511,279	36,314,330	2,885,204
Lubbock	TX		49,000	108,831	57,941	6,264	49,000	173,036	222,036	143,468
Pasadena	TX		385,199	716,468	None	None	385,199	716,468	1,101,667	254,346
Appleton	WI		578,049	1,154,733	None	None	578,049	1,154,733	1,732,782	