UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 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, 2022

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from__________ to __________

Commission File Number: 001-13779

W. P. CAREY

W. P. Carey Inc.
(Exact name of registrant as specified in its charter)

Maryland	**45-4549771**
(State of incorporation)	(I.R.S. Employer Identification No.)
One Manhattan West, 395 9th Avenue, 58th Floor	
New York, New York	**10001**
(Address of principal executive offices)	(Zip Code)

Investor Relations (212) 492-8920
(212) 492-1100
(Registrant's telephone numbers, including area code)

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

Title of each class	Trading Symbol(s)	Name of exchange on which registered
Common Stock, $0.001 Par Value	WPC	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 every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☑ No ☐

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

Large accelerated filer	☑	Accelerated filer	☐	Non-accelerated filer	☐
Smaller reporting company	☐	Emerging growth company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☑

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☑

State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was last sold, or the average bid and asked price of such common equity, as of last business day of the registrant's most recently completed second fiscal quarter: $15.9 billion.

As of February 3, 2023, there were 210,621,971 shares of Common Stock of registrant outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

The registrant incorporates by reference its definitive Proxy Statement with respect to its 2023 Annual Meeting of Stockholders, to be filed with the Securities and Exchange Commission within 120 days following the end of its fiscal year, into Part III of this Annual Report on Form 10-K.

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Forward-Looking Statements

This Annual Report on Form 10-K (the "Report"), including Management's Discussion and Analysis of Financial Condition and Results of Operations in Item 7 of Part II of this Report, contains forward-looking statements within the meaning of the federal securities laws. These forward-looking statements generally are identified by the words "believe," "project," "expect," "anticipate," "estimate," "intend," "strategy," "plan," "may," "should," "will," "would," "will be," "will continue," "will likely result," and similar expressions. These forward-looking statements include, but are not limited to, statements regarding: the impact of the CPA:18 Merger (as defined herein); our corporate strategy and estimated or future economic performance and results, including the general economic outlook and our expectations surrounding the continued impact of the novel coronavirus ("COVID-19") pandemic on our business, financial condition, liquidity, results of operations, and prospects; underlying assumptions about our portfolio, including tenant rent collections and bankruptcies, as well as the estimated fair value of our investments and properties; the amount and timing of any future dividends; our future capital expenditure and leverage levels, debt service obligations, and any plans to fund our future liquidity needs; prospective statements regarding our access to the capital markets, including related to our credit ratings, ability to sell shares under our "at-the-market" program ("ATM Program"), and settlement of our Equity Forwards (as defined herein); the outlook for the investment program that we manage, including possible liquidity events for the program; statements that we make regarding our ability to remain qualified for taxation as a real estate investment trust ("REIT"); and the impact of recently issued accounting pronouncements and other regulatory activity.

These statements are based on the current expectations of our management. It is important to note that our actual results could be materially different from those projected in such forward-looking statements. There are a number of risks and uncertainties that could cause actual results to differ materially from these forward-looking statements. Other unknown or unpredictable risks or uncertainties, like the risks related to inflation and increased interest rates, the effects of pandemics and global outbreaks of contagious diseases (such as the ongoing COVID-19 pandemic) and domestic or geopolitical crises, such as terrorism, military conflict (including the ongoing conflict between Russia and Ukraine and the global response to it), war or the perception that hostilities may be imminent, political instability or civil unrest, or other conflict, could also have material adverse effects on our business, financial condition, liquidity, results of operations, and prospects. You should exercise caution in relying on forward-looking statements as they involve known and unknown risks, uncertainties, and other factors that may materially affect our future results, performance, achievements, or transactions. Information on factors that could impact actual results and cause them to differ from what is anticipated in the forward-looking statements contained herein is included in this Report, as well as in our other filings with the Securities and Exchange Commission ("SEC"), including but not limited to those described in Item 1A. Risk Factors and Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations of this Report. Moreover, because we operate in a very competitive and rapidly changing environment, new risks are likely to emerge from time to time. Given these risks and uncertainties, potential investors are cautioned not to place undue reliance on these forward-looking statements as a prediction of future results, which speak only as of the date of this presentation, unless noted otherwise. Except as required by federal securities laws and the rules and regulations of the SEC, we do not undertake to revise or update any forward-looking statements.

All references to "Notes" throughout the document refer to the footnotes to the consolidated financial statements of the registrant in Part II, Item 8. Financial Statements and Supplementary Data.

PART I

Item 1. Business.

General Development of Business

W. P. Carey Inc. ("W. P. Carey"), together with our consolidated subsidiaries and predecessors, is an internally-managed diversified REIT and a leading owner of commercial real estate, net-leased to companies located primarily in the United States and Northern and Western Europe on a long-term basis. The vast majority of our revenues originate from lease revenue provided by our real estate portfolio, which is comprised primarily of single-tenant industrial, warehouse, office, retail, and self-storage facilities that are critical to our tenants' operations. Our portfolio is comprised of 1,449 properties, net-leased to 392 tenants in 26 countries. As of December 31, 2022, approximately 63% of our contractual minimum annualized base rent ("ABR") was generated by properties located in the United States and approximately 34% was generated by properties located in Europe. As of that same date, our portfolio included 87 operating properties, comprised of 84 self-storage properties, two student housing properties, and one hotel.

On August 1, 2022, one of our former investment programs, Corporate Property Associates 18 – Global Incorporated ("CPA:18 – Global"), merged with and into one of our indirect subsidiaries (the "CPA:18 Merger"), which added approximately $2.2 billion of real estate assets to our portfolio (Note 3). This effectively completed our exit from our investment management business.

Founded in 1973, we became a publicly traded company listed on the New York Stock Exchange ("NYSE") in 1998 and reorganized as a REIT in 2012. Our shares of common stock are listed on the NYSE under the ticker symbol "WPC." Headquartered in New York, we also have offices in Dallas, London, and Amsterdam.

Narrative Description of Business

Business Objectives and Strategy

Our primary business objective is to invest in a diversified portfolio of high-quality, mission-critical assets subject to long-term net leases with built-in rent escalators for the purpose of generating stable cash flows, enabling us to grow our dividend and increase long-term stockholder value.

Our investment strategy primarily focuses on owning and actively managing a diverse portfolio of commercial real estate that is net-leased to credit-worthy companies. We review and evaluate the fundamental value of the underlying real estate. We believe that many companies prefer to lease rather than own their corporate real estate because it allows them to deploy their capital more effectively into their core competencies. We specialize in sale-leaseback transactions, where we acquire a company's critical real estate and then lease it back to them on a long-term, triple-net basis, which requires them to pay substantially all of the costs associated with operating and maintaining the property (such as real estate taxes, insurance, and facility maintenance). Compared to other types of real estate investments, sale-leaseback transactions typically produce a more predictable income stream and require minimal capital expenditures, which in turn generate revenues that provide our stockholders with a stable, growing source of income.

We believe that diversification across property type, tenant, tenant industry, and geographic location, as well as diversification of our lease expirations and scheduled rent increases, are vital aspects of portfolio risk management and accordingly have constructed a portfolio of real estate that we believe is well-diversified across each of these categories. We capitalize on our large portfolio and existing tenant relationships through accretive expansions, renovations, and follow-on deals. We actively manage our real estate portfolio to monitor tenant credit quality and lease renewal risks. We also maintain ample liquidity, a conservative capital structure, and access to multiple forms of capital.

Our business operates in two segments: Real Estate and Investment Management, as described herein and in Note 1. Our Real Estate segment generates the vast majority of our earnings through the lease revenues we earn from our real estate investments. We have historically earned asset management fees and other compensation from the management of non-traded real estate investment programs through our Investment Management segment. Following the close of the CPA:18 Merger, our advisory agreements with CPA:18 – Global were terminated (Note 3). On April 13, 2020, two of our former investment programs, Carey Watermark Investors Incorporated ("CWI 1") and Carey Watermark Investors 2 Incorporated ("CWI 2") (together, the "CWI REITs"), merged in an all-stock transaction (the "CWI 1 and CWI 2 Merger"). Following the close of the CWI 1 and CWI 2

Merger, our advisory agreements with CWI 1 and CWI 2 were terminated and CWI 2 was renamed Watermark Lodging Trust, Inc. ("WLT") (Note 4). As used herein, "Managed Programs" refers to CPA:18 – Global (through August 1, 2022), the CWI REITs (through April 13, 2020), and Carey European Student Housing Fund I, L.P. ("CESH"). We continue to act as the advisor to CESH and currently expect to do so through the end of its life cycle (Note 4).

We intend to operate our business in a manner that is consistent with the maintenance of our status as a REIT for federal income tax purposes. In addition, we expect to manage our investments in order to maintain our exemption from registration as an investment company under the Investment Company Act of 1940, as amended.

Investment Strategies

When considering potential net-lease investments for our real estate portfolio, we review various aspects of a transaction to determine whether the investment and lease structure will satisfy our investment criteria. We generally analyze the following main aspects of each transaction:

Tenant/Borrower Evaluation — We evaluate each potential tenant or borrower for creditworthiness, typically considering factors such as management experience, industry position and fundamentals, operating history, and capital structure. We also rate each asset based on its market, liquidity, and criticality to the tenant's operations, as well as other factors that may be unique to a particular investment. We seek opportunities where we believe the tenant may have a stable or improving credit profile or credit potential that has not been fully recognized by the market. We define creditworthiness as a risk-reward relationship appropriate to our investment strategies, which may or may not coincide with ratings issued by the credit rating agencies. We have a robust internal credit rating system and may designate subsidiaries of non-guarantor parent companies with investment grade ratings as "implied investment grade."

Properties Critical to Tenant/Borrower Operations — We generally focus on properties and facilities that we believe are critical to the ongoing operations of the tenant. We believe that these properties generally provide better protection, particularly in the event of a bankruptcy, since a tenant/borrower is less likely to risk the loss of a critically important lease or property in a bankruptcy proceeding or otherwise.

Diversification — We attempt to diversify our portfolio to avoid undue dependence on any one particular tenant, borrower, collateral type, geographic location, or industry. By diversifying our portfolio, we seek to reduce the adverse effect of a single underperforming investment or a downturn in any particular industry or geographic region. While we do not set any fixed diversity metrics in our portfolio, we believe that it is well-diversified.

Lease Terms — Generally, the net-leased properties we invest in are leased on a full-recourse basis to the tenants or their affiliates. In addition, the vast majority of our leases provide for scheduled rent increases over the term of the lease (see Our Portfolio below). These rent increases are either fixed (i.e., mandated on specific dates) or tied to increases in inflation indices (e.g., the Consumer Price Index ("CPI") or similar indices in the jurisdiction where the property is located), but may contain caps or other limitations, either on an annual or overall basis. In the case of retail stores and hotels, the lease may provide for participation in the gross revenues of the tenant above a stated level, which we refer to as percentage rent.

Real Estate Evaluation — We review and evaluate the physical condition of the property and the market in which it is located. We consider a variety of factors, including current market rents, replacement cost, residual valuation, property operating history, demographic characteristics of the location and accessibility, competitive properties, and suitability for re-leasing. We obtain third-party environmental and engineering reports and market studies when required. When considering an investment outside the United States, we will also consider factors particular to a country or region, including geopolitical risk, in addition to the risks normally associated with real property investments. See Item 1A. Risk Factors.

Transaction Provisions to Enhance and Protect Value — When negotiating leases with potential tenants, we attempt to include provisions that we believe help to protect the investment from material changes in the tenant's operating and financial characteristics, which may affect the tenant's ability to satisfy its obligations to us or reduce the value of the investment. Such provisions include covenants requiring our consent for certain activities, requiring indemnification protections and/or security deposits, and requiring the tenant to satisfy specific operating tests. We may also seek to enhance the likelihood that a tenant will satisfy their lease obligations through a letter of credit or guaranty from the tenant's parent or other entity. Such credit enhancements, if obtained, provide us with additional financial security. However, in markets where competition for net-lease transactions is strong, some or all of these lease provisions may be difficult to obtain.

Competition — We face active competition from many sources, both domestically and internationally, for net-lease investment opportunities in commercial properties. In general, we believe that our management's experience in real estate, credit underwriting, and transaction structuring will allow us to compete effectively for commercial properties. However, competitors may be willing to accept rates of return, lease terms, other transaction terms, or levels of risk that we find unacceptable.

Asset Management

We believe that proactive asset management is essential to maintaining and enhancing property values. Important aspects of asset management include entering into new or modified transactions to meet the evolving needs of current tenants, re-leasing properties, credit and real estate risk analysis, building expansions and redevelopments, repositioning assets, sustainability and efficiency analysis and retrofits, and strategic dispositions. We regularly engage directly with our tenants and form long-term working relationships with their decision makers in order to provide proactive solutions and to obtain an in-depth, real-time understanding of tenant credit.

We monitor compliance by tenants with their lease obligations and other factors that could affect the financial performance of our real estate investments on an ongoing basis, which typically involves ensuring that each tenant has paid real estate taxes and other expenses relating to the properties it occupies and is maintaining appropriate insurance coverage. To ensure such compliance at our properties, we often engage the expertise of third parties to complete property inspections. We also review tenant financial statements and undertake regular physical inspections of the properties to verify their condition and maintenance. Additionally, we periodically analyze each tenant's financial condition, the industry in which each tenant operates, and each tenant's relative strength in its industry. The in-depth understanding of our tenants' businesses and direct relationships with their management teams provides strong visibility into potential issues as well as additional investment opportunities. Our business intelligence platform provides real-time surveillance and early warning, allowing asset managers to work with tenants to enforce lease provisions, and where appropriate, consider lease modifications.

Financing Strategies

We believe in maintaining ample liquidity, a conservative capital structure, and access to multiple forms of capital. We preserve balance sheet flexibility and liquidity by maintaining significant capacity on our $1.8 billion unsecured revolving credit facility (the "Unsecured Revolving Credit Facility"), as well as any amounts available to us under our term loan ("Term Loan") and delayed draw term loan ("Delayed Draw Term Loan"), which, together with our Unsecured Revolving Credit Facility, we refer to collectively as our "Senior Unsecured Credit Facility." We also hold cash on hand to settle our forward equity arrangements, as needed. We generally use the Unsecured Revolving Credit Facility to fund our immediate capital needs, including new acquisitions and the repayment of secured mortgage debt as we continue to unencumber assets. We seek to replace short-term financing with more permanent forms of capital, including, but not limited to, common stock, unsecured debt securities, bank debt, and proceeds from asset sales. When evaluating which form of capital to pursue, we take into consideration multiple factors, including our corporate leverage levels and targets, and the most attractive source of capital available to us. We may choose to issue unsecured debt securities and bank debt denominated in foreign currencies in part to fund international acquisitions, unencumber assets, and mitigate our exposure to fluctuations in exchange rates. We strive to maintain an investment grade rating, which places limitations on the amount of leverage acceptable in our capital structure. Although we expect to continue to have access to a wide variety of capital sources and maintain our investment grade rating, there can be no assurance that we will be able to do so in the future.

Our Portfolio

At December 31, 2022, our portfolio had the following characteristics:

- Number of properties — full or partial ownership interests in 1,449 net-leased properties, 84 self-storage properties, two student housing properties, and one hotel;
- Total net-leased square footage — approximately 176 million; and
- Occupancy rate — approximately 98.8%.

For more information about our portfolio, see Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations — Portfolio Overview.

Tenant/Lease Information

At December 31, 2022, our tenants/leases had the following characteristics:

- Number of tenants — 392;
- Investment grade tenants as a percentage of total ABR — 24%;
- Implied investment grade tenants as a percentage of total ABR — 7%;
- Weighted-average lease term — 10.8 years;
- 99.0% of our leases as a percentage of total ABR provide rent adjustments as follows:
    - CPI and similar — 55.5%
    - Fixed — 40.0%
    - Other — 3.5%

Human Capital

Investing in Our Employees

At December 31, 2022, we had 193 employees, 141 of which were located in the United States and 52 of which were located in Europe. We strive to make W. P. Carey a great place to work by attracting a diverse pool of the best and brightest applicants and making them feel supported as they grow with the company. We offer various levels of training, including "Respect in the Workplace," skills training, Diversity, Equity & Inclusion, and executive coaching, as well as additional training including safety and cybersecurity. By engaging with our employees and investing in their careers through training and development, we have built a talented workforce capable of executing our business strategies.

Diversity

We believe that our success is dependent upon the diverse backgrounds and perspectives of our employees and directors. W. P. Carey is an equal opportunity employer and considers qualified applicants regardless of race, color, religion, sexual orientation, gender, gender identity or expression, national origin, age, disability, military or veteran status, genetic information, or other statuses protected by applicable federal, state, and local law. Our diversity, equity and inclusion initiative is designed to facilitate conversations around race, sexual orientation and gender identity, national origin, creeds, and other important topics. These conversations, led by our Diversity, Equity & Inclusion Advisory Committee, provide a forum for us to translate our positions as a company into action in both our internal and external communities. We are also signatory to the CEO Action Pledge for Diversity & Inclusion, which reflects our commitment to fostering a more diverse and inclusive workforce.

Employee Wellness and Benefits

The health and wellness of our employees and their families are paramount and our comprehensive benefits package is designed to address the evolving needs of our diverse workforce and their dependents. Our benefits package is evaluated on an annual basis. In addition to robust health and wellness benefits, we also provide our employees with competitive compensation programs, with a focus on both current compensation and retirement planning for their future.

Additional information regarding our human capital programs and initiatives is available in our annual Proxy Statement and Environmental, Social, and Governance ("ESG") Report, which can be found on our company website. Information on our website, including our ESG Report, is not incorporated by reference into this Report.

Available Information

We will supply to any stockholder, upon written request and without charge, a copy of this Report as filed with the SEC. Our filings can also be obtained for free on the SEC's website at http://www.sec.gov. All filings we make with the SEC, including this Report, our quarterly reports on Form 10-Q, and our current reports on Form 8-K, as well as any amendments to those reports, are available for free on the Investor Relations portion of our website (http://www.wpcarey.com), as soon as reasonably practicable after they are filed with or furnished to the SEC.

Our quarterly earnings conference call and investor presentations are accessible by the public. We generally announce via press release the dates and conference call details for upcoming scheduled quarterly earnings announcements and webcast investor presentations, which are also available in the Investor Relations section of our website approximately ten days prior to the event.

Our Code of Business Conduct and Ethics, which applies to all employees, including our chief executive officer and chief financial officer, is also available on our website. We intend to make available on our website any future amendments or waivers to our Code of Business Conduct and Ethics within four business days after any such amendments or waivers. We are providing our website address solely for the information of investors and do not intend for it to be an active link. We do not intend to incorporate the information contained on our website into this Report or other documents filed with or furnished to the SEC.

Item 1A. Risk Factors.

Our business, results of operations, financial condition, and ability to pay dividends could be materially adversely affected by various risks and uncertainties, including those enumerated below, which could cause such results to differ materially from those in any forward-looking statements. You should not consider this list exhaustive. New risk factors emerge periodically and we cannot assure you that the factors described below list all risks that may become material to us at any later time.

Risks Related to Our Portfolio and Ownership of Real Estate

We face an increasingly competitive marketplace for investments.

The net lease financing market is perceived as a relatively conservative investment vehicle and there has been increasing capital inflows into our sector; accordingly, we face escalating competition for investments, both domestically and internationally. We compete for investments with many other financial institutions and investors, including other REITs, private equity firms, pension funds, and finance companies. Our competitors may accept greater risk or lower returns, allowing them to offer more attractive terms to prospective tenants. Further capital inflows into our sector will place additional pressure on our ability to execute transactions and the returns that we can generate from investments. In particular, private equity real estate investors have raised record amounts of capital in recent periods, which is expected to be deployed into acquisitions that are contributing to an increasingly competitive marketplace. This competitive marketplace for investments could also have a negative impact on our revenue growth.

In addition, expectations of rising interest rates may increase our cost of capital, while capitalization rates (which generally respond to higher interest rates on a lag) could remain low or continue to decline, thereby placing additional pressure on investment spreads throughout the net lease sector. Finally, the vast majority of our current investments are in single-tenant commercial properties that are subject to triple-net leases. Many factors, including changes in tax laws or accounting rules, may make these types of sale-leaseback transactions less attractive to potential sellers and lessees, which could negatively affect our ability to increase these types of investments.

We are not required to meet any diversification standards; therefore, our investments may become subject to concentration risks.

Subject to our intention to maintain our qualification as a REIT, we are not required to meet any diversification standards. Therefore, our investments may become concentrated in type or geographic location, which could subject us to significant risks with potentially adverse effects on our investment objectives.

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

Increases in inflation and interest rates could have an adverse impact on the cost of our existing variable-rate debt, new debt obligations entered into in the future, and costs incurred by the company through its operations. Our leases typically require tenants to pay all property operating expenses and increases in those property-level expenses at our leased properties generally do not affect us. However, increased operating expenses at properties not subject to full triple-net leases could cause us to incur additional operating expenses. Increases in inflation could also impact other costs incurred by the company including general and administrative costs. While the vast majority of leases contain rent escalators, including inflation-linked rent escalators, these costs could increase at a rate higher than our rental and other revenue. In addition, as a result of rising interest rates we may experience difficulty arranging third-party financing, including refinancing maturing debt in part or in full as it comes due, and could pay higher interest costs on future financings. If increases in costs are not sufficiently offset by the contractual rent increases or increases in other revenue, we may be required to implement measures to conserve cash or preserve liquidity. Certain financial covenants could be affected as a result of higher debt service costs, which may place restrictions on our liquidity. If we are unable to find alternative credit arrangements or other funding in a high interest environment, our business needs may not be adequately met. Tenants and potential tenants of our properties may also be adversely impacted by inflation and rising interest rates, which could negatively impact our tenants' ability to pay rent and the demand for our properties. Such adverse impacts on our tenants may cause increased vacancies and lower future rents.

We may incur substantial impairment charges.

We may incur substantial impairment charges, which could adversely affect our results of operations or limit our ability to dispose of assets at attractive prices and may reduce the availability of buyer financing. By their nature, the timing or extent of impairment charges are not predictable.

Because we invest in properties located outside the United States, we are exposed to additional risks.

We have invested, and may continue to invest, in properties located outside the United States. At December 31, 2022, our real estate properties located outside of the United States represented 37% of our ABR. These investments may be affected by factors particular to the local jurisdiction where the property is located and may expose us to additional risks, including:

- enactment of laws relating to foreign ownership of property (including expropriation of investments), or laws and regulations relating to our ability to repatriate invested capital, profits, or cash and cash equivalents back to the United States;
- legal systems where the ability to enforce contractual rights and remedies may be more limited than under U.S. law;
- difficulty in complying with conflicting obligations in various jurisdictions and the burden of observing a variety of evolving foreign laws, regulations, and governmental rules and policies, which may be more stringent than U.S. laws and regulations (including land use, zoning, environmental, financial, and privacy laws and regulations, such as the European Union's General Data Protection Regulation);
- tax requirements vary by country and existing foreign tax laws and interpretations may change (e.g., the on-going implementation of the European Union's Anti-Tax Avoidance Directives), which may result in additional taxes on our international investments;
- changes in operating expenses in particular countries or regions;
- increased energy and commodity prices in Europe;
- foreign exchange rates; and
- geopolitical and military conflict risk and adverse market conditions caused by changes in national or regional economic or political conditions, including the ongoing conflict between Russia and Ukraine (which may impact relative interest rates and the terms or availability of debt financing).

The failure of our compliance and internal control systems to properly mitigate such additional risks, or of our operating infrastructure to support such international investments, could result in operational failures, regulatory fines, or other governmental sanctions. We may engage third-party asset managers in international jurisdictions to monitor compliance with legal requirements and lending agreements. Failure to comply with applicable requirements may expose us, our operating subsidiaries, or the entities we manage to additional liabilities. Our operations in the United Kingdom, the European Economic Area, and other countries are subject to significant compliance, disclosure, and other obligations.

In addition, the lack of publicly available information in certain jurisdictions could impair our ability to analyze transactions and may cause us to forego an investment opportunity. It may also impair our ability to receive timely and accurate financial information from tenants necessary to meet reporting obligations to financial institutions or governmental and regulatory agencies. Certain of these risks may be greater in less developed countries. Further, our expertise to date is primarily in the United States and certain countries in Europe. We have less experience in other international markets and may not be as familiar with the potential risks to investments in these areas, which could cause us and the entities we manage to incur losses.

We are also subject to potential fluctuations in exchange rates between foreign currencies and the U.S. dollar because we translate revenue denominated in foreign currency into U.S. dollars for our financial statements (our principal exposure is to the euro). Our results of foreign operations are adversely affected by a stronger U.S. dollar relative to foreign currencies (i.e., absent other considerations, a stronger U.S. dollar will reduce both our revenues and our expenses).

A significant amount of our leases will expire within the next five years and we may have difficulty re-leasing or selling our properties if tenants do not renew their leases.

Within the next five years, approximately 26% of our leases, based on our ABR as of December 31, 2022, are due to expire. If these leases are not renewed or if the properties cannot be re-leased on terms that yield comparable payments, our lease revenues could be substantially adversely affected. In addition, when attempting to re-lease such properties, we may incur significant costs and the terms of any new or renewed leases will depend on prevailing market conditions at that time. We may also seek to sell such properties and incur losses due to prevailing market conditions. Some of our properties are designed for the particular needs of a tenant; thus, we may be required to renovate or make rent concessions in order to lease the property to another tenant. If we need to sell such properties, we may have difficulty selling it to a third party due to the property's unique design. Real estate investments are generally less liquid than many other financial assets, which may limit our ability to quickly adjust our portfolio in response to changes in economic or other conditions. These and other limitations may adversely affect returns to our stockholders.

Certain of our leases permit tenants to purchase a property at a predetermined price, which could limit our realization of any appreciation or result in a loss.

Under our existing leases, certain tenants have a right to repurchase the properties they lease from us. The purchase price may be a fixed price or it may be based on a formula or the market value at the time of exercise. If a tenant exercises its right to purchase the property and the property's market value has increased beyond that price, we would not be able to fully realize the appreciation on that property. Additionally, if the price at which the tenant can purchase the property is less than our carrying value (e.g., where the purchase price is based on an appraised value), we may incur a loss. In addition, we may also be unable to reinvest proceeds from these dispositions in investments with similar or better investment returns.

Our ability to control the management of our net-leased properties is limited, which limits our ability to manage property deterioration risks and could impact our ESG ratings and our ability to make ESG disclosures.

The tenants or managers of net-leased properties are responsible for maintenance and other day-to-day management of the properties. If a property is not adequately maintained in accordance with the terms of the applicable lease, we may incur expenses for deferred maintenance expenditures or other liabilities once the property becomes free of the lease. While our leases generally provide for recourse against the tenant in these instances, a bankrupt or financially troubled tenant may be more likely to defer maintenance and it may be more difficult to enforce remedies against such a tenant. Although we endeavor to monitor compliance by tenants with their lease obligations and other factors that could affect the financial performance of our properties on an ongoing basis, we may not always be able to ascertain or forestall deterioration in the condition of a property or the financial circumstances of a tenant.

This lack of control over our net-leased properties also makes it difficult for us to collect property-level environmental metrics and to enforce sustainability initiatives, which may impact our ability to comply with certain ESG disclosure requirements (such as the SEC's expected new ESG disclosure rules) or engage effectively with established ESG frameworks and standards, such as the Global Real Estate Sustainability Benchmarks, the Task Force for Climate-Related Financial Disclosures and the Sustainability Accounting Standards Board. If we are unable to successfully collect the data necessary to comply with ESG disclosure requirements, we may be subject to increased regulatory risk; and if such data is incomplete or unfavorable, our relationship with our investor base, our stock price, and our access to capital may be negatively impacted.

The value of our real estate is subject to fluctuation.

We are subject to all of the general risks associated with the ownership of real estate, which include:

- adverse changes in general or local economic conditions, including changes in interest rates or foreign exchange rates;
- changes in the supply of, or demand for, similar or competing properties;
- competition for tenants and changes in market rental rates;
- the ongoing need for capital improvements;
- Federal Reserve short term rate decisions;
- the mortgage market and real estate market in the United States;
- inability to lease or sell properties upon termination of existing leases, or 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, or environmental laws that adversely impact the value of real estate;

- failure to comply with federal, state, and local legal and regulatory requirements, including the Americans with Disabilities Act and fire or life-safety requirements;
- changes in governmental rules and fiscal policies;
- uninsured property liability, property damage, or casualty losses;
- increased operating costs, which may not necessarily be offset by increased rents, including insurance premiums, utilities and real estate taxes, due to inflation and other factors;
- exposure to environmental losses and the effects of climate change; and
- civil unrest, acts of war, terrorism, acts of God, including earthquakes, hurricanes and other natural disasters (which may result in uninsured losses) and other factors beyond our control.

While the revenues from our leases are not directly dependent upon the value of the real estate owned, significant declines in real estate values could adversely affect us in many ways, including a decline in the residual values of properties at lease expiration, possible lease abandonment by tenants, and a decline in the attractiveness of triple-net lease transactions to potential sellers. We also face the risk that lease revenue will be insufficient to cover all corporate operating expenses and the debt service payments we incur.

Because most of our properties are occupied by a single tenant, our success is materially dependent upon the tenant's financial stability.

Most of our properties are occupied by a single tenant; therefore, the success of our investments is materially dependent on the financial stability of these tenants. Revenues from several of our tenants/guarantors constitute a significant percentage of our lease revenues. Our top ten tenants accounted for approximately 18% of total ABR at December 31, 2022. Lease payment defaults by tenants could negatively impact our net income and reduce the amounts available for distribution to stockholders.

The bankruptcy or insolvency of tenants may cause a reduction in our revenue and an increase in our expenses.

We have had, and may in the future have, tenants file for bankruptcy protection. Bankruptcy or insolvency of a tenant could lead to the loss of lease or interest and principal payments, an increase in the carrying cost of the property, and litigation. If one or a series of bankruptcies or insolvencies is significant enough (more likely during a period of economic downturn), it could lead to a reduction in the value of our shares and/or a decrease in our dividend. Under U.S. bankruptcy law, a tenant that is the subject of bankruptcy proceedings has the option of assuming or rejecting any unexpired lease. If the tenant rejects the lease, any resulting claim we have for breach of the lease (excluding collateral securing the claim) will be treated as a general unsecured claim and the maximum claim will be capped. In addition, due to the long-term nature of our leases and, in some cases, terms providing for the repurchase of a property by the tenant, a bankruptcy court could recharacterize a net lease transaction as a secured lending transaction. Insolvency laws outside the United States may be more or less favorable to reorganization or the protection of a debtor's rights as in the United States. In circumstances where the bankruptcy laws of the United States are considered to be more favorable to debtors and/or their reorganization, entities that are not ordinarily perceived as U.S. entities may seek to take advantage of U.S. bankruptcy laws.

The continued disruption and reduced economic activity caused by COVID-19, rising interest rates, inflation and a potential economic downturn may severely affect our tenants' businesses, financial condition and liquidity, leading to an increase in tenant bankruptcy or insolvency. In addition, a portion of our tenants may fail to meet their obligations to us in full (or at all), or may otherwise seek modifications of such obligations. Certain jurisdictions may also enact laws or regulations that impact or alter our ability to collect rent under our existing least terms. The ultimate extent to which COVID-19 will continue to impact the operations of our tenants will depend on future developments, which remain uncertain and cannot be predicted with confidence.

We may be materially adversely affected by laws, regulations or other issues related to climate change.

If we become subject to laws or regulations related to climate change, our business, financial condition and results of operations could be materially adversely affected. The federal government has enacted certain climate change laws and regulations which may, among other things, regulate "carbon footprints" and greenhouse gas emissions. In addition, the SEC has recently proposed rule amendments that would require us to prepare a wide range of new climate-related disclosures, including with respect to our climate-related risks, greenhouse gas emissions, and other climate-related targets, goals and plans. Such laws and regulations could result in substantial compliance costs, retrofit costs and construction costs, including monitoring and reporting costs and capital expenditures for environmental control facilities and other new equipment. Noncompliance with these laws or regulations may result in potential cost increases, litigation, fines, penalties, brand or reputational damage, loss of tenants, lower valuation and higher investor activism activities. We cannot predict how future laws and regulations, or future interpretations of current laws and regulations related to climate change will affect our business, financial condition and results of operations.

Additionally, the potential physical impacts of climate change on our operations are highly uncertain. These may include changes in rainfall and storm patterns and intensity, increased strength of hurricanes, water shortages, changing sea levels and changing temperatures. These impacts may have a material adverse effect on our business, financial condition and results of operations.

Because we are subject to possible liabilities relating to environmental matters, we could incur unexpected costs and our ability to sell or otherwise dispose of a property may be negatively impacted.

We have invested, and may in the future invest, in real properties historically or currently used for industrial, manufacturing, and other commercial purposes, and some of our tenants may handle hazardous or toxic substances, generate hazardous wastes, or discharge regulated pollutants to the environment. Buildings and structures on the properties we purchase may have known or suspected asbestos-containing building materials. We may invest in properties located in countries that have adopted laws or observe environmental management standards that are less stringent than those generally followed in the United States, which may pose a greater risk that releases of hazardous or toxic substances have occurred. We therefore may own properties that have known or potential environmental contamination as a result of historical or ongoing operations, which may expose us to liabilities under environmental laws. Some of these laws could impose the following on us:

- responsibility and liability for the cost of investigation and removal or remediation (including at appropriate disposal facilities) of hazardous or toxic substances in, on, or migrating from our property, generally without regard to our knowledge of, or responsibility for, the presence of these contaminants;
- liability for claims by third parties based on damages to natural resources or property, personal injuries, or costs of removal or remediation of hazardous or toxic substances in, on, or migrating from our property; and
- responsibility for managing asbestos-containing building materials and third-party claims for exposure to those materials.

Costs relating to investigation, remediation, or removal of hazardous or toxic substances, or for third-party claims for damages, may be substantial and could exceed any amounts estimated and recorded within our consolidated financial statements. The presence of hazardous or toxic substances at any of our properties, or the failure to properly remediate a contaminated property, could (i) give rise to a lien in favor of the government for costs it may incur to address the contamination or (ii) otherwise adversely affect our ability to sell or lease the property or to borrow using the property as collateral. In addition, environmental liabilities, or costs or operating limitations imposed on a tenant by environmental laws, could affect its ability to make rental payments to us. And although we endeavor to avoid doing so, we may be required, in connection with any future divestitures of property, to provide buyers with indemnifications against potential environmental liabilities.

Risks Related to Our Liquidity and Capital Resources

Our level of indebtedness could have significant adverse consequences and our cash flow may be insufficient to meet our debt service obligations.

Our consolidated indebtedness as of December 31, 2022 was approximately $7.9 billion, representing a consolidated debt to gross assets ratio of approximately 39.8%. This consolidated indebtedness was comprised of (i) $5.9 billion in Senior Unsecured Notes (as defined in Note 11), (ii) $828.9 million outstanding under our Senior Unsecured Credit Facility (as defined in Note 11), and (iii) $1.1 billion in non-recourse mortgage loans on various properties. Our level of indebtedness could have significant adverse consequences on our business and operations, including the following:

- it may increase our vulnerability to changes in economic conditions (including increases in interest rates) and limit our flexibility in planning for, or reacting to, changes in our business and/or industry;
- we may be at a disadvantage compared to our competitors with comparatively less indebtedness;
- we may be unable to hedge our debt, or such hedges may fail or expire, leaving us exposed to potentially volatile interest or currency exchange rates;
- any default on our secured indebtedness may lead to foreclosures, creating taxable income that could hinder our ability to meet the REIT distribution requirements imposed by the Internal Revenue Code; and
- we may be unable to refinance our indebtedness or obtain additional financing as needed or on favorable terms.

Our ability to generate sufficient cash flow determines whether we will be able to (i) meet our existing or potential future debt service obligations; (ii) refinance our existing or potential future indebtedness; and (iii) fund our operations, working capital, acquisitions, capital expenditures, and other important business uses. Our future cash flow is subject to many factors beyond our control and we cannot assure you that our business will generate sufficient cash flow from operations, or that future sources of cash will be available to us on favorable terms, to meet all of our debt service obligations and fund our other important business uses or liquidity needs. As a result, we may be forced to take other actions to meet those obligations, such as selling properties, raising equity, or delaying capital expenditures, any of which may not be feasible or could have a material adverse effect on us. In addition, despite our substantial outstanding indebtedness and the restrictions in the agreements governing our indebtedness, we may incur significantly more indebtedness in the future, which would exacerbate the risks discussed above.

We are subject to risks related to the anticipated replacement of the London Inter-bank Offered Rate ("LIBOR").

In July 2017, the Financial Conduct Authority ("FCA"), the authority that regulates LIBOR, announced that it intends to stop compelling banks to submit rates for the calculation of LIBOR after 2021. As a result, the Federal Reserve Board and the Federal Reserve Bank of New York organized the Alternative Reference Rates Committee, which identified the Secured Overnight Financing Rate ("SOFR") as its preferred alternative to USD LIBOR in derivatives and other financial contracts. The ICE Benchmark Administration stated that it will cease to publish all remaining USD LIBOR settings immediately following their publication on June 30, 2023. We have financial contracts that are indexed to LIBOR. Our Senior Unsecured Credit Facility contained provisions that contemplate methods to establishing an alternative base rate upon USD LIBOR's retirement and, in January 2023, we entered into a Third Amendment to the Fourth Amended and Restated Credit Agreement to transition to SOFR.

In a similar manner, we will manage the transition from LIBOR for all of our remaining debt and derivative instruments using any language that may be included in their respective agreements and through potential modifications. Risks related to potential changes in LIBOR availability include, but are not limited to, potential changes to financial products and market practices, borrowing rates, fees, interest obligations, and the value of debt and derivative instruments. Transitioning to an alternative reference rate may require negotiations with lenders and other counterparties, which could present challenges if the method of transition is not mutually agreed upon. We have transitioned all non-USD LIBOR base rate exposures phased out at the end of 2021 to their respective alternative reference rates.

Restrictive covenants in our credit agreement and indentures may limit our ability to expand or fully pursue our business strategies.

The credit agreement for our Senior Unsecured Credit Facility and the indentures governing our Senior Unsecured Notes contain financial and operating covenants that, among other things, require us to meet specified financial ratios and may limit our ability to take specific actions, even if we believe them to be in our best interest (e.g., subject to certain exceptions, our ability to consummate a merger, consolidation, or a transfer of all or substantially all of our consolidated assets to another person is restricted). These covenants may restrict our ability to expand or fully pursue our business strategies. Our ability to comply with these and other provisions of our debt agreements may be affected by changes in our operating and financial performance, changes in general business and economic conditions, adverse regulatory developments, or other events beyond our control. The breach of any of these covenants could result in a default under our indebtedness, which could result in the acceleration of the maturity of such indebtedness and potentially other indebtedness. If any of our indebtedness is accelerated prior to maturity, we may not be able to repay such indebtedness or refinance such indebtedness on favorable terms, or at all.

A downgrade in our credit ratings could materially adversely affect our business and financial condition as well as the market price of our Senior Unsecured Notes.

We plan to manage our operations to maintain investment grade status with a capital structure consistent with our current profile. In September 2022 our rating was upgraded by Moody's to Baa1 and in January 2023 our rating was upgraded by S&P Global Ratings to BBB+, but there can be no assurance that we will be able to maintain our current credit ratings. Our credit ratings could change based upon, among other things, our historical and projected business, financial condition, liquidity, results of operations, and prospects. These ratings are subject to ongoing evaluation by credit rating agencies and we cannot provide any assurance that our ratings will not be changed or withdrawn by a rating agency in the future. If any of the credit rating agencies downgrades or lowers our credit rating, or if any credit rating agency indicates that it has placed our rating on a "watch list" for a possible downgrading or lowering, or otherwise indicates that its outlook for our rating is negative, it could have a material adverse effect on our costs and availability of capital, which could in turn have a material adverse effect on us and on our ability to satisfy our debt service obligations (including those under our Senior Unsecured Credit Facility, our Senior

Unsecured Notes, or other similar debt securities that we issue) and to pay dividends on our common stock. Furthermore, any such action could negatively impact the market price of our Senior Unsecured Notes.

Some of our properties are encumbered by mortgage debt, which could adversely affect our cash flow.

At December 31, 2022, we had $1.1 billion of property-level mortgage debt on a non-recourse basis, which limits our exposure on any property to the amount of equity invested in the property. If we are unable to make our mortgage-related debt payments as required, a lender could foreclose on the property or properties securing its debt. Additionally, lenders for our mortgage loan transactions typically incorporated various covenants and other provisions (including loan to value ratio, debt service coverage ratio, and material adverse changes in the borrower's or tenant's business) that can cause a technical loan default. Accordingly, if the real estate value declines or the tenant defaults, the lender would have the right to foreclose on its security. If any of these events were to occur, it could cause us to lose part or all of our investment, which could reduce the value of our portfolio and revenues available for distribution to our stockholders.

Some of our property-level financing may also require us to make a balloon payment at maturity. Our ability to make such balloon payments may depend upon our ability to refinance the obligation or sell the underlying property. When a balloon payment is due, however, we may be unable to refinance the balloon payment on terms as favorable as the original loan, make the payment with existing cash or cash resources, or sell the property at a price sufficient to cover the payment. Our ability to accomplish these goals will be affected by various factors existing at the relevant time, such as the state of national and regional economies, local real estate conditions, available mortgage or interest rates, availability of credit, our equity in the mortgaged properties, our financial condition, the operating history of the mortgaged properties, and tax laws. A refinancing or sale could affect the rate of return to stockholders and the projected disposition timeline of our assets.

Risks Related to our Corporate Structure and Maryland Law

Our charter and Maryland law contain provisions that may delay or prevent a change of control transaction.

Our charter, subject to certain exceptions, authorizes our board of directors (our "Board") to take such actions as are necessary and desirable to limit any person to beneficial or constructive ownership of 9.8%, in either value or number of shares, whichever is more restrictive, of our aggregate outstanding shares of (i) common and preferred stock (excluding any outstanding shares of our common or preferred stock not treated as outstanding for federal income tax purposes) or (ii) common stock (excluding any of our outstanding shares of common stock not treated as outstanding for federal income tax purposes). Our Board, in its sole discretion, may exempt a person from such ownership limits, provided that they obtain such representations, covenants, and undertakings as appropriate to determine that the exemption would not affect our REIT status. Our Board may also increase or decrease the common stock ownership limit and/or the aggregate stock ownership limit, so long as the change would not result in five or fewer persons beneficially owning more than 49.9% in value of our outstanding stock. The ownership limits and other stock ownership restrictions contained in our charter may delay or prevent a transaction or change of control that might involve a premium price for our common stock or otherwise be in the best interests of our stockholders.

Our Board may modify our authorized shares of stock of any class or series and may create and issue a class or series of common stock or preferred stock without stockholder approval.

Our charter empowers our Board to, without stockholder approval, increase or decrease the aggregate number of shares of our stock or the number of shares of stock of any class or series that we have authority to issue; classify any unissued shares of common stock or preferred stock; reclassify any previously classified, but unissued, shares of common stock or preferred stock into one or more classes or series of stock; and issue such shares of stock so classified or reclassified. Our Board may determine the relative rights, preferences, and privileges of any class or series of common stock or preferred stock issued. As a result, we may issue series or classes of common stock or preferred stock with preferences, dividends, powers, and rights (voting or otherwise) senior to the rights of current holders of our common stock. The issuance of any such classes or series of common stock or preferred stock could also have the effect of delaying or preventing a change of control transaction that might otherwise be in the best interests of our stockholders.

Certain provisions of Maryland law could inhibit changes in control.

Certain provisions of the Maryland General Corporation Law ("MGCL") may have the effect of inhibiting a third party from making a proposal to acquire us or impeding a change of control that could provide our stockholders with the opportunity to realize a premium over the then-prevailing market price of our common stock, including:

- "business combination" provisions that, subject to limitations, prohibit certain business combinations between us and an "interested stockholder" (defined generally as any person who beneficially owns 10% or more of the voting power of our outstanding voting stock), or an affiliate thereof, for five years after the most recent date on which the stockholder becomes an interested stockholder, and thereafter imposes special appraisal rights and supermajority voting requirements on these combinations; and
- "control share" provisions that provide that holders of "control shares" of our company (defined as voting shares which, when aggregated with all other shares owned or controlled by the stockholder, entitle the stockholder to exercise one of three increasing ranges of voting power in electing directors) acquired in a "control share acquisition" (defined as the direct or indirect acquisition of ownership or control of issued and outstanding "control shares") have no voting rights except to the extent approved by our stockholders by the affirmative vote of at least two-thirds of all the votes entitled to be cast on the matter, excluding all interested shares.

The statute permits various exemptions from its provisions, including business combinations that are exempted by a board of directors prior to the time that the "interested stockholder" becomes an interested stockholder. Our Board has, by resolution, exempted any business combination between us and any person who is an existing, or becomes in the future, an "interested stockholder." Consequently, the five-year prohibition and the supermajority vote requirements will not apply to business combinations between us and any such person. As a result, such person may be able to enter into business combinations with us that may not be in the best interest of our stockholders, without compliance with the supermajority vote requirements and the other provisions of the statute. Additionally, this resolution may be altered, revoked, or repealed in whole or in part at any time and we may opt back into the business combination provisions of the MGCL. If this resolution is revoked or repealed, the statute may discourage others from trying to acquire control of us and increase the difficulty of consummating any offer. In the case of the control share provisions of the MGCL, we have elected to opt out of these provisions of the MGCL pursuant to a provision in our bylaws.

Additionally, Title 3, Subtitle 8 of the MGCL permits our Board, without stockholder approval and regardless of what is currently provided in our charter or our bylaws, to implement certain governance provisions, some of which we do not currently have. We have opted out of Section 3-803 of the MGCL, which permits a board of directors to be divided into classes pursuant to Title 3, Subtitle 8 of the MGCL. Any amendment or repeal of this resolution must be approved in the same manner as an amendment to our charter. The remaining provisions of Title 3, Subtitle 8 of the MGCL may have the effect of inhibiting a third party from making an acquisition proposal for our company or of delaying, deferring, or preventing a change in control of our company under circumstances that otherwise could provide the holders of our common stock with the opportunity to realize a premium over the then-current market price. Our charter, our bylaws, and Maryland law also contain other provisions that may delay, defer, or prevent a transaction or a change of control that might involve a premium price for our common stock or otherwise be in the best interests of our stockholders.

Risks Related to REIT Structure

While we believe that we are properly organized as a REIT in accordance with applicable law, we cannot guarantee that the Internal Revenue Service will find that we have qualified as a REIT.

We believe that we are organized in conformity with the requirements for qualification as a REIT under the Internal Revenue Code beginning with our 2012 taxable year and that our current and anticipated investments and plan of operation will enable us to meet and continue to meet the requirements for qualification and taxation as a REIT. Investors should be aware, however, that the Internal Revenue Service or any court could take a position different from our own. Given the highly complex nature of the rules governing REITs, the ongoing importance of factual determinations, and the possibility of future changes in our circumstances, no assurance can be given that we will qualify as a REIT for any particular year.

Furthermore, our qualification and taxation as a REIT will depend on our satisfaction of certain asset, income, organizational, distribution, stockholder ownership, and other requirements on a continuing basis. Our ability to satisfy the quarterly asset tests under applicable Internal Revenue Code provisions and Treasury Regulations will depend on the fair market values of our assets, some of which are not susceptible to a precise determination. Our compliance with the REIT income and quarterly asset requirements also depends upon our ability to successfully manage the composition of our income and assets on an ongoing basis. While we believe that we will satisfy these tests, we cannot guarantee that this will be the case on a continuing basis.

If we fail to remain qualified as a REIT, we would be subject to federal income tax at corporate income tax rates and would not be able to deduct distributions to stockholders when computing our taxable income.

If, in any taxable year, we fail to qualify for taxation as a REIT and are not entitled to relief under the Internal Revenue Code, we will:

- not be allowed a deduction for distributions to stockholders in computing our taxable income;
- be subject to federal and state income tax, including the Inflation Reduction Act of 2022 which was signed into law in the United States on August 16, 2022 and will be effective in 2023 (which introduced a 15% corporate minimum tax on certain corporations and a 1% excise tax on certain stock repurchases by certain corporations, among other changes), on our taxable income at regular corporate rate; and
- be barred from qualifying as a REIT for the four taxable years following the year when we were disqualified.

Any such corporate tax liability could be substantial and would reduce the amount of cash available for distributions to our stockholders, which in turn could have an adverse impact on the value of our common stock. This adverse impact could last for five or more years because, unless we are entitled to relief under certain statutory provisions, we will be taxed as a corporation beginning the year in which the failure occurs and for the following four years.

If we fail to qualify for taxation as a REIT, we may need to borrow funds or liquidate some investments to pay the additional tax liability. Were this to occur, funds available for investment would be reduced. REIT qualification involves the application of highly technical and complex provisions of the Internal Revenue Code to our operations, as well as various factual determinations concerning matters and circumstances not entirely within our control. There are limited judicial or administrative interpretations of these provisions. Although we plan to continue to operate in a manner consistent with the REIT qualification rules, we cannot assure you that we will qualify in a given year or remain so qualified.

If we fail to make required distributions, we may be subject to federal corporate income tax.

We intend to declare regular quarterly distributions, the amount of which will be determined, and is subject to adjustment, by our Board. To continue to qualify and be taxed as a REIT, we will generally be required to distribute at least 90% of our REIT taxable income (determined without regard to the dividends-paid deduction and excluding net capital gain) each year to our stockholders. Generally, we expect to distribute all, or substantially all, of our REIT taxable income. If our cash available for distribution falls short of our estimates, we may be unable to maintain the proposed quarterly distributions that approximate our taxable income and we may fail to qualify for taxation as a REIT. In addition, our cash flows from operations may be insufficient to fund required distributions as a result of differences in timing between the actual receipt of income and the recognition of income for federal income tax purposes or the effect of nondeductible expenditures (e.g., capital expenditures, payments of compensation for which Section 162(m) of the Internal Revenue Code denies a deduction, the creation of reserves, or required debt service or amortization payments). To the extent we satisfy the 90% distribution requirement, but distribute less than 100% of our REIT taxable income, we will be subject to federal corporate income tax on our undistributed taxable income. We will also be subject to a 4.0% nondeductible excise tax if the actual amount that we pay out to our stockholders for a calendar year is less than a minimum amount specified under the Internal Revenue Code. In addition, in order to continue to qualify as a REIT, any C corporation earnings and profits to which we succeed must be distributed as of the close of the taxable year in which we accumulate or acquire such C corporation’s earnings and profits.

Because certain covenants in our debt instruments may limit our ability to make required REIT distributions, we could be subject to taxation.

Our existing debt instruments include, and our future debt instruments may include, covenants that limit our ability to make required REIT distributions. If the limits set forth in these covenants prevent us from satisfying our REIT distribution requirements, we could fail to qualify for federal income tax purposes as a REIT. If the limits set forth in these covenants do not jeopardize our qualification for taxation as a REIT, but prevent us from distributing 100% of our REIT taxable income, we will be subject to federal corporate income tax, and potentially a nondeductible excise tax, on the retained amounts.

Because we are required to satisfy numerous requirements imposed upon REITs, we may be required to borrow funds, sell assets, or raise equity on terms that are not favorable to us.

In order to meet the REIT distribution requirements and maintain our qualification and taxation as a REIT, we may need to borrow funds, sell assets, or raise equity, even if the then-prevailing market conditions are not favorable for such transactions. If our cash flows are not sufficient to cover our REIT distribution requirements, it could adversely impact our ability to raise short- and long-term debt, sell assets, or offer equity securities in order to fund the distributions required to maintain our qualification and taxation as a REIT. Furthermore, the REIT distribution requirements may increase the financing we need to fund capital expenditures, future growth, and expansion initiatives, which would increase our total leverage.

In addition, if we fail to comply with certain asset ownership tests at the end of any calendar quarter, we must generally correct the failure within 30 days after the end of the calendar quarter or qualify for certain statutory relief provisions to avoid losing our REIT qualification. As a result, we may be required to liquidate otherwise attractive investments. These actions may reduce our income and amounts available for distribution to our stockholders.

Because the REIT rules require us to satisfy certain rules on an ongoing basis, our flexibility or ability to pursue otherwise attractive opportunities may be limited.

To qualify as a REIT for federal income tax purposes, we must continually satisfy tests concerning, among other things, the sources of our income, the nature and diversification of our assets, the amounts we distribute to our stockholders, and the ownership of our common stock. Compliance with these tests will require us to refrain from certain activities and may hinder our ability to make certain attractive investments, including the purchase of non-qualifying assets, the expansion of non-real estate activities, and investments in the businesses to be conducted by our taxable REIT subsidiaries (“TRSs”), thereby limiting our opportunities and the flexibility to change our business strategy. Furthermore, acquisition opportunities in domestic and international markets may be adversely affected if we need or require target companies to comply with certain REIT requirements prior to closing on acquisitions. Also, please see the risk “There can be no assurance that we will be able to maintain cash dividends” below.

Because the REIT provisions of the Internal Revenue Code limit our ability to hedge effectively, the cost of our hedging may increase and we may incur tax liabilities.

The REIT provisions of the Internal Revenue Code limit our ability to hedge assets and liabilities that are not incurred to acquire or carry real estate. Generally, income from hedging transactions that have been properly identified for tax purposes (which we enter into to manage interest rate risk with respect to borrowings to acquire or carry real estate assets) and income from certain currency hedging transactions related to our non-U.S. operations, do not constitute “gross income” for purposes of the REIT gross income tests (such a hedging transaction is referred to as a “qualifying hedge”). In addition, if we enter into a qualifying hedge, but dispose of the underlying property (or a portion thereof) or the underlying debt (or a portion thereof) is extinguished, we can enter into a hedge of the original qualifying hedge, and income from the subsequent hedge will also not constitute “gross income” for purposes of the REIT gross income tests. To the extent that we enter into other types of hedging transactions, the income from those transactions is likely to be treated as non-qualifying income for purposes of the REIT gross income tests. As a result of these rules, we may need to limit our use of advantageous hedging techniques or implement those hedges through a TRS. This could increase the cost of our hedging activities because our TRSs could be subject to tax on income or gains resulting from such hedges or expose us to greater interest rate risks than we would otherwise want to bear. In addition, losses in any of our TRSs generally will not provide any tax benefit, except for being carried forward for use against future taxable income in the TRSs.

We use TRSs, which may cause us to fail to qualify as a REIT.

To qualify as a REIT for federal income tax purposes, we hold our non-qualifying REIT assets and conduct our non-qualifying REIT income activities in or through one or more TRSs. The net income of our TRSs is not required to be distributed to us. Income that is not distributed to us by our domestic TRSs will generally not be subject to the REIT income distribution requirement. However, certain income that is not distributed to us by our foreign TRSs may be deemed distributed to us by operation of certain provisions of the U.S. Tax Code and generally subject to REIT income distribution requirements. In addition, there may be limitations on our ability to accumulate earnings in our TRSs and the accumulation or reinvestment of significant earnings in our TRSs could result in adverse tax treatment. In particular, if the accumulation of cash in our TRSs causes the fair market value of our TRS interests and certain other non-qualifying assets to exceed 20% of the fair market value of our assets, we would lose tax efficiency and could potentially fail to qualify as a REIT.

Because the REIT rules limit our ability to receive distributions from TRSs, our ability to fund distribution payments using cash generated through our TRSs may be limited.

Our ability to receive distributions from our TRSs is limited by the rules we must comply with in order to maintain our REIT status. In particular, at least 75% of our gross income for each taxable year as a REIT must be derived from real estate-related sources, which principally includes gross income from the leasing of our properties. Consequently, no more than 25% of our gross income may consist of dividend income from our TRSs and other non-qualifying income types. Thus, our ability to receive distributions from our TRSs is limited and may impact our ability to fund distributions to our stockholders using cash flows from our TRSs. Specifically, if our TRSs become highly profitable, we might be limited in our ability to receive net income from our TRSs in an amount required to fund distributions to our stockholders commensurate with that profitability.

Transactions with our TRSs could cause us to be subject to a 100% penalty tax on certain income or deductions if those transactions are not conducted on an arm’s-length basis.

The Internal Revenue Code limits the deductibility of interest paid or accrued by a TRS to its parent REIT to assure that the TRS is subject to an appropriate level of corporate taxation. The Internal Revenue Code also imposes a 100% excise tax on certain transactions between a TRS and its parent REIT that are not conducted on an arm’s-length basis. We will monitor the value of investments in our TRSs in order to ensure compliance with TRS ownership limitations and will structure our transactions with our TRSs on terms that we believe are arm’s-length to avoid incurring the 100% excise tax described above. There can be no assurance, however, that we will be able to comply with the TRS ownership limitation or be able to avoid application of the 100% excise tax.

Because distributions payable by REITs generally do not qualify for reduced tax rates, the value of our common stock could be adversely affected.

Certain distributions payable by domestic or qualified foreign corporations to individuals, trusts, and estates in the United States are currently eligible for federal income tax at a maximum rate of 20% plus the 3.8% Medicare tax on net investment income, if applicable. Distributions payable by REITs, in contrast, are generally not eligible for this reduced rate, unless the distributions are attributable to dividends received by the REIT from other corporations that would otherwise be eligible for the reduced rate. This more favorable tax rate for regular corporate distributions could cause qualified investors to perceive investments in REITs to be less attractive than investments in the stock of corporations that pay distributions, which could adversely affect the value of REIT stocks, including our common stock.

Even if we continue to qualify as a REIT, certain of our business activities will be subject to corporate level income tax and foreign taxes, which will continue to reduce our cash flows, and we will have potential deferred and contingent tax liabilities.

Even if we qualify for taxation as a REIT, we may be subject to certain (i) federal, state, local, and foreign taxes on our income and assets (including alternative minimum taxes for taxable years ending prior to January 1, 2018); (ii) taxes on any undistributed income and state, local, or foreign income; and (iii) franchise, property, and transfer taxes. In addition, we could be required to pay an excise or penalty tax under certain circumstances in order to utilize one or more relief provisions under the Internal Revenue Code to maintain qualification for taxation as a REIT, which could be significant in amount.

Any TRS assets and operations would continue to be subject, as applicable, to federal and state corporate income taxes and to foreign taxes in the jurisdictions in which those assets and operations are located. Any of these taxes would decrease our earnings and our cash available for distributions to stockholders.

We will also be subject to a federal corporate level tax at the highest regular corporate rate (currently 21%) on all or a portion of the gain recognized from a sale of assets formerly held by any C corporation that we acquire on a carry-over basis transaction occurring within a five-year period after we acquire such assets, to the extent the built-in gain based on the fair market value of those assets on the effective date of the REIT election is in excess of our then tax basis. The tax on subsequently sold assets will be based on the fair market value and built-in gain of those assets as of the beginning of our holding period. Gains from the sale of an asset occurring after the specified period will not be subject to this corporate level tax. We expect to have only a de minimis amount of assets subject to these corporate tax rules and do not expect to dispose of any significant assets subject to these corporate tax rules.

Because dividends received by foreign stockholders are generally taxable, we may be required to withhold a portion of our distributions to such persons.

Ordinary dividends received by foreign stockholders that are not effectively connected with the conduct of a U.S. trade or business are generally subject to U.S. withholding tax at a rate of 30%, unless reduced by an applicable income tax treaty. Additional rules with respect to certain capital gain distributions will apply to foreign stockholders that own more than 10% of our common stock.

The ability of our Board to revoke our REIT election, without stockholder approval, may cause adverse consequences for our stockholders.

Our organizational documents permit our Board to revoke or otherwise terminate our REIT election, without the approval of our stockholders, if it determines that it is no longer in our best interest to continue to qualify as a REIT. If we cease to be a REIT, we will not be allowed a deduction for dividends paid to stockholders in computing our taxable income and we will be subject to federal income tax at regular corporate rate and state and local taxes, which may have adverse consequences on the total return to our stockholders.

Federal and state income tax laws governing REITs and related interpretations may change at any time, and any such legislative or other actions affecting REITs could have a negative effect on us and our stockholders.

Federal and state income tax laws governing REITs or the administrative interpretations of those laws may be amended at any time. Federal, state, and foreign tax laws are under constant review by persons involved in the legislative process, at the Internal Revenue Service and the U.S. Department of the Treasury, and at various state and foreign tax authorities. Changes to tax laws, regulations, or administrative interpretations, which may be applied retroactively, could adversely affect us or our stockholders. We cannot predict whether, when, in what forms, or with what effective dates, the tax laws, regulations, and administrative interpretations applicable to us or our stockholders may be changed. Accordingly, we cannot assure you that any such change will not significantly affect our ability to qualify for taxation as a REIT or the federal income tax consequences to you or us.

Risks Related to Our Overall Business

We are subject to the volatility of the capital markets, which may impact our ability to deploy capital.

The trading volume and market price of our common stock may fluctuate significantly and be adversely impacted in response to a number of factors. Therefore, our current or historical trading volume and share prices are not indicative of the number of shares of our common stock that will trade going forward or how the market will value shares of our common stock in the future. In addition, the capital markets may experience extreme volatility, disruption and periods of dislocation (e.g., during pandemics or a global financial crisis), which could make it more difficult for us to raise capital. Since net-lease REITs must be able to deploy capital with agility and consistency, if we cannot access the capital markets upon favorable terms or at all, we may be required to liquidate one or more investments, including when an investment has not yet realized its maximum return, which could also result in adverse tax consequences and affect our ability to capitalize on acquisition opportunities and/or meet operational needs. Moreover, market turmoil could lead to decreased consumer confidence and widespread reduction of business activity, which may materially and adversely impact us, including our ability to acquire and dispose of properties.

Future issuances of debt and equity securities may negatively affect the market price of our common stock.

We may issue debt or equity securities or incur additional borrowings in the future. Future issuances of debt securities would increase our interest costs and rank senior to our common stock upon our liquidation, and additional issuances of equity securities would dilute the holdings of our existing common stockholders (and any preferred stock may rank senior to our common stock for the purposes of making distributions), both of which may negatively affect the market price of our common stock. However, our future growth will depend, in part, upon our ability to raise additional capital, including through the issuance of debt and equity securities. Because our decision to issue additional debt or equity securities or incur additional borrowings in the future will depend on market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing, nature, or success of our future capital raising efforts. Thus, common stockholders bear the risk that our future issuances of debt or equity securities, or our incurrence of additional borrowings, will negatively affect the market price of our common stock.

There can be no assurance that we will be able to maintain cash dividends.

Our ability to continue to pay dividends in the future may be adversely affected by the risk factors described in this Report. More specifically, while we expect to continue our current dividend practices, we can give no assurance that we will be able to maintain dividend levels in the future for various reasons, including the following:

- there is no assurance that rents from our properties will increase or that future acquisitions will increase our cash available for distribution to stockholders, and we may not have enough cash to pay such dividends due to changes in our cash requirements, capital plans, cash flow, or financial position;
- our Board, in its sole discretion, determines the amount and timing of any future dividend payments to our stockholders based on a number of factors, therefore our dividend levels are not guaranteed and may fluctuate; and
- the amount of dividends that our subsidiaries may distribute to us may be subject to restrictions imposed by law or regulators, as well as the terms of any current or future indebtedness that these subsidiaries may incur.

Furthermore, certain agreements relating to our borrowings may, under certain circumstances, prohibit or otherwise restrict our ability to pay dividends to our common stockholders. Future dividends, if any, are expected to be based upon our earnings, financial condition, cash flows and liquidity, debt service requirements, capital expenditure requirements for our properties, financing covenants, and applicable law. If we do not have sufficient cash available to pay dividends, we may need to fund the shortage out of working capital or revenues from future acquisitions, if any, or borrow to provide funds for such dividends, which would reduce the amount of funds available for investment and increase our future interest costs. Our inability to pay dividends, or to pay dividends at expected levels, could adversely impact the market price of our common stock.

Our accounting policies and methods are fundamental to how we record and report our financial position and results of operations, and they require management to make estimates, judgments, and assumptions about matters that are inherently uncertain.

Our accounting policies and methods are fundamental to how we record and report our financial position and results of operations. We have identified several accounting policies as being critical to the presentation of our financial position and results of operations because they require management to make particularly subjective or complex judgments about matters that are inherently uncertain and because of the likelihood that materially different amounts would be recorded under different conditions or using different assumptions. Due to the inherent uncertainty of the estimates, judgments, and assumptions associated with these critical accounting policies, we cannot provide any assurance that we will not make significant subsequent adjustments to our consolidated financial statements. If our judgments, assumptions, and allocations prove to be incorrect, or if circumstances change, our business, financial condition, revenues, operating expense, results of operations, liquidity, ability to pay dividends, or stock price may be materially adversely affected.

We may make investments in asset classes or countries outside of our core investment strategy which may be perceived as complicating our strategy relative to our peers.

We may need to expand beyond our current asset class mix to growth our portfolio. As a result, we intend, to the extent that market conditions warrant, to seek to grow our businesses by increasing our investments in existing businesses, pursuing new investment strategies (including investment opportunities in new asset classes), developing new types of investment structures and products, and expanding into new geographic markets and businesses. Introducing new types of investment structures and products could increase the complexities involved in managing such investments, including to ensure compliance with regulatory requirements and terms of the investment. Making investments in assets classes or countries outside of our core investment strategy may also be perceived as complicating our strategy relative to our peers.

Entry into asset classes or countries may subject us to new laws and regulations with which we are not familiar, or from which we are currently exempt, and may lead to increased litigation and regulatory risk and costs.

Failure to hedge effectively against interest rate changes and foreign exchange rate changes may have a material adverse effect on our business, financial condition and results of operations.

The interest rate and foreign exchange rate hedge instruments we may use to manage some of our exposure to interest rate and foreign exchange rate volatility involve risk, such as the risk that counterparties may fail to honor their obligations under these arrangements. Failure to hedge effectively against such interest rate and foreign exchange rate changes may have a material adverse effect on our business, financial condition and results of operations.

Our future success depends on the successful recruitment and retention of personnel, including our executives.

Our future success depends in large part on our ability to hire and retain a sufficient number of qualified and diverse personnel. Failure to recruit from a diverse pool of qualified candidates, particularly in light of recent labor shortages could negatively impact the dynamic growth of our company. In addition, the nature of our executive officers' experience and the extent of the relationships they have developed with real estate professionals and financial institutions are important to the success of our business. We cannot provide any assurances regarding their continued employment with us. The loss of the services of certain of our executive officers could detrimentally affect our business and prospects, and a sustained labor shortage or increased turnover rates among our employees, could increase costs and materially adversely affect our business.

The occurrence of cyber incidents, or a deficiency in our cyber security, could negatively impact our business by causing a disruption to our operations, a compromise or corruption of our confidential information, and/or damage to our business relationships, all of which could negatively impact our financial results.

A cyber incident is considered to be any adverse event that threatens the confidentiality, integrity, or availability of our information resources, which could be an intentional attack or an unintentional accident or error. We use information technology and other computer resources to carry out important operational activities and to maintain our business records. With the advent of remote work environments and technologies, we face heightened cybersecurity risks as our employees and counterparties increasingly depend on the internet and face greater exposure to malware and phishing attacks. These heightened cybersecurity risks may increase our vulnerability to cyber-attacks and cause disruptions to our internal control procedures.

In addition, we may store or come into contact with sensitive information and data. If we or our third-party service providers fail to comply with applicable privacy or data security laws in handling this information, including the General Data Protection Regulation and the California Consumer Privacy Act, we could face significant legal and financial exposure to claims of governmental agencies and parties whose privacy is compromised, including sizable fines and penalties.

We have implemented processes, procedures, and controls intended to address ongoing and evolving cyber security risks, but these measures, as well as our increased awareness of a risk of a cyber incident, do not guarantee that our financial results will not be negatively impacted by such an incident. The primary risks that could directly result from the occurrence of a cyber incident include operational interruption, damage to our relationship with our tenants, and private data exposure. A significant and extended disruption could damage our business or reputation; cause a loss of revenue; have an adverse effect on tenant relations; cause an unintended or unauthorized public disclosure; or lead to the misappropriation of proprietary, personal identifying and confidential information; all of which could result in us incurring significant expenses to address and remediate or otherwise resolve these kinds of issues. There can be no assurance that the insurance we maintain to cover some of these risks will be sufficient to cover the losses from any future breaches of our systems.

Our business may continue to be adversely affected by the ongoing COVID-19 pandemic.

We are unable to predict the impact of ongoing disruptions caused by additional surges and strains of COVID-19 transmission. The economic downturn and market volatility caused by the ongoing COVID-19 pandemic has already eroded the financial condition of certain of our tenants and operating properties; therefore, we cannot predict the impact that COVID-19 will continue to have on our tenants' ability to pay rent and any information provided regarding historical rent collections should not serve as an indication of expected future rent collections. We also cannot assure you that conditions in the bank lending, capital, and other financial markets will not deteriorate as a result of the continued impact of COVID-19, causing our access to capital and other sources of funding to become constrained, which could adversely affect the terms or even availability of future borrowings, renewals, and refinancings. Changes in laws and regulatory policies, including any governmental actions related to COVID-19 and the effects of fiscal and monetary policy changes, could result in business disruptions and subject us to additional market volatility and risks.

Item 1B. Unresolved Staff Comments.

None.

Item 2. Properties.

Our principal corporate offices are located at One Manhattan West, 395 9th Avenue, 58th Floor, New York, NY 10001 and our international offices are located in London and Amsterdam. We have additional office space domestically in Dallas. We lease all of these offices and believe these leases are suitable for our operations for the foreseeable future.

See Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations — Portfolio Overview for a discussion of the properties we hold for rental operations and Part II, Item 8. Financial Statements and Supplementary Data — Schedule III — Real Estate and Accumulated Depreciation for a detailed listing of such properties.

Item 3. Legal Proceedings.

Various claims and lawsuits arising in the normal course of business are pending against us. The results of these proceedings are not expected to have a material adverse effect on our consolidated financial position or results of operations.

Item 4. Mine Safety Disclosures.

Not applicable.

PART II

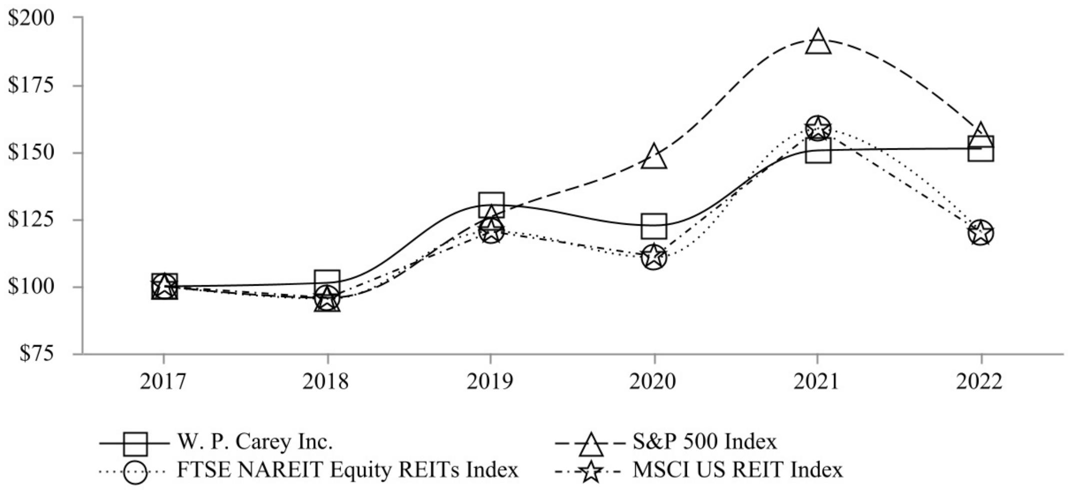
Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

Market Information

Our common stock is listed on the NYSE under the ticker symbol "WPC." At February 3, 2023 there were 8,982 registered holders of record of our common stock. This figure does not reflect the beneficial ownership of shares of our common stock.

Stock Price Performance Graph

The graph below provides an indicator of cumulative total stockholder returns for our common stock for the period December 31, 2017 to December 31, 2022, as compared with the S&P 500 Index, the FTSE NAREIT Equity REITs Index, and the MSCI US REIT Index, which we have added to the graph below since it serves as a benchmark index for our compensation decisions. We intend to discontinue presentation of the FTSE NAREIT Equity REITs Index in future stock price performance graphs, as the MSCI US REIT Index will serve as our industry index. The graph assumes a $100 investment on December 31, 2017, together with the reinvestment of all dividends.



	At December 31,					
	2017	2018	2019	2020	2021	2022
W. P. Carey Inc.	$ 100.00	$ 101.08	$ 130.23	$ 122.44	$ 150.45	$ 151.16
S&P 500 Index	100.00	95.62	125.72	148.85	191.58	156.88
FTSE NAREIT Equity REITs Index	100.00	95.38	120.17	110.56	158.36	119.77
MSCI US REIT Index	100.00	95.43	120.09	110.99	158.79	119.87

The stock price performance included in this graph is not indicative of future stock price performance.

Dividends

We currently intend to continue paying cash dividends consistent with our historical practice; however, our Board determines the amount and timing of any future dividend payments to our stockholders based on a variety of factors.

Securities Authorized for Issuance Under Equity Compensation Plans

This information will be contained in our definitive proxy statement for the 2023 Annual Meeting of Stockholders, to be filed within 120 days following the end of our fiscal year, and is incorporated herein by reference.

Item 6. Reserved

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

Management's Discussion and Analysis of Financial Condition and Results of Operations is intended to assist in understanding our financial statements and the reasons for changes in certain key components of our financial statements from period to period. This item also provides our perspective on our financial position and liquidity, as well as certain other factors that may affect our future results. The discussion also breaks down the financial results of our business by segment to provide a better understanding of how these segments and their results affect our financial condition and results of operations.

The following discussion should be read in conjunction with our consolidated financial statements in Item 8 of this Report and the matters described under Item 1A. Risk Factors. Please see our Annual Report on Form 10-K for the year ended December 31, 2021 for discussion of our financial condition and results of operations for the year ended December 31, 2020. Refer to Item 1. Business for a description of our business.

Significant Developments

Board of Directors Change

On December 12, 2022, we announced that Ms. Elisabeth Stheeman, age 58, was appointed to our Board. Please see our Current Report on Form 8-K filed on December 12, 2022 for additional information.

Financial Highlights

During the year ended December 31, 2022, we completed the following (as further described in the consolidated financial statements):

Real Estate

CPA:18 Merger

On August 1, 2022, we completed the CPA:18 Merger (Note 3).

- We acquired full or partial ownership interests in 42 properties in the CPA:18 Merger (including seven properties in which we already owned a partial ownership interest), substantially all of which were triple-net leased with a weighted-average lease term of 7.0 years, an occupancy rate of 99.3%, and an estimated ABR totaling $81.0 million. We also acquired 65 self-storage operating properties and two student housing operating properties totaling 5.1 million square feet. The related property-level debt was comprised of non-recourse mortgage loans with an aggregate consolidated fair value of approximately $900.2 million with a weighted-average annual interest rate of 5.1% as of August 1, 2022.
- We issued the following to CPA:18 – Global stockholders as part of the merger consideration: (i) 13,786,302 shares of our common stock of approximately $1.2 billion, (ii) $3.00 per share of cash consideration totaling approximately $423.3 million, and (iii) cash of $0.1 million paid in lieu of issuing any fractional shares of our common stock.
- Lease revenues and operating property revenues from properties acquired in the CPA:18 Merger were $42.7 million and $39.2 million, respectively, for the year ended December 31, 2022.
- We recognized a Gain on change in control of interests of $33.9 million in connection with the CPA:18 Merger during the year ended December 31, 2022, of which $11.4 million was attributable to our Real Estate segment and $22.5 million was attributable to our Investment Management segment.

Investments

- We acquired 23 investments totaling $1.2 billion (Note 5, Note 6).
- We completed six construction projects at a cost totaling $148.1 million (Note 5).
- We funded approximately $89.5 million for a construction loan to build a retail complex in Las Vegas, Nevada, during the year ended December 31, 2022. Through December 31, 2022, we have funded $193.2 million (Note 8).
- We committed to fund six build-to-suit or redevelopment projects totaling $20.3 million. We currently expect to complete the projects in 2023 (Note 5).

Dispositions

- We disposed of 23 properties for total proceeds, net of selling costs, of $234.7 million (Note 16).
- In January 2022, WLT redeemed in full our 1,300,000 shares of its preferred stock for gross proceeds of $65.0 million (Note 9).
- In October 2022, we received $82.6 million in cash proceeds as a result of certain private real estate funds' acquisition of all outstanding shares of WLT common stock. As of the date of acquisition, we owned 12,208,243 shares of WLT common stock. Upon completion of this transaction, we have no remaining interest in WLT (Note 9).

Financing and Capital Markets Transactions

- In April 2022, we increased the Term Loan to £270.0 million and the Delayed Draw Term Loan to €215.0 million, thereby increasing the total capacity of our Senior Unsecured Credit Facility to approximately $2.4 billion. We used the approximately $300 million of proceeds from this increase in the capacity of our Unsecured Term Loans to partially repay amounts outstanding under our Unsecured Revolving Credit Facility (Note 11).
- On May 2, 2022, we established a $1.0 billion ATM Program, under which we may issue shares directly or defer delivery to a later date through our ATM Forwards (Note 13).
- We issued 2,740,295 shares of our common stock under our prior ATM Program at a weighted-average price of $80.79 per share, for net proceeds of $218.1 million (Note 13).
- We settled our remaining Equity Forwards by delivering 3,925,000 shares of common stock for net proceeds of $284.3 million (Note 13).
- As of December 31, 2022, we had approximately $530.0 million of available proceeds under our ATM Forwards (Note 13).
- On September 28, 2022, we completed a private placement of (i) €150 million of 3.41% Senior Notes due 2029, which have a seven-year term and are scheduled to mature on September 28, 2029, and (ii) €200 million of 3.70% Senior Notes due 2032, which have a ten-year term and are scheduled to mature on September 28, 2032 (Note 11).

Investment Management

- Upon completion of the CPA:18 Merger (Note 3), we ceased earning advisory fees and other income previously earned when we served as advisor to CPA:18 – Global. During the year ended December 31, 2022, through the date of the CPA:18 Merger, such fees and other income from CPA:18 – Global totaled $17.9 million. Investment Management fees and other income are expected to be minimal going forward.

Dividends to Stockholders

We declared cash dividends totaling $4.242 per share, comprised of four quarterly dividends per share of $1.057, $1.059, $1.061, and $1.065.

Consolidated Results

(in thousands, except shares)

	Years Ended December 31,	
	2022	**2021**
Revenues from Real Estate	$ 1,468,101	$ 1,312,126
Revenues from Investment Management	10,985	19,398
Total revenues	1,479,086	1,331,524
Net income from Real Estate attributable to W. P. Carey	591,603	384,766
Net income from Investment Management attributable to W. P. Carey	7,536	25,222
Net income attributable to W. P. Carey	599,139	409,988
Dividends declared	859,655	781,626
Net cash provided by operating activities	1,003,556	926,479
Net cash used in investing activities	(1,052,531)	(1,566,727)
Net cash provided by financing activities	57,887	557,048
Supplemental financial measures [(a)]:		
Adjusted funds from operations attributable to W. P. Carey (AFFO) — Real Estate	1,042,782	896,139
Adjusted funds from operations attributable to W. P. Carey (AFFO) — Investment Management	17,816	25,352
Adjusted funds from operations attributable to W. P. Carey (AFFO)	1,060,598	921,491
Diluted weighted-average shares outstanding	200,427,124	183,127,098

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(a) We consider Adjusted funds from operations (“AFFO”), a supplemental measure that is not defined by U.S. generally accepted accounting principles (“GAAP”) (a “non-GAAP measure”), to be an important measure in the evaluation of our operating performance. See Supplemental Financial Measures below for our definition of this non-GAAP measure and a reconciliation to its most directly comparable GAAP measure.

Revenues

Real Estate revenue increased in 2022 as compared to 2021, primarily due to higher lease revenues (substantially as a result of property acquisition activity and rent escalations, as well as the net-leased properties we acquired in the CPA:18 Merger on August 1, 2022 (Note 3), partially offset by the impact of the weakening euro and British pound sterling) and higher operating property revenues (primarily from the operating properties we acquired in the CPA:18 Merger on August 1, 2022 (Note 3)), partially offset by lower other lease-related income (Note 5).

Net Income Attributable to W. P. Carey

Net income attributable to W. P. Carey increased in 2022 as compared to 2021. Net income from Real Estate attributable to W. P. Carey increased primarily due to a lower loss on extinguishment of debt (Note 11), non-cash unrealized gains recognized on our investment in common shares of WLT (Note 9), and the impact of real estate acquisitions, partially offset by higher interest expense and the impact of the weakening euro and British pound sterling. In addition, we recognized non-cash unrealized gains on our investment in shares of Lineage Logistics during both the current and prior year (Note 9). Net income from Investment Management attributable to W. P. Carey decreased primarily due to an impairment charge recognized on goodwill within our Investment Management segment (Note 9). In addition, we recognized a gain on change in control of interests during the current year in connection with the CPA:18 Merger (Note 3).

AFFO

AFFO increased in 2022 as compared to 2021, primarily due to investment activity and rent escalations, higher other lease-related income (on an AFFO basis), and the accretive impact of the CPA:18 Merger (Note 3), partially offset by the impact of the weakening euro and British pound sterling and higher interest expense.

Portfolio Overview

Our portfolio is comprised of operationally-critical, commercial real estate assets net leased to tenants located primarily in the United States and Northern and Western Europe. We invest in high-quality single tenant industrial, warehouse, office, retail, and self-storage (net lease) properties subject to long-term leases with built-in rent escalators. Portfolio information is provided on a pro rata basis, unless otherwise noted below, to better illustrate the economic impact of our various net-leased jointly owned investments. See Terms and Definitions below for a description of pro rata amounts.

Portfolio Summary

	As of December 31,	
Net-leased Properties	2022	2021
ABR (in thousands)	$ 1,381,899	$ 1,247,764
Number of net-leased properties [(a)]	1,449	1,304
Number of tenants	392	352
Total square footage (in thousands)	175,957	155,674
Occupancy	98.8 %	98.5 %
Weighted-average lease term (in years)	10.8	10.8
Operating Properties		
Number of operating properties: [(b)]	87	20
Number of self-storage operating properties	84	19
Number of student housing operating properties	2	—
Number of hotel operating properties	1	1
Occupancy (self-storage operating properties)	91.0 %	95.3 %
Number of countries [(c)]	26	24
Total assets (in thousands)	$ 18,102,035	$ 15,480,630
Net investments in real estate (in thousands)	15,488,898	13,037,369

	Years Ended December 31,	
	2022	2021
Acquisition volume (in millions) [(d)]	$ 1,265.5	$ 1,627.9
Construction projects completed (in millions)	148.1	88.2
Average U.S. dollar/euro exchange rate	1.0540	1.1830
Average U.S. dollar/British pound sterling exchange rate	1.2373	1.3755

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(a) We acquired 35 net-leased properties (in which we did not already have an ownership interest) in the CPA:18 Merger in August 2022 (Note 3).

(b) We acquired 65 self-storage properties, one student housing property, and one student housing development project in the CPA:18 Merger in August 2022 (Note 3).

(c) We acquired investments in Belgium during the year ended December 31, 2022. We acquired an investment in Mauritius in connection with the CPA:18 Merger in August 2022 (Note 3).

(d) Amount for the year ended December 31, 2022 excludes properties acquired in the CPA:18 Merger (Note 3). Amounts for the years ended December 31, 2022 and 2021 include $19.8 million and $217.0 million, respectively, of sale-leasebacks classified as loans receivable (Note 6). Amounts for the years ended December 31, 2022 and 2021 include $89.5 million and $103.7 million, respectively, of funding for a construction loan (Note 8).

Net-Leased Portfolio

The tables below represent information about our net-leased portfolio at December 31, 2022 on a pro rata basis and, accordingly, exclude all operating properties. See Terms and Definitions below for a description of pro rata amounts and ABR.

Top Ten Tenants by ABR
(dollars in thousands)

Tenant/Lease Guarantor	**Description**	**Number of Properties**	**ABR**	**ABR Percent**	**Weighted-Average Lease Term (Years)**
U-Haul Moving Partners Inc. and Mercury Partners, LP	Net lease self-storage properties in the U.S.	78	$ 38,751	2.8 %	1.3
State of Andalucía [(a)]	Government office properties in Spain	70	29,271	2.1 %	12.0
Metro Cash & Carry Italia S.p.A. [(a)]	Business-to-business wholesale stores in Italy and Germany	20	27,512	2.0 %	5.8
Hellweg Die Profi-Baumärkte GmbH & Co. KG [(a)]	Do-it-yourself retail properties in Germany	35	27,250	2.0 %	14.2
Extra Space Storage, Inc.	Net lease self-storage properties in the U.S.	27	22,957	1.7 %	21.3
OBI Group [(a)]	Do-it-yourself retail properties in Poland	26	22,266	1.6 %	7.8
Marriott Corporation [(b)]	Net lease hotel properties in the U.S.	18	21,350	1.6 %	1.0
Nord Anglia Education, Inc.	K-12 private schools in the U.S.	3	20,981	1.5 %	20.7
Advance Auto Parts, Inc.	Distribution facilities in the U.S.	29	19,851	1.4 %	10.1
Eroski Sociedad Cooperativa [(a)]	Grocery stores and warehouses in Spain	63	19,705	1.4 %	13.2
Total		369	$ 249,894	18.1 %	10.1

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(a) ABR amounts are subject to fluctuations in foreign currency exchange rates.
(b) ABR for this tenant includes $16.1 million from a lease that expired in January 2023. Upon lease expiration, these properties were converted from net lease properties to operating properties.

Portfolio Diversification by Geography
(in thousands, except percentages)

Region	ABR	ABR Percent	Square Footage (a)	Square Footage Percent
United States				
South				
Texas	$ 115,176	8.3 %	12,609	7.2 %
Florida	54,064	3.9 %	4,544	2.6 %
Georgia	28,411	2.1 %	4,721	2.7 %
Tennessee	25,545	1.8 %	4,136	2.3 %
Alabama	20,072	1.5 %	3,334	1.9 %
Other (b)	14,529	1.1 %	2,237	1.3 %
Total South	257,797	18.7 %	31,581	18.0 %
Midwest				
Illinois	75,252	5.5 %	10,864	6.2 %
Minnesota	34,977	2.5 %	3,686	2.1 %
Indiana	29,312	2.1 %	5,222	3.0 %
Michigan	28,311	2.1 %	4,705	2.7 %
Ohio	28,303	2.0 %	6,181	3.5 %
Wisconsin	18,126	1.3 %	3,276	1.8 %
Other (b)	42,430	3.1 %	6,230	3.5 %
Total Midwest	256,711	18.6 %	40,164	22.8 %
East				
North Carolina	38,333	2.8 %	8,302	4.7 %
Pennsylvania	32,169	2.3 %	3,527	2.0 %
New York	19,373	1.4 %	2,257	1.3 %
Kentucky	18,638	1.4 %	3,063	1.7 %
South Carolina	18,556	1.3 %	4,949	2.8 %
Massachusetts	18,209	1.3 %	1,387	0.8 %
New Jersey	15,735	1.1 %	943	0.5 %
Virginia	14,652	1.1 %	1,854	1.1 %
Other (b)	25,029	1.8 %	3,884	2.2 %
Total East	200,694	14.5 %	30,166	17.1 %
West				
California	64,977	4.7 %	6,417	3.6 %
Arizona	30,417	2.2 %	3,437	2.0 %
Other (b)	64,897	4.7 %	6,994	4.0 %
Total West	160,291	11.6 %	16,848	9.6 %
United States Total	875,493	63.4 %	118,759	67.5 %
International				
Germany	71,304	5.2 %	7,020	4.0 %
Spain	63,779	4.6 %	5,187	3.0 %
Poland	63,552	4.6 %	8,631	4.9 %
The Netherlands	55,666	4.0 %	7,054	4.0 %
United Kingdom	51,977	3.8 %	4,766	2.7 %
Italy	26,884	1.9 %	2,541	1.4 %
Denmark	23,526	1.7 %	3,039	1.7 %
France	19,920	1.4 %	1,679	1.0 %
Croatia	19,475	1.4 %	2,063	1.2 %
Canada	16,337	1.2 %	2,492	1.4 %
Norway	15,533	1.1 %	753	0.4 %
Other (c)	78,453	5.7 %	11,973	6.8 %
International Total	506,406	36.6 %	57,198	32.5 %
Total	$ 1,381,899	100.0 %	175,957	100.0 %

Portfolio Diversification by Property Type
(in thousands, except percentages)

Property Type	ABR	ABR Percent	Square Footage [(a)]	Square Footage Percent
Industrial	$ 366,777	26.5 %	62,521	35.6 %
Warehouse	333,713	24.1 %	63,192	35.9 %
Office	239,941	17.4 %	16,703	9.5 %
Retail [(d)]	231,839	16.8 %	20,290	11.5 %
Self Storage (net lease)	61,708	4.5 %	5,810	3.3 %
Other [(e)]	147,921	10.7 %	7,441	4.2 %
Total	$ 1,381,899	100.0 %	175,957	100.0 %

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(a) Includes square footage for any vacant properties.

(b) Other properties within South include assets in Louisiana, Arkansas, Oklahoma, and Mississippi. Other properties within Midwest include assets in Iowa, Missouri, Kansas, Nebraska, South Dakota, and North Dakota. Other properties within East include assets in Maryland, Connecticut, West Virginia, New Hampshire, and Maine. Other properties within West include assets in Utah, Oregon, Colorado, Washington, Nevada, Hawaii, Idaho, New Mexico, Wyoming, and Montana.

(c) Includes assets in Lithuania, Mexico, Finland, Belgium, Hungary, Mauritius, Slovakia, Portugal, the Czech Republic, Austria, Sweden, Japan, Latvia, and Estonia.

(d) Includes automotive dealerships.

(e) Includes ABR from tenants with the following property types: hotel (net lease), education facility, laboratory, specialty, fitness facility, research and development, student housing (net lease), theater, funeral home, restaurant, land, and parking.

Portfolio Diversification by Tenant Industry
(in thousands, except percentages)

Industry Type	ABR	ABR Percent	Square Footage	Square Footage Percent
Retail Stores [(a)]	$ 283,868	20.5 %	36,457	20.7 %
Consumer Services	110,969	8.0 %	8,067	4.6 %
Beverage and Food	105,906	7.7 %	15,759	9.0 %
Automotive	85,966	6.2 %	13,477	7.7 %
Grocery	79,516	5.8 %	8,363	4.8 %
Cargo Transportation	63,473	4.6 %	9,550	5.4 %
Hotel and Leisure	57,132	4.1 %	3,060	1.7 %
Healthcare and Pharmaceuticals	55,806	4.0 %	5,557	3.2 %
Capital Equipment	55,593	4.0 %	8,459	4.8 %
Business Services	48,375	3.5 %	4,113	2.3 %
Containers, Packaging, and Glass	46,942	3.4 %	8,266	4.7 %
Durable Consumer Goods	46,761	3.4 %	10,300	5.9 %
Construction and Building	46,583	3.4 %	9,235	5.2 %
Sovereign and Public Finance	42,578	3.1 %	3,560	2.0 %
High Tech Industries	36,027	2.6 %	3,574	2.0 %
Insurance	30,862	2.2 %	2,024	1.1 %
Chemicals, Plastics, and Rubber	29,935	2.2 %	5,254	3.0 %
Non-Durable Consumer Goods	26,374	1.9 %	6,244	3.5 %
Banking	23,894	1.7 %	1,426	0.8 %
Metals	18,673	1.4 %	3,259	1.9 %
Telecommunications	16,839	1.2 %	1,686	1.0 %
Other [(b)]	69,827	5.1 %	8,267	4.7 %
Total	$ 1,381,899	100.0 %	175,957	100.0 %

(a) Includes automotive dealerships.
(b) Includes ABR from tenants in the following industries: media: broadcasting and subscription, aerospace and defense, wholesale, media: advertising, printing, and publishing, oil and gas, utilities: electric, environmental industries, consumer transportation, forest products and paper, electricity, and real estate. Also includes square footage for vacant properties.

Lease Expirations
(dollars and square footage in thousands)

Year of Lease Expiration [(a)]	Number of Leases Expiring	Number of Tenants with Leases Expiring	ABR	ABR Percent	Square Footage	Square Footage Percent
2023 [(b)]	36	30	$ 54,228	3.9 %	5,500	3.1 %
2024 [(c)]	41	35	90,330	6.6 %	11,230	6.4 %
2025	53	32	61,241	4.4 %	7,068	4.0 %
2026	46	36	64,074	4.7 %	9,081	5.1 %
2027	57	33	82,953	6.0 %	8,906	5.1 %
2028	46	28	69,298	5.0 %	5,589	3.2 %
2029	57	29	68,802	5.0 %	8,337	4.7 %
2030	34	29	73,128	5.3 %	6,165	3.5 %
2031	37	21	70,249	5.1 %	8,749	5.0 %
2032	41	22	44,204	3.2 %	6,200	3.5 %
2033	31	24	81,864	5.9 %	11,377	6.5 %
2034	49	18	83,347	6.0 %	8,638	4.9 %
2035	14	14	29,388	2.1 %	4,957	2.8 %
2036	49	19	84,795	6.1 %	13,524	7.7 %
Thereafter (>2036)	261	107	423,998	30.7 %	58,555	33.3 %
Vacant	—	—	—	— %	2,081	1.2 %
Total	852		$ 1,381,899	100.0 %	175,957	100.0 %

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(a) Assumes tenants do not exercise any renewal options or purchase options.
(b) Includes ABR of $16.1 million from a tenant (Marriott Corporation) with a lease that expired in January 2023. Upon lease expiration, these properties were converted from net lease properties to operating properties.
(c) Includes ABR of $38.8 million from a tenant (U-Haul Moving Partners, Inc. and Mercury Partners, LP) that holds an option to repurchase the 78 properties it is leasing in April 2024. There can be no assurance that such repurchase will be completed.

Rent Collections

Through the date of this Report, we received from tenants over 99.3% of contractual base rent that was due during the fourth quarter of 2022 (based on contractual minimum ABR as of September 30, 2022).

Terms and Definitions

Pro Rata Metrics —The portfolio information above contains certain metrics prepared on a pro rata basis. We refer to these metrics as pro rata metrics. We have a number of investments, usually with our affiliates, in which our economic ownership is less than 100%. On a full consolidation basis, we report 100% of the assets, liabilities, revenues, and expenses of those investments that are deemed to be under our control or for which we are deemed to be the primary beneficiary, even if our ownership is less than 100%. Also, for all other jointly owned investments, which we do not control, we report our net investment and our net income or loss from that investment. On a pro rata basis, we generally present our proportionate share, based on our economic ownership of these jointly owned investments, of the portfolio metrics of those investments. Multiplying each of our jointly owned investments' financial statement line items by our percentage ownership and adding or subtracting those amounts from our totals, as applicable, may not accurately depict the legal and economic implications of holding an ownership interest of less than 100% in our jointly owned investments.

ABR — ABR represents contractual minimum annualized base rent for our net-leased properties and reflects exchange rates as of December 31, 2022. If there is a rent abatement, we annualize the first monthly contractual base rent following the free rent period. ABR is not applicable to operating properties.

Results of Operations

We operate in two reportable segments: Real Estate and Investment Management. We evaluate our results of operations with a primary focus on increasing and enhancing the value, quality, and number of properties in our Real Estate segment. We focus our efforts on accretive investing and improving portfolio quality through re-leasing efforts, including negotiation of lease renewals, or selectively selling assets in order to increase value in our real estate portfolio. Through our Investment Management segment, we expect to continue to earn fees and other income from the management of the CESH portfolio until it reaches the end of its life cycle. Refer to Note 17 for tables presenting the comparative results of our Real Estate and Investment Management segments.

Real Estate

Revenues

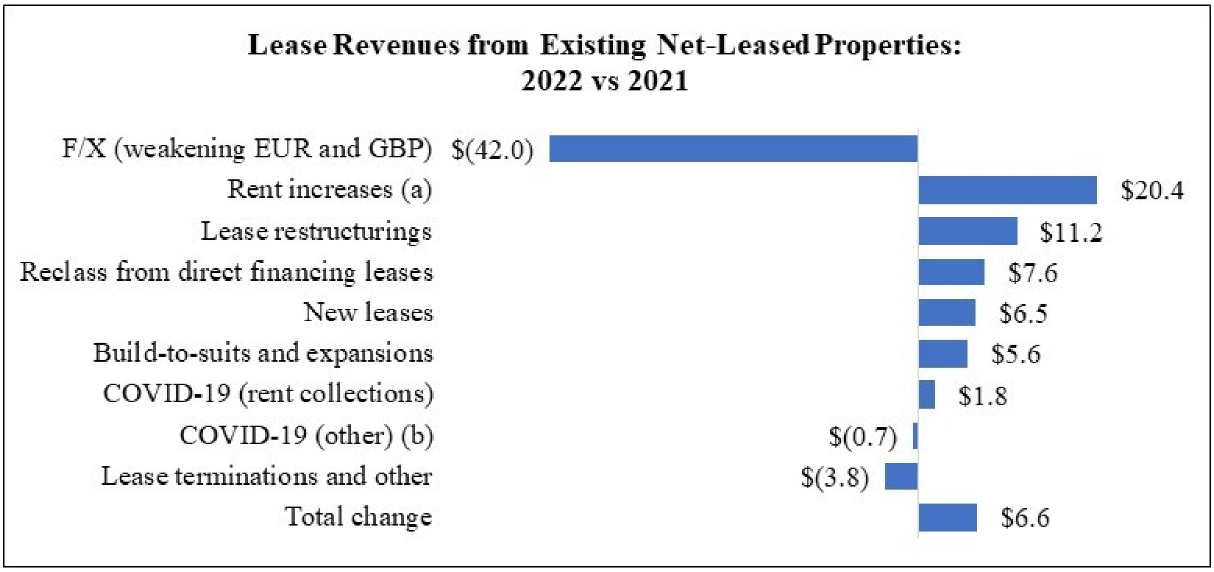
The following table presents revenues within our Real Estate segment (in thousands):

	Years Ended December 31,		
	2022	2021	Change
Real Estate Revenues			
Lease revenues from:			
Existing net-leased properties	$ 1,110,502	$ 1,103,945	$ 6,557
Recently acquired net-leased properties	140,431	53,687	86,744
Net-leased properties acquired in the CPA:18 Merger	36,040	—	36,040
Net-leased properties sold or held for sale	14,644	19,806	(5,162)
Total lease revenues (including reimbursable tenant costs)	1,301,617	1,177,438	124,179
Income from direct financing leases and loans receivable	74,266	67,555	6,711
Operating property revenues from:			
Operating properties acquired in the CPA:18 Merger	39,193	—	39,193
Existing operating properties	20,037	13,478	6,559
Total operating property revenues	59,230	13,478	45,752
Other lease-related income	32,988	53,655	(20,667)
	$ 1,468,101	$ 1,312,126	$ 155,975

Lease Revenues

"Existing net-leased properties" are those that we acquired or placed into service prior to January 1, 2021 and that were not sold or held for sale during the periods presented. For the periods presented, there were 1,108 existing net-leased properties.

For the year ended December 31, 2022 as compared to 2021, lease revenues from existing net-leased properties increased due to the following items (in millions):



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(a) Excludes fixed minimum rent increases, which are reflected as straight-line rent adjustments within lease revenues.
(b) Primarily related to (i) straight-line rent adjustments and (ii) write-offs of above/below-market rent intangibles.

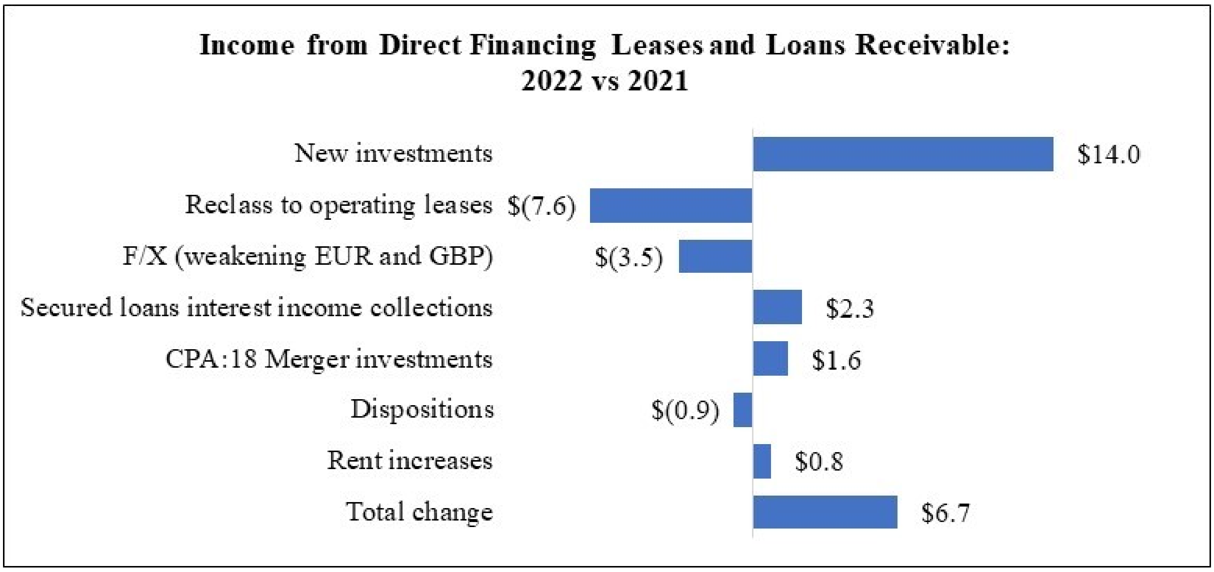
"Recently acquired net-leased properties" are those that we acquired or placed into service subsequent to December 31, 2020 and that were not sold or held for sale during the periods presented. Since January 1, 2021, we acquired 48 investments (comprised of 192 properties and six land parcels under buildings that we already own) and placed three properties into service.

"Net-leased properties acquired in the CPA:18 Merger" on August 1, 2022 (Note 3) consisted of 38 net-leased properties, which contributed five months of lease revenue, depreciation and amortization, and property expenses during the year ended December 31, 2022.

"Net-leased properties sold or held for sale" include (i) 23 net-leased properties disposed of during the year ended December 31, 2022; (ii) three net-leased properties classified as held for sale at December 31, 2022, one of which was sold in January 2023 (Note 5, Note 18); and (iii) 24 net-leased properties disposed of during the year ended December 31, 2021. Our dispositions are more fully described in Note 16.

Income from Direct Financing Leases and Loans Receivable

For the year ended December 31, 2022 as compared to 2021, income from direct financing leases and loans receivable decreased due to the following items (in millions):



Operating Property Revenues and Expenses

"Operating properties acquired in the CPA:18 Merger" on August 1, 2022 (Note 3) consisted of 65 self-storage properties and two student housing properties, which contributed five months of operating property revenues, depreciation and amortization, and operating property expenses during the year ended December 31, 2022.

"Existing operating properties" are those that we acquired or placed into service prior to January 1, 2021 and that were not sold or held for sale during the periods presented. For the periods presented, we recorded operating property revenues from 11 existing operating properties, comprised of ten self-storage operating properties (which excludes nine self-storage properties accounted for under the equity method) and one hotel operating property. For our hotel operating property, revenues and expenses increased by $4.9 million and $2.8 million, respectively, for the year ended December 31, 2022 as compared to 2021, reflecting higher occupancy as the hotel's business recovers from the ongoing COVID-19 pandemic.

Other Lease-Related Income

Other lease-related income is described in Note 5.

<u>Operating Expenses</u>

Depreciation and Amortization

For the year ended December 31, 2022 as compared to 2021, depreciation and amortization expense for net-leased properties and self-storage operating properties increased primarily due to the impact of net acquisition activity (including properties acquired in the CPA:18 Merger (Note 3)), partially offset by the weakening of foreign currencies (primarily the euro and British pound sterling) in relation to the U.S. dollar between the periods.

General and Administrative

All general and administrative expenses are recognized within our Real Estate segment.

For the year ended December 31, 2022 as compared to 2021, general and administrative expenses increased by $7.1 million, primarily due to higher compensation expense, increased professional fees resulting from the CPA:18 Merger, and higher travel costs.

Property Expenses, Excluding Reimbursable Tenant Costs

For the year ended December 31, 2022 as compared to 2021, property expenses, excluding reimbursable tenant costs, increased by $2.9 million, primarily due to due to tenant vacancies during 2021 and 2022 (which resulted in property expenses no longer being reimbursable) and property expenses incurred on acquisitions since January 1, 2021 (Note 3).

Impairment Charges

Our impairment charges are described in Note 9.

Stock-based Compensation Expense

For a description of our equity plans and awards, please see Note 14. Stock-based compensation expense is fully recognized within our Real Estate segment.

For the year ended December 31, 2022 as compared to 2021, stock-based compensation expense increased by $8.0 million, primarily due to changes in the projected payout for performance share units.

Merger and Other Expenses

For the years ended December 31, 2022 and 2021, merger and other expenses are primarily comprised of costs incurred in connection with the CPA:18 Merger (Note 3) and/or reversals of estimated liabilities for German real estate transfer taxes that were previously recorded in connection with mergers in prior years.

Other Income and (Expenses), and (Provision for) Benefit from Income Taxes

Interest Expense

For the year ended December 31, 2022 as compared to 2021, interest expense increased by $22.3 million, primarily due to (i) $20.1 million of interest expense incurred from August through December 2022 related to non-recourse mortgage loans assumed in the CPA:18 Merger (Note 3), (ii) higher outstanding balances and interest rates on our Senior Unsecured Credit Facility, and (iii) five senior unsecured notes issuances totaling $1.7 billion (based on the exchange rate of the euro on the dates of issuance for our euro-denominated senior unsecured notes) with a weighted-average interest rate of 2.1% completed since January 1, 2021, partially offset by (i) the weakening of foreign currencies (primarily the euro and British pound sterling) in relation to the U.S. dollar between the periods and (ii) the reduction of our mortgage debt outstanding by prepaying or repaying at or close to maturity a total of $892.9 million of non-recourse mortgage loans with a weighted-average interest rate of 4.8% since January 1, 2021.

The following table presents certain information about our outstanding debt (dollars in thousands):

	Years Ended December 31,	
	2022	2021
Average outstanding debt balance	$ 7,392,208	$ 6,906,997
Weighted-average interest rate	2.7 %	2.6 %

The weighted-average interest rate for our debt instruments as of December 31, 2022 increased to 3.0% as compared to 2.5% as of December 31, 2021, and is expected to be further impacted by rising interest rates over the next year.

Other Gains and (Losses)

Other gains and (losses) primarily consists of gains and losses on (i) the mark-to-market fair value of equity securities, (ii) extinguishment of debt, and (iii) foreign currency exchange rate movements. The timing and amount of such gains or losses cannot always be estimated and are subject to fluctuation. All of our foreign currency-denominated unsecured debt instruments were designated as net investment hedges during the years ended December 31, 2022 and 2021. Therefore, no gains and losses on foreign currency exchange rate movements were recognized on the remeasurement of such instruments during those periods (Note 10).

The following table presents other gains and (losses) within our Real Estate segment (in thousands):

	Years Ended December 31,		
	2022	2021	Change
Other Gains and (Losses)			
Non-cash unrealized gains related to an increase in the fair value of our investment in common shares of WLT (Note 9)	$ 49,233	$ —	$ 49,233
Non-cash unrealized gains related to an increase in the fair value of our investment in shares of Lineage Logistics (Note 9)	38,582	76,312	(37,730)
Net realized and unrealized losses on foreign currency exchange rate movements [a]	(26,866)	(15,608)	(11,258)
Non-cash unrealized gains related to an increase in the fair value of our investment in preferred shares of WLT (Note 9)	18,688	—	18,688
Change in allowance for credit losses on finance receivables (Note 6)	14,363	(266)	14,629
Gain on repayment of secured loan receivable [b]	10,613	—	10,613
Adjustment to insurance receivable acquired as part of a prior merger [c]	(9,358)	—	(9,358)
Gain (loss) on extinguishment of debt [d]	1,301	(75,339)	76,640
Other	593	1,225	(632)
	$ 97,149	$ (13,676)	$ 110,825

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(a) We make certain foreign currency-denominated intercompany loans to a number of our foreign subsidiaries, most of which do not have the U.S. dollar as their functional currency. Remeasurement of foreign currency intercompany transactions that are scheduled for settlement, consisting primarily of accrued interest and amortizing loans, are included in other gains and (losses).

(b) We acquired a secured loan receivable with a fair value of $23.4 million in our merger with a former affiliate, Corporate Property Associates 17 – Global Incorporated, in October 2018 (“CPA:17 Merger”), for which the outstanding principal of $34.0 million was fully repaid to us in September 2022 (Note 6). Therefore, we recorded a $10.6 million gain on repayment of this secured loan receivable.

(c) This insurance receivable was acquired in the CPA:17 Merger.

(d) Amount for the year ended December 31, 2021 is related to the prepayment of mortgage loans (primarily comprised of prepayment penalties totaling $45.2 million) and redemption of the €500.0 million of 2.0% Senior Notes due 2023 in March 2021 (primarily comprised of a “make-whole” amount of $26.2 million related to the redemption) (Note 11).

Gain on Sale of Real Estate, Net

Gain on sale of real estate, net, consists of gain on the sale of properties that were disposed of during the reporting period. Our dispositions are more fully described in Note 16.

Non-Operating Income

Non-operating income primarily consists of realized gains and losses on derivative instruments, dividends from equity securities, and interest income on our loans to affiliates and cash deposits.

The following table presents non-operating income within our Real Estate segment (in thousands):

	Years Ended December 31,		
	2022	2021	Change
Non-Operating Income			
Realized gains on foreign currency collars (Note 10)	$ 24,058	$ 2,357	$ 21,701
Cash dividend from our investment in Lineage Logistics (Note 9)	4,308	6,438	(2,130)
Interest income related to our loans to affiliates and cash deposits	1,011	90	921
Cash dividends from our investment in preferred shares of WLT (Note 9)	912	4,893	(3,981)
	$ 30,289	$ 13,778	$ 16,511

Earnings (Losses) from Equity Method Investments in Real Estate

Our equity method investments in real estate are more fully described in Note 8. The following table presents earnings (losses) from equity method investments in real estate (in thousands):

	Years Ended December 31,		
	2022	2021	Change
Earnings (Losses) from Equity Method Investments in Real Estate			
Existing Equity Method Investments:			
Earnings from Las Vegas Retail Complex	$ 10,077	$ 3,017	$ 7,060
Earnings from Johnson Self Storage [(a)]	4,334	2,460	1,874
Earnings from Kesko Senukai [(b)]	3,908	841	3,067
Earnings from Harmon Retail Center	1,051	1,108	(57)
Losses from WLT [(c)]	—	(10,790)	10,790
	19,370	(3,364)	22,734
Equity Method Investments Consolidated after the CPA:18 Merger (Note 3):			
Proportionate share of impairment charge or other-than-temporary impairment charge recognized on Bank Pekao (Note 8, Note 9)	(4,610)	(13,220)	8,610
Earnings from Fortenova Grupa d.d. [(d)]	136	1,542	(1,406)
Other-than-temporary impairment charge on State Farm Mutual Automobile Insurance Co. (Note 8, Note 9)	—	(6,830)	6,830
Other	1,325	2,223	(898)
	(3,149)	(16,285)	13,136
	$ 16,221	$ (19,649)	$ 35,870

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(a) Increase is primarily due to higher occupancy and unit rates at these self-storage facilities.

(b) Increase is primarily due to higher rent collections at these retail properties, where certain rents were previously disputed and subsequently collected.

(c) Loss for 2021 is primarily due to the adverse impact of the COVID-19 pandemic on WLT's operations. We recorded losses from this investment on a one quarter lag. This investment was reclassified to equity securities at fair value within Other assets, net on our consolidated balance sheets in January 2022 (Note 9).

(d) Amount for 2021 reflects our proportionate share of a gain recognized on the sale of one of the properties in this portfolio.

(Provision for) Benefit from Income Taxes

For the year ended December 31, 2022 as compared to 2021, provision for income taxes within our Real Estate segment decreased by $7.3 million, primarily due to (i) deferred tax benefits totaling $3.5 million recognized during 2022 related to the release of valuation allowances on certain foreign properties, (ii) trade taxes of $1.8 million recognized during 2021 as a result of the completion of a tax review on a portfolio of properties in Germany, and (iii) tax benefits of $0.7 million recognized on certain foreign properties during 2022 as a result of a tax court ruling.

Investment Management

We earn revenue as the advisor to the Managed Programs. For the periods presented, we acted as advisor to the following Managed Programs: CPA:18 – Global (through August 1, 2022), CWI 1 and CWI 2 (through April 13, 2020), and CESH. Upon completion of the CPA:18 Merger on August 1, 2022 (Note 3), the advisory agreement with CPA:18 – Global was terminated, and we ceased earning revenue from CPA:18 – Global. The CWI 1 and CWI 2 Merger closed on April 13, 2020, and as a result, CWI 2 was renamed Watermark Lodging Trust, Inc., for which we provided certain services pursuant to a transition services agreement, which was terminated on October 13, 2021 (Note 4).

We no longer raise capital for new or existing funds, but we currently expect to continue managing CESH and earn the various fees described below through the end of its life cycle (Note 1, Note 4).

Revenues

The following table presents revenues within our Investment Management segment (in thousands):

	Years Ended December 31,		
	2022	2021	Change
Investment Management Revenues			
Asset management and other revenue			
CPA:18 – Global	$ 6,956	$ 12,528	$ (5,572)
CESH	1,511	2,835	(1,324)
	8,467	15,363	(6,896)
Reimbursable costs from affiliates			
CPA:18 – Global	2,040	2,874	(834)
CESH	478	878	(400)
WLT	—	283	(283)
	2,518	4,035	(1,517)
	$ 10,985	$ 19,398	$ (8,413)

Asset Management and Other Revenue

During the periods presented, we earned asset management revenue from (i) CPA:18 – Global (prior to the CPA:18 Merger) based on the value of its real estate-related assets under management and (ii) CESH based on its gross assets under management at fair value. For 2022, we received asset management fees from (i) CPA:18 – Global in shares of its common stock through February 28, 2022; effective as of March 1, 2022, we receive asset management fees from CPA:18 – Global in cash in light of the CPA:18 Merger, which closed on August 1, 2022 (Note 3), and (ii) CESH in cash. Asset management revenues from CESH are expected to decline as assets are sold.

Operating Expenses

Impairment Charges — Investment Management Goodwill

Our impairment charges on Investment Management goodwill are more fully described in Note 9.

Other Income and Expenses, and (Provision for) Benefit from Income Taxes

Earnings from Equity Method Investments in the Managed Programs

The following table presents the details of our earnings from equity method investments in the Managed Programs (Note 8) (in thousands):

	Years Ended December 31,	
	2022	2021
Earnings from equity method investments in the Managed Programs:		
Distributions of Available Cash from CPA:18 – Global [(a)]	$ 8,746	$ 7,345
Earnings from equity method investments in the Managed Programs [(a) (b)]	4,542	1,475
Earnings from equity method investments in the Managed Programs	$ 13,288	$ 8,820

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(a) As a result of the completion of the CPA:18 Merger on August 1, 2022 (Note 3), we no longer recognize equity income from our investment in shares of common stock of CPA:18 – Global or receive distributions of Available Cash from CPA:18 – Global.

(b) The increase for the year ended December 31, 2022 as compared to 2021 was primarily due to an increase of $3.1 million from our investment in shares of CPA:18 – Global.

(Provision for) Benefit from Income Taxes

For the year ended December 31, 2022 we recorded a provision for income taxes of $6.3 million, compared to a benefit from income taxes of $0.2 million recognized during the year ended December 31, 2021, within our Investment Management segment. During 2022, in connection with the CPA:18 Merger, we incurred one-time current taxes upon the recognition of taxable income associated with the accelerated vesting of shares previously issued by CPA:18 – Global to us for asset management services performed.

Liquidity and Capital Resources

Sources and Uses of Cash During the Year

We use the cash flow generated from our investments primarily to meet our operating expenses, service debt, and fund dividends to stockholders. Our cash flows fluctuate periodically due to a number of factors, which may include, among other things: the timing of our equity and debt offerings; the timing of purchases and sales of real estate; the timing of the repayment of mortgage loans and receipt of lease revenues; the timing and amount of other lease-related payments; the timing of settlement of foreign currency transactions; changes in foreign currency exchange rates; and the timing of distributions from equity method investments. We no longer receive certain fees and distributions from CPA:18 – Global following the completion of the CPA:18 Merger on August 1, 2022 (Note 3). Despite these fluctuations, we believe that we will generate sufficient cash from operations to meet our normal recurring short-term and long-term liquidity needs. We may also use existing cash resources, available capacity under our Senior Unsecured Credit Facility, proceeds from dispositions of properties, and the issuance of additional debt or equity securities, such as issuances of common stock through our ATM Forwards (Note 13), in order to meet these needs. We assess our ability to access capital on an ongoing basis. Our sources and uses of cash during the period are described below.

Operating Activities — Net cash provided by operating activities increased by $77.1 million during 2022 as compared to 2021, primarily due to an increase in cash flow generated from net investment activity (including properties acquired in the CPA:18 Merger (Note 3)) and scheduled rent increases at existing properties. These increases were partially offset by higher interest expense and merger expenses recognized during the current year related to the CPA:18 Merger (Note 3).

Investing Activities — Our investing activities are generally comprised of real estate-related transactions (purchases and sales) and funding for build-to-suit activities and other capital expenditures on real estate. In connection with the CPA:18 Merger, we paid $423.4 million in cash consideration, and acquired $331.1 million of cash and restricted cash. We received $147.6 million of proceeds from the redemption of WLT preferred stock and cash exchanged for WLT common stock (Note 9). In addition, during the year ended December 31, 2022, we used $26.0 million to fund short-term loans to the Managed Programs, all of which were repaid during that period (Note 4). We also received $7.1 million in distributions from equity method investments.

Financing Activities — Our financing activities are generally comprised of borrowings and repayments under our Unsecured Revolving Credit Facility and Unsecured Term Loans, issuances of the Senior Unsecured Notes, payments and prepayments of non-recourse mortgage loans, and payments of dividends to stockholders. In addition to these types of transactions, during the year ended December 31, 2022, we received (i) $284.3 million in net proceeds from the issuance of common stock under our Equity Forwards (Note 14) and (ii) $218.1 million in net proceeds from the issuance of shares under our prior ATM Program (Note 14).

Summary of Financing

The table below summarizes our Senior Unsecured Notes, our non-recourse mortgages, and our Senior Unsecured Credit Facility (dollars in thousands):

	December 31, 2022	December 31, 2021
Carrying Value		
Fixed rate:		
Senior Unsecured Notes [a]	$ 5,916,400	$ 5,701,913
Non-recourse mortgages [a]	824,270	235,898
	6,740,670	5,937,811
Variable rate:		
Unsecured Term Loans [a]	552,539	310,583
Unsecured Revolving Credit Facility	276,392	410,596
Non-recourse mortgages [a]:		
Floating interest rate mortgage loans	213,958	53,571
Amount subject to interest rate swaps and caps	94,189	79,055
	1,137,078	853,805
	$ 7,877,748	$ 6,791,616
Percent of Total Debt		
Fixed rate	86 %	87 %
Variable rate	14 %	13 %
	100 %	100 %
Weighted-Average Interest Rate at End of Year		
Fixed rate	2.9 %	2.7 %
Variable rate [b]	3.6 %	1.1 %
Total debt	3.0 %	2.5 %

(a) Aggregate debt balance includes unamortized discount, net, totaling $35.9 million and $30.9 million as of December 31, 2022 and 2021, respectively, and unamortized deferred financing costs totaling $26.0 million and $28.8 million as of December 31, 2022 and 2021, respectively.
(b) The impact of our interest rate swaps and caps is reflected in the weighted-average interest rates.

Cash Resources

At December 31, 2022, our cash resources consisted of the following:

- cash and cash equivalents totaling $168.0 million. Of this amount, $96.6 million, at then-current exchange rates, was held in foreign subsidiaries, and we could be subject to restrictions or significant costs should we decide to repatriate these amounts;
- our Unsecured Revolving Credit Facility, with available capacity of $1.5 billion (net of amounts reserved for standby letters of credit totaling $0.6 million);
- available proceeds under our ATM Forwards of approximately $530.0 million; and
- unleveraged properties that had an aggregate asset carrying value of approximately $13.1 billion at December 31, 2022, although there can be no assurance that we would be able to obtain financing for these properties.

We may also access the capital markets through additional debt (denominated in both U.S. dollars and euros) and equity offerings.

Our cash resources can be used for working capital needs and other commitments and may be used for future investments.

Cash Requirements and Liquidity

As of December 31, 2022, we had (i) $168.0 million of cash and cash equivalents, (ii) approximately $1.5 billion of available capacity under our Unsecured Revolving Credit Facility (net of amounts reserved for standby letters of credit totaling $0.6 million), and (iii) available proceeds under our ATM Forwards of approximately $530.0 million. Our Senior Unsecured Credit Facility includes a $1.8 billion Unsecured Revolving Credit Facility and Unsecured Term Loans outstanding totaling $552.5 million as of December 31, 2022 (Note 11), and is scheduled to mature on February 20, 2025. As of December 31, 2022, scheduled debt principal payments total $456.7 million through December 31, 2023 and $1.7 billion through December 31, 2024, and our Senior Unsecured Notes do not start to mature until April 2024 (Note 11).

During the next 12 months following December 31, 2022 and thereafter, we expect that our significant cash requirements will include:

- paying dividends to our stockholders; (which we expect to be higher, following the issuance of 13,786,302 shares of our common stock in the CPA:18 Merger (Note 3));
- funding acquisitions of new investments (Note 5);
- funding future capital commitments and tenant improvement allowances (Note 5);
- making scheduled principal and balloon payments on our debt obligations (Note 11);
- making scheduled interest payments on our debt obligations (future interest payments total $927.7 million, with $231.6 million due during the next 12 months; interest on unhedged variable-rate debt obligations was calculated using the applicable annual variable interest rates and balances outstanding at December 31, 2022); and
- other normal recurring operating expenses.

We expect to fund these cash requirements through cash generated from operations, cash received from dispositions of properties, the use of our cash reserves or unused amounts on our Unsecured Revolving Credit Facility (as described above), issuances of common stock through our ATM Program (Note 13), and potential issuances of additional debt or equity securities. We may also choose to prepay certain of our non-recourse mortgage loan obligations, depending on our capital needs and market conditions at that time.

Our liquidity could be adversely affected by unanticipated costs, greater-than-anticipated operating expenses, and the ongoing impact of the COVID-19 pandemic. To the extent that our working capital reserve is insufficient to satisfy our cash requirements, additional funds may be provided from cash from operations to meet our normal recurring short-term and long-term liquidity needs. We may also use existing cash resources, available capacity under our Unsecured Revolving Credit Facility, mortgage loan proceeds, and the issuance of additional debt or equity securities to meet these needs.

Certain amounts disclosed above are based on the applicable foreign currency exchange rate at December 31, 2022.

Environmental Obligations

In connection with the purchase of many of our properties, we required the sellers to perform environmental reviews. We believe, based on the results of these reviews, that our properties were in substantial compliance with federal, state, and foreign environmental statutes at the time the properties were acquired. However, portions of certain properties have been subject to some degree of contamination, principally in connection with leakage from underground storage tanks, surface spills, or other on-site activities. In most instances where contamination has been identified, tenants are actively engaged in the remediation process and addressing identified conditions. We believe that the ultimate resolution of any environmental matters should not have a material adverse effect on our financial condition, liquidity, or results of operations. We record environmental obligations within Accounts payable, accrued expenses and other liabilities in the consolidated financial statements. See Item 1A. Risk Factors for further discussion of potential environmental risks.

Critical Accounting Estimates

Our significant accounting policies are described in Note 2. Many of these accounting policies require judgment and the use of estimates and assumptions when applying these policies in the preparation of our consolidated financial statements. On a quarterly basis, we evaluate these estimates and judgments based on historical experience as well as other factors that we believe to be reasonable under the circumstances. These estimates are subject to change in the future if underlying assumptions or factors change. Certain accounting policies, while significant, may not require the use of estimates. Those accounting policies that require significant estimation and/or judgment are described under Critical Accounting Policies and Estimates in Note 2.

Supplemental Financial Measures

In the real estate industry, analysts and investors employ certain non-GAAP supplemental financial measures in order to facilitate meaningful comparisons between periods and among peer companies. Additionally, in the formulation of our goals and in the evaluation of the effectiveness of our strategies, we use Funds from Operations ("FFO") and AFFO, which are non-GAAP measures defined by our management. We believe that these measures are useful to investors to consider because they may assist them to better understand and measure the performance of our business over time and against similar companies. A description of FFO and AFFO and reconciliations of these non-GAAP measures to the most directly comparable GAAP measures are provided below.

Funds from Operations and Adjusted Funds from Operations

Due to certain unique operating characteristics of real estate companies, as discussed below, the National Association of Real Estate Investment Trusts, Inc. ("NAREIT"), an industry trade group, has promulgated a non-GAAP measure known as FFO, which we believe to be an appropriate supplemental measure, when used in addition to and in conjunction with results presented in accordance with GAAP, to reflect the operating performance of a REIT. The use of FFO is recommended by the REIT industry as a supplemental non-GAAP measure. FFO is not equivalent to, nor a substitute for, net income or loss as determined under GAAP.

We define FFO, a non-GAAP measure, consistent with the standards established by the White Paper on FFO approved by the Board of Governors of NAREIT, as restated in December 2018. The White Paper defines FFO as net income or loss computed in accordance with GAAP, excluding gains or losses from sales of property, impairment charges on real estate or other assets incidental to the company's main business, gains or losses on changes in control of interests in real estate, and depreciation and amortization from real estate assets; and after adjustments for unconsolidated partnerships and jointly owned investments. Adjustments for unconsolidated partnerships and jointly owned investments are calculated to reflect FFO.

We also modify the NAREIT computation of FFO to adjust GAAP net income for certain non-cash charges, such as amortization of real estate-related intangibles, deferred income tax benefits and expenses, straight-line rent and related reserves, other non-cash rent adjustments, non-cash allowance for credit losses on loans receivable and direct financing leases, stock-based compensation, non-cash environmental accretion expense, amortization of discounts and premiums on debt, and amortization of deferred financing costs. Our assessment of our operations is focused on long-term sustainability and not on such non-cash items, which may cause short-term fluctuations in net income but have no impact on cash flows. Additionally, we exclude non-core income and expenses, such as gains or losses from extinguishment of debt, and merger and acquisition expenses. We also exclude realized and unrealized gains/losses on foreign currency exchange rate movements (other than those realized on the settlement of foreign currency derivatives), which are not considered fundamental attributes of our business plan and do not affect our overall long-term operating performance. We refer to our modified definition of FFO as AFFO. We exclude these items from GAAP net income to arrive at AFFO as they are not the primary drivers in our decision-making process and excluding these items provides investors a view of our portfolio performance over time and makes it more comparable to other REITs that are currently not engaged in acquisitions, mergers, and restructuring, which are not part of our normal business operations. AFFO also reflects adjustments for unconsolidated partnerships and jointly owned investments. We use AFFO as one measure of our operating performance when we formulate corporate goals, evaluate the effectiveness of our strategies, and determine executive compensation.

We believe that AFFO is a useful supplemental measure for investors to consider as we believe it will help them to better assess the sustainability of our operating performance without the potentially distorting impact of these short-term fluctuations. However, there are limits on the usefulness of AFFO to investors. For example, impairment charges and unrealized foreign currency losses that we exclude may become actual realized losses upon the ultimate disposition of the properties in the form of lower cash proceeds or other considerations. We use our FFO and AFFO measures as supplemental financial measures of operating performance. We do not use our FFO and AFFO measures as, nor should they be considered to be, alternatives to net income computed under GAAP, or as alternatives to net cash provided by operating activities computed under GAAP, or as indicators of our ability to fund our cash needs.

Consolidated FFO and AFFO were as follows (in thousands):

	Years Ended December 31,	
	2022	2021
Net income attributable to W. P. Carey	$ 599,139	$ 409,988
Adjustments:		
Depreciation and amortization of real property	500,764	470,554
Gain on sale of real estate, net	(43,476)	(40,425)
Impairment charges — real estate	39,119	24,246
Gain on change in control of interests [a] [b]	(33,931)	—
Impairment charges — Investment Management goodwill [c]	29,334	—
Proportionate share of adjustments to earnings from equity method investments [d] [e]	15,155	32,213
Proportionate share of adjustments for noncontrolling interests [f]	(491)	(16)
Total adjustments	506,474	486,572
FFO (as defined by NAREIT) attributable to W. P. Carey	1,105,613	896,560
Adjustments:		
Other (gains) and losses [g]	(96,038)	12,885
Straight-line and other leasing and financing adjustments [h]	(54,431)	(83,267)
Above- and below-market rent intangible lease amortization, net	41,390	53,585
Stock-based compensation	32,841	24,881
Merger and other expenses [i]	19,387	(4,546)
Amortization of deferred financing costs	17,203	13,523
Tax benefit — deferred and other	(3,759)	(5,967)
Other amortization and non-cash items	1,931	1,709
Proportionate share of adjustments to earnings from equity method investments [e]	(2,770)	12,152
Proportionate share of adjustments for noncontrolling interests [f]	(769)	(24)
Total adjustments	(45,015)	24,931
AFFO attributable to W. P. Carey	$ 1,060,598	$ 921,491
Summary		
FFO (as defined by NAREIT) attributable to W. P. Carey	$ 1,105,613	$ 896,560
AFFO attributable to W. P. Carey	$ 1,060,598	$ 921,491

FFO and AFFO from Real Estate were as follows (in thousands):

	Years Ended December 31,	
	2022	2021
Net income from Real Estate attributable to W. P. Carey	$ 591,603	$ 384,766
Adjustments:		
Depreciation and amortization of real property	500,764	470,554
Gain on sale of real estate, net	(43,476)	(40,425)
Impairment charges — real estate	39,119	24,246
Gain on change in control of interests [(a)] [(b)]	(11,405)	—
Proportionate share of adjustments to earnings from equity method investments [(d)] [(e)]	15,155	32,213
Proportionate share of adjustments for noncontrolling interests [(f)]	(491)	(16)
Total adjustments	499,666	486,572
FFO (as defined by NAREIT) attributable to W. P. Carey — Real Estate	1,091,269	871,338
Adjustments:		
Other (gains) and losses [(g)]	(97,149)	13,676
Straight-line and other leasing and financing adjustments [(h)]	(54,431)	(83,267)
Above- and below-market rent intangible lease amortization, net	41,390	53,585
Stock-based compensation	32,841	24,881
Merger and other expenses [(i)]	19,384	(4,597)
Amortization of deferred financing costs	17,203	13,523
Tax benefit — deferred and other	(8,164)	(4,938)
Other amortization and non-cash items	1,931	1,709
Proportionate share of adjustments to earnings from equity method investments [(e)]	(723)	10,253
Proportionate share of adjustments for noncontrolling interests [(f)]	(769)	(24)
Total adjustments	(48,487)	24,801
AFFO attributable to W. P. Carey — Real Estate	$ 1,042,782	$ 896,139
Summary		
FFO (as defined by NAREIT) attributable to W. P. Carey — Real Estate	$ 1,091,269	$ 871,338
AFFO attributable to W. P. Carey — Real Estate	$ 1,042,782	$ 896,139

FFO and AFFO from Investment Management were as follows (in thousands):

	Years Ended December 31,	
	2022	2021
Net income from Investment Management attributable to W. P. Carey	$ 7,536	$ 25,222
Adjustments:		
Impairment charges — Investment Management goodwill [c]	29,334	—
Gain on change in control of interests [a] [b]	(22,526)	—
Total adjustments	6,808	—
FFO (as defined by NAREIT) attributable to W. P. Carey — Investment Management	14,344	25,222
Adjustments:		
Tax expense (benefit) — deferred and other	4,405	(1,029)
Other (gains) and losses [g]	1,111	(791)
Merger and other expenses	3	51
Proportionate share of adjustments to earnings from equity method investments [e]	(2,047)	1,899
Total adjustments	3,472	130
AFFO attributable to W. P. Carey — Investment Management	$ 17,816	$ 25,352
Summary		
FFO (as defined by NAREIT) attributable to W. P. Carey — Investment Management	$ 14,344	$ 25,222
AFFO attributable to W. P. Carey — Investment Management	$ 17,816	$ 25,352

(a) Amount for the year ended December 31, 2022 represents a gain recognized on the remaining interests in four investments acquired in the CPA:18 Merger, which we had previously accounted for under the equity method (Note 3).

(b) Amount for the year ended December 31, 2022 represents a gain recognized on our previously held interest in shares of CPA:18 – Global common stock in connection with the CPA:18 Merger (Note 3).

(c) Amount for the year ended December 31, 2022 represents an impairment charge recognized on goodwill within our Investment Management segment, since future Investment Management cash flows are expected to be minimal (Note 7, Note 9).

(d) Amount for the year ended December 31, 2022 includes our $4.6 million proportionate share of an impairment charge recognized on an equity method investment in real estate (Note 8). Amount for the year ended December 31, 2021 includes a non-cash other-than-temporary impairment charge of $6.8 million recognized on an equity method investment in real estate (Note 9)

(e) Equity income, including amounts that are not typically recognized for FFO and AFFO, is recognized within Earnings (losses) from equity method investments on the consolidated statements of income. This represents adjustments to equity income to reflect FFO and AFFO on a pro rata basis.

(f) Adjustments disclosed elsewhere in this reconciliation are on a consolidated basis. This adjustment reflects our FFO or AFFO on a pro rata basis.

(g) Primarily comprised of gains and losses on extinguishment of debt, the mark-to-market fair value of equity securities, and foreign currency exchange rate movements, as well as non-cash allowance for credit losses on loans receivable and direct financing leases.

(h) Amount for the year ended December 31, 2021 includes an adjustment to exclude $37.8 million of lease termination fees received from a tenant, as such amount was determined to be non-core income (Note 5).

(i) Amounts for the years ended December 31, 2022 and 2021 are primarily comprised of costs incurred in connection with the CPA:18 Merger (Note 3) and/or reversals of estimated liabilities for German real estate transfer taxes that were previously recorded in connection with mergers in prior years.

While we believe that FFO and AFFO are important supplemental measures, they should not be considered as alternatives to net income as an indication of a company’s operating performance. These non-GAAP measures should be used in conjunction with net income as defined by GAAP. FFO and AFFO, or similarly titled measures disclosed by other REITs, may not be comparable to our FFO and AFFO measures.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

Market Risk

Market risk is the exposure to loss resulting from changes in interest rates, foreign currency exchange rates, and equity prices. The primary market risks that we are exposed to are interest rate risk and foreign currency exchange risk; however, we do not use derivative instruments to hedge credit/market risks or for speculative purposes. From time to time, we may enter into foreign currency collars to hedge our foreign currency cash flow exposures.

We are also exposed to further market risk as a result of tenant concentrations in certain industries and/or geographic regions, since adverse market factors (such as the COVID-19 pandemic) can affect the ability of tenants in a particular industry/region to meet their respective lease obligations. In order to manage this risk, we view our collective tenant roster as a portfolio and we attempt to diversify such portfolio so that we are not overexposed to a particular industry or geographic region.

Interest Rate Risk

The values of our real estate and related fixed-rate debt obligations, as well as the values of our unsecured debt obligations, are subject to fluctuations based on changes in interest rates. The value of our real estate is also subject to fluctuations based on local and regional economic conditions (including the ongoing impact of the COVID-19 pandemic) and changes in the creditworthiness of lessees, which may affect our ability to refinance property-level mortgage debt when balloon payments are scheduled, if we do not choose to repay the debt when due. Interest rates are highly sensitive to many factors, including governmental monetary and tax policies, domestic and international economic and political conditions, and other factors beyond our control. An increase in interest rates would likely cause the fair value of our assets to decrease. Increases in interest rates may also have an impact on the credit profile of certain tenants.

We are exposed to the impact of interest rate changes primarily through our borrowing activities. To limit this exposure, we generally seek long-term debt financing on a fixed-rate basis. However, we are subject to variable-rate interest on our Unsecured Term Loans, Unsecured Revolving Credit Facility, and certain of our non-recourse mortgage debt. We have entered into, and may continue to enter into, interest rate swap agreements or interest rate cap agreements with counterparties related to certain of our variable-rate non-recourse mortgage loans. See Note 10 for additional information on our interest rate swaps and caps.

At December 31, 2022, a significant portion (approximately 86.8%) of our long-term debt either bore interest at fixed rates or was swapped or capped to a fixed rate. Our debt obligations are more fully described in Note 11 and Liquidity and Capital Resources — Summary of Financing in Item 7 above. The following table presents principal cash flows based upon expected maturity dates of our debt obligations outstanding at December 31, 2022 (in thousands):

	2023	2024	2025	2026	2027	Thereafter	Total	Fair Value
Fixed-rate debt [a] [b]	$ 239,146	$ 1,195,330	$ 791,654	$ 972,135	$ 533,760	$ 3,070,039	$ 6,802,064	$ 6,041,968
Variable-rate debt [a]	$ 217,562	$ 36,138	$ 872,622	$ 11,290	$ —	$ —	$ 1,137,612	$ 1,135,000

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(a) Amounts are based on the exchange rate at December 31, 2022, as applicable.
(b) Amounts after 2023 are primarily comprised of principal payments for our Senior Unsecured Notes (Note 11).

The estimated fair value of our fixed-rate debt and our variable-rate debt that currently bears interest at fixed rates or has effectively been converted to a fixed rate through the use of interest rate swaps, or that has been subject to interest rate caps, is affected by changes in interest rates. Annual interest expense on our unhedged variable-rate debt that does not bear interest at fixed rates at December 31, 2022 would increase or decrease by $5.9 million for our euro-denominated debt, by $3.7 million for our British pound sterling-denominated debt, by $0.3 million for U.S. dollar-denominated debt, and by $0.2 million for our Japanese yen-denominated debt for each respective 1% change in annual interest rates.

Foreign Currency Exchange Rate Risk

We own international investments, primarily in Europe, Canada, and Japan, and as a result are subject to risk from the effects of exchange rate movements in various foreign currencies, primarily the euro, the British pound sterling, the Canadian dollar, the Japanese yen, and certain other currencies which may affect future costs and cash flows. We have obtained, and may in the future obtain, non-recourse mortgage financing in the local currency. We have also completed several offerings of euro-denominated senior notes, and have borrowed under our Senior Unsecured Credit Facility in foreign currencies, including the euro, British pound sterling, and Japanese yen (Note 11). Volatile market conditions arising from the ongoing effects of the COVID-19 global pandemic, as well as other macroeconomic factors, may result in significant fluctuations in foreign currency exchange rates. To the extent that currency fluctuations increase or decrease rental revenues, as translated to U.S. dollars, the change in debt service (comprised of principal and interest, excluding balloon payments), as translated to U.S. dollars, will partially offset the effect of fluctuations in revenue and, to some extent, mitigate the risk from changes in foreign currency exchange rates. We estimate that, for a 1% increase or decrease in the exchange rate between the euro, British pound sterling, or Japanese yen and the U.S. dollar, there would be a corresponding change in the projected estimated cash flow (scheduled future rental revenues, net of scheduled future debt service payments for the next 12 months) for our consolidated foreign operations at December 31, 2022 of $2.7 million, $0.3 million, and less than $0.1 million, respectively, excluding the impact of our derivative instruments.

In addition, we may use currency hedging to further reduce the exposure to our equity cash flow. We are generally a net receiver of these currencies (we receive more cash than we pay out), and therefore our foreign operations benefit from a weaker U.S. dollar and are adversely affected by a stronger U.S. dollar, relative to the foreign currency.

We enter into foreign currency collars to hedge certain of our foreign currency cash flow exposures. See Note 10 for additional information on our foreign currency collars.

Concentration of Credit Risk

Concentrations of credit risk arise when a number of tenants are engaged in similar business activities or have similar economic risks or conditions that could cause them to default on their lease obligations to us. We regularly monitor our portfolio to assess potential concentrations of credit risk. While we believe our portfolio is well-diversified, it does contain concentrations in certain areas.

For the year ended December 31, 2022, our consolidated portfolio had the following significant characteristics in excess of 10%, based on the percentage of our consolidated total revenues:

- 67% related to domestic operations; and
- 33% related to international operations.

At December 31, 2022, our net-lease portfolio, which excludes our operating properties, had the following significant property and lease characteristics in excess of 10% in certain areas, based on the percentage of our ABR as of that date:

- 63% related to domestic properties;
- 37% related to international properties;
- 27% related to industrial facilities, 24% related to warehouse facilities, 17% related to office facilities, and 17% related to retail facilities; and
- 21% related to the retail stores industry (including automotive dealerships).

Item 8. Financial Statements and Supplementary Data.

Financial statement schedules other than those listed above are omitted because the required information is given in the financial statements, including the notes thereto, or because the conditions requiring their filing do not exist.

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of W. P. Carey Inc.

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of W. P. Carey Inc. and its subsidiaries (the "Company") as of December 31, 2022 and 2021, and the related consolidated statements of income, of comprehensive income, of equity and of cash flows for each of the three years in the period ended December 31, 2022, including the related notes and financial statement schedules listed in the accompanying index (collectively referred to as the "consolidated financial statements"). We also have audited the Company's internal control over financial reporting as of December 31, 2022, based on criteria established in *Internal Control — Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021**,** and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2022 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2022, based on criteria established in *Internal Control — Integrated Framework* (2013) issued by the COSO.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Report on Internal Control Over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting 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 audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

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 (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) 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 (iii) 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.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Purchase Price Allocation for Asset Acquisitions and Business Combinations

As described in Note 2 to the consolidated financial statements, management determines whether a transaction or other event is a business combination, which requires that the assets acquired and liabilities assumed constitute a business. If the assets acquired and liabilities assumed are not a business, management accounts for the transaction or other event as an asset acquisition. As described in Note 5, the Company completed real estate asset acquisitions with total capitalized costs of $1.2 billion during the year ended December 31, 2022. As described in Note 3, the Company accounted for the CPA:18 Merger as a business combination under the acquisition method of accounting for total merger consideration of approximately $1.6 billion during the year ended December 31, 2022. Land is typically valued utilizing the sales comparison (or market) approach. Buildings are valued, as if vacant, using the cost and/or income approach. Under the income approach, management uses either the discounted cash flow method or the direct capitalization method. For the discounted cash flow method, the fair value of real estate is determined (i) by applying a discounted cash flow analysis to the estimated net operating income for each property in the portfolio during the remaining anticipated lease term and (ii) by the estimated residual value, which is based on a hypothetical sale of the property upon expiration of a lease factoring in the re-tenanting of such property at estimated market rental rates and applying a selected capitalization rate. For the direct capitalization method, the fair value of real estate is determined (i) by the stabilized estimated net operating income for each property in the portfolio and (ii) a selected capitalization rate. For acquired properties with leases classified as operating leases, management allocated the purchase price to the tangible and intangible assets acquired and liabilities assumed based on their estimated fair values. For acquired properties that do not qualify as sale-leaseback transactions, management records above- and below-market lease intangible assets and liabilities for acquired properties based on the present value, using a discount rate reflecting the risks associated with the leases acquired. For acquired properties with tenants in place, management records in-place lease intangible assets based on the estimated value ascribed to the avoidance of costs of leasing the properties for the remaining primary in-place lease terms.

The principal considerations for our determination that performing procedures relating to the purchase price allocation for asset acquisitions and business combinations is a critical audit matter are (i) the significant judgment by management to develop the fair value estimates of tangible and intangible assets and liabilities using the discounted cash flow and direct capitalization methods; (ii) a high degree of auditor judgment, subjectivity, and effort in performing procedures and evaluating management's significant assumptions related to the market rental rates, capitalization rates, and discount rates used in the discounted cash flow method, and capitalization rates used in the direct capitalization method; and (iii) the audit effort involved the use of professionals with specialized skill and knowledge.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to purchase price allocations for asset acquisitions and business combinations, including controls over management's valuation of the tangible and intangible assets and liabilities and controls over management's review of the assumptions related to market rental rates, capitalization rates, and discount rates. These procedures also included, among others, (i) reading the executed purchase agreements and leasing documents; (ii) testing management's process for developing the fair value estimates of tangible and intangible assets and liabilities, (iii) evaluating the appropriateness of the discounted cash flow and direct capitalization valuation methods, (iv) evaluating the reasonableness of the significant assumptions related to market rental rates, capitalization rates, and discount rates used in the discounted cash flow method, and capitalization rates used in the direct capitalization method, and (v) testing the completeness and accuracy of data used in the valuation methods. Evaluating management's significant assumptions related to market rental rates, capitalization rates, and discount rates involved evaluating whether the assumptions used by management were reasonable considering (i) comparable market data and other industry factors and (ii) whether these assumptions were consistent with evidence obtained in other areas of the audit. Professionals with specialized skill and knowledge were used to assist in evaluating (i) the appropriateness of the Company's valuation methods and (ii) the reasonableness of the significant assumptions related to market rental rates, capitalization rates, and discount rates.

/s/ PricewaterhouseCoopers LLP
New York, New York
February 10, 2023

We have served as the Company's auditor since 1973, which includes periods before the Company became subject to SEC reporting requirements.

W. P. CAREY INC.
CONSOLIDATED BALANCE SHEETS
(in thousands, except share and per share amounts)

	December 31,	
	2022	2021
Assets		
Investments in real estate:		
Land, buildings and improvements — net lease and other	$ 13,338,857	$ 11,791,734
Land, buildings and improvements — operating properties	1,095,892	83,673
Net investments in direct financing leases and loans receivable	771,761	813,577
In-place lease intangible assets and other	2,659,750	2,386,000
Above-market rent intangible assets	833,751	843,410
Investments in real estate	18,700,011	15,918,394
Accumulated depreciation and amortization	(3,269,057)	(2,889,294)
Assets held for sale, net	57,944	8,269
Net investments in real estate	15,488,898	13,037,369
Equity method investments	327,502	356,637
Cash and cash equivalents	167,996	165,427
Due from affiliates	919	1,826
Other assets, net	1,079,308	1,017,842
Goodwill	1,037,412	901,529
Total assets [(a)]	$ 18,102,035	$ 15,480,630
Liabilities and Equity		
Debt:		
Senior unsecured notes, net	$ 5,916,400	$ 5,701,913
Unsecured term loans, net	552,539	310,583
Unsecured revolving credit facility	276,392	410,596
Non-recourse mortgages, net	1,132,417	368,524
Debt, net	7,877,748	6,791,616
Accounts payable, accrued expenses and other liabilities	623,843	572,846
Below-market rent and other intangible liabilities, net	184,584	183,286
Deferred income taxes	178,959	145,572
Dividends payable	228,257	203,859
Total liabilities [(a)]	9,093,391	7,897,179
Commitments and contingencies (Note 12)		
Preferred stock, $0.001 par value, 50,000,000 shares authorized; none issued	—	—
Common stock, $0.001 par value, 450,000,000 shares authorized; 210,620,949 and 190,013,751 shares, respectively, issued and outstanding	211	190
Additional paid-in capital	11,706,836	9,977,686
Distributions in excess of accumulated earnings	(2,486,633)	(2,224,231)
Deferred compensation obligation	57,012	49,810
Accumulated other comprehensive loss	(283,780)	(221,670)
Total stockholders' equity	8,993,646	7,581,785
Noncontrolling interests	14,998	1,666
Total equity	9,008,644	7,583,451
Total liabilities and equity	$ 18,102,035	$ 15,480,630

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(a) See Note 2 for details related to variable interest entities ("VIEs").

See Notes to Consolidated Financial Statements.

W. P. CAREY INC.
CONSOLIDATED STATEMENTS OF INCOME
(in thousands, except share and per share amounts)

	Years Ended December 31,		
	2022	2021	2020
Revenues			
Real Estate:			
Lease revenues	$ 1,301,617	$ 1,177,438	$ 1,080,623
Income from direct financing leases and loans receivable	74,266	67,555	74,893
Operating property revenues	59,230	13,478	11,399
Other lease-related income	32,988	53,655	11,082
	1,468,101	1,312,126	1,177,997
Investment Management:			
Asset management and other revenue	8,467	15,363	22,467
Reimbursable costs from affiliates	2,518	4,035	8,855
	10,985	19,398	31,322
	1,479,086	1,331,524	1,209,319
Operating Expenses			
Depreciation and amortization	503,403	475,989	442,935
General and administrative	88,952	81,888	75,950
Reimbursable tenant costs	73,622	62,417	56,409
Property expenses, excluding reimbursable tenant costs	50,753	47,898	44,067
Impairment charges — real estate	39,119	24,246	35,830
Stock-based compensation expense	32,841	24,881	15,938
Impairment charges — Investment Management goodwill	29,334	—	—
Operating property expenses	27,054	9,848	9,901
Merger and other expenses	19,387	(4,546)	247
Reimbursable costs from affiliates	2,518	4,035	8,855
Subadvisor fees	—	—	1,469
	866,983	726,656	691,601
Other Income and Expenses			
Interest expense	(219,160)	(196,831)	(210,087)
Other gains and (losses)	96,038	(12,885)	37,165
Gain on sale of real estate, net	43,476	40,425	109,370
Gain on change in control of interests	33,931	—	—
Non-operating income	30,309	13,860	9,587
Earnings (losses) from equity method investments	29,509	(10,829)	(18,557)
	14,103	(166,260)	(72,522)
Income before income taxes	626,206	438,608	445,196
(Provision for) benefit from income taxes	(27,724)	(28,486)	20,759
Net Income	598,482	410,122	465,955
Net loss (income) attributable to noncontrolling interests	657	(134)	(10,596)
Net Income Attributable to W. P. Carey	$ 599,139	$ 409,988	$ 455,359
Basic Earnings Per Share	$ 3.00	$ 2.25	$ 2.61
Diluted Earnings Per Share	$ 2.99	$ 2.24	$ 2.60
Weighted-Average Shares Outstanding			
Basic	199,633,802	182,486,476	174,504,406
Diluted	200,427,124	183,127,098	174,839,428

See Notes to Consolidated Financial Statements.

W. P. CAREY INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(in thousands)

	Years Ended December 31,		
	2022	2021	2020
Net Income	$ 598,482	$ 410,122	$ 465,955
Other Comprehensive (Loss) Income			
Foreign currency translation adjustments	(63,149)	(35,736)	47,746
Unrealized gain (loss) on derivative instruments	19,732	35,305	(31,978)
(Reclassification of unrealized gain on investments to net income) / Unrealized gain on investments	(18,688)	18,688	—
	(62,105)	18,257	15,768
Comprehensive Income	536,377	428,379	481,723
Amounts Attributable to Noncontrolling Interests			
Net loss (income)	657	(134)	(10,596)
Foreign currency translation adjustments	(5)	—	—
Unrealized gain on derivative instruments	—	(21)	(7)
Comprehensive loss (income) attributable to noncontrolling interests	652	(155)	(10,603)
Comprehensive Income Attributable to W. P. Carey	$ 537,029	$ 428,224	$ 471,120

See Notes to Consolidated Financial Statements.

W. P. CAREY INC.
CONSOLIDATED STATEMENTS OF EQUITY
(in thousands, except share and per share amounts)

	W. P. Carey Stockholders								
	Common Stock $0.001 Par Value		Additional Paid-in Capital	Distributions in Excess of Accumulated Earnings	Deferred Compensation Obligation	Accumulated Other Comprehensive Loss	Total W. P. Carey Stockholders	Noncontrolling Interests	Total
	Shares	Amount							
Balance at January 1, 2022	190,013,751	$ 190	$ 9,977,686	$ (2,224,231)	$ 49,810	$ (221,670)	$ 7,581,785	$ 1,666	$ 7,583,451
Shares issued to stockholders of CPA:18 – Global in connection with CPA:18 Merger	13,786,302	14	1,205,736				1,205,750		1,205,750
Shares issued under Equity Forwards, net	3,925,000	4	284,198				284,202		284,202
Shares issued under ATM Program, net	2,740,295	3	218,098				218,101		218,101
Shares issued upon delivery of vested restricted share awards	152,830	—	(6,612)				(6,612)		(6,612)
Shares issued upon purchases under employee share purchase plan	2,771	—	205				205		205
Amortization of stock-based compensation expense			32,841				32,841		32,841
Deferral of vested shares, net			(6,696)		6,696		—		—
Acquisition of noncontrolling interests in connection with the CPA:18 Merger							—	14,367	14,367
Distributions to noncontrolling interests							—	(413)	(413)
Contributions from noncontrolling interests							—	30	30
Dividends declared ($4.242 per share)			1,380	(861,541)	506		(859,655)		(859,655)
Net income				599,139			599,139	(657)	598,482
Other comprehensive loss:									
Foreign currency translation adjustments						(63,154)	(63,154)	5	(63,149)
Unrealized gain on derivative instruments						19,732	19,732		19,732
Reclassification of unrealized gain on investments to net income						(18,688)	(18,688)		(18,688)
Balance at December 31, 2022	210,620,949	$ 211	$ 11,706,836	$ (2,486,633)	$ 57,012	$ (283,780)	$ 8,993,646	$ 14,998	$ 9,008,644

(Continued)

W. P. CAREY INC.
CONSOLIDATED STATEMENTS OF EQUITY
(Continued)
(in thousands, except share and per share amounts)

	W. P. Carey Stockholders								
	Common Stock $0.001 Par Value		Additional	Distributions in Excess of	Deferred	Accumulated Other	Total		
	Shares	Amount	Paid-in Capital	Accumulated Earnings	Compensation Obligation	Comprehensive Loss	W. P. Carey Stockholders	Noncontrolling Interests	Total
Balance at January 1, 2021	175,401,757	$ 175	$ 8,925,365	$ (1,850,935)	$ 42,014	$ (239,906)	$ 6,876,713	$ 1,656	$ 6,878,369
Shares issued under Equity Forwards, net	9,798,209	10	697,034				697,044		697,044
Shares issued under ATM Program, net	4,690,073	5	340,061				340,066		340,066
Shares issued upon delivery of vested restricted share awards	119,268	—	(3,822)				(3,822)		(3,822)
Shares issued upon purchases under employee share purchase plan	4,444	—	305				305		305
Amortization of stock-based compensation expense			24,881				24,881		24,881
Deferral of vested shares, net			(7,044)		7,044		—		—
Distributions to noncontrolling interests							—	(145)	(145)
Dividends declared ($4.205 per share)			906	(783,284)	752		(781,626)		(781,626)
Net income				409,988			409,988	134	410,122
Other comprehensive loss:									
Foreign currency translation adjustments						(35,736)	(35,736)		(35,736)
Unrealized gain on derivative instruments						35,284	35,284	21	35,305
Unrealized gain on investments						18,688	18,688		18,688
Balance at December 31, 2021	190,013,751	$ 190	$ 9,977,686	$ (2,224,231)	$ 49,810	$ (221,670)	$ 7,581,785	$ 1,666	$ 7,583,451

(Continued)

W. P. CAREY INC.
CONSOLIDATED STATEMENTS OF EQUITY
(Continued)
(in thousands, except share and per share amounts)

	W. P. Carey Stockholders								
	Common Stock $0.001 Par Value		Additional Paid-in	Distributions in Excess of Accumulated	Deferred Compensation	Accumulated Other Comprehensive	Total W. P. Carey	Noncontrolling	
	Shares	Amount	Capital	Earnings	Obligation	Loss	Stockholders	Interests	Total
Balance at January 1, 2020	172,278,242	$ 172	$ 8,717,535	$ (1,557,374)	$ 37,263	$ (255,667)	$ 6,941,929	$ 6,244	$ 6,948,173
Cumulative-effect adjustment for the adoption of ASU 2016-13, Financial Instruments — Credit Losses				(14,812)			(14,812)		(14,812)
Shares issued under Equity Forwards, net	2,951,791	3	199,478				199,481		199,481
Shares issued upon delivery of vested restricted share awards	162,331	—	(5,372)				(5,372)		(5,372)
Shares issued upon purchases under employee share purchase plan	6,893	—	389				389		389
Shares issued under ATM Program, net	2,500	—	60				60		60
Amortization of stock-based compensation expense			15,938				15,938		15,938
Deferral of vested shares, net			(3,854)		3,854		—		—
Distributions to noncontrolling interests							—	(5,326)	(5,326)
Dividends declared ($4.172 per share)			1,191	(734,108)	897		(732,020)		(732,020)
Redemption of noncontrolling interest (Note 4)							—	(9,865)	(9,865)
Net income				455,359			455,359	10,596	465,955
Other comprehensive income:									
Foreign currency translation adjustments						47,746	47,746		47,746
Unrealized loss on derivative instruments						(31,985)	(31,985)	7	(31,978)
Balance at December 31, 2020	175,401,757	$ 175	$ 8,925,365	$ (1,850,935)	$ 42,014	$ (239,906)	$ 6,876,713	$ 1,656	$ 6,878,369

See Notes to Consolidated Financial Statements.

W. P. CAREY INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Years Ended December 31,		
	2022	2021	2020
Cash Flows — Operating Activities			
Net income	$ 598,482	$ 410,122	$ 465,955
Adjustments to net income:			
Depreciation and amortization, including intangible assets and deferred financing costs	519,741	490,722	456,210
Net realized and unrealized (gains) losses on extinguishment of debt, equity securities, foreign currency exchange rate movements, and other	(76,202)	15,505	(55,810)
Straight-line rent adjustments	(57,988)	(50,565)	(50,299)
Gain on sale of real estate, net	(43,476)	(40,425)	(109,370)
Amortization of rent-related intangibles and deferred rental revenue	43,249	56,910	52,736
Impairment charges — real estate	39,119	24,246	35,830
Gain on change in control of interests	(33,931)	—	—
Stock-based compensation expense	32,841	24,881	15,938
Distributions of earnings from equity method investments	30,236	15,471	9,419
(Earnings) losses from equity method investments	(29,509)	10,829	18,557
Impairment charges — Investment Management goodwill	29,334	—	—
(Decrease) increase in allowance for credit losses	(24,976)	266	22,259
Deferred income tax benefit	(8,071)	(4,703)	(49,076)
Asset management revenue received in shares of Managed Programs	(1,024)	(12,528)	(16,642)
Net changes in other operating assets and liabilities	(14,269)	(14,252)	5,831
Net Cash Provided by Operating Activities	1,003,556	926,479	801,538
Cash Flows — Investing Activities			
Purchases of real estate	(1,145,734)	(1,306,858)	(656,313)
Cash paid to stockholders of CPA:18 – Global in the CPA:18 Merger	(423,435)	—	—
Cash and restricted cash acquired in connection with the CPA:18 Merger	331,063	—	—
Proceeds from sales of real estate	234,652	163,638	366,532
Proceeds from redemption of WLT preferred stock and cash exchanged for WLT common stock (Note 9)	147,625	—	—
Funding for real estate construction, redevelopments, and other capital expenditures on real estate	(104,441)	(113,616)	(207,256)
Capital contributions to equity method investments	(93,416)	(107,552)	(4,253)
Proceeds from repayment of loans receivable	34,000	—	11,000
Proceeds from repayment of short-term loans to affiliates	26,000	62,048	51,702
Funding of short-term loans to affiliates	(26,000)	(41,000)	(26,481)
Investments in loans receivable	(20,180)	(217,711)	—
Other investing activities, net	(19,767)	(19,631)	1,165
Return of capital from equity method investments	7,102	13,955	19,483
Purchases of securities	—	—	(95,511)
Net Cash Used in Investing Activities	(1,052,531)	(1,566,727)	(539,932)
Cash Flows — Financing Activities			
Repayments of Unsecured Revolving Credit Facility	(2,168,392)	(1,663,869)	(1,137,026)
Proceeds from Unsecured Revolving Credit Facility	2,079,420	2,000,639	1,019,158
Dividends paid	(835,257)	(764,281)	(726,955)
Proceeds from issuance of Senior Unsecured Notes	334,775	1,385,059	495,495
Proceeds from shares issued under Equity Forwards, net of selling costs	284,259	697,044	199,716
Proceeds from Unsecured Term Loans	283,139	—	298,974
Proceeds from shares issued under ATM Program, net of selling costs	218,081	339,968	158
Scheduled payments of mortgage principal	(127,230)	(64,290)	(275,746)
Prepayments of mortgage principal	(10,381)	(745,124)	(68,501)
Other financing activities, net	8,839	4,606	8,917
Payments for withholding taxes upon delivery of equity-based awards	(6,612)	(3,822)	(5,372)
Payment of financing costs	(2,371)	(11,295)	(14,205)
Distributions to noncontrolling interests	(413)	(145)	(5,326)
Contributions from noncontrolling interests	30	—	—
Redemption of Senior Unsecured Notes	—	(617,442)	—
Net Cash Provided by (Used in) Financing Activities	57,887	557,048	(210,713)
Change in Cash and Cash Equivalents and Restricted Cash During the Year			
Effect of exchange rate changes on cash and cash equivalents and restricted cash	(2,721)	(10,629)	9,368
Net increase (decrease) in cash and cash equivalents and restricted cash	6,191	(93,829)	60,261
Cash and cash equivalents and restricted cash, beginning of year	217,950	311,779	251,518
Cash and cash equivalents and restricted cash, end of year	$ 224,141	$ 217,950	$ 311,779

See Notes to Consolidated Financial Statements.

W. P. CAREY INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Continued)

Supplemental Non-Cash Investing and Financing Activities:

2022 — On August 1, 2022, CPA:18 – Global (as defined herein) merged with and into one of our indirect subsidiaries in the CPA:18 Merger (as defined herein) (Note 3). The following table summarizes estimated fair values of the assets acquired and liabilities assumed in the CPA:18 Merger (in thousands):

Total Consideration		
Fair value of W. P. Carey shares of common stock issued	$	1,205,750
Cash consideration paid		423,297
Cash paid for fractional shares		138
Fair value of our equity interest in CPA:18 – Global prior to the CPA:18 Merger		88,299
Fair value of our equity interest in jointly owned investments with CPA:18 – Global prior to the CPA:18 Merger		28,574
		1,746,058
Assets Acquired at Fair Value		
Land, buildings and improvements — net lease and other		881,613
Land, buildings and improvements — operating properties		1,000,447
Net investments in direct financing leases and loans receivable		38,517
In-place lease and other intangible assets		224,458
Above-market rent intangible assets		61,090
Assets held for sale		85,026
Goodwill		172,346
Other assets, net (excluding restricted cash)		25,229
Liabilities Assumed at Fair Value		
Non-recourse mortgages, net		900,173
Accounts payable, accrued expenses and other liabilities		90,035
Below-market rent and other intangible liabilities		16,836
Deferred income taxes		52,320
Amounts attributable to noncontrolling interests		14,367
Net assets acquired excluding cash and restricted cash		1,414,995
Cash and cash equivalents and restricted cash acquired	$	331,063

See Notes to Consolidated Financial Statements.

Note 1. Business and Organization

W. P. Carey Inc. ("W. P. Carey") is a real estate investment trust ("REIT") that, together with our consolidated subsidiaries, invests primarily in operationally-critical, single-tenant commercial real estate properties located in the United States and Northern and Western Europe on a long-term basis. We earn revenue principally by leasing the properties we own to companies on a triple-net lease basis, which generally requires each tenant to pay the costs associated with operating and maintaining the property.

Founded in 1973, our shares of common stock are listed on the New York Stock Exchange under the symbol "WPC."

We elected to be taxed as a REIT under Section 856 through 860 of the Internal Revenue Code effective as of February 15, 2012. As a REIT, we are not subject to federal income taxes on income and gains that we distribute to our stockholders as long as we satisfy certain requirements, principally relating to the nature of our income and the level of our distributions, as well as other factors. We also own real property in jurisdictions outside the United States through foreign subsidiaries and are subject to income taxes on our pre-tax income earned from properties in such countries. Through our taxable REIT subsidiaries ("TRSs"), we also earn revenue as the advisor to certain non-traded investment programs. We hold all of our real estate assets attributable to our Real Estate segment under the REIT structure, while the activities conducted by our Investment Management segment subsidiaries have been organized under TRSs.

On August 1, 2022, a non-traded REIT that we advised, Corporate Property Associates 18 – Global Incorporated ("CPA:18 – Global") merged with and into one of our indirect subsidiaries (the "CPA:18 Merger") (Note 3). At December 31, 2022, we were the advisor to Carey European Student Housing Fund I, L.P. ("CESH"), a limited partnership formed for the purpose of developing, owning, and operating student housing properties in Europe (Note 4).

We refer to CPA:18 – Global (prior to the CPA:18 Merger) and CESH collectively as the "Managed Programs." We no longer raise capital for new or existing funds, but currently expect to continue managing CESH through the end of its life cycle (Note 4).

Reportable Segments

Real Estate — Lease revenues from our real estate investments generate the vast majority of our earnings. We invest primarily in commercial properties located in the United States and Northern and Western Europe, which are leased to companies on a triple-net lease basis. At December 31, 2022, our owned portfolio was comprised of our full or partial ownership interests in 1,449 properties, totaling approximately 176 million square feet (unaudited), substantially all of which were net leased to 392 tenants, with a weighted-average lease term of 10.8 years and an occupancy rate of 98.8% (unaudited). In addition, at December 31, 2022, our portfolio was comprised of full or partial ownership interests in 87 operating properties, including 84 self-storage properties, two student housing properties, and one hotel, totaling approximately 6.6 million square feet (unaudited).

Investment Management — Through our TRSs, we manage the real estate investment portfolio for CESH, for which we earn asset management revenue. We may also be entitled to receive certain distributions pursuant to our advisory arrangements with CESH. At December 31, 2022, CESH owned (i) all or a portion of three net-leased properties, totaling approximately 0.4 million square feet (unaudited), all of which were leased to one tenant, with an occupancy rate of 100.0% (unaudited), and (ii) one active build-to-suit project.

Note 2. Summary of Significant Accounting Policies

Critical Accounting Policies and Estimates

Accounting for Acquisitions

In accordance with the guidance for business combinations, we determine whether a transaction or other event is a business combination, which requires that the assets acquired and liabilities assumed constitute a business. If the assets acquired are not a business, we account for the transaction or other event as an asset acquisition. Under both methods, we recognize the identifiable assets acquired, the liabilities assumed, and any noncontrolling interest in the acquired entity. In addition, for transactions that are business combinations, we evaluate the existence of goodwill or a gain from a bargain purchase. We capitalize acquisition-related costs and fees associated with asset acquisitions. We immediately expense acquisition-related costs and fees associated with business combinations. All transaction costs incurred during the reporting period were capitalized since our acquisitions were classified as asset acquisitions (excluding the CPA:18 Merger).

Purchase Price Allocation of Tangible Assets — When we acquire properties with leases classified as operating leases, we allocate the purchase price to the tangible and intangible assets and liabilities acquired based on their estimated fair values. The tangible assets consist of land, buildings, and site improvements. The intangible assets include the above- and below-market value of leases and the in-place leases, which includes the value of tenant relationships. Land is typically valued utilizing the sales comparison (or market) approach. Buildings are valued, as if vacant, using the cost and/or income approach. Under the cost approach, the fair value of real estate is based on estimated costs to construct a vacant building with similar characteristics. Under the income approach, we use either the discounted cash flow method or the direct capitalization method. For the discounted cash flow method, the fair value of real estate is determined (i) by applying a discounted cash flow analysis to the estimated net operating income for each property in the portfolio during the remaining anticipated lease term and (ii) by the estimated residual value, which is based on a hypothetical sale of the property upon expiration of a lease factoring in the re-tenanting of such property at estimated market rental rates, and applying a selected capitalization rate. For the direct capitalization method, the fair value of real estate is determined (i) by the stabilized estimated net operating income for each property in the portfolio and (ii) a selected capitalization rate.

Assumptions used in the model are property-specific where this information is available; however, when certain necessary information is not available, we use available regional and property-type information. Assumptions and estimates include the following:

- a discount rate or internal rate of return;
- market rents, growth factors of rents, and market lease term;
- capitalization rates to be applied to an estimate of market rent at the beginning and/or the end of the market lease term;
- the marketing period necessary to put a lease in place;
- carrying costs during the marketing period; and
- leasing commissions and tenant improvement allowances.

The discount rates and residual capitalization rates used to value the properties are selected based on several factors, including:

- the creditworthiness of the lessees;
- industry surveys;
- property type;
- property location and age;
- current lease rates relative to market lease rates; and
- anticipated lease duration.

In the case where a tenant has a purchase option deemed to be favorable to the tenant, or the tenant has long-term renewal options at rental rates below estimated market rental rates, we generally include the value of the exercise of such purchase option or long-term renewal options in the determination of residual value.

The remaining economic life of leased assets is estimated by relying in part upon third-party appraisals of the leased assets and industry standards. Different estimates of remaining economic life will affect the depreciation expense that is recorded.

Purchase Price Allocation of Intangible Assets and Liabilities — For acquired properties that do not qualify as sale-leaseback transactions, we record above- and below-market lease intangible assets and liabilities for acquired properties based on the present value (using a discount rate reflecting the risks associated with the leases acquired including consideration of the credit of the lessee) of the difference between (i) the contractual rents to be paid pursuant to the leases negotiated or in place at the time of acquisition of the properties and (ii) our estimate of fair market lease rates for the property or equivalent property, both of which are measured over the estimated lease term, which includes renewal options that have rental rates below estimated market rental rates. We discount the difference between the estimated market rent and contractual rent to a present value using an interest rate reflecting our current assessment of the risk associated with the lease acquired, which includes a consideration of the credit of the lessee. When we enter into sale-leaseback transactions with above- or below-market leases, the intangibles will be accounted for as loan receivables or prepaid rent liabilities, respectively. We measure the fair value of below-market purchase option liabilities we acquire as the excess of the present value of the fair value of the real estate over the present value of the tenant's exercise price at the option date. We determine these values using our estimates or by relying in part upon third-party valuations conducted by independent appraisal firms.

We amortize the above-market lease intangible as a reduction of lease revenue over the remaining contractual lease term. We amortize the below-market lease intangible as an increase to lease revenue over the initial term and any renewal periods in the respective leases. We include the value of below-market leases in Below-market rent and other intangible liabilities in the consolidated financial statements.

For acquired properties with tenants in place, we record in-place lease intangible assets based on the estimated value ascribed to the avoidance of costs of leasing the properties for the remaining primary in-place lease terms. The cost avoidance is derived first by determining the in-place lease term on the subject lease. Then, based on our review of the market, the cost to be borne by a property owner to replicate a market lease to the remaining in-place term is estimated. These costs consist of: (i) rent lost during downtime (i.e., assumed periods of vacancy), (ii) estimated expenses that would be incurred by the property owner during periods of vacancy, (iii) rent concessions (i.e., free rent), (iv) leasing commissions, and (v) tenant improvements allowances given to tenants. We determine these values using our estimates or by relying in part upon third-party valuations. We amortize the value of in-place lease intangibles to depreciation and amortization expense over the remaining initial term of each lease. The amortization period for intangibles does not exceed the remaining depreciable life of the building.

If a lease is terminated, we charge the unamortized portion of above- and below-market lease values to rental income and in-place lease values to amortization expense. If a lease is amended, we will determine whether the economics of the amended lease continue to support the existence of the above- or below-market lease intangibles.

Purchase Price Allocation of Debt — When we acquire leveraged properties, the fair value of the related debt instruments is determined using a discounted cash flow model with rates that take into account the credit of the tenants, where applicable, and interest rate risk. Such resulting premium or discount is amortized over the remaining term of the obligation. We also consider the value of the underlying collateral, taking into account the quality of the collateral, the credit quality of the tenant, the time until maturity and the current interest rate.

Purchase Price Allocation of Goodwill — In the case of a business combination, after identifying all tangible and intangible assets and liabilities, the excess consideration paid over the fair value of the assets and liabilities acquired and assumed, respectively, represents goodwill. We allocate goodwill to the respective reporting units in which such goodwill arises. Goodwill acquired in certain business combinations was attributed to the Real Estate segment which comprises one reporting unit. In the event we dispose of a property or an investment that constitutes a business under U.S. generally accepted accounting principles ("GAAP") from a reporting unit with goodwill, we allocate a portion of the reporting unit's goodwill to that business in determining the gain or loss on the disposal of the business. The amount of goodwill allocated to the business is based on the relative fair value of the business to the fair value of the reporting unit. As part of purchase accounting for a business, we record any deferred tax assets and/or liabilities resulting from the difference between the tax basis and GAAP basis of the investment in the taxing jurisdiction. Such deferred tax amount will be included in purchase accounting and may impact the amount of goodwill recorded depending on the fair value of all of the other assets and liabilities and the amounts paid.

Financing Arrangements — In accordance with Accounting Standards Codification ("ASC") 310, *Receivables* and ASC 842, *Leases*, real estate assets acquired through a sale-leaseback transaction are accounted for as a financing arrangement if the investment does not meet the criteria for sale-leaseback accounting. We record such investments within Net investments in direct financing leases and loans receivable on the consolidated balance sheets. Rent payments from these investments are included within Income from direct financing leases and loans receivable on the consolidated statements of income.

Impairments

Real Estate — We periodically assess whether there are any indicators that the value of our long-lived real estate and related intangible assets may be impaired or that their carrying value may not be recoverable. These impairment indicators include, but are not limited to, vacancies, an upcoming lease expiration, a tenant with credit difficulty, the termination of a lease by a tenant, or a likely disposition of the property.

For real estate assets held for investment and related intangible assets in which an impairment indicator is identified, we follow a two-step process to determine whether an asset is impaired and to determine the amount of the charge. First, we compare the carrying value of the property's asset group to the estimated future net undiscounted cash flow that we expect the property's asset group will generate, including any estimated proceeds from the eventual sale of the property's asset group. The undiscounted cash flow analysis requires us to make our best estimate of market rents, residual values, and holding periods. We estimate market rents and residual values using market information from outside sources such as third-party market research, external appraisals, broker quotes, or recent comparable sales.

As our investment objective is to hold properties on a long-term basis, holding periods used in the undiscounted cash flow analysis are generally ten years, but may be less if our intent is to hold a property for less than ten years. Depending on the assumptions made and estimates used, the future cash flow projected in the evaluation of long-lived assets and associated intangible assets can vary within a range of outcomes. We consider the likelihood of possible outcomes in determining our estimate of future cash flows and, if warranted, we apply a probability-weighted method to the different possible scenarios. If the future net undiscounted cash flow of the property's asset group is less than the carrying value, the carrying value of the property's asset group is considered not recoverable. We then measure the impairment loss as the excess of the carrying value of the property's asset group over its estimated fair value.

Assets Held for Sale — We generally classify real estate assets that are subject to operating leases as held for sale when we have entered into a contract to sell the property, all material due diligence requirements have been satisfied, we received a non-refundable deposit, and we believe it is probable that the disposition will occur within one year. When we classify an asset as held for sale, we compare the asset's fair value less estimated cost to sell to its carrying value, and if the fair value less estimated cost to sell is less than the property's carrying value, we reduce the carrying value to the fair value less estimated cost to sell. We will continue to review the property for subsequent changes in the fair value, and may recognize an additional impairment charge, if warranted.

Equity Method Investments — We evaluate our equity method investments on a periodic basis to determine if there are any indicators that the value of our equity investment may be impaired and whether or not that impairment is other-than-temporary. To the extent an impairment has occurred and is determined to be other-than-temporary, we measure the charge as the excess of the carrying value of our investment over its estimated fair value, which is determined by calculating our share of the estimated fair market value of the underlying net assets based on the terms of the applicable partnership or joint-venture agreement. For our equity investments in real estate, we calculate the estimated fair value of the underlying investment's real estate as described in Real Estate above. The fair value of the underlying investment's debt, if any, is calculated based on market interest rates and other market information. The fair value of the underlying investment's other financial assets and liabilities (excluding net investment in direct financing leases) have fair values that generally approximate their carrying values.

Goodwill — We evaluate goodwill for possible impairment at least annually or upon the occurrence of a triggering event. Such a triggering event within our Investment Management segment depended on the timing and form of liquidity events for the Managed Programs (Note 3, Note 4). To identify any impairment, we first assess qualitative factors to determine whether it is more likely than not that the fair value of the reporting unit is less than its carrying value. This assessment is used as a basis to determine whether it is necessary to calculate reporting unit fair values. If necessary, we calculate the estimated fair value of the Investment Management reporting unit by utilizing a discounted cash flow analysis methodology and available net asset values. We calculate the estimated fair value of the Real Estate reporting unit by utilizing our market capitalization and the aforementioned fair value of the Investment Management segment. Impairments, if any, will be the difference between the reporting unit's fair value and carrying amount, not to exceed the carrying amount of goodwill.

Credit Losses

We adopted Accounting Standards Update ("ASU") *2016-13, Financial Instruments — Credit Losses* on January 1, 2020, which replaces the "incurred loss" model with an "expected loss" model, resulting in the earlier recognition of credit losses even if the risk of loss is remote. This standard applies to financial assets measured at amortized cost and certain other instruments, including net investments in direct financing leases and loans receivable. This standard does not apply to receivables arising from operating leases, which are within the scope of *Topic 842*. We adopted ASU 2016-13 using the modified retrospective method, under which we recorded a cumulative-effect adjustment as a charge to retained earnings of $14.8 million on January 1, 2020, which is reflected within our consolidated statements of equity.

The allowance for credit losses, which is recorded as a reduction to Net investments in direct financing leases and loans receivable on our consolidated balance sheets, is measured on a pool basis by credit ratings (Note 6), using a probability of default method based on the lessees' respective credit ratings, the expected value of the underlying collateral upon its repossession, and our historical loss experience related to other direct financing leases. Included in our model are factors that incorporate forward-looking information. Allowance for credit losses is included in our consolidated statements of income within Other gains and (losses).

Other Accounting Policies

Basis of Consolidation — Our consolidated financial statements reflect all of our accounts, including those of our controlled subsidiaries. The portions of equity in consolidated subsidiaries that are not attributable, directly or indirectly, to us are presented as noncontrolling interests. All significant intercompany accounts and transactions have been eliminated.

When we obtain an economic interest in an entity, we evaluate the entity to determine if it should be deemed a VIE and, if so, whether we are the primary beneficiary and are therefore required to consolidate the entity. We apply accounting guidance for consolidation of VIEs to certain entities in which the equity investors do not have the characteristics of a controlling financial interest or do not have sufficient equity at risk for the entity to finance its activities without additional subordinated financial support from other parties. Fixed price purchase and renewal options within a lease, as well as certain decision-making rights within a loan or joint-venture agreement, can cause us to consider an entity a VIE. Limited partnerships and other similar entities that operate as a partnership will be considered a VIE unless the limited partners hold substantive kick-out rights or participation rights. Significant judgment is required to determine whether a VIE should be consolidated. We review the contractual arrangements provided for in the partnership agreement or other related contracts to determine whether the entity is considered a VIE, and to establish whether we have any variable interests in the VIE. We then compare our variable interests, if any, to those of the other variable interest holders to determine which party is the primary beneficiary of the VIE based on whether the entity (i) has the power to direct the activities that most significantly impact the economic performance of the VIE and (ii) has the obligation to absorb losses or the right to receive benefits of the VIE that could potentially be significant to the VIE. The liabilities of these VIEs are non-recourse to us and can only be satisfied from each VIE's respective assets.

Upon the closing of the CPA:18 Merger, we acquired five consolidated VIEs and declassified three entities as VIEs.

At December 31, 2022 and 2021, we considered 16 and 14 entities to be VIEs, respectively, of which we consolidated 11 and six, respectively, as we are considered the primary beneficiary. The following table presents a summary of selected financial data of the consolidated VIEs included in our consolidated balance sheets (in thousands):

	December 31,	
	2022	2021
Land, buildings and improvements — net lease and other	$ 590,390	$ 426,831
Land, buildings and improvements — operating properties	143,390	—
Net investments in direct financing leases and loans receivable	144,103	144,103
In-place lease intangible assets and other	72,070	42,884
Above-market rent intangible assets	33,634	26,720
Accumulated depreciation and amortization	(176,379)	(154,413)
Total assets	843,500	500,884
Non-recourse mortgages, net	$ 132,950	$ 1,485
Below-market rent and other intangible liabilities, net	18,891	20,568
Total liabilities	199,633	46,302

At December 31, 2022 and 2021, our five and eight unconsolidated VIEs included our interests in (i) three and six unconsolidated real estate investments, respectively, which we account for under the equity method of accounting (we do not consolidate these entities because we are not the primary beneficiary and the nature of our involvement in the activities of these entities allows us to exercise significant influence on, but does not give us power over, decisions that significantly affect the economic performance of these entities), and (ii) two unconsolidated investments in equity securities, which we accounted for as investments in shares of the entities at fair value. As of December 31, 2022 and 2021, the net carrying amount of our investments in these entities was $693.4 million and $581.3 million, respectively, and our maximum exposure to loss in these entities was limited to our investments.

Leases

As a Lessee: Right-of-use ("ROU") assets represent our right to use an underlying asset for the lease term and lease liabilities represent our obligation to make lease payments under the lease. We determine if an arrangement contains a lease at contract inception and determine the classification of the lease at commencement. Operating and financing lease ROU assets and lease liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. We do not include renewal options in the lease term when calculating the lease liability unless we are reasonably certain we will exercise the option. Variable lease payments are excluded from the ROU assets and lease liabilities and are recognized in the period in which the obligation for those payments is incurred. Our variable lease payments consist of increases as a result of the Consumer Price Index ("CPI") or other comparable indices, taxes, and maintenance costs. Lease expense for lease payments is recognized on a straight-line basis over the term of the lease. Below-market ground lease intangible assets and above-market ground lease intangible liabilities are included as a component of ROU assets. See Note 5 for additional disclosures on the presentation of these amounts in our consolidated balance sheets.

The implicit rate within our operating leases is generally not determinable and, as a result, we use our incremental borrowing rate at the lease commencement date to determine the present value of lease payments. The determination of our incremental borrowing rate requires judgment. We determine our incremental borrowing rate for each lease using estimated baseline mortgage rates. These baseline rates are determined based on a review of current mortgage debt market activity for benchmark securities across domestic and international markets, utilizing a yield curve. The rates are then adjusted for various factors, including level of collateralization and lease term.

As a Lessor: We combine non-lease components (lease arrangements that include common area maintenance services) with related lease components (lease revenues), since both the timing and pattern of transfer are the same for the non-lease component and related lease component, the lease component is the predominant component, and the lease component would otherwise be classified as an operating lease. For (i) operating lease arrangements involving real estate that include common area maintenance services and (ii) all real estate arrangements that include real estate taxes and insurance costs, we present these amounts within lease revenues in our consolidated statements of income. We record amounts reimbursed by the lessee in the period in which the applicable expenses are incurred, if the reimbursements are deemed collectible.

Reclassifications — Certain prior period amounts have been reclassified to conform to the current period presentation.

We currently present Land, buildings and improvements — net lease and other and Land, buildings and improvements — operating properties on separate line items in the consolidated balance sheets. Previously, land, buildings and improvements attributable to net lease properties and operating properties were aggregated within Land, buildings and improvements in the consolidated balance sheets (Note 5).

Restricted Cash — Restricted cash primarily consists of security deposits and amounts required to be reserved pursuant to lender agreements for debt service, capital improvements, and real estate taxes. The following table provides a reconciliation of cash and cash equivalents and restricted cash reported within the consolidated balance sheets to the consolidated statements of cash flows (in thousands):

	December 31,		
	2022	2021	2020
Cash and cash equivalents	$ 167,996	$ 165,427	$ 248,662
Restricted cash [(a)]	56,145	52,523	63,117
Total cash and cash equivalents and restricted cash	$ 224,141	$ 217,950	$ 311,779

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(a) Restricted cash is included within Other assets, net on our consolidated balance sheets.

Real Estate and Operating Real Estate — We carry land, buildings, and improvements at cost less accumulated depreciation. We capitalize costs that extend the useful life of properties or increase their value, while we expense maintenance and repairs that do not improve or extend the lives of the respective assets as incurred.

Gain/Loss on Sale — We recognize gains and losses on the sale of properties when the transaction meets the definition of a contract, criteria are met for the sale of one or more distinct assets, and control of the properties is transferred.

Cash and Cash Equivalents — We consider all short-term, highly liquid investments that are both readily convertible to cash and have a maturity of three months or less at the time of purchase to be cash equivalents. Items classified as cash equivalents include commercial paper and money market funds. Our cash and cash equivalents are held in the custody of several financial institutions, and these balances, at times, exceed federally insurable limits. We seek to mitigate this risk by depositing funds only with major financial institutions.

Internal-Use Software Development Costs and Cloud Computing Arrangements — We expense costs associated with the assessment stage of software development projects. Upon completion of the preliminary project assessment stage, we capitalize internal and external costs associated with the application development stage. We expense the personnel-related costs of training and data conversion. We also expense costs associated with the post-implementation and operation stage, including maintenance and specified upgrades; however, we capitalize internal and external costs associated with significant upgrades to existing systems that result in additional functionality. Cloud computing arrangement costs follow the internal-use software accounting guidance to determine which implementation costs to capitalize as assets or expense as incurred. Capitalized internal-use software development costs are amortized on a straight-line basis over the software's estimated useful life, which is three to seven years. Capitalized implementation costs related to a service contract will be amortized over the term of the hosting arrangement beginning when the component of the hosting arrangement is ready for its intended use. Periodically, we reassess the useful life considering technology, obsolescence, and other factors.

Other Assets and Liabilities — We include prepaid expenses, deferred rental income, tenant receivables, deferred charges, escrow balances held by lenders, restricted cash balances, marketable securities, derivative assets, other intangible assets, corporate fixed assets, our investment in shares of Lineage Logistics (a cold storage REIT) (Note 9), our investment in shares of Guggenheim Credit Income Fund ("GCIF") (Note 9), and office lease ROU assets in Other assets, net. We include derivative liabilities, amounts held on behalf of tenants, operating lease liabilities, and deferred revenue in Accounts payable, accrued expenses and other liabilities.

Revenue Recognition, Real Estate Leased to Others — We lease real estate to others primarily on a triple-net leased basis, whereby the tenant is generally responsible for operating expenses relating to the property, including property taxes, insurance, maintenance, repairs, and improvements.

Substantially all of our leases provide for either scheduled rent increases, periodic rent adjustments based on formulas indexed to changes in the CPI or similar indices, or percentage rents. CPI-based adjustments are contingent on future events and are therefore not included as minimum rent in straight-line rent calculations. We recognize rents from percentage rents as reported by the lessees, which is after the level of sales requiring a rental payment to us is reached. Percentage rents were insignificant for the periods presented.

For our operating leases, we recognize future minimum rental revenue on a straight-line basis over the non-cancelable lease term of the related leases and charge expenses to operations as incurred (Note 5). We record leases accounted for under the direct financing method as a net investment in direct financing leases (Note 6). The net investment is equal to the cost of the leased assets. The difference between the cost and the gross investment, which includes the residual value of the leased asset and the future minimum rents, is unearned income. We defer and amortize unearned income to income over the lease term so as to produce a constant periodic rate of return on our net investment in the lease.

Revenue from contracts under ASC 606, *Revenue from Contracts with Customers* is recognized when, or as, control of promised goods or services is transferred to customers, in an amount that reflects the consideration we expect to be entitled to in exchange for those goods or services. At contract inception, we assess the services promised in our contracts with customers and identify a performance obligation for each promise to transfer to the customer a good or service (or bundle of goods or services) that is distinct. To identify the performance obligations, we consider all of the services promised in the contract regardless of whether they are explicitly stated or are implied by customary business practices. ASC 606 does not apply to our lease revenues, which constitute a majority of our revenues, but primarily applies to revenues generated from our hotel operating properties and our Investment Management segment.

Revenue from contracts for our Real Estate segment primarily represented hotel operating property revenues of $12.0 million, $7.2 million, and $5.9 million for the years ended December 31, 2022, 2021, and 2020, respectively. Such operating property revenues are primarily comprised of revenues from room rentals and from food and beverage services at our hotel operating properties during those years. We identified a single performance obligation for each distinct service. Performance obligations are typically satisfied at a point in time, at the time of sale, or at the rendering of the service. Fees are generally determined to be fixed. Payment is typically due immediately following the delivery of the service. Revenue from contracts under ASC 606 from our Investment Management segment is discussed in Note 4.

Lease revenue (including straight-line lease revenue) is only recognized when deemed probable of collection. Collectibility is assessed for each tenant receivable using various criteria including credit ratings (Note 6), guarantees, past collection issues, and the current economic and business environment affecting the tenant. If collectibility of the contractual rent stream is not deemed probable, revenue will only be recognized upon receipt of cash from the tenant.

Revenue Recognition, Investment Management Operations — We earn asset management revenue in connection with providing services to the Managed Programs. We earn asset management revenue from property management, leasing, and advisory services performed. In addition, we earn subordinated incentive and disposition revenue related to the disposition of properties.

The Managed Programs reimburse us for certain personnel and overhead costs that we incur on their behalf. We record reimbursement income as the expenses are incurred, subject to limitations imposed by the advisory agreements.

Asset Retirement Obligations — Asset retirement obligations relate to the legal obligations associated with the retirement of long-lived assets that result from the acquisition, construction, development, and/or normal operation of a long-lived asset. The fair value of a liability for an asset retirement obligation is recorded in the period in which it is incurred or at the point of acquisition of an asset with an assumed asset retirement obligation, and the cost of such liability is recorded as an increase in the carrying amount of the related long-lived asset by the same amount. The liability is accreted each period and the capitalized cost is depreciated over the estimated remaining life of the related long-lived asset. Revisions to estimated retirement obligations result in adjustments to the related capitalized asset and corresponding liability.

In order to determine the fair value of the asset retirement obligations, we make certain estimates and assumptions including, among other things, projected cash flows, the borrowing interest rate, and an assessment of market conditions that could significantly impact the estimated fair value. These estimates and assumptions are subjective.

Depreciation — We compute depreciation of building and related improvements using the straight-line method over the estimated remaining useful lives of the properties (not to exceed 40 years) and furniture, fixtures, and equipment. We compute depreciation of tenant improvements using the straight-line method over the lesser of the remaining term of the lease or the estimated useful life.

Stock-Based Compensation — We have granted restricted share awards (“RSAs”), restricted share units (“RSUs”), and performance share units (“PSUs”) to certain employees, independent directors, and nonemployees. Grants were awarded in the name of the recipient subject to certain restrictions of transferability and a risk of forfeiture. Stock-based compensation expense for all equity-classified stock-based compensation awards is based on the grant date fair value estimated in accordance with current accounting guidance for share-based payments, which includes awards granted to certain nonemployees. We recognize these compensation costs for only those shares expected to vest on a straight-line basis over the requisite service or performance period of the award. We include stock-based compensation within Additional paid-in capital in the consolidated statements of equity and Stock-based compensation expense in the consolidated statements of income.

Foreign Currency Translation and Transaction Gains and Losses — We have interests in international real estate investments primarily in Europe, Canada, and Japan, and the primary functional currencies for those investments are the euro, the British pound sterling, the Canadian dollar, and the Japanese yen. We perform the translation from these currencies to the U.S. dollar for assets and liabilities using current exchange rates in effect at the balance sheet date and for revenue and expense accounts using the average exchange rate during the month in which the transaction occurs. We report the gains and losses resulting from such translation as a component of other comprehensive income in equity. These translation gains and losses are released to net income (within Gain on sale of real estate, net, in the consolidated statements of income) when we have substantially exited from all investments in the related currency.

A transaction gain or loss (measured from the transaction date or the most recent intervening balance sheet date, whichever is later), realized upon settlement of a foreign currency transaction generally will be included in net income for the period in which the transaction is settled. Also, foreign currency intercompany transactions that are scheduled for settlement, consisting primarily of accrued interest and the translation to the reporting currency of intercompany debt that is short-term or has scheduled principal payments, are included in the determination of net income (within Other gains and (losses) in the statements of income).

The translation impact of foreign currency transactions of a long-term nature (that is, settlement is not planned or anticipated in the foreseeable future), in which the entities involved in the transactions are consolidated or accounted for by the equity method in our consolidated financial statements, are not included in net income but are reported as a component of other comprehensive income in equity.

Derivative Instruments — We measure derivative instruments at fair value and record them as assets or liabilities, depending on our rights or obligations under the applicable derivative contract. Derivatives that are not designated as hedges must be adjusted to fair value through earnings. For derivatives designated and that qualify as cash flow hedges, the change in fair value of the derivative is recognized in Other comprehensive (loss) income until the hedged transaction affects earnings. Gains and losses on the cash flow hedges representing hedge components excluded from the assessment of effectiveness are recognized in earnings over the life of the hedge on a systematic and rational basis, as documented at hedge inception in accordance with our accounting policy election. Such gains and losses are recorded within Other gains and (losses) or Interest expense in our consolidated statements of income. The earnings recognition of excluded components is presented in the same line item as the hedged transactions. For derivatives designated and that qualify as a net investment hedge, the change in the fair value and/or the net settlement of the derivative is reported in Other comprehensive (loss) income as part of the cumulative foreign currency translation adjustment. Amounts are reclassified out of Other comprehensive (loss) income into earnings (within Gain on sale of real estate, net, in our consolidated statements of income) when the hedged investment is either sold or substantially liquidated. In accordance with fair value measurement guidance, counterparty credit risk is measured on a net portfolio position basis.

Segment Allocation Changes — Beginning with the second quarter of 2020, general and administrative expenses attributed to our Investment Management segment are comprised of the incremental costs of providing services to the Managed Programs, which are fully reimbursed by those funds (resulting in no net expense for us). All other general and administrative expenses are attributed to our Real Estate segment. Previously, general and administrative expenses were allocated based on time incurred by our personnel for the Real Estate and Investment Management segments. In addition, beginning with the second quarter of 2020, stock-based compensation expense and corporate depreciation and amortization expense are fully recognized within our Real Estate segment. In light of the termination of the advisory agreements with CWI 1 and CWI 2 in connection with the Watermark Lodging Trust, Inc. ("WLT") management internalization (Note 4), as well as the termination of the advisory agreements with CPA:18 – Global in connection with the CPA:18 Merger (Note 3), we now view essentially all assets, liabilities, and operational expenses as part of our Real Estate segment, other than incremental activities that are expected to wind down as we manage CESH through the end of its life cycle. These changes between the segments had no impact on our consolidated financial statements.

In addition, our investments in WLT, and income recognized from our investments in WLT, were included within our Real Estate segment following the CWI 1 and CWI 2 Merger, since we were no longer the advisor to that company. Previously, our investments in CWI 1 and CWI 2, and income recognized from our investments in CWI 1 and CWI 2, were included within our Investment Management segment (Note 4).

Income Taxes — We conduct business in various states and municipalities primarily within North America and Europe, and as a result, we or one or more of our subsidiaries file income tax returns in the United States federal jurisdiction and various state and foreign jurisdictions. We derive most of our REIT income from our real estate operations under our Real Estate segment. Our domestic real estate operations are generally not subject to federal tax, and accordingly, no provision has been made for U.S. federal income taxes in the consolidated financial statements for these operations. These operations may be subject to certain state and local taxes, as applicable. We conduct our Investment Management operations primarily through TRSs. In general, a TRS may perform additional services for our tenants and generally may engage in any real estate or non-real estate-related business. These operations are subject to federal, state, local, and foreign taxes, as applicable. Our financial statements are prepared on a consolidated basis including these TRSs and include a provision for current and deferred taxes on these operations.

Significant judgment is required in determining our tax provision and in evaluating our tax positions. We establish tax reserves based on a benefit recognition model, which could result in a greater amount of benefit (and a lower amount of reserve) being initially recognized in certain circumstances. Provided that the tax position is deemed more likely than not of being sustained, we recognize the largest amount of tax benefit that is greater than 50% likely of being ultimately realized upon settlement. We derecognize the tax position when it is no longer more likely than not of being sustained.

Our earnings and profits, which determine the taxability of distributions to stockholders, differ from net income reported for financial reporting purposes due primarily to differences in depreciation, including hotel properties, and timing differences of rent recognition and certain expense deductions, for federal income tax purposes.

We recognize deferred income taxes in certain of our subsidiaries taxable in the United States or in foreign jurisdictions. Deferred income taxes are generally the result of temporary differences (items that are treated differently for tax purposes than for GAAP purposes as described in Note 15). In addition, deferred tax assets arise from unutilized tax net operating losses, generated in prior years. Deferred income taxes are computed under the asset and liability method. The asset and liability method requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of temporary differences between tax bases and financial bases of assets and liabilities. We provide a valuation allowance against our deferred income tax assets when we believe that it is more likely than not that all or some portion of the deferred income tax asset may not be realized. Whenever a change in circumstances causes a change in the estimated realizability of the related deferred income tax asset, the resulting increase or decrease in the valuation allowance is included in deferred income tax expense (benefit).

Earnings Per Share — Basic earnings per share is calculated by dividing net income available to common stockholders by the weighted-average number of shares of common stock outstanding during the year. Diluted earnings per share reflects potentially dilutive securities (RSAs, RSUs, PSUs, and shares available for issuance under our Equity Forwards and ATM Forwards) using the treasury stock method, except when the effect would be anti-dilutive.

Use of Estimates — The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts and the disclosure of contingent amounts in our consolidated financial statements and the accompanying notes. Actual results could differ from those estimates.

Note 3. Merger with CPA:18 – Global

CPA:18 Merger

On February 27, 2022, we and certain of our subsidiaries entered into a merger agreement with CPA:18 – Global, pursuant to which CPA:18 – Global would merge with and into one of our indirect subsidiaries in exchange for shares of our common stock and cash, subject to approval by the stockholders of CPA:18 – Global. The CPA:18 Merger and related transactions were approved by the stockholders of CPA:18 – Global on July 26, 2022 and completed on August 1, 2022.

At the effective time of the CPA:18 Merger, each share of CPA:18 – Global common stock issued and outstanding immediately prior to the effective time of the CPA:18 Merger was canceled and, in exchange for cancellation of such share, the rights attaching to such share were converted automatically into the right to receive (i) 0.098 shares of our common stock and (ii) $3.00 in cash, which we refer to herein as the Merger Consideration. Each share of CPA:18 – Global common stock owned by us or any of our subsidiaries immediately prior to the effective time of the CPA:18 Merger was automatically canceled and retired, and ceased to exist, for no Merger Consideration. In exchange for the 141,099,002 shares of CPA:18 – Global common stock that we and our subsidiaries did not previously own, we paid total merger consideration of approximately $1.6 billion, consisting of (i) the issuance of 13,786,302 shares of our common stock with a fair value of $1.2 billion, based on the closing price of our common stock on August 1, 2022 of $87.46 per share, (ii) cash consideration of $423.3 million, and (iii) cash of $0.1 million paid in lieu of issuing any fractional shares of our common stock. Pursuant to the terms of the definitive merger agreement, in connection with the closing of the CPA:18 Merger, we waived certain back-end fees that we would have otherwise been entitled to receive from CPA:18 – Global upon its liquidation pursuant to the terms of our pre-closing advisory agreement with CPA:18 – Global.

Immediately prior to the closing of the CPA:18 Merger, CPA:18 – Global's portfolio was comprised of full or partial ownership interests in 42 leased properties (including seven properties in which we already owned a partial ownership interest), substantially all of which were net leased with a weighted-average lease term of 7.0 years, an occupancy rate of 99.3% (unaudited), and an estimated contractual minimum annualized base rent ("ABR") totaling $81.0 million, as well as 65 self-storage operating properties and two student housing operating properties totaling 5.1 million square feet (unaudited). The related property-level debt was comprised of non-recourse mortgage loans with an aggregate consolidated fair value of approximately $900.2 million with a weighted-average annual interest rate of 5.1% as of August 1, 2022. From the closing of the CPA:18 Merger through December 31, 2022, lease revenues, operating property revenues, and net income from properties acquired were $42.7 million, $39.2 million, and $12.3 million, respectively.

Two of the net lease properties that we acquired in the CPA:18 Merger were classified as Assets held for sale, with an aggregate fair value of $85.0 million at acquisition (Note 5). From the closing of the CPA:18 Merger through December 31, 2022, lease revenues from these properties totaled $4.9 million. We sold one of these properties in August 2022 for total proceeds, net of selling costs, of $44.5 million, and recognized a loss on sale of $0.2 million (Note 16).

Purchase Price Allocation

We accounted for the CPA:18 Merger as a business combination under the acquisition method of accounting. After consideration of all applicable factors pursuant to the business combination accounting rules, we were considered the "accounting acquirer" due to various factors, including the fact that our stockholders held the largest portion of the voting rights in the combined company upon completion of the CPA:18 Merger. Costs related to the CPA:18 Merger have been expensed as incurred and classified within Merger and other expenses in the consolidated statements of income, totaling $17.2 million for the year ended December 31, 2022.

The purchase price was allocated to the assets acquired and liabilities assumed, based upon their preliminary fair values at August 1, 2022. The following tables summarize the preliminary consideration and estimated fair values of the assets acquired and liabilities assumed in the acquisition, based on the current best estimate of management. We are in the process of finalizing our assessment of the fair value of the assets acquired and liabilities assumed. Investments in land, buildings and improvements, net investments in direct financing leases, non-recourse mortgages, and noncontrolling interests were based on preliminary valuation data and estimates.

	Preliminary Purchase Price Allocation (in thousands)
Total Consideration	
Fair value of W. P. Carey shares of common stock issued	$ 1,205,750
Cash consideration paid	423,297
Cash paid for fractional shares	138
Merger Consideration	1,629,185
Fair value of our equity interest in CPA:18 – Global prior to the CPA:18 Merger	88,299
Fair value of our equity interest in jointly owned investments with CPA:18 – Global prior to the CPA:18 Merger	28,574
	$ 1,746,058

		Preliminary Purchase Price Allocation (in thousands)
Assets		
Land, buildings and improvements — net lease and other	$	881,613
Land, buildings and improvements — operating properties		1,000,447
Net investments in direct financing leases and loans receivable		38,517
In-place lease and other intangible assets		224,458
Above-market rent intangible assets		61,090
Assets held for sale		85,026
Cash and cash equivalents and restricted cash		331,063
Other assets, net (excluding restricted cash)		25,229
Total assets		2,647,443
Liabilities		
Non-recourse mortgages, net		900,173
Accounts payable, accrued expenses and other liabilities		90,035
Below-market rent and other intangible liabilities		16,836
Deferred income taxes		52,320
Total liabilities		1,059,364
Total identifiable net assets		1,588,079
Noncontrolling interests		(14,367)
Goodwill		172,346
	$	1,746,058

Goodwill

The $172.3 million of goodwill recorded in the CPA:18 Merger was primarily due to the premium we paid over CPA:18 – Global's estimated fair value. Management believes the premium is supported by several factors, including that the CPA:18 Merger (i) concludes our exit from the non-traded REIT business, (ii) adds a high-quality diversified portfolio of net lease assets that is well-aligned with our existing portfolio, (iii) enhances certain portfolio metrics, and (iv) adds an attractive portfolio of self-storage operating properties.

The fair value of the 13,786,302 shares of our common stock issued in the CPA:18 Merger as part of the consideration paid for CPA:18 – Global of $1.6 billion was derived from the closing market price of our common stock on the acquisition date. As required by GAAP, the fair value related to the assets acquired and liabilities assumed, as well as the shares exchanged, has been computed as of the date we gained control, which was the closing date of the CPA:18 Merger, in a manner consistent with the methodology described above.

Goodwill is not deductible for income tax purposes.

Equity Investments

During the third quarter of 2022, we recognized a gain on change in control of interests of approximately $22.5 million, which was the difference between the carrying value of approximately $65.8 million and the fair value of approximately $88.3 million of our previously held equity interest in 8,556,732 shares of CPA:18 – Global's common stock.

The CPA:18 Merger also resulted in our acquisition of the remaining interests in four investments in which we already had a joint interest and accounted for under the equity method. Upon acquiring the remaining interests in these investments, we owned 100% of these investments and thus accounted for the acquisitions of these interests utilizing the purchase method of accounting. Due to the change in control of the four jointly owned investments that occurred, we recorded a gain on change in control of interests of approximately $11.4 million during the third quarter of 2022, which was the difference between our carrying values and the fair values of our previously held equity interests on August 1, 2022 of approximately $17.2 million and approximately $28.6 million, respectively. Subsequent to the CPA:18 Merger, we consolidate these wholly owned investments.

The fair values of our previously held equity interests are based on the estimated fair market values of the underlying real estate and related mortgage debt, both of which were determined by management relying in part on a third party. Real estate valuation requires significant judgment. We determined the significant assumptions to be Level 3 with ranges for our previously held equity interests as follows:

- Market rents ranged from $8.65 per square foot to $21.00 per square foot;
- Discount rates applied to the estimated net operating income of each property ranged from approximately 5.75% to 9.75%;
- Discount rates applied to the estimated residual value of each property ranged from approximately 6.50% to 8.50%;
- Residual capitalization rates applied to the properties ranged from approximately 5.75% to 8.00%;
- The fair market value of the property level debt was determined based upon available market data for comparable liabilities and by applying selected discount rates to the stream of future debt payments; and
- Discount rates applied to the property level debt cash flows ranged from approximately 2.28% to 5.50%.

Pro Forma Financial Information (Unaudited)

The following consolidated pro forma financial information has been presented as if the CPA:18 Merger had occurred on January 1, 2021 for the years ended December 31, 2022 and 2021. The pro forma financial information is not necessarily indicative of what the actual results would have been had the CPA:18 Merger on that date, nor does it purport to represent the results of operations for future periods.

(in thousands)

	Years Ended December 31,	
	2022	2021
Pro forma total revenues	$ 1,590,233	$ 1,509,828

Note 4. Agreements and Transactions with Related Parties

Advisory Agreements and Partnership Agreements with the Managed Programs

We currently have advisory arrangements with CESH, pursuant to which we earn fees and are entitled to receive reimbursement for certain fund management expenses. Upon completion of the CPA:18 Merger on August 1, 2022 (Note 3), our advisory agreements with CPA:18 – Global were terminated, and we ceased earning revenue from CPA:18 – Global. We no longer raise capital for new or existing funds, but we currently expect to continue to manage CESH and earn various fees (as described below) through the end of its life cycle.

The following tables present a summary of revenue earned, reimbursable costs, and distributions of Available Cash received/accrued from the Managed Programs and WLT for the periods indicated, included in the consolidated financial statements (in thousands):

	Years Ended December 31,		
	2022	2021	2020
Distributions of Available Cash [(a)]	$ 8,746	$ 7,345	$ 7,225
Asset management revenue [(b)]	8,467	15,363	21,973
Reimbursable costs from affiliates [(b)]	2,518	4,035	8,855
Interest income on deferred acquisition fees and loans to affiliates [(c)]	112	120	369
Structuring and other advisory revenue [(b)]	—	—	494
	$ 19,843	$ 26,863	$ 38,916

	Years Ended December 31,		
	2022	2021	2020
CPA:18 – Global	$ 17,854	$ 22,867	$ 22,200
CWI 1	—	—	5,662
CWI 2	—	—	4,668
CESH	1,989	3,713	4,723
WLT (reimbursed transition services)	—	283	1,663
	$ 19,843	$ 26,863	$ 38,916

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(a) Included within Earnings (losses) from equity method investments in the consolidated statements of income.
(b) Amounts represent revenues from contracts under ASC 606.
(c) Included within Non-operating income in the consolidated statements of income.

The following table presents a summary of amounts included in Due from affiliates in the consolidated financial statements (in thousands):

	December 31,	
	2022	2021
Asset management fees receivable	$ 386	$ 494
Accounts receivable	329	336
Reimbursable costs	204	974
Current acquisition fees receivable	—	19
Deferred acquisition fees receivable, including accrued interest	—	3
	$ 919	$ 1,826

Performance Obligations and Significant Judgments

The fees earned pursuant to our advisory agreements are considered variable consideration. For the agreements that include multiple performance obligations, including asset management services, revenue is allocated to each performance obligation based on estimates of the price that we would charge for each promised service if it were sold on a standalone basis.

Judgment is applied in assessing whether there should be a constraint on the amount of fees recognized, such as amounts in excess of certain threshold limits with respect to the contract price or any potential clawback provisions included in certain of our arrangements. We exclude fees subject to such constraints to the extent it is probable that a significant reversal of those amounts will occur.

Asset Management Revenue

Under the advisory agreements with the Managed Programs, we earn asset management revenue for managing their investment portfolios. The following table presents a summary of our asset management fee arrangements with the Managed Programs:

Managed Program	Rate	Payable	Description
CPA:18 – Global	0.5% – 1.5%	In shares of its Class A common stock and/or cash, at the option of CPA:18 – Global; payable 50% in cash and 50% in shares of its Class A common stock for 2021 through February 28, 2022; payable in cash from March 1, 2022 to August 1, 2022 (the date of the completion of the CPA:18 Merger)	Rate depended on the type of investment and was based on the average market or average equity value, as applicable
CESH	1.0%	In cash	Based on gross assets at fair value

The performance obligation for asset management services is satisfied over time as services are rendered. The time-based output method is used to measure progress over time, as this is representative of the transfer of the services. We are compensated for our services on a monthly or quarterly basis. However, these services represent a series of distinct daily services under ASC 606, *Revenue from Contracts with Customers*. Accordingly, we satisfy the performance obligation and resolve the variability associated with our fees on a daily basis. We apply the practical expedient and, as a result, do not disclose variable consideration attributable to wholly or partially unsatisfied performance obligations as of the end of the reporting period.

In providing asset management services, we are reimbursed for certain costs. Direct reimbursement of these costs does not represent a separate performance obligation. Payment for asset management services is typically due on the first business day following the month of the delivery of the service.

Reimbursable Costs from Affiliates

CESH reimburses us in cash for certain personnel and overhead costs that we incur on its behalf, based on actual expenses incurred.

Distributions of Available Cash

We were entitled to receive distributions of up to 10% of the Available Cash (as defined in CPA:18 – Global's partnership agreement) from the operating partnership of CPA:18 – Global, payable quarterly in arrears. After completion of the CPA:18 Merger on August 1, 2022 (Note 3), we no longer receive distributions of Available Cash from CPA:18 – Global.

Back-End Fees and Interests in the Managed Programs

Under our advisory arrangements with CESH, we may also receive compensation in connection with providing a liquidity event for its investors. Such back-end fees or interests include or may include interests in disposition proceeds. There can be no assurance as to whether or when any back-end fees or interests will be realized. Pursuant to the terms of the definitive merger agreement, in connection with the closing of the CPA:18 Merger, we waived certain back-end fees that we would have been entitled to receive from CPA:18 – Global upon its liquidation pursuant to the terms of our advisory agreement and partnership agreement with CPA:18 – Global (Note 3).

Other Transactions with Former Affiliates

CWI 1 and CWI 2 Merger

On October 22, 2019, Carey Watermark Investors Incorporated ("CWI 1") and Carey Watermark Investors 2 Incorporated ("CWI 2"), two non-traded REITs that we advised, announced that they had entered into a definitive merger agreement under which the two companies intended to merge in an all-stock transaction, with CWI 2 as the surviving entity (the "CWI 1 and CWI 2 Merger"). The CWI 1 and CWI 2 Merger was approved by the stockholders of CWI 1 and CWI 2 on April 8, 2020 and closed on April 13, 2020. Subsequently, CWI 2 was renamed WLT. In connection with the CWI 1 and CWI 2 Merger, we entered into an internalization agreement and a transition services agreement. Immediately following the closing of the CWI 1 and CWI 2 Merger, (i) the advisory agreements with each of CWI 1 and CWI 2 and each of their respective operating partnerships terminated, (ii) the subadvisory agreements with the subadvisors for CWI 1 and CWI 2 were terminated, (iii) pursuant to the internalization agreement, two of our representatives were appointed to the board of directors of WLT (however both representatives resigned from the board of directors of WLT on April 29, 2020), and (iv) we provided certain transition services at cost to WLT, pursuant to a transition services agreement. On October 13, 2021, all services provided under the transition services agreement were terminated.

In accordance with the merger agreement, at the effective time of the CWI 1 and CWI 2 Merger, each issued and outstanding share of CWI 1's common stock (or fraction thereof), was converted into the right to receive 0.9106 shares (the "exchange ratio") of CWI 2 Class A common stock. As a result, we exchanged 6,074,046 shares of CWI 1 common stock for 5,531,025 shares of CWI 2 Class A common stock.

Pursuant to the internalization agreement, the operating partnerships of each of CWI 1 and CWI 2 redeemed the special general partner interests that we previously held, for which we received 1,300,000 shares of CWI 2 preferred stock with a liquidation preference of $50.00 per share and 2,840,549 shares in CWI 2 Class A common stock (which was a non-cash investing activity). In connection with this redemption, we recognized a non-cash net gain on sale of $33.0 million, which was included within Earnings (losses) from equity method investments in the consolidated statements of income for the year ended December 31, 2020. This net gain on sale was recorded based on:

- a fair value of $46.3 million for the 1,300,000 shares of CWI 2 preferred stock that we received (Note 9);
- a fair value of $11.6 million for the 2,840,549 shares in CWI 2 common stock that we received (Note 8);
- a gain recognized on the redemption of the noncontrolling interest in the special general partner interests previously held by the respective subadvisors for CWI 1 and CWI 2 of $9.9 million (which is included within Net income attributable to noncontrolling interests in our consolidated statements of income and Redemption of noncontrolling interest in our consolidated statements of equity);
- an allocation of $34.3 million of goodwill within our Investment Management segment in accordance with ASC 350, *Intangibles—goodwill and other*, since the WLT management internalization resulted in a sale of a portion of our Investment Management business (the allocation of goodwill was based on the relative fair value of the portion of the Investment Management business sold) (Note 7); and
- the carrying value of our previously held equity investments in the operating partnerships of CWI 1 and CWI 2 (Note 8), which totaled $0.5 million on the date of the merger.

In January 2022, WLT redeemed in full our 1,300,000 shares of its preferred stock for gross proceeds of $65.0 million (based on the liquidation preference of $50.00 per share, as described above) (Note 9).

Prior to the closing of the CWI 1 and CWI 2 Merger, we owned 3,836,669 shares of CWI 2 Class A common stock. Following the closing of the CWI 1 and CWI 2 Merger, execution of the internalization agreement, and CWI 2 being renamed WLT, we owned 12,208,243 shares of WLT common stock, which we accounted for as an equity method investment. We recorded our investment in shares of common stock of WLT on a one quarter lag. In January 2022, we reclassified our investment in shares of common stock of WLT from equity method investments to equity securities, since we no longer had significant influence over WLT, following the redemption of our investment in preferred shares of WLT, as described above (Note 8). As a result, we accounted for this investment, which was included in Other assets, net in the consolidated financial statements, at fair value. WLT completed its previously announced sale to private real estate funds in October 2022 and we received $82.6 million in cash proceeds. We recognized non-cash unrealized gains of $49.2 million on our investment in common shares of WLT during the year ended December 31, 2022, which was recorded within Other gains and (losses) in the consolidated financial statements. Upon completion of this transaction, we have no remaining interest in WLT.

Loans to Affiliates

From time to time, our board of directors (our "Board") has approved the making of secured and unsecured loans or lines of credit from us to certain of the Managed Programs, at our sole discretion, generally for the purpose of facilitating acquisitions or for working capital purposes. No amounts were outstanding on our line of credit to CPA:18 – Global as of December 31, 2021. In July 2022, CPA:18 – Global repaid the $16.0 million principal outstanding balance in full. The loan agreement with CPA:18 – Global was terminated upon completion of the CPA:18 Merger on August 1, 2022. No such line of credit with CESH existed during the reporting period.

Other

At December 31, 2022, we owned interests in ten jointly owned investments in real estate, with the remaining interests held by third parties. We consolidate six such investments and account for the remaining four investments under the equity method of accounting (Note 8). In addition, we owned limited partnership units of CESH at that date. We elected to account for our investment in CESH under the fair value option (Note 8).

Note 5. Land, Buildings and Improvements, and Assets Held for Sale

Land, Buildings and Improvements — Net Lease and Other

Land and buildings leased to others, which are subject to operating leases, and real estate under construction, are summarized as follows (in thousands):

	December 31,	
	2022	2021
Land	$ 2,400,002	$ 2,151,327
Buildings and improvements	10,916,630	9,525,858
Real estate under construction	22,225	114,549
Less: Accumulated depreciation	(1,672,091)	(1,448,020)
	$ 11,666,766	$ 10,343,714

As discussed in Note 3, we acquired 39 consolidated properties subject to existing operating leases in the CPA:18 Merger, which increased the carrying value of our Land, buildings and improvements — net lease and other by $881.6 million during the year ended December 31, 2022.

During 2022, the U.S. dollar strengthened against the euro, as the end-of-period rate for the U.S. dollar in relation to the euro decreased by 5.8% to $1.0666 from $1.1326. As a result of this fluctuation in foreign currency exchange rates, the carrying value of our Land, buildings and improvements — net lease and other decreased by $250.5 million from December 31, 2021 to December 31, 2022.

In connection with changes in lease classifications due to terminations or extensions of the underlying leases, we reclassified seven properties with an aggregate carrying value of $67.0 million from Net investments in direct financing leases and loans receivable to Land, buildings and improvements — net lease and other during 2022 (Note 6).

Depreciation expense, including the effect of foreign currency translation, on our buildings and improvements subject to operating leases was $299.4 million, $286.4 million, and $258.9 million for the years ended December 31, 2022, 2021, and 2020, respectively.

Acquisitions of Real Estate During 2022

During 2022, we entered into the following investments, which were deemed to be real estate asset acquisitions, and which excludes properties acquired in the CPA:18 Merger (dollars in thousands):

Property Location(s)	Number of Properties	Date of Acquisition	Property Type	Total Capitalized Costs [a]
Pleasant Prairie, Wisconsin	1	1/10/2022	Industrial	$ 20,024
Various, Spain [a]	26	2/3/2022	Funeral Home	146,364
Various, Denmark [a] [b]	8	2/11/2022	Retail	33,976
Laval, Canada [a]	1	2/18/2022	Industrial	21,459
Chattanooga, Tennessee [c]	1	3/4/2022	Warehouse	43,198
Various, United States (4 properties), Canada (1 property), and Mexico (1 property)	6	4/27/2022; 5/9/2022	Industrial	80,595
Various, United States	6	5/16/2022	Industrial; Warehouse	110,381
Various, Denmark [a] [b]	10	6/1/2022; 6/30/2022	Retail	42,635
Medina, Ohio	1	6/17/2022	Industrial	28,913
Bree, Belgium [a]	1	6/30/2022	Warehouse	96,697
Various, Spain [a]	5	7/21/2022	Retail	19,894
Various, United States	18	7/26/2022	Industrial; Warehouse	262,061
Various, Denmark [a] [b]	8	8/1/2022; 9/28/2022	Retail	29,644
Westlake, Ohio	1	8/3/2022	Warehouse	29,517
Hebron and Strongsville, Ohio; and Scarborough, Canada	3	8/10/2022	Industrial; Warehouse	20,111
Clifton Park, New York and West Des Moines, Iowa	2	8/12/2022	Specialty	23,317
Orzinuovi, Italy [a]	1	8/26/2022	Industrial	14,033
West Chester, Pennsylvania	1	10/1/2022	Outdoor Advertising	1,863
Various, Denmark [a] [b]	4	11/30/2022	Retail	15,553
Various, United States	19	12/21/2022	Industrial	63,006
Romulus, Michigan	1	12/30/2022	Warehouse	36,569
Salisbury, North Carolina [d]	1	12/30/2022	Industrial	16,412
	125			$ 1,156,222

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(a) Amount reflects the applicable exchange rate on the date of transaction.
(b) We also entered into a purchase agreement to acquire one additional retail facility leased to this tenant for $3.4 million (based on the exchange rate of the Danish krone at December 31, 2022), which is expected to be completed in 2023.
(c) We also committed to fund an additional $26.6 million for an expansion at the facility, which is expected to be completed in the third quarter of 2023.
(d) We also committed to fund an additional $13.8 million for an expansion at this facility, which is expected to be completed in the fourth quarter of 2023.

The aggregate purchase price allocation for investments disclosed above is as follows (dollars in thousands):

	Total Capitalized Costs
Land	$ 145,078
Buildings and improvements	852,991
Intangible assets and liabilities:	
In-place lease (weighted-average expected life of 20.6 years)	152,889
Below-market rent (weighted-average expected life of 10.9 years)	(7,023)
ROU assets:	
Prepaid rent [(a)]	12,287
	$ 1,156,222

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(a) Represents prepaid rent for a land lease. Therefore, there is no future obligation on the land lease asset and no corresponding operating lease liability. This asset is included in In-place lease intangible assets and other in the consolidated balance sheets.

Acquisitions of Real Estate During 2021 — We entered into 28 investments, which were deemed to be real estate asset acquisitions, at a total cost of $1.3 billion, including land of $191.0 million, buildings of $946.9 million, net lease intangibles of $188.9 million, land lease ROU assets of $6.0 million, above-market ground lease intangibles, net, of $4.2 million (included within ROU assets), prepaid rent liabilities of $15.4 million, and operating lease liabilities of $6.0 million.

Acquisitions of Real Estate During 2020 — We entered into 14 investments, which were deemed to be real estate asset acquisitions, at a total cost of $661.4 million, including land of $105.4 million, buildings of $449.4 million, and net lease intangibles of $106.6 million.

Real Estate Under Construction

During 2022, we capitalized real estate under construction totaling $141.2 million (including $78.3 million related to a student housing development project acquired in the CPA:18 Merger, as discussed below under *Land, Buildings and Improvements — Operating Properties*). The number of construction projects in progress with balances included in real estate under construction was eight and six as of December 31, 2022 and 2021, respectively. Aggregate unfunded commitments totaled approximately $61.1 million and $55.3 million as of December 31, 2022 and 2021, respectively.

During 2022, we completed the following construction projects (dollars in thousands):

Property Location(s)	Primary Transaction Type	Number of Properties	Date of Completion	Property Type	Total Capitalized Costs [(a)]
Hurricane, Utah	Expansion	1	3/8/2022	Warehouse	$ 20,517
Breda, Netherlands [(a)]	Expansion	1	3/18/2022	Warehouse	4,721
Bowling Green, Kentucky	Renovation	1	4/26/2022	Warehouse	72,971
Wageningen, Netherlands [(a)]	Build-to-Suit	1	7/7/2022	Research and Development	26,054
Radomsko, Poland [(a)]	Expansion	1	8/1/2022	Industrial	23,042
Flemington, New Jersey	Build-to-Suit	1	10/1/2022	Outdoor Advertising	832
		6			$ 148,137

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(a) Amount reflects the applicable exchange rate on the date of transaction.

During 2021, we completed four construction projects, at a total cost of $88.2 million.

During 2020, we completed five construction projects, at a total cost of $171.2 million.

In addition to the expansion commitments discussed under *Acquisitions of Real Estate During 2022* above, during 2022, we committed to fund six build-to-suit or redevelopment projects, for an aggregate amount of $20.3 million. We currently expect to complete the projects in 2023.

Capitalized interest incurred during construction was $1.3 million, $2.5 million, and $2.9 million for the years ended December 31, 2022, 2021, and 2020 respectively, which reduces Interest expense in the consolidated statements of income.

Dispositions of Properties

During 2022, we sold 20 properties, which were classified as Land, buildings and improvements — net lease and other. As a result, the carrying value of our Land, buildings and improvements — net lease and other decreased by $118.1 million from December 31, 2021 to December 31, 2022 (Note 16).

Other Lease-Related Income

2022 — For the year ended December 31, 2022, Other lease-related income on our consolidated statements of income included: (i) lease termination income totaling $12.4 million received from two tenants; (ii) other lease-related settlements totaling $17.6 million; and (iii) income from a parking garage attached to one of our net-leased properties totaling $1.6 million.

2021 — For the year ended December 31, 2021, Other lease-related income on our consolidated statements of income included: (i) lease termination income of $41.0 million received from a tenant; (ii) other lease-related settlements totaling $9.8 million; and (iii) income from a parking garage attached to one of our net-leased properties totaling $1.9 million.

2020 — For the year ended December 31, 2020, Other lease-related income on our consolidated statements of income included: (i) lease-related settlements totaling $7.9 million and (ii) income from a parking garage attached to one of our net-leased properties totaling $2.3 million.

Leases

Operating Lease Income

Lease income related to operating leases recognized and included in the consolidated statements of income is as follows (in thousands):

	Years Ended December 31,		
	2022	2021	2020
Lease income — fixed	$ 1,160,942	$ 1,066,250	$ 981,430
Lease income — variable [(a)]	140,675	111,188	99,193
Total operating lease income	$ 1,301,617	$ 1,177,438	$ 1,080,623

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(a) Includes (i) rent increases based on changes in the CPI and other comparable indices and (ii) reimbursements for property taxes, insurance, and common area maintenance services.

Scheduled Future Lease Payments to be Received

Scheduled future lease payments to be received (exclusive of expenses paid by tenants, percentage of sales rents, and future CPI-based adjustments) under non-cancelable operating leases at December 31, 2022 are as follows (in thousands):

Years Ending December 31,	Total
2023	$ 1,285,481
2024	1,233,058
2025	1,179,250
2026	1,127,974
2027	1,064,061
Thereafter	9,481,009
Total	$ 15,370,833

See Note 6 for scheduled future lease payments to be received under non-cancelable direct financing leases.

Lease Cost

Lease costs for operating leases are included in (i) General and administrative expenses (office leases), (ii) Property expenses, excluding reimbursable tenant costs (land leases), and (iii) Reimbursable tenant costs (land leases) in the consolidated statements of income. Certain information related to the total lease cost for operating leases is as follows (in thousands):

	Years Ended December 31,		
	2022	2021	2020
Fixed lease cost	$ 15,087	$ 16,426	$ 17,616
Variable lease cost	1,086	1,149	1,089
Total lease cost	$ 16,173	$ 17,575	$ 18,705

During the years ended December 31, 2022, 2021, and 2020, we received sublease income totaling approximately $4.6 million, $5.1 million, and $5.5 million, respectively, which is included in Lease revenues in the consolidated statements of income.

Other Information

Supplemental balance sheet information related to ROU assets and lease liabilities is as follows (dollars in thousands):

	Location on Consolidated Balance Sheets	December 31, 2022	December 31, 2021
Operating ROU assets — land leases	In-place lease intangible assets and other	$ 123,834	$ 106,095
Finance ROU assets — land leases	In-place lease intangible assets and other	12,598	—
Operating ROU assets — office leases	Other assets, net	56,674	59,902
Total operating ROU assets		$ 193,106	$ 165,997
Operating lease liabilities	Accounts payable, accrued expenses and other liabilities	$ 146,302	$ 146,437
Weighted-average remaining lease term — operating leases		25.8 years	26.1 years
Weighted-average discount rate — operating leases		6.8 %	6.8 %
Number of land lease arrangements — operating leases		72	66
Number of land lease arrangements — finance leases		1	—
Number of office space arrangements		4	4
Lease term range (excluding extension options not reasonably certain of being exercised)		<1 – 99 years	<1 – 100 years

Cash paid for operating lease liabilities included in Net cash provided by operating activities totaled $15.8 million, $13.9 million, and $15.5 million for the years ended December 31, 2022, 2021, and 2020, respectively.

We assumed seven land lease arrangements in the CPA:18 Merger, for which we are the lessee. As a result, we capitalized (i) ROU assets totaling $24.5 million (comprised of below-market ground lease intangibles totaling $17.9 million and land lease ROU assets totaling $6.6 million), which are included within In-place lease intangible assets and other on our consolidated balance sheets, and (ii) operating lease liabilities totaling $6.6 million, which are included within Accounts payable, accrued expenses and other liabilities on our consolidated balance sheets.

During the year ended December 31, 2022, we entered into a land lease agreement for 99 years, which we account for as a finance lease. Upon entering into the lease, we prepaid the full ground rent of $12.3 million, which is included in Net cash used in investing activities on the consolidated statements of cash flows. During the year ended December 31, 2022, we recognized $0.1 million of rent expense for this finance lease, which is included in Depreciation and amortization on our consolidated statements of income.

Undiscounted Cash Flows

A reconciliation of the undiscounted cash flows for operating leases recorded on the consolidated balance sheet within Accounts payable, accrued expenses and other liabilities as of December 31, 2022 is as follows (in thousands):

Years Ending December 31,	Total
2023	$ 14,486
2024	13,856
2025	13,851
2026	13,721
2027	13,911
Thereafter	269,848
Total lease payments	339,673
Less: amount of lease payments representing interest	(193,371)
Present value of future lease payments/lease obligations	$ 146,302

Land, Buildings and Improvements — Operating Properties

At December 31, 2022, Land, buildings and improvements — operating properties consisted of our investments in 75 consolidated self-storage properties, two consolidated student housing properties, and one consolidated hotel. We acquired 65 self-storage properties, one student housing property, and one student housing development project with an aggregate fair value of $1.0 billion in the CPA:18 Merger (including $78.3 million within real estate under construction) (Note 3). In September 2022, we partially placed into service the student housing development project for total capitalized costs of $66.8 million. At December 31, 2021, Land, buildings and improvements — operating properties consisted of our investments in ten consolidated self-storage properties and one consolidated hotel. Below is a summary of our Land, buildings and improvements — operating properties (in thousands):

	December 31,	
	2022	2021
Land	$ 122,317	$ 10,452
Buildings and improvements	955,009	73,221
Real estate under construction	18,566	—
Less: Accumulated depreciation	(28,295)	(16,750)
	$ 1,067,597	$ 66,923

Depreciation expense on our buildings and improvements attributable to operating properties was $11.6 million, $2.7 million, and $2.8 million for the years ended December 31, 2022, 2021, and 2020, respectively.

For the year ended December 31, 2022, Land, buildings and improvements — operating properties revenues totaling $59.2 million were comprised of $54.4 million in lease revenues and $4.8 million in other income (such as food and beverage revenue) from 75 consolidated self-storage properties, two student housing properties, and one consolidated hotel. For the year ended December 31, 2021, Land, buildings and improvements — operating properties revenues totaling $13.5 million were comprised of $11.2 million in lease revenues and $2.3 million in other income from ten consolidated self-storage properties and one consolidated hotel. For the year ended December 31, 2020, Land, buildings and improvements — operating properties revenues totaling $11.4 million were comprised of $9.5 million in lease revenues and $1.9 million in other income from ten consolidated self-storage properties and one consolidated hotel. We derive self-storage revenue primarily from rents received from customers who rent storage space under month-to-month leases for personal or business use. We earn student housing operating revenue primarily from leases of one year or less with individual students. We derive hotel revenue primarily from room rentals, as well as food, beverage, and other services.

Assets Held for Sale, Net

Below is a summary of our properties held for sale (in thousands):

	December 31,	
	2022	2021
Land, buildings and improvements — net lease and other	$ 47,134	$ 10,628
In-place lease intangible assets and other	10,854	—
Above-market rent intangible assets	3,210	—
Accumulated depreciation and amortization	(3,254)	(2,359)
Assets held for sale, net	$ 57,944	$ 8,269

At December 31, 2022, we had three properties classified as Assets held for sale, net, with an aggregate carrying value of $57.9 million. We sold one of these properties in January 2023 for gross proceeds of $11.2 million (Note 18). We acquired two properties classified as Assets held for sale, net, with a fair value of $85.0 million in the CPA:18 Merger (Note 3), one of which was sold in August 2022 (Note 16). At December 31, 2021, we had two properties classified as Assets held for sale, net, with an aggregate carrying value of $8.3 million. These properties were sold in the first quarter of 2022.

Note 6. Finance Receivables

Assets representing rights to receive money on demand or at fixed or determinable dates are referred to as finance receivables. Our finance receivables portfolio consists of our Net investments in direct financing leases and loans receivable (net of allowance for credit losses). Operating leases are not included in finance receivables. See Note 2 and Note 5 for information on ROU operating lease assets recognized in our consolidated balance sheets.

Finance Receivables

Net investments in direct financing leases and loans receivable are summarized as follows (in thousands):

		December 31,	
	Maturity Date	2022	2021
Net investments in direct financing leases [(a)]	2023 – 2036	$ 498,313	$ 572,205
Sale-leaseback transactions accounted for as loans receivable [(b)]	2038 – 2052	234,198	217,229
Secured loans receivable [(a)]	2023 – 2024	39,250	24,143
		$ 771,761	$ 813,577

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(a) Amounts are net of allowance for credit losses, as disclosed below under *Net Investments in Direct Financing Leases*.
(b) These investments are accounted for as loans receivable in accordance with ASC 310, *Receivables* and ASC 842, *Leases*. Maturity dates reflect the current lease maturity dates.
(c) Amounts are net of allowance for credit losses of $2.1 million and $12.6 million as of December 31, 2022 and 2021, respectively.

Net Investments in Direct Financing Leases

Net investments in direct financing leases is summarized as follows (in thousands):

	December 31,	
	2022	2021
Lease payments receivable	$ 332,618	$ 414,002
Unguaranteed residual value	470,839	545,896
	803,457	959,898
Less: unearned income	(296,411)	(370,353)
Less: allowance for credit losses [(a)]	(8,733)	(17,340)
	$ 498,313	$ 572,205

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(a) During the years ended December 31, 2022 and 2021, we recorded a net release of allowance for credit losses of $3.9 million and a net allowance for credit losses of $0.3 million, respectively, on our net investments in direct financing leases due to changes in expected economic conditions and improved credit quality for certain tenants, which was included within Other gains and (losses) in our consolidated statements of income. In addition, during the year ended December 31, 2022, we reduced the allowance for credit losses balance by $4.7 million, in connection with the reclassifications of properties from Net investments in direct financing leases and loans receivable to Real estate, as described below.

2022 — Income from direct financing leases, which is included in Income from direct financing leases and loans receivable in the consolidated financial statements, was $53.0 million for the year ended December 31, 2022.

As discussed in Note 3, we acquired one consolidated property subject to a direct financing lease in the CPA:18 Merger, which increased the carrying value of our Net investments in direct financing leases and loans receivable by $10.5 million during the year ended December 31, 2022. During the year ended December 31, 2022, we reclassified seven properties with a carrying value of $67.0 million from Net investments in direct financing leases and loans receivable to Real estate in connection with changes in lease classifications due to terminations or extensions of the underlying leases (Note 5). During the year ended December 31, 2022, the U.S. dollar strengthened against the euro, resulting in a $23.5 million decrease in the carrying value of Net investments in direct financing leases and loans receivable from December 31, 2021 to December 31, 2022.

2021 — Income from direct financing leases, which is included in Income from direct financing leases and loans receivable in the consolidated financial statements, was $63.2 million for the year ended December 31, 2021.

2020 — Income from direct financing leases, which was included in Income from direct financing leases and loans receivable in the consolidated financial statements, was $73.9 million for the year ended December 31, 2020.

Scheduled Future Lease Payments to be Received

Scheduled future lease payments to be received (exclusive of expenses paid by tenants, percentage of sales rents, and future CPI-based adjustments) under non-cancelable direct financing leases at December 31, 2022 are as follows (in thousands):

Years Ending December 31,	Total
2023	50,273
2024	48,146
2025	43,897
2026	42,578
2027	41,370
Thereafter	106,354
Total	$ 332,618

See Note 5 for scheduled future lease payments to be received under non-cancelable operating leases.

Loans Receivable

During the year ended December 31, 2022, we entered into the following sale-leaseback, which was deemed to be a loan receivable in accordance with ASC 310, *Receivables* and ASC 842, *Leases* (dollars in thousands):

Property Location(s)	Number of Properties	Date of Acquisition	Property Type	Total Investment
Various, Belgium [(a)]	5	6/22/2022	Retail	$ 19,795
	5			$ 19,795

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(a) Amount reflects the applicable exchange rate on the date of transaction.

During the year ended December 31, 2021, we entered into three sale-leasebacks, which were deemed to be loans receivable, at a total cost of $217.0 million.

As discussed in Note 3, we acquired one secured loan receivable in the CPA:18 Merger for $28.0 million, which pays interest at 10% per annum with a maturity date of July 2024.

In September 2022, one of our secured loans receivable was repaid to us for $34.0 million. In connection with this repayment, we recorded a release of allowance for credit losses of $10.5 million since the loan principal was fully repaid. In addition, in the first quarter of 2021, we entered into an agreement with the borrowers for certain of our secured loans receivable, who agreed to pay us at maturity a total of $3.7 million of unpaid interest due over the previous year. In connection with the repayment of the secured loan receivable in September 2022, we collected $2.3 million of this interest, which was included in Income from direct financing leases and loans receivable on the consolidated statements of income for the year ended December 31, 2022. The remaining $1.4 million of unpaid interest is related to a secured loan receivable that we still own, and has not been recognized in the consolidated financial statements due to uncertainty of collectibility.

Earnings from our loans receivable are included in Income from direct financing leases and loans receivable in the consolidated financial statements, and totaled $21.2 million, $4.3 million, and $1.0 million for the years ended December 31, 2022, 2021, and 2020, respectively.

Credit Quality of Finance Receivables

We generally invest in facilities that we believe are critical to a tenant’s business and therefore have a lower risk of tenant default. At both December 31, 2022 and 2021, other than uncollected income from our secured loans receivable (as noted above), no material balances of our finance receivables were past due. Other than the lease terminations and extensions noted under *Net Investments in Direct Financing Leases* above, there were no material modifications of finance receivables during the year ended December 31, 2022.

We evaluate the credit quality of our finance receivables utilizing an internal five-point credit rating scale, with one representing the highest credit quality and five representing the lowest. A credit quality of one through three indicates a range of investment grade to stable. A credit quality of four through five indicates a range of inclusion on the watch list to risk of default. The credit quality evaluation of our finance receivables is updated quarterly.

A summary of our finance receivables by internal credit quality rating, excluding our allowance for credit losses, is as follows (dollars in thousands):

	Number of Tenants / Obligors at December 31,		Carrying Value at December 31,	
Internal Credit Quality Indicator	2022	2021	2022	2021
1 – 3	19	17	$ 664,761	$ 703,280
4	8	9	117,833	140,230
5	—	—	—	—
			$ 782,594	$ 843,510

Note 7. Goodwill and Other Intangibles

We have recorded lease, internal-use software development, and trade name intangibles that are being amortized over periods ranging from one year to 48 years. In-place lease intangibles, at cost are included in In-place lease intangible assets and other in the consolidated financial statements. Above-market rent intangibles, at cost are included in Above-market rent intangible assets in the consolidated financial statements. Accumulated amortization of in-place lease and above-market rent intangibles is included in Accumulated depreciation and amortization in the consolidated financial statements. Internal-use software development and trade name intangibles are included in Other assets, net in the consolidated financial statements. Below-market rent and below-market purchase option intangibles are included in Below-market rent and other intangible liabilities, net in the consolidated financial statements.

Net lease intangibles recorded in connection with property acquisitions during the year ended December 31, 2022 are described in Note 5. In connection with the CPA:18 Merger (Note 3), we recorded net lease intangibles comprised as follows (life in years, dollars in thousands):

	Weighted-Average Life	Amount
Finite-Lived Intangible Assets		
In-place lease	7.4	$ 199,913
Above-market rent	11.9	61,090
		$ 261,003
Finite-Lived Intangible Liabilities		
Below-market rent	8.5	$ (16,836)

In connection with certain business combinations, including the CPA:18 Merger (Note 3), we recorded goodwill as a result of consideration exceeding the fair values of the assets acquired and liabilities assumed (Note 2). The goodwill was attributed to our Real Estate reporting unit as it relates to the real estate assets we acquired in such business combinations. The following table presents a reconciliation of our goodwill (in thousands):

	Real Estate	Investment Management	Total
Balance at January 1, 2020	$ 871,081	$ 63,607	$ 934,688
Foreign currency translation adjustments	10,403	—	10,403
Allocation of goodwill based on portion of Investment Management business sold (Note 4)	—	(34,273)	(34,273)
Balance at December 31, 2020	881,484	29,334	910,818
Foreign currency translation adjustments	(9,289)	—	(9,289)
Balance at December 31, 2021	872,195	29,334	901,529
Acquisition of CPA:18 – Global (Note 3)	172,346	—	172,346
Foreign currency translation adjustments	(7,129)	—	(7,129)
Impairment charges (Note 9)	—	(29,334)	(29,334)
Balance at December 31, 2022	$ 1,037,412	$ —	$ 1,037,412

Current accounting guidance requires that we test for the recoverability of goodwill at the reporting unit level. The test for recoverability must be conducted at least annually, or more frequently if events or changes in circumstances indicate that the carrying value of goodwill may not be recoverable. In connection with the completion of the CPA:18 Merger in August 2022 (Note 3), we performed a test for impairment during the third quarter of 2022 for goodwill recorded in both segments and recognized an impairment charge of $29.3 million on goodwill within our Investment Management segment (Note 9). We also performed our annual test for impairment in October 2022 for goodwill recorded in our Real Estate segment and found no impairment indicated.

Intangible assets, intangible liabilities, and goodwill are summarized as follows (in thousands):

	December 31, 2022			December 31, 2021		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Finite-Lived Intangible Assets						
Internal-use software development costs	$ 19,812	$ (19,144)	$ 668	$ 19,553	$ (18,682)	$ 871
Trade name	—	—	—	3,975	(3,581)	394
	19,812	(19,144)	668	23,528	(22,263)	1,265
Lease Intangibles:						
In-place lease	2,523,318	(1,061,235)	1,462,083	2,279,905	(934,663)	1,345,242
Above-market rent	833,751	(507,436)	326,315	843,410	(489,861)	353,549
	3,357,069	(1,568,671)	1,788,398	3,123,315	(1,424,524)	1,698,791
Goodwill						
Goodwill	1,037,412	—	1,037,412	901,529	—	901,529
Total intangible assets	$ 4,414,293	$ (1,587,815)	$ 2,826,478	$ 4,048,372	$ (1,446,787)	$ 2,601,585
Finite-Lived Intangible Liabilities						
Below-market rent	$ (293,160)	$ 125,287	$ (167,873)	$ (272,483)	$ 105,908	$ (166,575)
Indefinite-Lived Intangible Liabilities						
Below-market purchase option	(16,711)	—	(16,711)	(16,711)	—	(16,711)
Total intangible liabilities	$ (309,871)	$ 125,287	$ (184,584)	$ (289,194)	$ 105,908	$ (183,286)

During 2022, the U.S. dollar strengthened against the euro, resulting in an decrease of $42.3 million in the carrying value of our net intangible assets from December 31, 2021 to December 31, 2022. Net amortization of intangibles, including the effect of foreign currency translation, was $229.2 million, $236.6 million, and $226.2 million for the years ended December 31, 2022, 2021, and 2020, respectively. Amortization of below-market rent and above-market rent intangibles is recorded as an adjustment to Lease revenues and amortization of internal-use software development, trade name, and in-place lease intangibles is included in Depreciation and amortization.

Based on the intangible assets and liabilities recorded at December 31, 2022, scheduled annual net amortization of intangibles for each of the next five calendar years and thereafter is as follows (in thousands):

Years Ending December 31,	Net Decrease in Lease Revenues	Increase to Amortization	Total
2023	$ 34,878	$ 213,525	$ 248,403
2024	30,783	158,641	189,424
2025	27,047	144,395	171,442
2026	21,196	128,578	149,774
2027	17,100	115,105	132,205
Thereafter	27,438	702,507	729,945
Total	$ 158,442	$ 1,462,751	$ 1,621,193

Note 8. Equity Method Investments

We own interests in the Managed Programs and certain unconsolidated real estate investments with third parties. We account for our interests in these investments under the equity method of accounting (i.e., at cost, increased or decreased by our share of earnings or losses, less distributions, plus contributions and other adjustments required by equity method accounting, such as basis differences) or at fair value by electing the equity method fair value option available under GAAP.

We classify distributions received from equity method investments using the cumulative earnings approach. In general, distributions received are considered returns on the investment and classified as cash inflows from operating activities. If, however, the investor's cumulative distributions received, less distributions received in prior periods determined to be returns of investment, exceeds cumulative equity in earnings recognized, the excess is considered a return of investment and is classified as cash inflows from investing activities.

Managed Programs

We own interests in the Managed Programs and account for these interests under the equity method because, as their advisor, we do not exert control over, but we do have the ability to exercise significant influence over, the Managed Programs. Operating results of the Managed Programs are included in the Investment Management segment.

The following table sets forth certain information about our investments in the Managed Programs (dollars in thousands):

	% of Outstanding Shares Owned at December 31,		Carrying Amount of Investment at December 31,	
Fund	**2022**	**2021**	**2022**	**2021**
CPA:18 – Global [(a)]	100.000 %	5.578 %	$ —	$ 60,836
CPA:18 – Global operating partnership	100.000 %	0.034 %	—	209
CESH [(b)]	2.430 %	2.430 %	2,225	3,689
			$ 2,225	$ 64,734

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(a) On August 1, 2022, we acquired all of the remaining interests in CPA:18 – Global and the CPA:18 – Global operating partnership in the CPA:18 Merger (Note 3).

(b) Investment is accounted for at fair value.

CPA:18 – Global — We received distributions from this investment during the years ended December 31, 2022, 2021, and 2020 of $1.6 million, $3.5 million, and $2.6 million, respectively. We received distributions from our investment in the CPA:18 – Global operating partnership during the years ended December 31, 2022, 2021, and 2020 of $8.7 million, $7.3 million, and $7.2 million, respectively (Note 4).

CESH — We have elected to account for our investment in CESH at fair value by selecting the equity method fair value option available under GAAP. We record our investment in CESH on a one quarter lag; therefore, the balance of our equity method investment in CESH recorded as of December 31, 2022 is based on the estimated fair value of our investment as of September 30, 2022. We received distributions from this investment during the years ended December 31, 2022 and 2021 of $1.2 million and $1.3 million, respectively. We did not receive distributions from this investment during the year ended December 31, 2020.

At December 31, 2021, the aggregate unamortized basis differences on our equity method investments in the Managed Programs were $23.3 million. During the third quarter of 2022, we recognized a gain on change in control of interests of approximately $22.5 million, which was the difference between the carrying value and the fair value of our previously held equity interest in shares of CPA:18 – Global's common stock (Note 3). Following the close of the CPA:18 Merger, there are no such unamortized basis differences on our equity method investments in the Managed Programs.

Interests in Other Unconsolidated Real Estate Investments and WLT

We own equity interests in properties that are generally leased to companies through noncontrolling interests in partnerships and limited liability companies that we do not control but over which we exercise significant influence. The underlying investments are jointly owned with affiliates or third parties. We account for these investments under the equity method of accounting. In addition, we owned shares of WLT common stock, which we accounted for under the equity method of accounting as of December 31, 2021, but was reclassified to equity securities at fair value within Other assets, net on our consolidated balance sheets in January 2022, as described in Note 9. Operating results of our unconsolidated real estate investments are included in the Real Estate segment.

The following table sets forth our ownership interests in our equity method investments in real estate, excluding the Managed Programs, and their respective carrying values (dollars in thousands):

Lessee/Fund/Description	Co-owner	Ownership Interest at December 31, 2022	Carrying Value at December 31, 2022	2021
Existing Equity Method Investments				
Las Vegas Retail Complex [(a)]	Third Party	N/A	$ 196,352	$ 104,114
Johnson Self Storage	Third Party	90%	65,707	67,573
Kesko Senukai [(b)]	Third Party	70%	38,569	41,955
Harmon Retail Corner [(c)]	Third Party	15%	24,649	24,435
WLT [(d)]	WLT	N/A	—	33,392
Equity Method Investments Consolidated After the CPA:18 Merger [(e)]				
State Farm Mutual Automobile Insurance Co.	CPA:18 – Global	100%	—	7,129
Apply Sørco AS [(f)]	CPA:18 – Global	N/A	—	5,909
Bank Pekao [(b)] [(g)]	CPA:18 – Global	100%	—	4,460
Fortenova Grupa d.d. [(b)]	CPA:18 – Global	100%	—	2,936
			$ 325,277	$ 291,903

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(a) See "Las Vegas Retail Complex" below for discussion of this equity method investment in real estate.
(b) The carrying value of this investment is affected by fluctuations in the exchange rate of the euro.
(c) This investment is reported using the hypothetical liquidation at book value model, which may be different than pro rata ownership percentages, primarily due to the capital structure of the partnership agreement.
(d) At December 31, 2021, we owned 12,208,243 shares of common stock of WLT, which we accounted for as an equity method investment in real estate, but was reclassified to equity securities at fair value within Other assets, net on our consolidated balance sheets in January 2022 (Note 9). WLT completed its previously announced sale to private real estate funds in October 2022 (Note 9).
(e) We acquired the remaining interests in these investments from CPA:18 – Global in the CPA:18 Merger, subsequent to which we consolidated these wholly owned investments (Note 3).
(f) The carrying value of this investment is affected by fluctuations in the exchange rate of the Norwegian krone. We sold this investment in December 2022, which was consolidated and wholly owned at the time of disposition.
(g) We recognized our $4.6 million proportionate share of an impairment charge recorded on this investment during the year ended December 31, 2022, which was reflected within Earnings (losses) from equity method investments in our consolidated statements of income. The estimated fair value of the investment is based on the estimated selling price of the international office facility owned by the investment, and the fair value of the non-recourse mortgage encumbering the property also approximates the fair value of the property.

We received aggregate distributions of $27.8 million, $18.6 million, and $17.8 million from our other unconsolidated real estate investments for the years ended December 31, 2022, 2021, and 2020, respectively. At December 31, 2022 and 2021, the aggregate unamortized basis differences on our unconsolidated real estate investments were $19.1 million and $7.9 million, respectively. During the third quarter of 2022, we recorded a gain on change in control of interests of approximately $11.4 million, which was the difference between our carrying values and the fair values of our previously held equity method investments in real estate consolidated after the CPA:18 Merger (Note 3).

Las Vegas Retail Complex

On June 10, 2021, we entered into an agreement to fund a construction loan of approximately $261.9 million for a retail complex in Las Vegas, Nevada, at an interest rate of 6.0% and term of 36 months. Through December 31, 2022, we funded $193.2 million, with the remaining amount expected to be funded in 2023. We hold a purchase option for two net-leased units at the complex upon its completion, as well as an equity purchase option to acquire a 47.5% equity interest in the partnership that owns the borrower. As of the agreement date, we did not deem the exercise of the purchase options to be reasonably certain.

In accordance with ASC 810, *Consolidation*, we determined that this loan will not be consolidated, but due to the characteristics of the arrangement (including our participation in expected residual profits), the risks and rewards of the agreement are similar to those associated with an investment in real estate rather than a loan. Therefore, the loan will be treated as an implied investment in real estate (i.e., an equity method investment in real estate) for accounting purposes in accordance with the acquisition, development and construction arrangement sub-section of ASC 310, *Receivables*. Equity income from this investment was $10.1 million and $3.0 million for the years ended December 31, 2022 and 2021, respectively, which was recognized within Earnings (losses) from equity method investments in our consolidated statements of income.

Note 9. Fair Value Measurements

The fair value of an asset is defined as the exit price, which is the amount that would either be received when an asset is sold or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The guidance establishes a three-tier fair value hierarchy based on the inputs used in measuring fair value. These tiers are: Level 1, for which quoted market prices for identical instruments are available in active markets, such as money market funds, equity securities, and U.S. Treasury securities; Level 2, for which there are inputs other than quoted prices included within Level 1 that are observable for the instrument, such as certain derivative instruments including interest rate caps, interest rate swaps, and foreign currency collars; and Level 3, for securities that do not fall into Level 1 or Level 2 and for which little or no market data exists, therefore requiring us to develop our own assumptions.

Items Measured at Fair Value on a Recurring Basis

The methods and assumptions described below were used to estimate the fair value of each class of financial instrument. For significant Level 3 items, we have also provided the unobservable inputs.

Derivative Assets and Liabilities — Our derivative assets and liabilities, which are included in Other assets, net and Accounts payable, accrued expenses and other liabilities, respectively, in the consolidated financial statements, are comprised of foreign currency collars, interest rate swaps, interest rate caps, and stock warrants (Note 10).

The valuation of our derivative instruments (excluding stock warrants) is determined using a discounted cash flow analysis on the expected cash flows of each derivative. This analysis reflects the contractual terms of the derivatives, including the period to maturity, as well as observable market-based inputs, including interest rate curves, spot and forward rates, and implied volatilities. We incorporate credit valuation adjustments to appropriately reflect both our own nonperformance risk and the respective counterparty's nonperformance risk in the fair value measurements. In adjusting the fair value of our derivative instruments for the effect of nonperformance risk, we have considered the impact of netting and any applicable credit enhancements, such as collateral postings, thresholds, mutual puts, and guarantees. These derivative instruments were classified as Level 2 as these instruments are custom, over-the-counter contracts with various bank counterparties that are not traded in an active market.

The stock warrants were measured at fair value using valuation models that incorporate market inputs and our own assumptions about future cash flows. We classified these assets as Level 3 because these assets are not traded in an active market.

Equity Method Investment in CESH — We have elected to account for our investment in CESH, which is included in Equity method investments in the consolidated financial statements, at fair value by selecting the equity method fair value option available under GAAP (Note 8). We classified this investment as Level 3 because we primarily used valuation models that incorporate unobservable inputs to determine its fair value.

Investment in Shares of Lineage Logistics — We have elected to apply the measurement alternative under *ASU 2016-01, Financial Instruments — Overall (Subtopic 825-10)* to account for our investment in shares of Lineage Logistics (a cold storage REIT), which is included in Other assets, net in the consolidated financial statements. Under this alternative, the carrying value is adjusted for any impairments or changes in fair value resulting from observable transactions for similar or identical investments in the issuer. We classified this investment as Level 3 because it is not traded in an active market. During the years ended December 31, 2022, 2021, and 2020, we recognized non-cash unrealized gains on our investment in shares of Lineage Logistics totaling $38.6 million, $76.3 million, and $48.3 million, respectively, due to secondary market transactions at a higher price per share, which was recorded within Other gains and (losses) in the consolidated financial statements. In addition, during the years ended December 31, 2022 and 2021, we received cash dividends of $4.3 million and $6.4 million, respectively, from our investment in shares of Lineage Logistics, which was recorded within Non-operating income in the consolidated financial statements. See Note 15 for further discussion of the impact of Lineage Logistics's conversion to a REIT during the first quarter of 2020. In addition, in October 2020, we purchased additional shares of Lineage Logistics for $95.5 million. The fair value of this investment was $404.9 million and $366.3 million at December 31, 2022 and 2021, respectively.

Investment in Shares of GCIF — We account for our investment in shares of GCIF, which is included in Other assets, net in the consolidated financial statements, at fair value. We classified this investment as Level 2 because we used a quoted price from an inactive market to determine its fair value. During the year ended December 31, 2022, we received liquidating distributions from our investment in shares of GCIF totaling $2.6 million, which reduced the cost basis of our investment (in March 2021, GCIF announced its intention to liquidate and to distribute substantially all of its assets). The fair value of our investment in shares of GCIF was $1.7 million and $4.3 million at December 31, 2022 and 2021, respectively.

Investment in Preferred Shares of WLT — In January 2022, WLT redeemed in full our 1,300,000 shares of its preferred stock for gross proceeds of $65.0 million (based on the liquidation preference of $50.00 per share). Since this redemption was based on market conditions that existed as of December 31, 2021, during the year ended December 31, 2021, we recognized an unrealized gain on our investment in preferred shares of WLT of $18.7 million, which was recognized within Other comprehensive (loss) income in the consolidated financial statements. In January 2022, in connection with this redemption, we reclassified this $18.7 million unrealized gain from Accumulated other comprehensive loss to Other gains and (losses) in the consolidated financial statements (Note 13). During the years ended December 31, 2022 and 2021, we received cash dividends of $0.9 million and $4.9 million, respectively, from our investment in preferred shares of WLT, which was recorded within Non-operating income in the consolidated financial statements. The fair value of our investment in preferred shares of WLT approximated its carrying value, which was $65.0 million as of December 31, 2021.

Investment in Common Shares of WLT — In January 2022, we reclassified our investment in 12,208,243 shares of common stock of WLT from equity method investments to equity securities, since we no longer had significant influence over WLT, following the redemption of our investment in preferred shares of WLT, as described above. As a result, we accounted for this investment, which was included in Other assets, net in the consolidated financial statements, at fair value. We classified this investment as Level 3 because it is not traded in an active market. The carrying value of this investment was $33.4 million as of December 31, 2021, which was included within Equity method investments in the consolidated financial statements. WLT completed its previously announced sale to private real estate funds in October 2022 and we received $82.6 million in cash proceeds. As a result, we recognized non-cash unrealized gains of $49.2 million on our investment in common shares of WLT during the year ended December 31, 2022, which was recorded within Other gains and (losses) in the consolidated financial statements. Upon completion of this transaction, we have no remaining interest in WLT.

We did not have any transfers into or out of Level 1, Level 2, and Level 3 category of measurements during either the years ended December 31, 2022 or 2021. Gains and losses (realized and unrealized) recognized on items measured at fair value on a recurring basis included in earnings are reported within Other gains and (losses) on our consolidated financial statements.

Our other material financial instruments had the following carrying values and fair values as of the dates shown (dollars in thousands):

		December 31, 2022		December 31, 2021	
	Level	Carrying Value	Fair Value	Carrying Value	Fair Value
Senior Unsecured Notes, net [(a) (b) (c)]	2 and 3	$ 5,916,400	$ 5,238,588	$ 5,701,913	$ 5,984,228
Non-recourse mortgages, net [(a) (b) (d)]	3	1,132,417	1,109,449	368,524	369,841

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(a) The carrying value of Senior Unsecured Notes, net (Note 11) includes unamortized deferred financing costs of $25.9 million and $28.7 million at December 31, 2022 and 2021, respectively. The carrying value of Non-recourse mortgages, net includes unamortized deferred financing costs of less than $0.1 million at both December 31, 2022 and 2021.
(b) The carrying value of Senior Unsecured Notes, net includes unamortized discount of $24.1 million and $29.2 million at December 31, 2022 and 2021, respectively. The carrying value of Non-recourse mortgages, net includes unamortized discount of $10.3 million and $0.8 million at December 31, 2022 and 2021, respectively.
(c) For those Senior Unsecured Notes for which there are no observable market prices (specifically, our private placement Senior Unsecured Notes (Note 11)), we used a discounted cash flow model that estimates the present value of future loan payments by discounting such payments at current estimated market interest rates. We consider these notes to be within the Level 3 category. For all other Senior Unsecured Notes, we determined the estimated fair value using observed market prices in an open market, which may experience limited trading volume. We consider these notes to be within the Level 2 category.
(d) We determined the estimated fair value of our non-recourse mortgage loans using a discounted cash flow model that estimates the present value of the future loan payments by discounting such payments at current estimated market interest rates. The estimated market interest rates consider interest rate risk and the value of the underlying collateral, which includes quality of the collateral, the credit quality of the tenant/obligor, and the time until maturity.

We estimated that our other financial assets and liabilities, including amounts outstanding under our Senior Unsecured Credit Facility (Note 11), but excluding finance receivables (Note 6), had fair values that approximated their carrying values at both December 31, 2022 and 2021.

Items Measured at Fair Value on a Non-Recurring Basis (Including Impairment Charges)

We periodically assess whether there are any indicators that the value of our real estate investments may be impaired or that their carrying value may not be recoverable. Our impairment policies are described in Note 2.

The following table presents information about assets for which we recorded an impairment charge and that were measured at fair value on a non-recurring basis (in thousands):

	Years Ended December 31,					
	2022		2021		2020	
	Fair Value Measurements	Impairment Charges	Fair Value Measurements	Impairment Charges	Fair Value Measurements	Impairment Charges
Impairment Charges						
Real estate and intangibles	$ 32,497	$ 39,119	$ 29,494	$ 24,246	$ 31,350	$ 35,830
Investment Management goodwill	—	29,334	—	—	—	—
Equity method investments	—	—	8,175	6,830	55,245	55,387
		$ 68,453		$ 31,076		$ 91,217

Impairment charges, and their related triggering events and fair value measurements, recognized during 2022, 2021, and 2020 were as follows:

Real Estate and Intangibles

The impairment charges described below are reflected within Impairment charges — real estate in our consolidated statements of income.

2022 — During the year ended December 31, 2022, we recognized impairment charges totaling $39.1 million on 11 properties in order to reduce their carrying values to their estimated fair values, as follows:

- $12.4 million on three properties based on their estimated selling prices; we sold one of these properties in August 2022;
- $10.9 million on a property due to changes in expected cash flows related to the existing tenant’s lease expiration in 2023. The fair value measurement was determined by estimating discounted cash flows using two significant unobservable inputs, which were the cash flow discount rate (14.0%) and terminal capitalization rate (11.0%);

- $9.3 million on six Pendragon PLC properties in order to reduce the carrying values of the properties to their estimated fair values. The fair value measurements for the properties were determined using a direct capitalization rate analysis; the capitalization rate for the various scenarios ranged from 4.75% to 10.00%. In March 2022, we entered into a transaction to restructure certain leases with Pendragon PLC (a tenant at certain automotive dealerships in the United Kingdom). Under this restructuring, we extended the leases on 30 properties by 11 years (no change to rent) and entered into an agreement to dispose of 12 properties, with the tenant continuing to pay rent until the earlier of sale date or certain specified dates over the following 12 months; and
- $6.5 million on a property due to a potential property vacancy.

2021 — During the year ended December 31, 2021, we recognized impairment charges totaling $24.2 million on two properties in order to reduce the carrying values of the properties to their estimated fair values, as follows:

- $16.3 million on a property due to the former tenant's non-renewal of its lease expiring in 2022; the fair value measurement was determined by estimating discounted cash flows using four significant unobservable inputs, which were the cash flow discount rate (range of 7.00% to 9.00%), terminal capitalization rate (range of 6.00% to 7.00%), estimated market rents (range of $10 to $11 per square foot), and estimated capital expenditures ($100 per square foot); we sold this property in September 2022; and
- $7.9 million on a property due to a lease termination and resulting vacancy; the fair value measurement for the property was based on the sales prices for comparable properties.

2020 — During the year ended December 31, 2020, we recognized impairment charges totaling $35.8 million on six properties in order to reduce the carrying values of the properties to their estimated fair values, as follows:

- $16.0 million on two properties leased to the same tenant, due to potential property vacancies; the fair value measurements for the properties were determined using a direct capitalization rate analysis based on the probability of vacancy versus the tenant continuing in the lease; the capitalization rate for the various scenarios ranged from 6% to 11%;
- $12.6 million on an international property due to a tenant bankruptcy; the fair value measurement for the property was determined by using a probability-weighted approach of lease restructure and vacancy scenarios;
- $3.4 million on an international property based on its estimated selling price; we sold this property in September 2020;
- $2.8 million on an international property due to a lease expiration and resulting vacancy; the fair value measurement for the property approximated its estimated selling price; we sold this property in May 2022; and
- $1.0 million on a property based on its estimated selling price; we sold this property in September 2021.

Investment Management Goodwill

The impairment charges described below are reflected within Impairment charges — Investment Management goodwill in our consolidated statements of income.

2022 — During the year ended December 31, 2022, we recognized an impairment charge of $29.3 million on goodwill within our Investment Management segment in order to reduce its carrying value to its estimated fair value of $0, since future Investment Management cash flows are expected to be minimal following the CPA:18 Merger (Note 3).

Equity Method Investments

The other-than-temporary impairment charges described below are reflected within Earnings (losses) from equity method investments in our consolidated statements of income.

2021 — During the year ended December 31, 2021, we recognized an other-than-temporary impairment charge of $6.8 million on a jointly owned real estate investment to reduce the carrying value of our investment to its estimated fair value, which declined due to changes in expected cash flows related to the existing tenant's lease expiration in 2028. The fair value measurement was determined by estimating discounted cash flows using three significant unobservable inputs, which were the cash flow discount rate (5.75%), residual discount rate (7.50%), and residual capitalization rate (6.75%).

2020 — During the year ended December 31, 2020, we recognized other-than-temporary impairment charges of $27.8 million and $19.3 million on our equity method investments in CWI 1 and CWI 2, respectively, to reduce the carrying values of our investments to their estimated fair values, due to the COVID-19 pandemic, which had an adverse effect on the operations of CWI 1 and CWI 2. The fair value measurements were estimated based on implied asset value changes and changes in market capitalizations for publicly traded lodging REITs, all of which was obtained from third-party market data.

During the year ended December 31, 2020, we recognized an other-than-temporary impairment charge of $8.3 million on a jointly owned real estate investment to reduce the carrying value of our investment to its estimated fair value, which declined due to an uncertain probability of lease renewal with the tenant at the international office facility owned by the investment (lease expiration is in May 2023). The fair value measurement was determined by relying on an estimate of the fair market value of the property and the related mortgage loan, both provided by a third party.

Note 10. Risk Management and Use of Derivative Financial Instruments

Risk Management

In the normal course of our ongoing business operations, we encounter economic risk. There are four main components of economic risk that impact us: interest rate risk, credit risk, market risk, and foreign currency risk. We are primarily subject to interest rate risk on our interest-bearing liabilities, including our Senior Unsecured Credit Facility (Note 11) and unhedged variable-rate non-recourse mortgage loans. Credit risk is the risk of default on our operations and our tenants' inability or unwillingness to make contractually required payments. Market risk includes changes in the value of our properties and related loans, Senior Unsecured Notes, other securities, and the limited partnership units we hold in CESH, due to changes in interest rates or other market factors. We own investments in North America, Europe, and Japan and are subject to risks associated with fluctuating foreign currency exchange rates.

Derivative Financial Instruments

When we use derivative instruments, it is generally to reduce our exposure to fluctuations in interest rates and foreign currency exchange rate movements. We have not entered into, and do not plan to enter into, financial instruments for trading or speculative purposes. In addition to entering into derivative instruments on our own behalf, we may also be a party to derivative instruments that are embedded in other contracts, and we may be granted common stock warrants by lessees when structuring lease transactions, which are considered to be derivative instruments. The primary risks related to our use of derivative instruments include a counterparty to a hedging arrangement defaulting on its obligation and a downgrade in the credit quality of a counterparty to such an extent that our ability to sell or assign our side of the hedging transaction is impaired. While we seek to mitigate these risks by entering into hedging arrangements with large financial institutions that we deem to be creditworthy, it is possible that our hedging transactions, which are intended to limit losses, could adversely affect our earnings. Furthermore, if we terminate a hedging arrangement, we may be obligated to pay certain costs, such as transaction or breakage fees. We have established policies and procedures for risk assessment and the approval, reporting, and monitoring of derivative financial instrument activities.

We measure derivative instruments at fair value and record them as assets or liabilities, depending on our rights or obligations under the applicable derivative contract. Derivatives that are not designated as hedges must be adjusted to fair value through earnings. For derivatives designated and that qualify as cash flow hedges, the change in fair value of the derivative is recognized in Other comprehensive (loss) income until the hedged item is recognized in earnings. Gains and losses on the cash flow hedges representing hedge components excluded from the assessment of effectiveness are recognized in earnings over the life of the hedge on a systematic and rational basis, as documented at hedge inception in accordance with our accounting policy election. Such gains and losses are recorded within Other gains and (losses) or Interest expense in our consolidated statements of income. The earnings recognition of excluded components is presented in the same line item as the hedged transactions. For derivatives designated and that qualify as a net investment hedge, the change in the fair value and/or the net settlement of the derivative is reported in Other comprehensive (loss) income as part of the cumulative foreign currency translation adjustment. Amounts are reclassified out of Other comprehensive (loss) income into earnings (within Gain on sale of real estate, net, in our consolidated statements of income) when the hedged net investment is either sold or substantially liquidated.

All derivative transactions with an individual counterparty are governed by a master International Swap and Derivatives Association agreement, which can be considered as a master netting arrangement; however, we report all our derivative instruments on a gross basis on our consolidated financial statements. At both December 31, 2022 and 2021, no cash collateral had been posted nor received for any of our derivative positions.

The following table sets forth certain information regarding our derivative instruments (in thousands):

		Asset Derivatives Fair Value at		Liability Derivatives Fair Value at	
Derivatives Designated as Hedging Instruments	**Balance Sheet Location**	**December 31, 2022**	**December 31, 2021**	**December 31, 2022**	**December 31, 2021**
Foreign currency collars	Other assets, net	$ 32,631	$ 19,484	$ —	$ —
Interest rate swaps [(a)]	Other assets, net	2,679	—	—	—
Interest rate caps	Other assets, net	14	1	—	—
Foreign currency collars	Accounts payable, accrued expenses and other liabilities	—	—	(1,445)	(1,311)
Interest rate swaps	Accounts payable, accrued expenses and other liabilities	—	—	—	(908)
		35,324	19,485	(1,445)	(2,219)
Derivatives Not Designated as Hedging Instruments					
Stock warrants	Other assets, net	3,950	4,600	—	—
Foreign currency collars	Accounts payable, accrued expenses and other liabilities	—	—	(248)	—
		3,950	4,600	(248)	—
Total derivatives		$ 39,274	$ 24,085	$ (1,693)	$ (2,219)

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(a) In connection with the CPA:18 Merger on August 1, 2022, we acquired five interest rate swaps, which had an aggregate fair value of $0.4 million on the date of acquisition.

The following tables present the impact of our derivative instruments in the consolidated financial statements (in thousands):

	Amount of Gain (Loss) Recognized on Derivatives in Other Comprehensive (Loss) Income [(a)]		
	Years Ended December 31,		
Derivatives in Cash Flow Hedging Relationships	**2022**	**2021**	**2020**
Foreign currency collars	$ 13,013	$ 29,805	$ (24,818)
Interest rate swaps	3,068	4,198	(1,553)
Interest rate caps	16	6	6
Foreign currency forward contracts	—	—	(5,272)
Derivatives in Net Investment Hedging Relationships [(b)]			
Foreign currency collars	—	—	9
Total	$ 16,097	$ 34,009	$ (31,628)

		Amount of Gain (Loss) on Derivatives Reclassified from Other Comprehensive (Loss) Income		
		Years Ended December 31,		
Derivatives in Cash Flow Hedging Relationships	**Location of Gain (Loss) Recognized in Income**	**2022**	**2021**	**2020**
Foreign currency collars	Non-operating income	$ 17,483	$ 854	$ 4,956
Interest rate swaps and caps [(c)]	Interest expense	(167)	(932)	(1,818)
Foreign currency forward contracts	Non-operating income	—	—	5,716
Total		$ 17,316	$ (78)	$ 8,854

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(a) Excludes net gains of $3.6 million, net gains of $1.3 million, and net losses of $0.3 million recognized on unconsolidated jointly owned investments for the years ended December 31, 2022, 2021, and 2020, respectively.

(b) The changes in fair value of these contracts are reported in the foreign currency translation adjustment section of Other comprehensive (loss) income.
(c) Amount for the year ended December 31, 2021 excludes other comprehensive income totaling $3.1 million that was released from the consolidated financial statements (along with the related liability balances) upon the termination of interest rate swaps in connection with certain prepayments of non-recourse mortgage loans during the period (Note 11).

Amounts reported in Other comprehensive (loss) income related to interest rate derivative contracts will be reclassified to Interest expense as interest is incurred on our variable-rate debt. Amounts reported in Other comprehensive (loss) income related to foreign currency derivative contracts will be reclassified to Non-operating income when the hedged foreign currency contracts are settled. As of December 31, 2022, we estimate that an additional $1.6 million and $14.6 million will be reclassified as Interest expense and Non-operating income, respectively, during the next 12 months.

The following table presents the impact of our derivative instruments in the consolidated financial statements (in thousands):

		Amount of Gain (Loss) on Derivatives Recognized in Income		
		Years Ended December 31,		
Derivatives in Cash Flow Hedging Relationships	**Location of Gain (Loss) Recognized in Income**	**2022**	**2021**	**2020**
Foreign currency collars	Non-operating income	$ 6,574	$ 1,503	$ (2,477)
Interest rate swaps	Interest expense	171	1,592	2,132
Foreign currency forward contracts	Non-operating income	—	—	(43)
Derivatives Not in Cash Flow Hedging Relationships				
Stock warrants	Other gains and (losses)	(650)	(1,200)	800
Foreign currency collars	Other gains and (losses)	(248)	—	—
Interest rate swaps	Other gains and (losses)	—	—	106
Total		$ 5,847	$ 1,895	$ 518

See below for information on our purposes for entering into derivative instruments.

Interest Rate Swaps and Caps

We are exposed to the impact of interest rate changes primarily through our borrowing activities. To limit this exposure, we generally seek long-term debt financing on a fixed-rate basis. However, from time to time, we or our investment partners have obtained, and may in the future obtain, variable-rate, non-recourse mortgage loans and, as a result, we have entered into, and may continue to enter into, interest rate swap agreements or interest rate cap agreements with counterparties. Interest rate swaps, which effectively convert the variable-rate debt service obligations of a loan to a fixed rate, are agreements in which one party exchanges a stream of interest payments for a counterparty's stream of cash flow over a specific period. The notional, or face, amount on which the swaps are based is not exchanged. Interest rate caps limit the effective borrowing rate of variable-rate debt obligations while allowing participants to share in downward shifts in interest rates. Our objective in using these derivatives is to limit our exposure to interest rate movements.

The interest rate swaps and caps that our consolidated subsidiaries had outstanding at December 31, 2022 are summarized as follows (currency in thousands):

Interest Rate Derivatives	**Number of Instruments**	**Notional Amount**	**Fair Value at December 31, 2022 (a)**
Designated as Cash Flow Hedging Instruments			
Interest rate swaps	5	34,918 USD	$ 1,399
Interest rate swaps	2	45,970 EUR	1,280
Interest rate cap	1	10,452 EUR	14
			$ 2,693

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(a) Fair value amounts are based on the exchange rate of the euro at December 31, 2022, as applicable.

Foreign Currency Collars

We are exposed to foreign currency exchange rate movements, primarily in the euro and, to a lesser extent, the British pound sterling and certain other currencies. In order to hedge certain of our foreign currency cash flow exposures, we enter into foreign currency collars. A foreign currency collar consists of a written call option and a purchased put option to sell the foreign currency at a range of predetermined exchange rates. A foreign currency collar guarantees that the exchange rate of the currency will not fluctuate beyond the range of the options' strike prices. Our foreign currency collars have maturities of 62 months or less.

The following table presents the foreign currency derivative contracts we had outstanding at December 31, 2022 (currency in thousands):

Foreign Currency Derivatives	Number of Instruments	Notional Amount		Fair Value at December 31, 2022
Designated as Cash Flow Hedging Instruments				
Foreign currency collars	75	295,400	EUR	$ 25,578
Foreign currency collars	69	44,520	GBP	5,608
Not Designated as Cash Flow Hedging Instruments				
Foreign currency collars	4	29,500	EUR	(248)
				$ 30,938

Credit Risk-Related Contingent Features

We measure our credit exposure on a counterparty basis as the net positive aggregate estimated fair value of our derivatives, net of any collateral received. No collateral was received as of December 31, 2022. At December 31, 2022, our total credit exposure and the maximum exposure to any single counterparty was $33.8 million and $6.0 million, respectively.

Some of the agreements we have with our derivative counterparties contain cross-default provisions that could trigger a declaration of default on our derivative obligations if we default, or are capable of being declared in default, on certain of our indebtedness. At December 31, 2022, we had not been declared in default on any of our derivative obligations. The estimated fair value of our derivatives in a net liability position was $1.7 million and $2.2 million at December 31, 2022 and 2021, respectively, which included accrued interest and any nonperformance risk adjustments. If we had breached any of these provisions at December 31, 2022 or 2021, we could have been required to settle our obligations under these agreements at their aggregate termination value of $1.7 million and $2.3 million, respectively.

Net Investment Hedges

Borrowings under our Senior Unsecured Notes, Unsecured Revolving Credit Facility, and Unsecured Term Loans (all as defined in Note 11) denominated in euro, British pounds sterling, or Japanese yen are designated as, and are effective as, economic hedges of our net investments in foreign entities.

Exchange rate variations impact our financial results because the financial results of our foreign subsidiaries are translated to U.S. dollars each period, with the effect of exchange rate variations being recorded in Other comprehensive (loss) income as part of the cumulative foreign currency translation adjustment. As a result, changes in the value of our borrowings under our euro-denominated senior notes and changes in the value of our euro, Japanese yen, and British pound sterling borrowings under our Senior Unsecured Credit Facility, related to changes in the spot rates, will be reported in the same manner as foreign currency translation adjustments, which are recorded in Other comprehensive (loss) income as part of the cumulative foreign currency translation adjustment. Such gains (losses) related to non-derivative net investment hedges were $214.3 million, $255.9 million, and $(280.4) million for the years ended December 31, 2022, 2021, and 2020, respectively.

Note 11. Debt

Senior Unsecured Credit Facility

On February 20, 2020, we entered into the Fourth Amended and Restated Credit Facility, which has capacity of approximately $2.1 billion, comprised of (i) a $1.8 billion unsecured revolving credit facility for our working capital needs, acquisitions, and other general corporate purposes (our "Unsecured Revolving Credit Facility"), (ii) a £150.0 million term loan (our "Term Loan"), and (iii) a €96.5 million delayed draw term loan (our "Delayed Draw Term Loan"). We refer to our Term Loan and Delayed Draw Term Loan collectively as the "Unsecured Term Loans" and the entire facility collectively as our "Senior Unsecured Credit Facility." In December 2021, the Senior Unsecured Credit Facility was amended to transition certain London Inter-bank Offered Rate ("LIBOR")-based rates that were discontinued after December 31, 2021 to successor alternative reference rates. The updated reference rates are included in the Senior Unsecured Credit Facility table below. As of December 31, 2022 and 2021, this reference rate transition impacted only our Senior Unsecured Credit Facility.

In April 2022, we entered into a Second Amendment to the Credit Agreement to increase the Term Loan to £270.0 million and the Delayed Draw Term Loan to €215.0 million, thereby increasing the total capacity of our Senior Unsecured Credit Facility to approximately $2.4 billion. There were no other changes to the terms of our Credit Agreement. We used the approximately $300 million of proceeds from this increase in the capacity of our Unsecured Term Loans to partially repay amounts outstanding under our Unsecured Revolving Credit Facility.

The Senior Unsecured Credit Facility includes the ability to borrow in certain currencies other than U.S. dollars and has a maturity date of February 20, 2025. As of December 31, 2022, the aggregate principal amount (of revolving and term loans) available under the Senior Unsecured Credit Facility was able to be increased up to an amount not to exceed the U.S. dollar equivalent of $2.75 billion, subject to the conditions to increase set forth in the Credit Agreement. In January 2023, we entered into a Third Amendment to the Credit Agreement to (i) transition from LIBOR to the Secured Overnight Financing Rate ("SOFR") and (ii) increase the aggregate principal amount (of revolving and term loans) available under the Senior Unsecured Credit Facility to an amount not to exceed the U.S. dollar equivalent of $3.05 billion, subject to the conditions to increase set forth in the Credit Agreement. See Note 18, Subsequent Events for more information about this amendment.

At December 31, 2022, our Unsecured Revolving Credit Facility had available capacity of approximately $1.5 billion (net of amounts reserved for standby letters of credit totaling $0.6 million). We incur an annual facility fee of 0.20% of the total commitment on our Unsecured Revolving Credit Facility, which is included within Interest expense in our consolidated statements of income.

The following table presents a summary of our Senior Unsecured Credit Facility (dollars in thousands):

Senior Unsecured Credit Facility	Interest Rate at December 31, 2022 [(a)]	Maturity Date at December 31, 2022	Principal Outstanding Balance at December 31, 2022	Principal Outstanding Balance at December 31, 2021
Unsecured Term Loans:				
Term Loan — borrowing in British pounds sterling [(b) (c) (d)]	SONIA + 0.85%	2/20/2025	$ 324,695	$ 202,183
Delayed Draw Term Loan — borrowing in euros [(e)]	EURIBOR + 0.85%	2/20/2025	229,319	109,296
			554,014	311,479
Unsecured Revolving Credit Facility:				
Borrowing in euros [(e)]	EURIBOR + 0.775%	2/20/2025	258,117	205,001
Borrowing in Japanese yen [(f)]	TIBOR + 0.775%	2/20/2025	18,275	20,935
Borrowing in British pounds sterling	N/A	2/20/2025	—	184,660
			276,392	410,596
			$ 830,406	$ 722,075

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(a) The applicable interest rate at December 31, 2022 was based on the credit rating for our Senior Unsecured Notes of BBB/Baa1.
(b) Balance excludes unamortized discount of $1.5 million and $0.9 million at December 31, 2022 and 2021, respectively.
(c) SONIA means Sterling Overnight Index Average.

(d) Interest rate includes both a spread adjustment to the base rate and a credit spread.
(e) EURIBOR means Euro Interbank Offered Rate.
(f) TIBOR means Tokyo Interbank Offered Rate.

Senior Unsecured Notes

As set forth in the table below, we have euro and U.S. dollar-denominated senior unsecured notes outstanding with an aggregate principal balance outstanding of $6.0 billion at December 31, 2022 (the "Senior Unsecured Notes").

On September 28, 2022, we completed a private placement of (i) €150 million of 3.41% Senior Notes due 2029, which have a 7-year term and are scheduled to mature on September 28, 2029, and (ii) €200 million of 3.70% Senior Notes due 2032, which have a 10-year term and are scheduled to mature on September 28, 2032.

We redeemed the €500.0 million of 2.0% Senior Notes due 2023 in March 2021. In connection with this redemption, we paid a "make-whole" amount of $26.2 million (based on the exchange rate of the euro as of the date of redemption) and recognized a loss on extinguishment of $28.2 million, which is included within Other gains and (losses) on our consolidated statements of income for the year ended December 31, 2021.

Interest on the Senior Unsecured Notes is payable annually in arrears for our euro-denominated senior notes and semi-annually for U.S. dollar-denominated senior notes. The Senior Unsecured Notes can be redeemed at par within three months of their respective maturities, or we can call the notes at any time for the principal, accrued interest, and a make-whole amount based upon the applicable government bond yield plus 20 to 35 basis points. The following table presents a summary of our Senior Unsecured Notes outstanding at December 31, 2022 (currency in thousands):

					Principal Outstanding Balance at December 31,	
Senior Unsecured Notes, net [(a)]	**Issue Date**	**Principal Amount**	**Coupon Rate**	**Maturity Date**	**2022**	**2021**
4.6% Senior Notes due 2024	3/14/2014	$ 500,000	4.6 %	4/1/2024	$ 500,000	$ 500,000
2.25% Senior Notes due 2024	1/19/2017	€ 500,000	2.25 %	7/19/2024	533,300	566,300
4.0% Senior Notes due 2025	1/26/2015	$ 450,000	4.0 %	2/1/2025	450,000	450,000
2.250% Senior Notes due 2026	10/9/2018	€ 500,000	2.250 %	4/9/2026	533,300	566,300
4.25% Senior Notes due 2026	9/12/2016	$ 350,000	4.25 %	10/1/2026	350,000	350,000
2.125% Senior Notes due 2027	3/6/2018	€ 500,000	2.125 %	4/15/2027	533,300	566,300
1.350% Senior Notes due 2028	9/19/2019	€ 500,000	1.350 %	4/15/2028	533,300	566,300
3.850% Senior Notes due 2029	6/14/2019	$ 325,000	3.850 %	7/15/2029	325,000	325,000
3.41% Senior Notes due 2029	9/28/2022	€ 150,000	3.41 %	9/28/2029	159,990	—
0.950% Senior Notes due 2030	3/8/2021	€ 525,000	0.950 %	6/1/2030	559,965	594,615
2.400% Senior Notes due 2031	10/14/2020	$ 500,000	2.400 %	2/1/2031	500,000	500,000
2.450% Senior Notes due 2032	10/15/2021	$ 350,000	2.450 %	2/1/2032	350,000	350,000
3.70% Senior Notes due 2032	9/28/2022	€ 200,000	3.70 %	9/28/2032	213,320	—
2.250% Senior Notes due 2033	2/25/2021	$ 425,000	2.250 %	4/1/2033	425,000	425,000
					$ 5,966,475	$ 5,759,815

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(a) Aggregate balance excludes unamortized deferred financing costs totaling $25.9 million and $28.7 million, and unamortized discount totaling $24.1 million and $29.2 million at December 31, 2022 and 2021, respectively.

In connection with the private placement of the €150 million of 3.41% Senior Notes due 2029 and the €200 million of 3.70% Senior Notes due 2032 in September 2022, we incurred financing costs totaling $2.6 million during the year ended December 31, 2022, which are included in the Senior Unsecured Notes, net in the consolidated financial statements and are being amortized to Interest expense over the term of their respective Senior Notes.

Covenants

The Credit Agreement, each of the Senior Unsecured Notes, and certain of our non-recourse mortgage loan agreements include customary financial maintenance covenants that require us to maintain certain ratios and benchmarks at the end of each quarter. The Credit Agreement also contains various customary affirmative and negative covenants applicable to us and our subsidiaries, subject to materiality and other qualifications, baskets, and exceptions as outlined in the Credit Agreement. We were in compliance with all of these covenants at December 31, 2022.

We may make unlimited Restricted Payments (as defined in the Credit Agreement), as long as no non-payment default or financial covenant default has occurred before, or would on a pro forma basis occur as a result of, the Restricted Payment. In addition, we may make Restricted Payments in an amount required to (i) maintain our REIT status and (ii) as a result of that status, not pay federal or state income or excise tax, as long as the loans under the Credit Agreement have not been accelerated and no bankruptcy or event of default has occurred.

Obligations under the Unsecured Revolving Credit Facility may be declared immediately due and payable upon the occurrence of certain events of default as defined in the Credit Agreement, including failure to pay any principal when due and payable, failure to pay interest within five business days after becoming due, failure to comply with any covenant, representation or condition of any loan document, any change of control, cross-defaults, and certain other events as set forth in the Credit Agreement, with grace periods in some cases.

Non-Recourse Mortgages

Non-recourse mortgages consist of mortgage notes payable, which are collateralized by the assignment of real estate properties. For a list of our encumbered properties, please see Schedule III — Real Estate and Accumulated Depreciation. At December 31, 2022, the weighted-average interest rate for our total non-recourse mortgage notes payable was 4.3% (fixed-rate and variable-rate non-recourse mortgage notes payable were 4.4% and 4.1%, respectively), with maturity dates ranging from January 2023 to April 2039.

CPA:18 Merger

In connection with the CPA:18 Merger on August 1, 2022 (Note 3), we assumed property-level debt comprised of non-recourse mortgage loans with fair values totaling $900.2 million and recorded an aggregate fair market value net discount of $13.1 million. The fair market value net discount will be amortized to interest expense over the remaining lives of the related loans. These non-recourse mortgage loans had a weighted-average annual interest rate of 5.1% on the merger date.

Repayments During 2022

During the year ended December 31, 2022, we (i) repaid non-recourse mortgage loans at or close to maturity with an aggregate principal balance of approximately $104.7 million, and (ii) prepaid non-recourse mortgage loans totaling $10.4 million. We recognized an aggregate net loss on extinguishment of debt of $1.3 million on these repayments, which is included within Other gains and (losses) on our consolidated statements of income. The weighted-average interest rate for these non-recourse mortgage loans on their respective dates of repayment was 4.4%.

Repayments During 2021

During the year ended December 31, 2021, we (i) prepaid non-recourse mortgage loans totaling $745.1 million, and (ii) repaid non-recourse mortgage loans at or close to maturity with an aggregate principal balance of approximately $32.7 million. We recognized an aggregate net loss on extinguishment of debt of $47.2 million on these repayments, primarily comprised of prepayment penalties totaling $45.2 million, which is included within Other gains and (losses) on our consolidated statements of income. The weighted-average interest rate for these non-recourse mortgage loans on their respective dates of repayment was 4.8%.

Interest Paid

For the years ended December 31, 2022, 2021, and 2020, interest paid was $191.0 million, $190.8 million, and $190.6 million, respectively.

Foreign Currency Exchange Rate Impact

During the year ended December 31, 2022, the U.S. dollar strengthened against the euro, resulting in an aggregate decrease of $224.4 million in the aggregate carrying values of our Non-recourse mortgages, net, Senior Unsecured Credit Facility, and Senior Unsecured Notes, net from December 31, 2021 to December 31, 2022.

Scheduled Debt Principal Payments

Scheduled debt principal payments as of December 31, 2022 are as follows (in thousands):

Years Ending December 31,	Total
2023	$ 456,708
2024	1,231,468
2025	1,664,276
2026	983,425
2027	533,760
Thereafter through 2039	3,070,039
Total principal payments	7,939,676
Unamortized discount, net	(35,936)
Unamortized deferred financing costs	(25,992)
Total	$ 7,877,748

Certain amounts are based on the applicable foreign currency exchange rate at December 31, 2022.

Note 12. Commitments and Contingencies

At December 31, 2022, we were not involved in any material litigation. Various claims and lawsuits arising in the normal course of business are pending against us. The results of these proceedings are not expected to have a material adverse effect on our consolidated financial position or results of operations.

Note 13. Equity

Common Stock

Dividends paid to stockholders consist of ordinary income, capital gains, return of capital or a combination thereof for income tax purposes. Our dividends per share are summarized as follows:

	Dividends Paid During the Years Ended December 31,		
	2022	2021	2020
Ordinary income	$ 4.0329	$ 3.3300	$ 3.3112
Return of capital	0.1718	0.5407	—
Capital gains	0.0273	0.3253	0.8528
Total dividends paid	$ 4.2320	$ 4.1960	$ 4.1640

During the fourth quarter of 2022, our Board declared a quarterly dividend of $1.065 per share, which was paid on January 13, 2023 to stockholders of record as of December 30, 2022.

Earnings Per Share

The following table summarizes basic and diluted earnings (dollars in thousands):

	Years Ended December 31,		
	2022	2021	2020
Net income – basic and diluted	$ 599,139	$ 409,988	$ 455,359
Weighted-average shares outstanding – basic	199,633,802	182,486,476	174,504,406
Effect of dilutive securities	793,322	640,622	335,022
Weighted-average shares outstanding – diluted	200,427,124	183,127,098	174,839,428

For the years ended December 31, 2022, 2021, and 2020, potentially dilutive securities excluded from the computation of diluted earnings per share were insignificant.

ATM Program

On May 2, 2022, we established a continuous "at-the-market" offering program ("ATM Program") with a syndicate of banks, pursuant to which shares of our common stock having an aggregate gross sales price of up to $1.0 billion may be sold (i) directly through or to the banks acting as sales agents or as principal for their own accounts or (ii) through or to participating banks or their affiliates acting as forward sellers on behalf of any forward purchasers pursuant to a forward sale agreement (our "ATM Forwards"). Effective as of that date, we terminated a prior ATM Program that was established on August 9, 2019, under which we were able to offer and sell shares of our common stock from time to time, up to an aggregate gross sales price of $750.0 million, with a syndicate of banks.

The following table sets forth certain information regarding the issuance of shares of our common stock under our prior ATM Program during the periods presented (net proceeds in thousands):

	Years Ended December 31,		
	2022	2021	2020
Shares of common stock issued	2,740,295	4,690,073	2,500
Weighted-average price per share	$ 80.79	$ 73.42	$ 72.05
Net proceeds	$ 218,081	$ 339,968	$ 159

Forward Equity

We expect to settle the ATM Forwards in full on or prior to the maturity date of each ATM Forward via physical delivery of the outstanding shares of common stock in exchange for cash proceeds. However, subject to certain exceptions, we may also elect to cash settle or net share settle all or any portion of our obligations under any ATM Forwards. The forward sale price that we will receive upon physical settlement of the ATM Forwards will be (i) subject to adjustment on a daily basis based on a floating interest rate factor equal to a specified daily rate less a spread (i.e., if the specified daily rate is less than the spread on any day, the interest rate factor will result in a daily reduction of the applicable forward sale price) and (ii) decreased based on amounts related to expected dividends on shares of our common stock during the term of the ATM Forwards.

We determined that our ATM Forwards meet the criteria for equity classification and are therefore exempt from derivative accounting. We recorded the ATM Forwards at fair value at inception, which we determined to be zero. Subsequent changes to fair value are not required under equity classification.

From time to time, we have entered into underwriting agreements and forward sale agreements with syndicates of banks acting as underwriters, forward sellers, and/or forward purchasers in connection with public offerings of our common stock. At the closing of these transactions, the offered shares were borrowed from third parties by the banks acting as forward purchasers and sold to the underwriters for distribution at the respective gross offering prices. As a result of this forward construct, we did not receive any proceeds from the sale of shares at the closing of each offering, but rather at later settlement dates. We have determined that the forward sale agreements meet the criteria for equity classification and are therefore exempt from derivative accounting. We recorded the forward sale agreements at fair value at inception, which we determined to be zero. Subsequent changes to fair value are not required under equity classification.

We refer to our three forward equity offerings presented below as the June 2020 Equity Forwards, June 2021 Equity Forwards, and August 2021 Equity Forwards (collectively, the "Equity Forwards"). Our ATM Forwards are also presented below (gross offering proceeds at closing in thousands):

	Agreement Date [(a)]	Shares Offered [(b)]	Gross Offering Price	Gross Offering Proceeds at Closing	Outstanding Shares as of December 31, 2022
June 2020 Equity Forwards [(c)]	6/17/2020	5,462,500	$ 70.00	$ 382,375	—
June 2021 Equity Forwards [(c)]	6/7/2021	6,037,500	75.30	454,624	—
August 2021 Equity Forwards [(d)]	8/9/2021	5,175,000	78.00	403,650	—
ATM Forwards [(e)]	5/2/2022	6,524,437	84.09	548,626	6,524,437
					6,524,437

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(a) We expect to settle the Equity Forwards in full within 18 months of the respective agreement dates via physical delivery of the outstanding shares of common stock in exchange for cash proceeds, although we may elect cash settlement or net share settlement for all or a portion of our obligations under the Equity Forwards, subject to certain conditions.

(b) Includes 712,500, 787,500, and 675,000 shares of common stock purchased by certain underwriters in connection with the June 2020 Equity Forwards, June 2021 Equity Forwards, and August 2021 Equity Forwards, respectively, upon the exercise of 30-day options to purchase additional shares.

(c) All remaining outstanding shares were settled during the year ended December 31, 2021.

(d) All remaining outstanding shares were settled during the year ended December 31, 2022.

(e) We sold shares under our ATM Forwards during the year ended December 31, 2022. We did not settle any of the shares sold and therefore did not receive any proceeds from such sales. See Note 18, Subsequent Events for sales through our ATM Forwards subsequent to December 31, 2022 and through the date of this Report.

The following table sets forth certain information regarding the settlement of our Equity Forwards during the periods presented (dollars in thousands):

	Years Ended December 31,		
	2022	2021	2020
Shares of common stock delivered	3,925,000	9,798,209	2,951,791
Net proceeds	$ 284,259	$ 697,044	$ 199,716

Reclassifications Out of Accumulated Other Comprehensive Loss

The following tables present a reconciliation of changes in Accumulated other comprehensive loss by component for the periods presented (in thousands):

	Gains and (Losses) on Derivative Instruments	Foreign Currency Translation Adjustments	Gains and (Losses) on Investments	Total
Balance at January 1, 2020	$ 13,048	$ (268,715)	$ —	$ (255,667)
Other comprehensive income before reclassifications	(23,124)	47,746	—	24,622
Amounts reclassified from accumulated other comprehensive loss to:				
Non-operating income	(10,672)	—	—	(10,672)
Interest expense	1,818	—	—	1,818
Total	(8,854)	—	—	(8,854)
Net current period other comprehensive income	(31,978)	47,746	—	15,768
Net current period other comprehensive income attributable to noncontrolling interests	(7)	—	—	(7)
Balance at December 31, 2020	(18,937)	(220,969)	—	(239,906)
Other comprehensive income before reclassifications	35,227	(35,736)	18,688	18,179
Amounts reclassified from accumulated other comprehensive loss to:				
Interest expense	932	—	—	932
Non-operating income	(854)	—	—	(854)
Total	78	—	—	78
Net current period other comprehensive income	35,305	(35,736)	18,688	18,257
Net current period other comprehensive income attributable to noncontrolling interests	(21)	—	—	(21)
Balance at December 31, 2021	16,347	(256,705)	18,688	(221,670)
Other comprehensive loss before reclassifications	37,048	(63,149)	—	(26,101)
Amounts reclassified from accumulated other comprehensive loss to:				
Non-operating income	(17,483)	—	—	(17,483)
Interest expense	167	—	—	167
Other gains and (losses) (Note 9)	—	—	(18,688)	(18,688)
Total	(17,316)	—	(18,688)	(36,004)
Net current period other comprehensive loss	19,732	(63,149)	(18,688)	(62,105)
Net current period other comprehensive income attributable to noncontrolling interests	—	(5)	—	(5)
Balance at December 31, 2022	$ 36,079	$ (319,859)	$ —	$ (283,780)

See Note 10 for additional information on our derivatives activity recognized within Other comprehensive (loss) income for the periods presented.

Note 14. Stock-Based and Other Compensation

Stock-Based Compensation

At December 31, 2022, we maintained several stock-based compensation plans as described below. The total compensation expense (net of forfeitures) for awards issued under these plans was $32.8 million, $24.9 million, and $15.9 million for the years ended December 31, 2022, 2021, and 2020, respectively, which was included in Stock-based compensation expense in the consolidated financial statements. The tax (expense) benefit recognized by us related to these awards totaled $(4.3) million, $0.8 million, and $4.7 million for the years ended December 31, 2022, 2021, and 2020, respectively. The tax benefits for the years ended December 31, 2022, 2021, and 2020 were reflected as a deferred tax benefit within (Provision for) benefit from income taxes in the consolidated financial statements.

2017 Share Incentive Plan

We maintain the 2017 Share Incentive Plan, which authorizes the issuance of up to 4,000,000 shares of our common stock. The 2017 Share Incentive Plan provides for the grant of various stock- and cash-based awards, including (i) share options, (ii) RSUs, (iii) PSUs, (iv) RSAs, and (v) dividend equivalent rights. At December 31, 2022, 2,186,067 shares remained available for issuance under the 2017 Share Incentive Plan, which is more fully described in the 2019 Annual Report.

Employee Share Purchase Plan

We sponsor an employee share purchase plan ("ESPP") pursuant to which eligible employees may contribute up to 10% of compensation, subject to certain limits, to purchase our common stock semi-annually at a price equal to 90% of the fair market value at certain plan defined dates. Compensation expense under this plan for each of the years ended December 31, 2022, 2021, and 2020 was less than $0.1 million. Cash received from purchases under the ESPP during the years ended December 31, 2022, 2021, and 2020 was $0.2 million, $0.3 million, and $0.4 million, respectively.

Restricted and Conditional Awards

Nonvested RSAs, RSUs, and PSUs at December 31, 2022 and changes during the years ended December 31, 2022, 2021, and 2020 were as follows:

	RSA and RSU Awards		PSU Awards	
	Shares	Weighted-Average Grant Date Fair Value	Shares	Weighted-Average Grant Date Fair Value
Nonvested at January 1, 2020	283,977	$ 68.51	331,242	$ 80.90
Granted	146,162	81.02	90,518	104.65
Vested [(a)]	(163,607)	69.62	(156,838)	80.42
Forfeited	(5,555)	71.69	(6,715)	88.94
Adjustment [(b)]	—	—	3,806	62.07
Nonvested at December 31, 2020	260,977	74.75	262,013	88.99
Granted	194,940	66.40	134,290	86.19
Vested [(a)]	(137,267)	71.99	(151,678)	76.04
Forfeited	(11,656)	60.98	(16,463)	93.91
Adjustment [(b)]	—	—	170,093	71.17
Nonvested at December 31, 2021	306,994	71.21	398,255	86.86
Granted [(c)]	235,348	80.28	144,311	104.97
Vested [(a)]	(154,028)	72.80	(165,615)	92.16
Forfeited	(12,016)	75.93	(4,262)	98.26
Adjustment [(b)]	—	—	159,092	80.90
Nonvested at December 31, 2022 [(d)]	376,298	$ 74.78	531,781	$ 89.14

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(a) The grant date fair value of shares vested during the years ended December 31, 2022, 2021, and 2020 was $26.5 million, $21.4 million, and $24.0 million, respectively. Employees have the option to take immediate delivery of the shares upon vesting or defer receipt to a future date pursuant to previously made deferral elections. At December 31, 2022 and 2021, we had an obligation to issue 1,181,947 and 1,104,020 shares, respectively, of our common stock underlying such deferred awards, which is recorded within Total stockholders' equity as a Deferred compensation obligation of $57.0 million and $49.8 million, respectively.
(b) Vesting and payment of the PSUs is conditioned upon certain company and/or market performance goals being met during the relevant three-year performance period. The ultimate number of PSUs to be vested will depend on the extent to which the performance goals are met and can range from zero to three times the original awards. As a result, we recorded adjustments to reflect the number of shares expected to be issued when the PSUs vest.
(c) The grant date fair value of RSAs and RSUs reflect our stock price on the date of grant on a one-for-one basis. The grant date fair value of PSUs was determined utilizing (i) a Monte Carlo simulation model to generate an estimate of our future stock price over the three-year performance period and (ii) future financial performance projections. To estimate the fair value of PSUs granted during the year ended December 31, 2022, we used a risk-free interest rate of 1.2%, an expected volatility rate of 36.7%, and assumed a dividend yield of zero.
(d) At December 31, 2022, total unrecognized compensation expense related to these awards was approximately $34.4 million, with an aggregate weighted-average remaining term of 1.8 years.

At the end of each reporting period, we evaluate the ultimate number of PSUs we expect to vest (based upon the extent to which we have met and expect to meet the performance goals) and where appropriate, revise our estimate and associated expense. We do not revise the associated expense on PSUs expected to vest based on market performance. Upon vesting, the RSUs and PSUs may be converted into shares of our common stock. Both the RSUs and PSUs carry dividend equivalent rights. Dividend equivalent rights on RSUs issued under the predecessor employee plan are paid in cash on a quarterly basis, whereas dividend equivalent rights on RSUs issued under the 2017 Share Incentive Plan are accrued and paid in cash only when the underlying shares vest, which is generally on an annual basis. Dividend equivalents on PSUs accrue during the performance period and are converted into additional shares of common stock at the conclusion of the performance period to the extent the PSUs vest. Dividend equivalent rights are accounted for as a reduction to retained earnings to the extent that the awards are expected to vest.

Profit-Sharing Plan

We sponsor a qualified profit-sharing plan and trust that generally permits all employees, as defined by the plan, to make pre-tax contributions into the plan. We are under no obligation to contribute to the plan and the amount of any contribution is determined by and at the discretion of our Board. In December 2022, 2021, and 2020, our Board determined that the contribution to the plan for each of those respective years would be 10% of an eligible participant's cash compensation, up to the legal maximum allowable in each of those years of $30,500 for 2022, $29,000 for 2021, and $28,500 for 2020. For the years ended December 31, 2022, 2021, and 2020, amounts expensed for contributions to the trust were $2.3 million, $2.2 million, and $1.9 million, respectively, which were included in General and administrative expenses in the consolidated financial statements. The profit-sharing plan is a deferred compensation plan and is therefore considered to be outside the scope of current accounting guidance for stock-based compensation.

Note 15. Income Taxes

Income Tax Provision

The components of our provision for (benefit from) income taxes for the periods presented are as follows (in thousands):

	Years Ended December 31,		
	2022	2021	2020
Federal			
Current	$ 5,329	$ (405)	$ (1,118)
Deferred [(a)]	13	17	(33,040)
	5,342	(388)	(34,158)
State and Local			
Current	3,388	3,008	3,284
Deferred [(a)]	—	(30)	(7,756)
	3,388	2,978	(4,472)
Foreign			
Current	27,077	30,599	26,137
Deferred	(8,083)	(4,703)	(8,266)
	18,994	25,896	17,871
Total Provision for (Benefit from) Income Taxes	$ 27,724	$ 28,486	$ (20,759)

A reconciliation of effective income tax for the periods presented is as follows (in thousands):

	Years Ended December 31,		
	2022	2021	2020
Pre-tax income (loss) attributable to taxable subsidiaries [(a) (b)]	$ 55,604	$ 37,861	$ (56,789)
Federal provision at statutory tax rate (21%)	$ 11,677	$ 7,951	$ (11,926)
Change in valuation allowance	8,082	13,178	13,946
Non-deductible expense	6,972	3,148	6,303
State and local taxes, net of federal benefit	2,920	2,713	2,336
Windfall tax benefit	(1,896)	(1,375)	(2,132)
Rate differential	(387)	(232)	(632)
Revocation of TRS Status [(c)]	—	—	(37,249)
Tax expense related to allocation of goodwill based on portion of Investment Management business sold (Note 4)	—	—	7,203
Non-taxable income	—	—	(2)
Other	356	3,103	1,394
Total provision for (benefit from) income taxes	$ 27,724	$ 28,486	$ (20,759)

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(a) Pre-tax loss attributable to taxable subsidiaries for 2020 was primarily driven by: (i) a portion of the other-than-temporary impairment charges totaling $47.1 million recognized on our equity method investments in CWI 1 and CWI 2 (Note 9), (ii) the allocation of $34.3 million of goodwill within our Investment Management segment as a result of the WLT management internalization (Note 4), and (iii) an impairment charge of $12.6 million recognized on an international property (Note 9).

(b) Pre-tax income attributable to taxable subsidiaries for 2022 includes taxable income, recognized in connection with the CPA:18 Merger, associated with the accelerated vesting of shares previously issued by CPA:18 – Global to us for asset management services performed.

(c) Amount for the year ended December 31, 2020 includes an aggregate deferred tax benefit of $37.2 million as a result of the release of a deferred tax liability relating to our investment in shares of Lineage Logistics (Note 9), which converted to a REIT during the year and is therefore no longer subject to federal and state income taxes

Benefit from income taxes for the year ended December 31, 2020 includes a deferred tax benefit of $6.3 million as a result of the other-than-temporary impairment charges that we recognized on our equity method investments in CWI 1 and CWI 2 during the year (Note 9).

In light of the COVID-19 outbreak during the first quarter of 2020, we continue to monitor domestic and international tax considerations and the potential impact on our consolidated financial statements. The Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") (U.S. federal legislation enacted on March 27, 2020 in response to the COVID-19 pandemic) provides that net operating losses incurred in 2018, 2019, or 2020 may be carried back to offset taxable income earned during the five-year period prior to the year in which the net operating loss was incurred. As a result, we recognized a $4.7 million current tax benefit during the year ended December 31, 2020 by carrying back certain net operating losses, which is included in Benefit from income taxes disclosed in the tables above.

Deferred Income Taxes

Deferred income taxes at December 31, 2022 and 2021 consist of the following (in thousands):

	December 31,	
	2022	2021
Deferred Tax Assets		
Net operating loss and other tax credit carryforwards	$ 63,454	$ 55,147
Basis differences — foreign investments	62,099	52,705
Unearned and deferred compensation	643	15,895
Lease liabilities [(a)]	—	14,752
Other	1,242	374
Total deferred tax assets	127,438	138,873
Valuation allowance	(106,185)	(108,812)
Net deferred tax assets	21,253	30,061
Deferred Tax Liabilities		
Basis differences — foreign investments	(179,761)	(145,524)
ROU assets [(a)]	—	(12,637)
Basis differences — equity investees	—	(1,195)
Total deferred tax liabilities	(179,761)	(159,356)
Net Deferred Tax Liability	$ (158,508)	$ (129,295)

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(a) Balances represent our basis differences for our office leases on domestic taxable subsidiaries. Basis differences on our foreign ground leases are included within the line item Basis differences — foreign investments.

Our deferred tax assets and liabilities are primarily the result of temporary differences related to the following:

- Basis differences between tax and GAAP for certain international real estate investments. For income tax purposes, in certain acquisitions, we assume the seller's basis, or the carry-over basis, in the acquired assets. The carry-over basis is typically lower than the purchase price, or the GAAP basis, resulting in a deferred tax liability with an offsetting increase to goodwill or the acquired tangible or intangible assets;
- Timing differences generated by differences in the GAAP basis and the tax basis of assets such as those related to capitalized acquisition costs, straight-line rent, prepaid rents, and intangible assets, as well as unearned and deferred compensation;
- Basis differences in equity investments represents fees earned in shares recognized under GAAP into income and deferred for U.S. taxes based upon a share vesting schedule; and

- Tax net operating losses in certain subsidiaries, including those domiciled in foreign jurisdictions, that may be realized in future periods if the respective subsidiary generates sufficient taxable income. Certain net operating losses and interest carryforwards were subject to limitations as a result of the CPA:18 Merger, and thus could not be applied to reduce future income tax liabilities.

As of December 31, 2022, U.S. federal and state net operating loss carryforwards were $17.5 million and $11.4 million, respectively, which will begin to expire in 2033. As of December 31, 2022, net operating loss carryforwards in foreign jurisdictions were $90.6 million, which will begin to expire in 2023.

The net deferred tax liability in the table above is comprised of deferred tax asset balances, net of certain deferred tax liabilities and valuation allowances, of $20.5 million and $16.3 million at December 31, 2022 and 2021, respectively, which are included in Other assets, net in the consolidated balance sheets, and other deferred tax liability balances of $179.0 million and $145.6 million at December 31, 2022 and 2021, respectively, which are included in Deferred income taxes in the consolidated balance sheets.

Our taxable subsidiaries recognize tax positions in the financial statements only when it is more likely than not that the position will be sustained on examination by the relevant taxing authority based on the technical merits of the position. A position that meets this standard is measured at the largest amount of benefit that will more likely than not be realized on settlement. A liability is established for differences between positions taken in a tax return and amounts recognized in the financial statements.

The following table presents a reconciliation of the beginning and ending amount of unrecognized tax benefits (in thousands):

	Years Ended December 31,	
	2022	2021
Beginning balance	$ 5,994	$ 6,312
Decrease due to lapse in statute of limitations	(2,847)	(508)
Increase due to CPA:18 Merger	2,694	—
Addition based on tax positions related to the prior year	543	315
Foreign currency translation adjustments	(407)	(451)
Addition based on tax positions related to the current year	241	326
Ending balance	$ 6,218	$ 5,994

At December 31, 2022 and 2021, we had unrecognized tax benefits as presented in the table above that, if recognized, would have a favorable impact on our effective income tax rate in future periods. These unrecognized tax benefits are recorded as liabilities within Accounts payable, accrued expenses and other liabilities on our consolidated balance sheets. We recognize interest and penalties related to uncertain tax positions in income tax expense. At December 31, 2022 and 2021, we had approximately $1.6 million and $2.1 million, respectively, of accrued interest related to uncertain tax positions.

Income Taxes Paid

Income taxes paid were $42.6 million, $44.3 million, and $43.5 million for the years ended December 31, 2022, 2021, and 2020, respectively.

Real Estate Operations

We elected to be taxed as a REIT under Section 856 through 860 of the Internal Revenue Code effective as of February 15, 2012. In order to maintain our qualification as a REIT, we are required, among other things, to distribute at least 90% of our REIT net taxable income to our stockholders and meet certain tests regarding the nature of our income and assets. As a REIT, we are not subject to federal income taxes on our income and gains that we distribute to our stockholders as long as we satisfy certain requirements, principally relating to the nature of our income and the level of our distributions, as well as other factors. We believe that we have operated, and we intend to continue to operate, in a manner that allows us to continue to qualify as a REIT. We conduct business primarily in North America and Europe, and as a result, we or one or more of our subsidiaries file income tax returns in the United States federal jurisdiction and various state, local, and foreign jurisdictions.

Investment Management Operations

We conduct our investment management services in our Investment Management segment through TRSs. Our use of TRSs enables us to engage in certain businesses while complying with the REIT qualification requirements and also allows us to retain income generated by these businesses for reinvestment without the requirement to distribute those earnings. Certain of our inter-company transactions that have been eliminated in consolidation for financial accounting purposes are also subject to taxation.

Tax authorities in the relevant jurisdictions may select our tax returns for audit and propose adjustments before the expiration of the statute of limitations. Our tax returns filed for tax years 2017 through 2021 or any ongoing audits remain open to adjustment in the major tax jurisdictions.

Note 16. Property Dispositions

We have an active capital recycling program, with a goal of extending the average lease term through reinvestment, improving portfolio credit quality through dispositions and acquisitions of assets, increasing the asset criticality factor in our portfolio, and/or executing strategic dispositions of assets. We may decide to dispose of a property when it is vacant as a result of tenants vacating space, tenants electing not to renew their leases, tenant insolvency, or lease rejection in the bankruptcy process. In such cases, we assess whether we can obtain the highest value from the property by selling it, as opposed to re-leasing it. We may also sell a property when we receive an unsolicited offer or negotiate a price for an investment that is consistent with our strategy for that investment. When it is appropriate to do so, we classify the property as an asset held for sale on our consolidated balance sheet. All property dispositions are recorded within our Real Estate segment and are also discussed in Note 5 and Note 6.

2022 — During the year ended December 31, 2022, we sold 23 properties for total proceeds, net of selling costs, of $234.7 million, and recognized a net gain on these sales totaling $43.5 million (inclusive of income taxes totaling $5.3 million recognized upon sale). This disposition activity included two properties acquired in the CPA:18 Merger, one of which was classified as assets held for sale and sold in August 2022 (Note 3, Note 5).

2021 — During the year ended December 31, 2021, we sold 24 properties for total proceeds, net of selling costs, of $163.6 million, and recognized a net gain on these sales totaling $40.4 million (inclusive of income taxes totaling $4.7 million recognized upon sale).

2020 — During the year ended December 31, 2020, we sold 22 properties for total proceeds, net of selling costs, of $366.5 million (inclusive of $4.7 million attributable to a noncontrolling interest), and recognized a net gain on these sales totaling $109.4 million (inclusive of income taxes totaling $3.0 million recognized upon sale and $0.6 million attributable to a noncontrolling interest). Disposition activity included the sale of one of our two hotel operating properties in January 2020 for total proceeds, net of selling costs, of $103.5 million (inclusive of $4.7 million attributable to a noncontrolling interest).

Note 17. Segment Reporting

We evaluate our results from operations by our two major business segments: Real Estate and Investment Management (Note 1). The following tables present a summary of comparative results and assets for these business segments (in thousands):

Real Estate

	Years Ended December 31,		
	2022	2021	2020
Revenues			
Lease revenues	$ 1,301,617	$ 1,177,438	$ 1,080,623
Income from direct financing leases and loans receivable	74,266	67,555	74,893
Operating property revenues [(a)]	59,230	13,478	11,399
Other lease-related income	32,988	53,655	11,082
	1,468,101	1,312,126	1,177,997
Operating Expenses			
Depreciation and amortization [(b)]	503,403	475,989	441,948
General and administrative [(b)]	88,952	81,888	70,127
Reimbursable tenant costs	73,622	62,417	56,409
Property expenses, excluding reimbursable tenant costs	50,753	47,898	44,067
Impairment charges	39,119	24,246	35,830
Stock-based compensation expense [(b)]	32,841	24,881	15,247
Operating property expenses	27,054	9,848	9,901
Merger and other expenses	19,384	(4,597)	(937)
	835,128	722,570	672,592
Other Income and Expenses			
Interest expense	(219,160)	(196,831)	(210,087)
Other gains and (losses)	97,149	(13,676)	37,104
Gain on sale of real estate, net	43,476	40,425	109,370
Non-operating income	30,289	13,778	8,970
Earnings (losses) from equity method investments in real estate	16,221	(19,649)	(9,017)
Gain on change in control of interests	11,405	—	—
	(20,620)	(175,953)	(63,660)
Income before income taxes	612,353	413,603	441,745
(Provision for) benefit from income taxes	(21,407)	(28,703)	18,498
Net Income from Real Estate	590,946	384,900	460,243
Net loss (income) attributable to noncontrolling interests	657	(134)	(731)
Net Income from Real Estate Attributable to W. P. Carey	$ 591,603	$ 384,766	$ 459,512

Investment Management

	Years Ended December 31,		
	2022	2021	2020
Revenues			
Asset management revenue	$ 8,467	$ 15,363	$ 22,467
Reimbursable costs from affiliates	2,518	4,035	8,855
	10,985	19,398	31,322
Operating Expenses			
Impairment charges — Investment Management goodwill	29,334	—	—
Reimbursable costs from affiliates	2,518	4,035	8,855
Merger and other expenses	3	51	1,184
General and administrative [(b)]	—	—	5,823
Subadvisor fees	—	—	1,469
Depreciation and amortization [(b)]	—	—	987
Stock-based compensation expense [(b)]	—	—	691
	31,855	4,086	19,009
Other Income and Expenses			
Gain on change in control of interests	22,526	—	—
Earnings (losses) from equity method investments in the Managed Programs	13,288	8,820	(9,540)
Other gains and (losses)	(1,111)	791	61
Non-operating income	20	82	617
	34,723	9,693	(8,862)
Income before income taxes	13,853	25,005	3,451
(Provision for) benefit from income taxes	(6,317)	217	2,261
Net Income from Investment Management	7,536	25,222	5,712
Net income attributable to noncontrolling interests	—	—	(9,865)
Net Income (Loss) from Investment Management Attributable to W. P. Carey	$ 7,536	$ 25,222	$ (4,153)

Total Company

	Years Ended December 31,		
	2022	2021	2020
Revenues	$ 1,479,086	$ 1,331,524	$ 1,209,319
Operating expenses	866,983	726,656	691,601
Other income and expenses	14,103	(166,260)	(72,522)
(Provision for) benefit from income taxes	(27,724)	(28,486)	20,759
Net loss (income) attributable to noncontrolling interests	657	(134)	(10,596)
Net income attributable to W. P. Carey	$ 599,139	$ 409,988	$ 455,359

	Total Assets at December 31,	
	2022	2021
Real Estate	$ 18,077,155	$ 15,344,703
Investment Management [(c)]	24,880	135,927
Total Company	$ 18,102,035	$ 15,480,630

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(a) Operating property revenues from our hotels include (i) $12.0 million, $7.2 million, and $4.0 million for the years ended December 31, 2022, 2021, and 2020, respectively, generated from a hotel in Bloomington, Minnesota (revenues reflect higher occupancy as the hotel's business recovered from the COVID-19 pandemic), and (ii) $1.9 million for the year ended December 31, 2020 generated from a hotel in Miami, Florida, which was sold in January 2020 (Note 16).

(b) Beginning with the second quarter of 2020, general and administrative expenses attributed to our Investment Management segment are comprised of the incremental costs of providing services to the Managed Programs, which are fully reimbursed by those funds (resulting in no net expense for us). All other general and administrative expenses are attributed to our Real Estate segment. Previously, general and administrative expenses were allocated based on time incurred by our personnel for the Real Estate and Investment Management segments. In addition, beginning with the second quarter of 2020, stock-based compensation expense and corporate depreciation and amortization expense are fully recognized within our Real Estate segment. In light of the termination of the advisory agreements with CWI 1 and CWI 2 in connection with the WLT management internalization (Note 4), as well as the termination of the advisory agreements with CPA:18 – Global in connection with the CPA:18 Merger (Note 3), we now view essentially all assets, liabilities, and operational expenses as part of our Real Estate segment, other than incremental activities that are expected to wind down as we manage CESH through the end of its life cycle (Note 2). These changes between the segments had no impact on our consolidated financial statements.

(c) Following the CPA:18 Merger on August 1, 2022, we no longer own an equity investment in CPA:18 – Global, which was previously included within our Investment Management segment (Note 3, Note 8). In addition, during the year ended December 31, 2022, we recorded an impairment charge of $29.3 million on goodwill within our Investment Management segment (Note 7, Note 9).

Our portfolio is comprised of domestic and international investments. At December 31, 2022, our international investments within our Real Estate segment were comprised of investments in Poland, Germany, the Netherlands, Spain, the United Kingdom, France, Italy, Denmark, Croatia, Canada, Norway, Mexico, Finland, Lithuania, Hungary, Portugal, Slovakia, the Czech Republic, Belgium, Austria, Sweden, Japan, Mauritius, Latvia, and Estonia. No tenant or international country individually comprised at least 10% of our total lease revenues for the years ended December 31, 2022, 2021, or 2020, or at least 10% of our total long-lived assets at December 31, 2022 or 2021. Revenues and assets within our Investment Management segment are entirely domestic. The following tables present the geographic information for our Real Estate segment (in thousands):

	Years Ended December 31,		
	2022	2021	2020
Revenues			
Domestic	$ 985,763	$ 860,961	$ 756,763
International	482,338	451,165	421,234
Total	$ 1,468,101	$ 1,312,126	$ 1,177,997

	December 31,	
	2022	2021
Long-lived Assets		
Domestic	$ 10,053,422	$ 8,170,448
International	5,435,476	4,866,921
Total	$ 15,488,898	$ 13,037,369
Equity Investments in Real Estate		
Domestic	$ 286,708	$ 236,643
International	38,569	55,260
Total	$ 325,277	$ 291,903

Note 18. Subsequent Events

Acquisition

In January 2023, we completed one acquisition for approximately $64.8 million.

Disposition

In January 2023, we sold one property for gross proceeds of $11.2 million, which was classified as held for sale as of December 31, 2022 (Note 5).

Issuances Under our ATM Program

In January 2023, we sold 353,264 shares of our common stock through our ATM Forwards at a weighted-average price of $81.94 per share for anticipated net proceeds of approximately $29 million (Note 13).

Amended Credit Facility

In January 2023, we entered into a Third Amendment to the Credit Agreement (Note 11) to (i) replace the benchmark rate at which U.S.-dollar-denominated borrowings bear interest from LIBOR to the forward-looking SOFR and (ii) increase the aggregate principal amount (of revolving and term loans) available under the Senior Unsecured Credit Facility from an amount not to exceed the U.S. dollar equivalent of $2.75 billion to $3.05 billion, subject to the conditions to increase set forth in the Credit Agreement.

W. P. CAREY INC.
SCHEDULE II — VALUATION AND QUALIFYING ACCOUNTS
Years Ended December 31, 2022, 2021, and 2020
(in thousands)

Description	Balance at Beginning of Year	Other Additions	Deductions	Balance at End of Year
Year Ended December 31, 2022				
Valuation reserve for deferred tax assets	$ 108,812	$ 34,894	$ (37,521)	$ 106,185
Year Ended December 31, 2021				
Valuation reserve for deferred tax assets	$ 86,069	$ 40,895	$ (18,152)	$ 108,812
Year Ended December 31, 2020				
Valuation reserve for deferred tax assets	$ 73,643	$ 31,470	$ (19,044)	$ 86,069

W. P. CAREY INC.
SCHEDULE III — REAL ESTATE AND ACCUMULATED DEPRECIATION
December 31, 2022
(in thousands)

		Initial Cost to Company				Gross Amount at which Carried at Close of Period [c] [d]						
Description	**Encumbrances**	**Land**	**Buildings**	**Cost Capitalized Subsequent to Acquisition [a]**	**Increase (Decrease) in Net Investments [b]**	**Land**	**Buildings**	**Total**	**Accumulated Depreciation [d]**	**Date of Construction**	**Date Acquired**	**Life on which Depreciation in Latest Statement of Income is Computed**
Real Estate Subject to Operating Leases												
Industrial facilities in Erlanger, KY	$ —	$ 1,526	$ 21,427	$ 2,966	$ (84)	$ 1,526	$ 24,309	$ 25,835	$ 15,406	1979; 1987	Jan. 1998	40 yrs.
Industrial facilities in Thurmont, MD and Farmington, NY	—	729	5,903	—	—	729	5,903	6,632	3,420	1964; 1983	Jan. 1998	15 yrs.
Warehouse facility in Commerce, CA	—	4,905	11,898	—	(3,043)	4,573	9,187	13,760	5,820	1948	Jan. 1998	40 yrs.
Industrial facility in Toledo, OH	—	224	2,408	—	—	224	2,408	2,632	2,007	1966	Jan. 1998	40 yrs.
Industrial facility in Goshen, IN	—	239	940	—	—	239	940	1,179	604	1973	Jan. 1998	40 yrs.
Office facility in Raleigh, NC	—	1,638	2,844	187	(2,554)	828	1,287	2,115	1,085	1983	Jan. 1998	20 yrs.
Office facility in King of Prussia, PA	—	1,219	6,283	1,295	—	1,219	7,578	8,797	4,627	1968	Jan. 1998	40 yrs.
Industrial facility in Pinconning, MI	—	32	1,692	—	—	32	1,692	1,724	1,057	1948	Jan. 1998	40 yrs.
Industrial facilities in Sylmar, CA	—	2,052	5,322	—	(1,889)	1,494	3,991	5,485	2,504	1962; 1979	Jan. 1998	40 yrs.
Retail facilities in the United States	—	9,382	—	238	14,696	9,025	15,291	24,316	10,071	Various	Jan. 1998	15 yrs.
Land in Glendora, CA	—	1,135	—	—	17	1,152	—	1,152	—	N/A	Jan. 1998	N/A
Warehouse facility in Doraville, GA	—	3,288	9,864	17,079	(11,410)	3,288	15,533	18,821	2,797	2016	Jan. 1998	40 yrs.
Office facility in Collierville, TN and warehouse facility in Corpus Christi, TX	—	3,490	72,497	3,513	(15,608)	288	63,604	63,892	24,648	1989; 1999	Jan. 1998	40 yrs.
Land in Irving and Houston, TX	—	9,795	—	—	—	9,795	—	9,795	—	N/A	Jan. 1998	N/A
Industrial facility in Chandler, AZ	—	5,035	18,957	8,373	516	5,035	27,846	32,881	16,742	1989	Jan. 1998	40 yrs.
Office facility in Bridgeton, MO	—	842	4,762	2,523	(196)	842	7,089	7,931	4,307	1972	Jan. 1998	40 yrs.
Warehouse facility in Memphis, TN	—	1,882	3,973	294	(3,892)	328	1,929	2,257	1,591	1969	Jan. 1998	15 yrs.
Industrial facility in Romulus, MI	—	454	6,411	525	—	454	6,936	7,390	2,766	1970	Jan. 1998	10 yrs.
Retail facility in Bellevue, WA	—	4,125	11,812	393	(123)	4,371	11,836	16,207	7,149	1994	Apr. 1998	40 yrs.
Office facility in Rio Rancho, NM	—	1,190	9,353	5,866	(238)	2,287	13,884	16,171	7,639	1999	Jul. 1998	40 yrs.
Office facility in Moorestown, NJ	—	351	5,981	1,690	1	351	7,672	8,023	4,887	1964	Feb. 1999	40 yrs.
Industrial facility in Winston-Salem, NC	—	1,860	12,539	3,075	(7,325)	925	9,224	10,149	5,591	1980	Sep. 2002	40 yrs.
Office facilities in Playa Vista and Venice, CA	19,523	2,032	10,152	52,817	1	5,889	59,113	65,002	20,644	1991; 1999	Sep. 2004; Sep. 2012	40 yrs.
Warehouse facility in Greenfield, IN	—	2,807	10,335	223	(8,383)	967	4,015	4,982	2,288	1995	Sep. 2004	40 yrs.
Warehouse facilities in Apopka, FL	—	362	10,855	1,195	(155)	337	11,920	12,257	4,891	1969	Sep. 2004	40 yrs.
Land in San Leandro, CA	—	1,532	—	—	—	1,532	—	1,532	—	N/A	Dec. 2006	N/A
Fitness facility in Austin, TX	—	1,725	5,168	—	—	1,725	5,168	6,893	2,917	1995	Dec. 2006	29 yrs.
Retail facility in Wroclaw, Poland	—	3,600	10,306	—	(4,260)	2,667	6,979	9,646	2,596	2007	Dec. 2007	40 yrs.
Office facility in Fort Worth, TX	—	4,600	37,580	367	—	4,600	37,947	42,547	12,191	2003	Feb. 2010	40 yrs.
Warehouse facility in Mallorca, Spain	—	11,109	12,636	—	(2,543)	9,901	11,301	21,202	3,553	2008	Jun. 2010	40 yrs.
Net-lease hotels in the United States	—	32,680	198,999	—	(10,651)	30,099	190,929	221,028	56,001	1989; 1990	Sep. 2012	34 - 37 yrs.

SCHEDULE III — REAL ESTATE AND ACCUMULATED DEPRECIATION (Continued)

December 31, 2022

(in thousands)

Description	Encumbrances	Initial Cost to Company		Cost Capitalized Subsequent to Acquisition (a)	Increase (Decrease) in Net Investments (b)	Gross Amount at which Carried at Close of Period (c) (d)			Accumulated Depreciation (d)	Date of Construction	Date Acquired	Life on which Depreciation in Latest Statement of Income is Computed
		Land	Buildings			Land	Buildings	Total				
Industrial facilities in Auburn, IN; Clinton Township, MI; and Bluffton, OH	—	4,403	20,298	—	(3,870)	2,589	18,242	20,831	5,915	1968; 1975; 1995	Sep. 2012; Jan. 2014	30 yrs.
Office facility in Irvine, CA	—	4,173	—	—	13,766	4,173	13,766	17,939	665	1981	Sep. 2012	31 yrs.
Industrial facility in Alpharetta, GA	—	2,198	6,349	1,247	—	2,198	7,596	9,794	2,675	1997	Sep. 2012	30 yrs.
Office facilities in St. Petersburg, FL	—	3,280	24,627	4,627	—	3,280	29,254	32,534	9,207	1996; 1999	Sep. 2012	30 yrs.
Movie theater in Baton Rouge, LA	—	4,168	5,724	3,200	—	4,168	8,924	13,092	3,105	2003	Sep. 2012	30 yrs.
Industrial and office facility in San Diego, CA	—	7,804	16,729	5,939	(832)	7,804	21,836	29,640	7,626	2002	Sep. 2012	30 yrs.
Industrial facility in Richmond, CA	—	895	1,953	—	—	895	1,953	2,848	669	1999	Sep. 2012	30 yrs.
Warehouse facilities in the United States	—	16,386	84,668	10,959	—	16,386	95,627	112,013	29,926	Various	Sep. 2012	30 yrs.
Industrial facilities in Rocky Mount, NC and Lewisville, TX	—	2,163	17,715	609	(8,389)	1,132	10,966	12,098	3,725	1948; 1989	Sep. 2012	30 yrs.
Industrial facilities in Chattanooga, TN	—	558	5,923	—	—	558	5,923	6,481	2,006	1974; 1989	Sep. 2012	30 yrs.
Industrial facility in Mooresville, NC	—	756	9,775	—	—	756	9,775	10,531	3,302	1997	Sep. 2012	30 yrs.
Industrial facility in McCalla, AL	—	960	14,472	42,662	(254)	2,076	55,764	57,840	12,717	2004	Sep. 2012	31 yrs.
Office facility in Yardley, PA	—	1,726	12,781	4,378	—	1,726	17,159	18,885	5,555	2002	Sep. 2012	30 yrs.
Industrial facility in Fort Smith, AZ	—	1,063	6,159	—	—	1,063	6,159	7,222	2,058	1982	Sep. 2012	30 yrs.
Retail facilities in Greenwood, IN and Buffalo, NY	2,519	—	19,990	—	—	—	19,990	19,990	6,608	2000; 2003	Sep. 2012	30 - 31 yrs.
Industrial facilities in Bowling Green, KY and Jackson, TN	—	1,492	8,182	600	—	1,492	8,782	10,274	2,771	1989; 1995	Sep. 2012	31 yrs.
Education facilities in Rancho Cucamonga, CA and Exton, PA	—	14,006	33,683	9,428	(20,142)	6,638	30,337	36,975	8,207	2004	Sep. 2012	31 - 32 yrs.
Industrial facilities in St. Petersburg, FL; Buffalo Grove, IL; West Lafayette, IN; Excelsior Springs, MO; and North Versailles, PA	—	6,559	19,078	3,285	—	6,559	22,363	28,922	6,657	Various	Sep. 2012	31 yrs.
Industrial and warehouse facility in Mesquite, TX	—	2,702	13,029	—	—	2,702	13,029	15,731	507	1972	Sep. 2012	31 yrs.
Industrial facilities in Tolleson, AZ; Alsip, IL; and Solvay, NY	—	6,080	23,424	546	—	6,080	23,970	30,050	7,690	1990; 1994; 2000	Sep. 2012	31 yrs.
Fitness facility in Memphis, TN	—	4,877	4,258	5,215	(2,353)	2,027	9,970	11,997	4,415	1990	Sep. 2012	31 yrs.
Warehouse facilities in Oceanside, CA and Concordville, PA	1,045	3,333	8,270	—	—	3,333	8,270	11,603	2,719	1989; 1996	Sep. 2012	31 yrs.
Net-lease self-storage facilities in the United States	—	74,551	319,186	—	(50)	74,501	319,186	393,687	103,823	Various	Sep. 2012	31 yrs.
Warehouse facility in La Vista, NE	17,095	4,196	23,148	—	—	4,196	23,148	27,344	7,095	2005	Sep. 2012	33 yrs.
Office facility in Pleasanton, CA	—	3,675	7,468	—	—	3,675	7,468	11,143	2,423	2000	Sep. 2012	31 yrs.
Office facility in San Marcos, TX	—	440	688	—	—	440	688	1,128	223	2000	Sep. 2012	31 yrs.
Office facility in Chicago, IL	—	2,169	19,010	83	(72)	2,169	19,021	21,190	6,125	1910	Sep. 2012	31 yrs.

SCHEDULE III — REAL ESTATE AND ACCUMULATED DEPRECIATION (Continued)

December 31, 2022

(in thousands)

Description	Encumbrances	Initial Cost to Company		Cost Capitalized Subsequent to Acquisition (a)	Increase (Decrease) in Net Investments (b)	Gross Amount at which Carried at Close of Period (c) (d)			Accumulated Depreciation (d)	Date of Construction	Date Acquired	Life on which Depreciation in Latest Statement of Income is Computed
		Land	Buildings			Land	Buildings	Total				
Industrial facilities in Hollywood and Orlando, FL	—	3,639	1,269	—	—	3,639	1,269	4,908	409	1996	Sep. 2012	31 yrs.
Warehouse facility in Golden, CO	—	808	4,304	77	—	808	4,381	5,189	1,551	1998	Sep. 2012	30 yrs.
Industrial facility in Texarkana, TX	—	1,755	4,493	—	(2,783)	216	3,249	3,465	1,046	1997	Sep. 2012	31 yrs.
Industrial facility in South Jordan, UT	—	2,183	11,340	1,642	—	2,183	12,982	15,165	4,093	1995	Sep. 2012	31 yrs.
Warehouse facility in Ennis, TX	—	478	4,087	145	(145)	478	4,087	4,565	1,316	1989	Sep. 2012	31 yrs.
Office facility in Paris, France	—	23,387	43,450	703	(11,450)	19,397	36,693	56,090	11,375	1975	Sep. 2012	32 yrs.
Retail facilities in Poland	—	26,564	72,866	—	(17,002)	21,993	60,435	82,428	26,047	Various	Sep. 2012	23 - 34 yrs.
Industrial facilities in Danbury, CT and Bedford, MA	—	3,519	16,329	—	—	3,519	16,329	19,848	5,608	1965; 1980	Sep. 2012	29 yrs.
Industrial facility in Brownwood, TX	—	722	6,268	—	—	722	6,268	6,990	1,671	1964	Sep. 2012	15 yrs.
Industrial facility in Rochester, MN	—	809	14,236	1,200	—	809	15,436	16,245	673	1997	Sep. 2012	31 yrs.
Industrial and office facility in Tampere, Finland	—	2,309	37,153	—	(7,176)	1,865	30,421	32,286	9,311	2012	Jun. 2013	40 yrs.
Office facility in Quincy, MA	—	2,316	21,537	127	—	2,316	21,664	23,980	5,594	1989	Jun. 2013	40 yrs.
Office facility in Salford, United Kingdom	—	—	30,012	—	(6,940)	—	23,072	23,072	5,484	1997	Sep. 2013	40 yrs.
Office facility in Lone Tree, CO	—	4,761	28,864	3,381	—	4,761	32,245	37,006	8,768	2001	Nov. 2013	40 yrs.
Office facility in Mönchengladbach, Germany	27,642	2,154	6,917	50,626	(4,660)	2,048	52,989	55,037	9,449	2015	Dec. 2013	40 yrs.
Fitness facility in Houston, TX	—	2,430	2,270	—	—	2,430	2,270	4,700	903	1995	Jan. 2014	23 yrs.
Fitness facility in St. Charles, MO	—	1,966	1,368	1,658	—	1,966	3,026	4,992	1,140	1987	Jan. 2014	27 yrs.
Office facility in Scottsdale, AZ	—	22,300	42,329	89	—	22,300	42,418	64,718	3,052	1977	Jan. 2014	34 yrs.
Industrial facility in Aurora, CO	—	737	2,609	—	—	737	2,609	3,346	736	1985	Jan. 2014	32 yrs.
Warehouse facility in Burlington, NJ	—	3,989	6,213	377	—	3,989	6,590	10,579	2,323	1999	Jan. 2014	26 yrs.
Industrial facility in Albuquerque, NM	—	2,467	3,476	606	—	2,467	4,082	6,549	1,382	1993	Jan. 2014	27 yrs.
Industrial facility in North Salt Lake, UT	—	10,601	17,626	—	(16,936)	4,388	6,903	11,291	2,352	1981	Jan. 2014	26 yrs.
Industrial facility in Lexington, NC	—	2,185	12,058	—	(2,519)	494	11,230	11,724	3,608	2003	Jan. 2014	28 yrs.
Industrial facility in Dallas, TX	—	3,190	10,010	—	—	3,190	10,010	13,200	133	1968	Jan. 2014	32 yrs.
Land in Welcome, NC	—	980	11,230	—	(11,724)	486	—	486	—	N/A	Jan. 2014	N/A
Industrial facilities in Evansville, IN; Lawrence, KS; and Baltimore, MD	—	4,005	44,192	—	—	4,005	44,192	48,197	16,530	1911; 1967; 1982	Jan. 2014	24 yrs.
Industrial facilities in Colton, CA; Bonner Springs, KS; and Dallas, TX and land in Eagan, MN	—	8,451	25,457	—	298	8,451	25,755	34,206	7,996	1978; 1979; 1986	Jan. 2014	17 - 34 yrs.
Retail facility in Torrance, CA	—	8,412	12,241	2,227	(77)	8,335	14,468	22,803	5,219	1973	Jan. 2014	25 yrs.
Office facility in Houston, TX	—	6,578	424	560	—	6,578	984	7,562	640	1978	Jan. 2014	27 yrs.
Land in Doncaster, United Kingdom	—	4,257	4,248	—	(8,146)	359	—	359	—	N/A	Jan. 2014	N/A
Warehouse facility in Norwich, CT	—	3,885	21,342	—	2	3,885	21,344	25,229	6,736	1960	Jan. 2014	28 yrs.

SCHEDULE III — REAL ESTATE AND ACCUMULATED DEPRECIATION (Continued)

December 31, 2022

(in thousands)

Description	Encumbrances	Initial Cost to Company: Land	Initial Cost to Company: Buildings	Cost Capitalized Subsequent to Acquisition (a)	Increase (Decrease) in Net Investments (b)	Gross Amount at which Carried at Close of Period (c) (d): Land	Gross Amount at which Carried at Close of Period (c) (d): Buildings	Gross Amount at which Carried at Close of Period (c) (d): Total	Accumulated Depreciation (d)	Date of Construction	Date Acquired	Life on which Depreciation in Latest Statement of Income is Computed
Warehouse facility in Norwich, CT	—	1,437	9,669	—	—	1,437	9,669	11,106	3,052	2005	Jan. 2014	28 yrs.
Warehouse facility in Whitehall, PA	—	7,435	9,093	27,148	(9,545)	6,983	27,148	34,131	971	2021	Jan. 2014	40 yrs.
Retail facility in York, PA	—	3,776	10,092	—	(6,413)	527	6,928	7,455	1,830	2005	Jan. 2014	34 yrs.
Warehouse facilities in Atlanta, GA and Elkwood, VA	—	5,356	4,121	—	(2,104)	4,284	3,089	7,373	989	1975	Jan. 2014	28 yrs.
Warehouse facility in Harrisburg, NC	—	1,753	5,840	781	(111)	1,642	6,621	8,263	2,071	2000	Jan. 2014	26 yrs.
Industrial facility in Chandler, AZ; industrial, office, and warehouse facility in Englewood, CO; and land in Englewood, CO	1,552	4,306	7,235	—	3	4,306	7,238	11,544	2,133	1978; 1987	Jan. 2014	30 yrs.
Industrial facility in Cynthiana, KY	831	1,274	3,505	525	(107)	1,274	3,923	5,197	1,257	1967	Jan. 2014	31 yrs.
Industrial facilities in Albemarle and Old Fort, NC and Holmesville, OH	—	5,507	18,653	—	—	5,507	18,653	24,160	722	1955; 1966; 1970	Jan. 2014	32 yrs.
Industrial facility in Columbia, SC	—	2,843	11,886	—	—	2,843	11,886	14,729	4,692	1962	Jan. 2014	23 yrs.
Movie theater in Midlothian, VA	—	2,824	16,618	—	—	2,824	16,618	19,442	2,355	2000	Jan. 2014	40 yrs.
Net-lease student housing facility in Laramie, WY	—	1,966	18,896	—	—	1,966	18,896	20,862	5,920	2007	Jan. 2014	33 yrs.
Warehouse facilities in Mendota, IL; Toppenish, WA; and Plover, WI	—	1,444	21,208	—	(623)	1,382	20,647	22,029	8,212	1996	Jan. 2014	23 yrs.
Land in Sunnyvale, CA	—	9,297	24,086	—	(26,077)	7,306	—	7,306	—	N/A	Jan. 2014	N/A
Industrial facilities in Hampton, NH	—	8,990	7,362	—	—	8,990	7,362	16,352	2,164	1976	Jan. 2014	30 yrs.
Industrial facilities in France	—	36,306	5,212	337	3,123	24,411	20,567	44,978	2,904	Various	Jan. 2014	23 yrs.
Retail facility in Fairfax, VA	—	3,402	16,353	—	(6,219)	1,914	11,622	13,536	5,536	1998	Jan. 2014	26 yrs.
Retail facility in Lombard, IL	—	5,087	8,578	—	—	5,087	8,578	13,665	2,904	1999	Jan. 2014	26 yrs.
Warehouse facility in Plainfield, IN	—	1,578	29,415	1,674	—	1,578	31,089	32,667	8,786	1997	Jan. 2014	30 yrs.
Retail facility in Kennesaw, GA	—	2,849	6,180	5,530	(76)	2,773	11,710	14,483	3,966	1999	Jan. 2014	26 yrs.
Retail facility in Leawood, KS	—	1,487	13,417	—	—	1,487	13,417	14,904	4,542	1997	Jan. 2014	26 yrs.
Office facility in Tolland, CT	—	1,817	5,709	—	11	1,817	5,720	7,537	1,860	1968	Jan. 2014	28 yrs.
Warehouse facilities in Lincolnton, NC and Mauldin, SC	—	1,962	9,247	—	—	1,962	9,247	11,209	2,936	1988; 1996	Jan. 2014	28 yrs.
Retail facilities in Germany	—	81,109	153,927	10,510	(142,195)	26,287	77,064	103,351	22,737	Various	Jan. 2014	Various
Office facility in Southfield, MI	—	1,726	4,856	89	—	1,726	4,945	6,671	1,425	1985	Jan. 2014	31 yrs.
Office facility in The Woodlands, TX	—	3,204	24,997	—	—	3,204	24,997	28,201	7,075	1997	Jan. 2014	32 yrs.
Warehouse facilities in Valdosta, GA and Johnson City, TN	—	1,080	14,998	1,841	—	1,080	16,839	17,919	5,395	1978; 1998	Jan. 2014	27 yrs.
Industrial facility in Amherst, NY	5,893	674	7,971	—	—	674	7,971	8,645	3,170	1984	Jan. 2014	23 yrs.
Industrial and warehouse facilities in Westfield, MA	—	1,922	9,755	7,435	9	1,922	17,199	19,121	5,850	1954; 1997	Jan. 2014	28 yrs.
Office facility in Bloomington, MN	—	2,942	7,155	—	(3,257)	1,740	5,100	6,840	2,200	1988	Jan. 2014	28 yrs.

SCHEDULE III — REAL ESTATE AND ACCUMULATED DEPRECIATION (Continued)

December 31, 2022

(in thousands)

		Initial Cost to Company		Cost Capitalized Subsequent to Acquisition [(a)]	Increase (Decrease) in Net Investments [(b)]	Gross Amount at which Carried at Close of Period [(c) (d)]			Accumulated Depreciation [(d)]			Life on which Depreciation in Latest Statement of Income
Description	**Encumbrances**	**Land**	**Buildings**			**Land**	**Buildings**	**Total**		**Date of Construction**	**Date Acquired**	**is Computed**
Warehouse facility in Gorinchem, Netherlands	—	1,143	5,648	—	(1,470)	896	4,425	5,321	1,393	1995	Jan. 2014	28 yrs.
Retail facility in Cresskill, NJ	—	2,366	5,482	—	19	2,366	5,501	7,867	1,574	1975	Jan. 2014	31 yrs.
Retail facility in Livingston, NJ	—	2,932	2,001	—	14	2,932	2,015	4,947	661	1966	Jan. 2014	27 yrs.
Retail facility in Montclair, NJ	—	1,905	1,403	—	6	1,905	1,409	3,314	462	1950	Jan. 2014	27 yrs.
Retail facility in Morristown, NJ	—	3,258	8,352	—	26	3,258	8,378	11,636	2,750	1973	Jan. 2014	27 yrs.
Retail facility in Summit, NJ	—	1,228	1,465	—	8	1,228	1,473	2,701	483	1950	Jan. 2014	27 yrs.
Industrial facilities in Georgetown, TX and Woodland, WA	—	965	4,113	—	—	965	4,113	5,078	1,087	1998; 2001	Jan. 2014	33 - 35 yrs.
Education facilities in Union, NJ; Allentown and Philadelphia, PA; and Grand Prairie, TX	—	5,365	7,845	—	5	5,365	7,850	13,215	2,514	Various	Jan. 2014	28 yrs.
Industrial facility in Salisbury, NC	—	1,499	8,185	—	—	1,499	8,185	9,684	2,629	2000	Jan. 2014	28 yrs.
Industrial facility in Twinsburg, OH and office facility in Plymouth, MI	—	2,831	10,565	386	(2,244)	2,501	9,037	11,538	2,898	1991; 1995	Jan. 2014	27 yrs.
Industrial facility in Cambridge, Canada	—	1,849	7,371	—	(1,607)	1,526	6,087	7,613	1,737	2001	Jan. 2014	31 yrs.
Industrial facilities in Peru, IL; Huber Heights, Lima, and Sheffield, OH; and Lebanon, TN	—	2,962	17,832	—	—	2,962	17,832	20,794	5,087	Various	Jan. 2014	31 yrs.
Industrial facility in Ramos Arizpe, Mexico	—	1,059	2,886	—	—	1,059	2,886	3,945	821	2000	Jan. 2014	31 yrs.
Industrial facilities in Salt Lake City, UT	—	2,783	3,773	—	—	2,783	3,773	6,556	1,076	1983; 2002	Jan. 2014	31 - 33 yrs.
Net-lease student housing facility in Blairsville, PA	—	1,631	23,163	—	—	1,631	23,163	24,794	7,052	2005	Jan. 2014	33 yrs.
Education facility in Mooresville, NC	397	1,795	15,955	—	—	1,795	15,955	17,750	983	2002	Jan. 2014	33 yrs.
Warehouse facilities in Atlanta, Doraville, and Rockmart, GA	—	6,488	77,192	—	—	6,488	77,192	83,680	24,122	1959; 1962; 1991	Jan. 2014	23 - 33 yrs.
Warehouse facility in Muskogee, OK	—	554	4,353	—	(3,437)	158	1,312	1,470	357	1992	Jan. 2014	33 yrs.
Industrial facility in Richmond, MO	—	2,211	8,505	747	—	2,211	9,252	11,463	2,938	1996	Jan. 2014	28 yrs.
Industrial facility in Tuusula, Finland	—	6,173	10,321	—	(3,570)	4,837	8,087	12,924	2,828	1975	Jan. 2014	26 yrs.
Office facility in Turku, Finland	—	5,343	34,106	3,792	325	5,052	38,514	43,566	11,238	1981	Jan. 2014	28 yrs.
Warehouse facility in Phoenix, AZ	—	6,747	21,352	380	—	6,747	21,732	28,479	7,056	1996	Jan. 2014	28 yrs.
Land in Calgary, Canada	—	3,721	—	—	(649)	3,072	—	3,072	—	N/A	Jan. 2014	N/A
Industrial facilities in Kearney, MO; York, NE; Walbridge, OH; Rocky Mount, VA; and Martinsburg, WV	—	4,816	31,712	—	—	4,816	31,712	36,528	114	Various	Jan. 2014	31 yrs.
Industrial facilities in Sandersville, GA; Erwin, TN; and Gainesville, TX	739	955	4,779	—	—	955	4,779	5,734	1,374	1950; 1986; 1996	Jan. 2014	31 yrs.
Industrial facility in Buffalo Grove, IL	2,763	1,492	12,233	—	—	1,492	12,233	13,725	3,527	1996	Jan. 2014	31 yrs.

SCHEDULE III — REAL ESTATE AND ACCUMULATED DEPRECIATION (Continued)

December 31, 2022

(in thousands)

Description	Encumbrances	Initial Cost to Company		Cost Capitalized Subsequent to Acquisition (a)	Increase (Decrease) in Net Investments (b)	Gross Amount at which Carried at Close of Period (c) (d)			Accumulated Depreciation (d)	Date of Construction	Date Acquired	Life on which Depreciation in Latest Statement of Income is Computed
		Land	Buildings			Land	Buildings	Total				
Industrial facilities in West Jordan, UT and Tacoma, WA; office facility in Eugene, OR; and warehouse facility in Perris, CA	—	8,989	5,435	—	8	8,989	5,443	14,432	1,728	Various	Jan. 2014	28 yrs.
Office facility in Carlsbad, CA	—	3,230	5,492	—	—	3,230	5,492	8,722	2,076	1999	Jan. 2014	24 yrs.
Movie theater in Pensacola, FL	—	1,746	—	—	5,181	1,746	5,181	6,927	361	2001	Jan. 2014	33 yrs.
Movie theater in Port St. Lucie, FL	—	4,654	2,576	—	—	4,654	2,576	7,230	840	2000	Jan. 2014	27 yrs.
Industrial facility in Nurieux-Volognat, France	—	121	5,328	—	(1,085)	94	4,270	4,364	1,177	2000	Jan. 2014	32 yrs.
Industrial facility in Monheim, Germany	—	2,500	5,727	—	(664)	2,303	5,260	7,563	209	1992	Jan. 2014	32 yrs.
Warehouse facility in Suwanee, GA	—	2,330	8,406	—	—	2,330	8,406	10,736	2,215	1995	Jan. 2014	34 yrs.
Retail facilities in Wichita, KS and Oklahoma City, OK and warehouse facility in Wichita, KS	—	1,878	8,579	3,128	(89)	1,878	11,618	13,496	3,434	1954; 1975; 1984	Jan. 2014	24 yrs.
Industrial facilities in Fort Dodge, IA and Menomonie and Oconomowoc, WI	—	1,403	11,098	—	—	1,403	11,098	12,501	6,089	1996	Jan. 2014	16 yrs.
Industrial facility in Mesa, AZ	—	2,888	4,282	—	—	2,888	4,282	7,170	1,401	1991	Jan. 2014	27 yrs.
Industrial facility in North Amityville, NY	—	3,486	11,413	—	—	3,486	11,413	14,899	3,913	1981	Jan. 2014	26 yrs.
Industrial facility in Fort Collins, CO	—	821	7,236	—	—	821	7,236	8,057	1,965	1993	Jan. 2014	33 yrs.
Warehouse facility in Elk Grove Village, IL	—	4,037	7,865	—	—	4,037	7,865	11,902	1,160	1980	Jan. 2014	22 yrs.
Office facility in Washington, MI	—	4,085	7,496	—	—	4,085	7,496	11,581	2,040	1990	Jan. 2014	33 yrs.
Office facility in Houston, TX	—	522	7,448	227	—	522	7,675	8,197	2,610	1999	Jan. 2014	27 yrs.
Industrial facilities in Conroe, Odessa, and Weimar, TX and industrial and office facility in Houston, TX	—	4,049	13,021	—	133	4,049	13,154	17,203	6,282	Various	Jan. 2014	12 - 22 yrs.
Education facility in Sacramento, CA	23,843	—	13,715	—	—	—	13,715	13,715	3,659	2005	Jan. 2014	34 yrs.
Industrial facility in Sankt Ingbert, Germany	—	2,226	17,460	—	(380)	2,183	17,123	19,306	1,358	1960	Jan. 2014	34 yrs.
Industrial facilities in City of Industry, CA; Chelmsford, MA; and Lancaster, TX	—	5,138	8,387	—	43	5,138	8,430	13,568	2,712	1969; 1974; 1984	Jan. 2014	27 yrs.
Office facility in Tinton Falls, NJ	—	1,958	7,993	725	—	1,958	8,718	10,676	2,476	2001	Jan. 2014	31 yrs.
Industrial facility in Woodland, WA	—	707	1,562	—	—	707	1,562	2,269	395	2009	Jan. 2014	35 yrs.
Warehouse facilities in Gyál and Herceghalom, Hungary	—	14,601	21,915	—	(7,903)	11,441	17,172	28,613	7,499	2002; 2004	Jan. 2014	21 yrs.
Industrial facility in Windsor, CT	—	453	637	3,422	(83)	453	3,976	4,429	671	1999	Jan. 2014	33 yrs.
Industrial facility in Aurora, CO	—	574	3,999	—	—	574	3,999	4,573	908	2012	Jan. 2014	40 yrs.
Office facility in Chandler, AZ	—	5,318	27,551	105	—	5,318	27,656	32,974	7,032	2000	Mar. 2014	40 yrs.
Warehouse facility in University Park, IL	—	7,962	32,756	221	—	7,962	32,977	40,939	8,126	2008	May 2014	40 yrs.
Office facility in Stavanger, Norway	—	10,296	91,744	—	(37,742)	6,550	57,748	64,298	12,287	1975	Aug. 2014	40 yrs.

SCHEDULE III — REAL ESTATE AND ACCUMULATED DEPRECIATION (Continued)

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(in thousands)

		Initial Cost to Company				Gross Amount at which Carried at Close of Period [c] [d]						
Description	Encumbrances	Land	Buildings	Cost Capitalized Subsequent to Acquisition [a]	Increase (Decrease) in Net Investments [b]	Land	Buildings	Total	Accumulated Depreciation [d]	Date of Construction	Date Acquired	Life on which Depreciation in Latest Statement of Income is Computed
Laboratory facility in Westborough, MA	—	3,409	37,914	53,065	—	3,409	90,979	94,388	12,853	1992	Aug. 2014	40 yrs.
Office facility in Andover, MA	—	3,980	45,120	323	—	3,980	45,443	49,423	9,939	2013	Oct. 2014	40 yrs.
Office facility in Newport, United Kingdom	—	—	22,587	—	(5,695)	—	16,892	16,892	3,512	2014	Oct. 2014	40 yrs.
Industrial facility in Lewisburg, OH	—	1,627	13,721	—	—	1,627	13,721	15,348	3,141	2014	Nov. 2014	40 yrs.
Industrial facility in Opole, Poland	—	2,151	21,438	—	(3,354)	1,845	18,390	20,235	4,338	2014	Dec. 2014	38 yrs.
Office facilities in Spain	—	51,778	257,624	10	(39,234)	47,944	222,234	270,178	46,368	Various	Dec. 2014	Various
Retail facilities in the United Kingdom	—	66,319	230,113	277	(92,573)	43,593	160,543	204,136	42,766	Various	Jan. 2015	20 - 40 yrs.
Warehouse facility in Rotterdam, Netherlands	—	—	33,935	20,767	(3,270)	—	51,432	51,432	8,516	2014	Feb. 2015	40 yrs.
Retail facility in Bad Fischau, Austria	—	2,855	18,829	—	(221)	2,826	18,637	21,463	4,112	1998	Apr. 2015	40 yrs.
Industrial facility in Oskarshamn, Sweden	—	3,090	18,262	—	(4,435)	2,447	14,470	16,917	2,999	2015	Jun. 2015	40 yrs.
Office facility in Sunderland, United Kingdom	—	2,912	30,140	—	(7,546)	2,247	23,259	25,506	4,949	2007	Aug. 2015	40 yrs.
Industrial facilities in Gersthofen and Senden, Germany and Leopoldsdorf, Austria	—	9,449	15,838	—	(1,059)	9,053	15,175	24,228	3,354	2008; 2010	Aug. 2015	40 yrs.
Net-lease hotels in the United States	—	—	49,190	17,396	—	17,396	49,190	66,586	10,402	1988; 1989; 1990	Oct. 2015	38 - 40 yrs.
Retail facilities in the Netherlands	—	5,698	38,130	79	(306)	5,658	37,943	43,601	8,397	Various	Nov. 2015	30 - 40 yrs.
Office facility in Irvine, CA	—	7,626	16,137	—	—	7,626	16,137	23,763	2,974	1977	Dec. 2015	40 yrs.
Education facility in Windermere, FL	—	5,090	34,721	15,333	—	5,090	50,054	55,144	11,366	1998	Apr. 2016	38 yrs.
Industrial facilities in the United States	—	66,845	87,575	65,400	(56,517)	49,680	113,623	163,303	28,399	Various	Apr. 2016	Various
Industrial facilities in North Dumfries and Ottawa, Canada	—	17,155	10,665	—	(18,593)	5,723	3,504	9,227	1,626	1967; 1974	Apr. 2016	28 yrs.
Education facilities in Coconut Creek, FL and Houston, TX	—	15,550	83,862	63,830	—	15,550	147,692	163,242	26,642	1979; 1984	May 2016	37 - 40 yrs.
Office facility in Southfield, MI and warehouse facilities in London, KY and Gallatin, TN	—	3,585	17,254	—	—	3,585	17,254	20,839	3,006	1969; 1987; 2000	Nov. 2016	35 - 36 yrs.
Industrial facilities in Brampton, Toronto, and Vaughan, Canada	—	28,759	13,998	—	—	28,759	13,998	42,757	2,906	Various	Nov. 2016	28 - 35 yrs.
Industrial facilities in Queretaro and San Juan del Rio, Mexico	—	5,152	12,614	—	—	5,152	12,614	17,766	2,136	Various	Dec. 2016	28 - 40 yrs.
Industrial facility in Chicago, IL	—	2,222	2,655	3,511	—	2,222	6,166	8,388	1,722	1985	Jun. 2017	30 yrs.
Industrial facility in Zawiercie, Poland	—	395	102	10,378	(931)	361	9,583	9,944	1,124	2018	Aug. 2017	40 yrs.
Office facility in Roseville, MN	—	2,560	16,025	809	—	2,560	16,834	19,394	2,340	2001	Nov. 2017	40 yrs.
Industrial facility in Radomsko, Poland	—	1,718	59	37,496	(442)	1,573	37,258	38,831	1,686	2018	Nov. 2017	40 yrs.
Warehouse facility in Sellersburg, IN	—	1,016	3,838	—	—	1,016	3,838	4,854	648	2000	Feb. 2018	36 yrs.
Retail and warehouse facilities in Appleton, Madison, and Waukesha, WI	—	5,512	61,230	—	—	5,465	61,277	66,742	9,046	1995; 2004	Mar. 2018	36 - 40 yrs.

SCHEDULE III — REAL ESTATE AND ACCUMULATED DEPRECIATION (Continued)

December 31, 2022

(in thousands)

Description	Encumbrances	Initial Cost to Company		Cost Capitalized Subsequent to Acquisition [(a)]	Increase (Decrease) in Net Investments [(b)]	Gross Amount at which Carried at Close of Period [(c) (d)]			Accumulated Depreciation [(d)]	Date of Construction	Date Acquired	Life on which Depreciation in Latest Statement of Income is Computed
		Land	Buildings			Land	Buildings	Total				
Office and warehouse facilities in Denmark	—	20,304	185,481	—	(15,928)	18,733	171,124	189,857	24,289	Various	Jun. 2018	25 - 41 yrs.
Retail facilities in the Netherlands	—	38,475	117,127	—	(13,057)	35,246	107,299	142,545	16,996	Various	Jul. 2018	26 - 30 yrs.
Industrial facility in Oostburg, WI	—	786	6,589	—	—	786	6,589	7,375	1,318	2002	Jul. 2018	35 yrs.
Warehouse facility in Kampen, Netherlands	—	3,251	12,858	126	(1,288)	2,992	11,955	14,947	2,145	1976	Jul. 2018	26 yrs.
Warehouse facility in Azambuja, Portugal	—	13,527	35,631	28,051	(6,533)	12,463	58,213	70,676	6,890	1994	Sep. 2018	28 yrs.
Retail facilities in Amsterdam, Moordrecht, and Rotterdam, Netherlands	—	2,582	18,731	11,338	(2,036)	2,420	28,195	30,615	3,550	Various	Oct. 2018	27 - 37 yrs.
Office and warehouse facilities in Bad Wünnenberg and Soest, Germany	—	2,916	39,687	—	(2,718)	2,730	37,155	39,885	4,152	1982; 1986	Oct. 2018	40 yrs.
Industrial facility in Norfolk, NE	—	802	3,686	—	—	802	3,686	4,488	521	1975	Oct. 2018	40 yrs.
Education facility in Chicago, IL	—	7,720	17,266	—	(7,945)	5,113	11,928	17,041	1,764	1912	Oct. 2018	40 yrs.
Fitness facilities in Phoenix, AZ and Columbia, MD	—	18,286	33,030	—	—	18,286	33,030	51,316	3,655	2006	Oct. 2018	40 yrs.
Retail facility in Gorzow, Poland	—	1,736	8,298	—	(640)	1,625	7,769	9,394	932	2008	Oct. 2018	40 yrs.
Industrial facilities in Sergeant Bluff, IA; Bossier City, LA; and Alvarado, TX	8,986	6,460	49,462	—	—	6,460	49,462	55,922	5,927	Various	Oct. 2018	40 yrs.
Industrial facility in Glendale Heights, IL	—	4,237	45,484	—	—	4,237	45,484	49,721	3,008	1991	Oct. 2018	38 yrs.
Industrial facilities in Mayodan, Sanford, and Stoneville, NC	—	3,505	20,913	—	—	3,505	20,913	24,418	2,157	1992; 1997; 1998	Oct. 2018	29 yrs.
Warehouse facility in Dillon, SC	—	3,424	43,114	—	—	3,424	43,114	46,538	5,166	2001	Oct. 2018	40 yrs.
Office facility in Birmingham, United Kingdom	—	7,383	7,687	—	(1,044)	6,872	7,154	14,026	783	2009	Oct. 2018	40 yrs.
Retail facilities in Spain	—	17,626	44,501	—	(3,964)	16,502	41,661	58,163	4,702	Various	Oct. 2018	40 yrs.
Warehouse facility in Gadki, Poland	—	1,376	6,137	—	(480)	1,288	5,745	7,033	655	2011	Oct. 2018	40 yrs.
Office facility in The Woodlands, TX	—	1,697	52,289	—	—	1,697	52,289	53,986	5,583	2009	Oct. 2018	40 yrs.
Office facility in Hoffman Estates, IL	—	5,550	14,214	—	—	5,550	14,214	19,764	1,574	2009	Oct. 2018	40 yrs.
Warehouse facility in Zagreb, Croatia	—	15,789	33,287	—	(3,132)	14,781	31,163	45,944	5,163	2001	Oct. 2018	26 yrs.
Industrial facilities in Middleburg Heights and Union Township, OH	3,899	1,295	13,384	—	—	1,295	13,384	14,679	1,468	1990; 1997	Oct. 2018	40 yrs.
Retail facility in Las Vegas, NV	—	—	79,720	—	—	—	79,720	79,720	8,322	2012	Oct. 2018	40 yrs.
Industrial facilities in the United States	—	20,517	14,135	—	30,060	22,585	42,127	64,712	3,476	Various	Oct. 2018	40 yrs.
Warehouse facility in Bowling Green, KY	—	2,652	51,915	72,976	—	2,652	124,891	127,543	7,605	2011	Oct. 2018	40 yrs.
Warehouse facilities in the United Kingdom	—	6,791	2,315	—	(631)	6,321	2,154	8,475	264	Various	Oct. 2018	40 yrs.
Industrial facility in Evansville, IN	—	180	22,095	—	—	180	22,095	22,275	2,362	2009	Oct. 2018	40 yrs.

SCHEDULE III — REAL ESTATE AND ACCUMULATED DEPRECIATION (Continued)

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(in thousands)

Description	Encumbrances	Initial Cost to Company		Cost Capitalized Subsequent to Acquisition (a)	Increase (Decrease) in Net Investments (b)	Gross Amount at which Carried at Close of Period (c) (d)			Accumulated Depreciation (d)	Date of Construction	Date Acquired	Life on which Depreciation in Latest Statement of Income is Computed
		Land	Buildings			Land	Buildings	Total				
Office facilities in Tampa, FL	—	3,889	49,843	1,498	—	3,889	51,341	55,230	5,585	1985; 2000	Oct. 2018	40 yrs.
Warehouse facility in Elorrio, Spain	—	7,858	12,728	—	(1,313)	7,357	11,916	19,273	1,503	1996	Oct. 2018	40 yrs.
Industrial and office facilities in Elberton, GA	—	879	2,014	—	—	879	2,014	2,893	303	1997; 2002	Oct. 2018	40 yrs.
Office facility in Tres Cantos, Spain	47,277	24,344	39,646	—	(4,084)	22,790	37,116	59,906	4,209	2002	Oct. 2018	40 yrs.
Office facility in Hartland, WI	2,228	1,454	6,406	—	—	1,454	6,406	7,860	752	2001	Oct. 2018	40 yrs.
Retail facilities in Dugo Selo, Kutina, Samobor, Spansko, and Zagreb, Croatia	—	5,549	12,408	1,625	5,048	6,373	18,257	24,630	2,841	2000; 2002; 2003	Oct. 2018	26 yrs.
Office and warehouse facilities in the United States	—	42,793	193,666	—	—	42,793	193,666	236,459	22,416	Various	Oct. 2018	40 yrs.
Warehouse facilities in Breda, Elst, Gieten, Raalte, and Woerden, Netherlands	—	37,755	91,666	4,787	(8,402)	35,346	90,460	125,806	9,515	Various	Oct. 2018	40 yrs.
Warehouse facilities in Oxnard and Watsonville, CA	—	22,453	78,814	—	—	22,453	78,814	101,267	8,695	1975; 1994; 2002	Oct. 2018	40 yrs.
Retail facilities in Italy	—	75,492	138,280	7,242	(14,891)	70,675	135,448	206,123	15,617	Various	Oct. 2018	40 yrs.
Land in Hudson, NY	—	2,405	—	—	—	2,405	—	2,405	—	N/A	Oct. 2018	N/A
Office facility in Houston, TX	—	2,136	2,344	—	—	2,136	2,344	4,480	301	1982	Oct. 2018	40 yrs.
Office facility in Martinsville, VA	—	1,082	8,108	—	—	1,082	8,108	9,190	950	2011	Oct. 2018	40 yrs.
Land in Chicago, IL	—	9,887	—	—	—	9,887	—	9,887	—	N/A	Oct. 2018	N/A
Industrial facility in Fraser, MI	—	1,346	9,551	—	—	1,346	9,551	10,897	1,084	2012	Oct. 2018	40 yrs.
Net-lease self-storage facilities in the United States	—	19,583	108,971	—	—	19,583	108,971	128,554	12,879	Various	Oct. 2018	40 yrs.
Warehouse facility in Middleburg Heights, OH	—	542	2,507	—	—	542	2,507	3,049	275	2002	Oct. 2018	40 yrs.
Net-lease self-storage facility in Fort Worth, TX	—	691	6,295	—	—	691	6,295	6,986	761	2004	Oct. 2018	40 yrs.
Retail facilities in Delnice, Pozega, and Sesvete, Croatia	—	5,519	9,930	1,291	(1,212)	5,167	10,361	15,528	1,707	2011	Oct. 2018	27 yrs.
Office facilities in Eagan and Virginia, MN	—	16,302	91,239	—	(722)	15,954	90,865	106,819	10,510	Various	Oct. 2018	40 yrs.
Retail facility in Orlando, FL	—	6,262	25,134	430	—	6,371	25,455	31,826	2,692	2011	Oct. 2018	40 yrs.
Industrial facility in Avon, OH	—	1,447	5,564	—	—	1,447	5,564	7,011	662	2001	Oct. 2018	40 yrs.
Industrial facility in Chimelow, Poland	—	6,158	28,032	—	(2,182)	5,765	26,243	32,008	2,999	2012	Oct. 2018	40 yrs.
Net-lease self-storage facility in Fayetteville, NC	—	1,839	4,654	—	—	1,839	4,654	6,493	718	2001	Oct. 2018	40 yrs.
Retail facilities in the United States	—	19,529	42,318	—	—	19,529	42,318	61,847	4,892	Various	Oct. 2018	40 yrs.
Education facilities in Montgomery, AL and Savannah, GA	—	5,508	12,032	—	—	5,508	12,032	17,540	1,375	1969; 2002	Oct. 2018	40 yrs.
Office facilities in St. Louis, MO	—	1,297	5,362	7,951	—	1,836	12,774	14,610	1,545	1995; 1999	Oct. 2018; Aug. 2021	40 yrs.

SCHEDULE III — REAL ESTATE AND ACCUMULATED DEPRECIATION (Continued)

December 31, 2022

(in thousands)

Description	Encumbrances	Initial Cost to Company		Cost Capitalized Subsequent to Acquisition (a)	Increase (Decrease) in Net Investments (b)	Gross Amount at which Carried at Close of Period (c) (d)			Accumulated Depreciation (d)	Date of Construction	Date Acquired	Life on which Depreciation in Latest Statement of Income is Computed
		Land	Buildings			Land	Buildings	Total				
Office and warehouse facility in Zary, PL	—	2,062	10,034	—	(772)	1,931	9,393	11,324	1,101	2013	Oct. 2018	40 yrs.
Industrial facilities in San Antonio, TX and Sterling, VA	—	3,198	23,981	78,728	(462)	6,767	98,678	105,445	7,277	1980; 2020	Oct. 2018; Dec. 2018	40 yrs.
Industrial facility in Elk Grove Village, IL	—	5,511	10,766	2	—	5,511	10,768	16,279	1,203	1961	Oct. 2018	40 yrs.
Industrial facility in Portage, WI	3,861	3,450	7,797	—	—	3,450	7,797	11,247	982	1970	Oct. 2018	40 yrs.
Office facility in Warrenville, IL	—	3,662	23,711	—	—	3,662	23,711	27,373	2,614	2002	Oct. 2018	40 yrs.
Warehouse facility in Saitama Prefecture, Japan	—	13,507	25,301	6,586	(11,253)	11,035	23,106	34,141	2,368	2007	Oct. 2018	40 yrs.
Retail facility in Dallas, TX	—	2,977	16,168	—	—	2,977	16,168	19,145	1,732	1913	Oct. 2018	40 yrs.
Office facility in Houston, TX	—	23,161	104,266	1,118	—	23,161	105,384	128,545	11,173	1973	Oct. 2018	40 yrs.
Retail facilities in Croatia	—	9,000	13,002	1,415	(5,811)	7,305	10,301	17,606	1,504	Various	Oct. 2018	29 - 37 yrs.
Office facility in Northbrook, IL	—	—	493	447	—	—	940	940	212	2007	Oct. 2018	40 yrs.
Education facilities in Chicago, IL	—	18,510	163	—	(16,831)	1,793	49	1,842	39	2014; 2015	Oct. 2018	40 yrs.
Warehouse facility in Dillon, SC	—	3,516	44,933	—	—	3,516	44,933	48,449	5,343	2013	Oct. 2018	40 yrs.
Net-lease self-storage facilities in New York City, NY	—	29,223	77,202	714	—	29,223	77,916	107,139	8,175	Various	Oct. 2018	40 yrs.
Net-lease self-storage facility in Hilo, HI	—	769	12,869	—	—	769	12,869	13,638	1,361	2007	Oct. 2018	40 yrs.
Net-lease self-storage facility in Clearwater, FL	—	1,247	5,733	—	—	1,247	5,733	6,980	690	2001	Oct. 2018	40 yrs.
Warehouse facilities in Gadki, Poland	—	10,422	47,727	57	(3,714)	9,756	44,736	54,492	5,185	2007; 2010	Oct. 2018	40 yrs.
Net-lease self-storage facility in Orlando, FL	—	1,070	8,686	—	—	1,070	8,686	9,756	986	2000	Oct. 2018	40 yrs.
Retail facility in Lewisville, TX	—	3,485	11,263	—	—	3,485	11,263	14,748	1,256	2004	Oct. 2018	40 yrs.
Industrial facility in Wageningen, Netherlands	—	5,227	18,793	—	(1,266)	4,894	17,860	22,754	2,039	2013	Oct. 2018	40 yrs.
Net-lease self-storage facility in Palm Coast, FL	—	1,994	4,982	—	—	1,994	4,982	6,976	704	2001	Oct. 2018	40 yrs.
Office facility in Auburn Hills, MI	—	1,910	6,773	—	—	1,910	6,773	8,683	771	2012	Oct. 2018	40 yrs.
Net-lease self-storage facility in Holiday, FL	—	1,730	4,213	—	—	1,730	4,213	5,943	580	1975	Oct. 2018	40 yrs.
Office facility in Tempe, AZ	13,417	—	19,533	—	—	—	19,533	19,533	2,152	2000	Oct. 2018	40 yrs.
Office facility in Tucson, AZ	—	2,448	17,353	869	—	2,448	18,222	20,670	1,940	2002	Oct. 2018	40 yrs.
Industrial facility in Drunen, Netherlands	—	2,316	9,370	—	(745)	2,169	8,772	10,941	976	2014	Oct. 2018	40 yrs.
Industrial facility New Concord, OH	1,248	958	2,309	—	—	958	2,309	3,267	313	1999	Oct. 2018	40 yrs.
Office facility in Krakow, Poland	—	2,381	6,212	—	(548)	2,229	5,816	8,045	652	2003	Oct. 2018	40 yrs.
Retail facility in Gelsenkirchen, Germany	11,156	2,178	17,097	—	(1,230)	2,039	16,006	18,045	1,774	2000	Oct. 2018	40 yrs.

SCHEDULE III — REAL ESTATE AND ACCUMULATED DEPRECIATION (Continued)
December 31, 2022
(in thousands)

Description	Encumbrances	Initial Cost to Company: Land	Initial Cost to Company: Buildings	Cost Capitalized Subsequent to Acquisition (a)	Increase (Decrease) in Net Investments (b)	Gross Amount at which Carried at Close of Period (c) (d): Land	Gross Amount: Buildings	Gross Amount: Total	Accumulated Depreciation (d)	Date of Construction	Date Acquired	Life on which Depreciation in Latest Statement of Income is Computed
Warehouse facilities in Mszczonow and Tomaszow Mazowiecki, Poland	—	8,782	53,575	—	(3,979)	8,222	50,156	58,378	6,025	1995; 2000	Oct. 2018	40 yrs.
Office facility in Plymouth, MN	—	2,871	26,353	686	—	2,871	27,039	29,910	2,982	1999	Oct. 2018	40 yrs.
Office facility in San Antonio, TX	—	3,094	16,624	—	—	3,094	16,624	19,718	1,867	2002	Oct. 2018	40 yrs.
Warehouse facility in Sered, Slovakia	—	3,428	28,005	—	(2,006)	3,209	26,218	29,427	2,935	2004	Oct. 2018	40 yrs.
Industrial facility in Tuchomerice, Czech Republic	—	7,864	27,006	—	(2,226)	7,362	25,282	32,644	2,794	1998	Oct. 2018	40 yrs.
Office facility in Warsaw, Poland	31,475	—	44,990	—	(2,871)	—	42,119	42,119	4,540	2015	Oct. 2018	40 yrs.
Warehouse facility in Kaunas, Lithuania	34,541	10,199	47,391	—	(3,675)	9,548	44,367	53,915	5,022	2008	Oct. 2018	40 yrs.
Net-lease student housing facility in Jacksonville, FL	11,562	906	17,020	—	—	906	17,020	17,926	1,834	2015	Oct. 2018	40 yrs.
Warehouse facilities in Houston, TX	—	791	1,990	—	—	791	1,990	2,781	234	1972	Oct. 2018	40 yrs.
Office facility in Oak Creek, WI	—	2,858	11,055	—	—	2,858	11,055	13,913	1,310	2000	Oct. 2018	40 yrs.
Warehouse facilities in Shelbyville, IN; Kalamazoo, MI; Tiffin, OH; Andersonville, TN; and Millwood, WV	—	2,868	37,571	—	—	2,868	37,571	40,439	4,527	Various	Oct. 2018	40 yrs.
Warehouse facility in Perrysburg, OH	—	806	11,922	—	—	806	11,922	12,728	1,483	1974	Oct. 2018	40 yrs.
Warehouse facility in Dillon, SC	—	620	46,319	434	—	620	46,753	47,373	4,422	2019	Oct. 2018	40 yrs.
Warehouse facility in Zabia Wola, Poland	14,507	4,742	23,270	5,636	(2,118)	4,439	27,091	31,530	2,974	1999	Oct. 2018	40 yrs.
Office facility in Buffalo Grove, IL	—	2,224	6,583	—	—	2,224	6,583	8,807	749	1992	Oct. 2018	40 yrs.
Warehouse facilities in McHenry, IL	—	5,794	21,141	—	—	5,794	21,141	26,935	3,539	1990; 1999	Dec. 2018	27 - 28 yrs.
Industrial facilities in Chicago, Cortland, Forest View, Morton Grove, and Northbrook, IL and Madison and Monona, WI	—	23,267	9,166	—	—	23,267	9,166	32,433	1,459	Various	Dec. 2018; Dec. 2019	35 - 40 yrs.
Warehouse facility in Kilgore, TX	—	3,002	36,334	14,096	(6)	3,002	50,424	53,426	5,454	2007	Dec. 2018	37 yrs.
Industrial facility in San Luis Potosi, Mexico	—	2,787	12,945	—	—	2,787	12,945	15,732	1,527	2009	Dec. 2018	39 yrs.
Industrial facility in Legnica, Poland	—	995	9,787	6,007	(1,088)	930	14,771	15,701	1,915	2002	Dec. 2018	29 yrs.
Industrial facility in Meru, France	—	4,231	14,731	8	(1,186)	3,966	13,818	17,784	2,094	1997	Dec. 2018	29 yrs.
Education facility in Portland, OR	—	2,396	23,258	4,177	—	2,396	27,435	29,831	3,355	2006	Feb. 2019	40 yrs.
Office facility in Morrisville, NC	—	2,374	30,140	2,172	—	2,374	32,312	34,686	3,375	1998	Mar. 2019	40 yrs.
Warehouse facility in Inwood, WV	—	3,265	36,692	—	—	3,265	36,692	39,957	3,817	2000	Mar. 2019	40 yrs.
Industrial facility in Hurricane, UT	—	1,914	37,279	—	—	1,914	37,279	39,193	3,668	2011	Mar. 2019	40 yrs.
Industrial facility in Bensenville, IL	—	8,640	4,948	—	300	8,940	4,948	13,888	782	1981	Mar. 2019	40 yrs.
Industrial facility in Katowice, Poland	—	—	764	15,163	(484)	—	15,443	15,443	1,195	2019	Apr. 2019	40 yrs.
Industrial facilities in Westerville, OH and North Wales, PA	—	1,545	6,508	—	—	1,545	6,508	8,053	781	1960; 1997	May 2019	40 yrs.

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December 31, 2022
(in thousands)

Description	Encumbrances	Initial Cost to Company		Cost Capitalized Subsequent to Acquisition (a)	Increase (Decrease) in Net Investments (b)	Gross Amount at which Carried at Close of Period (c) (d)			Accumulated Depreciation (d)	Date of Construction	Date Acquired	Life on which Depreciation in Latest Statement of Income is Computed
		Land	Buildings			Land	Buildings	Total				
Industrial facilities in Fargo, ND; Norristown, PA; and Atlanta, TX	—	1,616	5,589	—	—	1,616	5,589	7,205	818	Various	May 2019	40 yrs.
Industrial facilities in Chihuahua and Juarez, Mexico	—	3,426	7,286	—	—	3,426	7,286	10,712	965	1983; 1986; 1991	May 2019	40 yrs.
Warehouse facility in Statesville, NC	—	1,683	13,827	—	—	1,683	13,827	15,510	1,489	1979	Jun. 2019	40 yrs.
Industrial facilities in Searcy, AR and Conestoga, PA	—	4,290	51,410	21,027	—	4,678	72,049	76,727	6,511	1950; 1951	Jun. 2019; Apr. 2021	40 yrs.
Industrial facilities in Hartford and Milwaukee, WI	—	1,471	21,293	—	—	1,471	21,293	22,764	2,203	1964; 1992; 1993	Jul. 2019	40 yrs.
Industrial facilities in Brockville and Prescott, Canada	—	2,025	9,519	—	—	2,025	9,519	11,544	990	1955; 1995	Jul. 2019	40 yrs.
Industrial facility in Dordrecht, Netherlands	—	3,233	10,954	—	(424)	3,140	10,623	13,763	890	1986	Sep. 2019	40 yrs.
Industrial facilities in York, PA and Lexington, SC	—	4,155	22,930	—	—	4,155	22,930	27,085	2,600	1968; 1971	Oct. 2019	40 yrs.
Industrial facility in Queretaro, Mexico	—	2,851	12,748	—	(3)	2,851	12,745	15,596	1,305	1999	Oct. 2019	40 yrs.
Office facility in Dearborn, MI	—	1,431	5,402	—	—	1,431	5,402	6,833	567	2002	Oct. 2019	40 yrs.
Industrial facilities in Houston, TX and Metairie, LA and office facilities in Houston, TX and Mason, OH	—	6,130	24,981	2,145	—	6,130	27,126	33,256	2,444	Various	Nov. 2019	40 yrs.
Industrial facility in Pardubice, Czech Republic	—	1,694	8,793	436	(377)	1,639	8,907	10,546	742	1970	Nov. 2019	40 yrs.
Warehouse facilities in Brabrand, Denmark and Arlandastad, Sweden	—	6,499	27,899	146	(1,659)	6,140	26,745	32,885	2,294	2012; 2017	Nov. 2019	40 yrs.
Retail facility in Hamburg, PA	—	4,520	34,167	—	—	4,520	34,167	38,687	2,994	2003	Dec. 2019	40 yrs.
Warehouse facility in Charlotte, NC	—	6,481	82,936	—	—	6,481	82,936	89,417	7,128	1995	Dec. 2019	40 yrs.
Warehouse facility in Buffalo Grove, IL	—	3,287	10,167	—	—	3,287	10,167	13,454	1,049	1987	Dec. 2019	40 yrs.
Industrial facility in Hvidovre, Denmark	—	1,931	4,243	—	(265)	1,856	4,053	5,909	436	2007	Dec. 2019	40 yrs.
Warehouse facility in Huddersfield, United Kingdom	—	8,659	29,752	—	(3,428)	7,886	27,097	34,983	2,156	2005	Dec. 2019	40 yrs.
Warehouse facility in Newark, United Kingdom	—	21,869	74,777	—	(8,170)	20,020	68,456	88,476	5,111	2006	Jan. 2020	40 yrs.
Industrial facility in Langen, Germany	—	14,160	7,694	32,169	(5,999)	12,461	35,563	48,024	1,695	2021	Jan. 2020	40 yrs.
Industrial facility in Aurora, OR	—	2,914	21,459	—	(5,000)	2,914	16,459	19,373	1,209	1976	Jan. 2020	40 yrs.
Warehouse facility in Vojens, Denmark	—	1,031	8,784	—	(296)	1,000	8,519	9,519	622	2020	Jan. 2020	40 yrs.
Office facility in Kitzingen, Germany	—	4,812	41,125	—	(3,171)	4,481	38,285	42,766	2,694	1967	Mar. 2020	40 yrs.
Warehouse facility in Knoxville, TN	—	2,455	47,446	—	—	2,455	47,446	49,901	2,988	2020	Jun. 2020	40 yrs.
Industrial facilities in Bluffton and Plymouth, IN; and Lawrence, KS	—	674	33,519	20,542	—	1,064	53,671	54,735	2,440	1981; 2014; 2021	Sep 2020; Dec. 2021	40 yrs.
Industrial facility in Huntley, IL	—	5,260	26,617	—	—	5,260	26,617	31,877	1,500	1996	Sep. 2020	40 yrs.

SCHEDULE III — REAL ESTATE AND ACCUMULATED DEPRECIATION (Continued)

December 31, 2022

(in thousands)

Description	Encumbrances	Initial Cost to Company: Land	Initial Cost to Company: Buildings	Cost Capitalized Subsequent to Acquisition (a)	Increase (Decrease) in Net Investments (b)	Gross Amount at which Carried at Close of Period (c) (d): Land	Gross Amount at which Carried at Close of Period (c) (d): Buildings	Gross Amount at which Carried at Close of Period (c) (d): Total	Accumulated Depreciation (d)	Date of Construction	Date Acquired	Life on which Depreciation in Latest Statement of Income is Computed
Industrial facilities in Winter Haven, FL; Belvedere, IL; and Fayetteville, NC	—	8,232	31,745	—	—	8,232	31,745	39,977	1,763	1954; 1984; 1997	Oct. 2020	40 yrs.
Retail facilities in Spain	—	34,216	57,151	239	(8,069)	31,198	52,339	83,537	2,842	Various	Oct. 2020	40 yrs.
Warehouse facility in Little Canada, MN	—	3,384	23,422	—	—	3,384	23,422	26,806	1,272	1987	Oct. 2020	40 yrs.
Warehouse facility in Hurricane, UT	—	5,154	22,893	20,517	—	5,154	43,410	48,564	1,602	2005	Dec. 2020	40 yrs.
Industrial facilities in Bethlehem, PA and Waco, TX	—	4,673	19,111	—	—	4,673	19,111	23,784	984	Various	Dec. 2020	40 yrs.
Industrial facilities in Pleasanton, KS; Savage, MN; Grove City, OH; and Mahanoy City, PA	—	7,717	21,569	—	—	7,717	21,569	29,286	1,078	Various	Dec. 2020	40 yrs.
Outdoor advertising in Fort Washington, Huntington Valley, and West Chester, PA	—	—	492	—	—	—	492	492	24	2011; 2014; 2016	Jan. 2021	40 yrs.
Warehouse facilities in Grove City, OH and Anderson, SC	—	1,415	15,151	—	—	1,415	15,151	16,566	724	1995; 2001	Feb. 2021	40 yrs.
Office and retail facilities in NJ and PA	—	17,537	25,987	—	—	17,537	25,987	43,524	1,226	Various	Feb. 2021	40 yrs.
Land and warehouse facilities in CA	—	8,513	45,669	6	—	8,516	45,672	54,188	2,158	Various	Feb. 2021	40 yrs.
Research and development facility in Wageningen, Netherlands	—	1,429	5,777	18,848	1,244	1,494	25,804	27,298	315	2022	Mar. 2021	40 yrs.
Retail facilities in France	—	15,954	104,578	—	(11,082)	14,487	94,963	109,450	4,163	1968; 1981; 1983	Apr. 2021	40 yrs.
Warehouse facility in Detroit, MI	—	3,625	47,743	—	—	3,625	47,743	51,368	2,008	1991	Apr. 2021	40 yrs.
Warehouse facility in Solihull, United Kingdom	—	42,137	123,315	—	(21,832)	36,577	107,043	143,620	4,450	2021	May 2021	40 yrs.
Net-lease student housing facility in New Rochelle, NY	—	3,617	21,590	—	—	3,617	21,590	25,207	896	2018	May 2021	40 yrs.
Industrial facility in Groveport, OH	—	—	26,639	2,904	—	—	29,543	29,543	1,165	1982	May 2021	40 yrs.
Industrial facility in Dakota, IL	—	1,970	50,369	—	—	1,970	50,369	52,339	2,066	1978	May 2021	40 yrs.
Industrial facility in San Jose, CA	—	12,808	31,714	—	—	12,808	31,714	44,522	1,299	1984	May 2021	40 yrs.
Warehouse facility in Opelika, AL	—	2,115	39,980	—	—	2,115	39,980	42,095	1,569	2005	Jun. 2021	40 yrs.
Warehouse facilities in Elk Grove Village and Niles, IL; and Guelph, Canada	—	12,932	25,096	—	—	12,932	25,096	38,028	981	1962; 1976; 1983	Jun. 2021	40 yrs.
Warehouse facility in Rome, NY	—	1,480	47,781	—	—	1,480	47,781	49,261	1,865	2021	Jun. 2021	40 yrs.
Warehouse facility in Frankfort, IN	—	5,423	95,915	—	—	5,423	95,915	101,338	3,239	2015	Aug. 2021	40 yrs.
Warehouse facility in Rogers, MN	—	1,871	20,959	—	—	1,871	20,959	22,830	688	2005	Sep. 2021	40 yrs.
Industrial facilities in Chattanooga, TN	—	4,859	29,302	—	—	4,859	29,302	34,161	881	2006; 2017	Oct. 2021	40 yrs.
Warehouse facility in Mankato, MN	—	2,979	11,619	—	—	2,979	11,619	14,598	330	1976	Nov. 2021	40 yrs.
Retail facilities in Denmark	—	2,695	38,428	—	(2,157)	2,553	36,413	38,966	973	Various	Dec. 2021	40 yrs.
Retail facilities in Poland	—	15,110	47,511	—	(3,313)	14,311	44,997	59,308	1,177	Various	Dec. 2021	40 yrs.

SCHEDULE III — REAL ESTATE AND ACCUMULATED DEPRECIATION (Continued)

December 31, 2022

(in thousands)

Description	Encumbrances	Initial Cost to Company		Cost Capitalized Subsequent to Acquisition [(a)]	Increase (Decrease) in Net Investments [(b)]	Gross Amount at which Carried at Close of Period [(c) (d)]			Accumulated Depreciation [(d)]	Date of Construction	Date Acquired	Life on which Depreciation in Latest Statement of Income is Computed
		Land	Buildings			Land	Buildings	Total				
Industrial facility in Cary, IL	—	4,568	31,977	—	—	4,568	31,977	36,545	808	1975	Dec. 2021	40 yrs.
Retail facilities in the Netherlands	—	9,342	32,770	—	(2,373)	8,816	30,923	39,739	779	Various	Dec. 2021	40 yrs.
Outdoor advertising in Flemington and Pennsauken, NJ	—	1,025	397	832	—	1,025	1,229	2,254	18	Various	Dec. 2021	40 yrs.
Industrial facility in Pleasant Prairie, WI	—	1,443	16,532	—	—	1,443	16,532	17,975	403	2001	Jan. 2022	40 yrs.
Funeral homes in Spain	—	26,735	99,822	—	(6,953)	25,266	94,338	119,604	2,145	Various	Feb. 2022	40 yrs.
Retail facilities in Denmark	—	3,295	35,898	—	(1,477)	3,154	34,562	37,716	625	Various	Various	40 yrs.
Industrial facility in Laval, Canada	—	4,014	16,037	—	(1,237)	3,766	15,048	18,814	327	1966	Feb. 2022	40 yrs.
Warehouse facility in Chattanooga, TN	—	5,063	36,645	—	—	5,063	36,645	41,708	761	2003	Mar. 2022	40 yrs.
Industrial facility in Coatzacoalcos, Mexico	—	9,805	17,622	—	—	9,805	17,622	27,427	301	1960	Apr. 2022	40 yrs.
Industrial facility in Lowbanks, CA	—	3,574	1,605	—	—	3,574	1,605	5,179	27	1967	Apr. 2022	40 yrs.
Industrial facilities in Chicago, IL; Geismar, LA; and Nashville, TN	—	9,300	26,945	—	—	9,300	26,945	36,245	437	Various	May 2022	40 yrs.
Industrial and warehouse facilities in the United States	—	9,847	88,227	—	—	9,847	88,227	98,074	1,390	Various	May 2022	40 yrs.
Retail facilities in Denmark	—	2,228	31,774	—	251	2,246	32,007	34,253	443	Various	Various	40 yrs.
Industrial facility in Medina, OH	—	2,029	22,938	—	—	2,029	22,938	24,967	311	1963	Jun. 2022	40 yrs.
Warehouse facility in Bree, Belgium	—	—	73,302	42	1,972	—	75,316	75,316	954	1964	Jun. 2022	40 yrs.
Retail facilities in Spain	—	4,906	12,825	—	813	5,131	13,413	18,544	151	Various	Jul. 2022	40 yrs.
Industrial and warehouse facilities in the United States	—	27,543	192,197	—	—	27,543	192,197	219,740	2,093	Various	Jul. 2022	40 yrs.
Retail facilities in Denmark	—	2,690	33,703	—	1,312	2,789	34,916	37,705	297	Various	Various	40 yrs.
Office facility in Austin, TX	72,295	31,095	45,393	—	—	31,095	45,393	76,488	476	1993	Aug. 2022	40 yrs.
Land in Chicago, IL	1,885	3,873	—	—	—	3,873	—	3,873	—	N/A	Aug. 2022	N/A
Retail facilities in Croatia	14,788	1,367	23,337	—	1,046	1,425	24,325	25,750	255	2001; 2006	Aug. 2022	40 yrs.
Warehouse in Streetsboro, OH	2,576	2,435	9,333	—	—	2,435	9,333	11,768	98	1993	Aug. 2022	40 yrs.
Office facility in Norcross, GA	2,936	1,795	2,676	—	—	1,795	2,676	4,471	28	1999	Aug. 2022	40 yrs.
Warehouse in University Park, IL	46,812	15,377	63,299	—	—	15,377	63,299	78,676	663	2003	Aug. 2022	40 yrs.
Office facility in Oslo, Norway	43,560	15,763	33,250	—	(1,085)	15,414	32,514	47,928	341	2013	Aug. 2022	40 yrs.
Industrial facilities in Surprise, AZ; Temple, GA; and Houston, TX	9,640	2,994	26,100	—	—	2,994	26,100	29,094	274	1998; 2007; 2011	Aug. 2022	40 yrs.
Office facility in Farmington Hills, MI	6,188	2,195	5,213	—	—	2,195	5,213	7,408	55	2001	Aug. 2022	40 yrs.
Warehouse facility in Jonesville, SC	25,198	2,895	32,152	—	—	2,895	32,152	35,047	337	1997	Aug. 2022	40 yrs.
Warehouse facility in Albany, GA	5,232	3,108	12,220	—	—	3,108	12,220	15,328	128	1977	Aug. 2022	40 yrs.
Office facility in Eagan, MN	8,573	1,298	7,445	—	—	1,298	7,445	8,743	78	2013	Aug. 2022	40 yrs.

SCHEDULE III — REAL ESTATE AND ACCUMULATED DEPRECIATION (Continued)

December 31, 2022

(in thousands)

		Initial Cost to Company		Cost Capitalized Subsequent to Acquisition [(a)]	Increase (Decrease) in Net Investments [(b)]	Gross Amount at which Carried at Close of Period [(c) (d)]			Accumulated Depreciation [(d)]			Life on which Depreciation in Latest Statement of Income
Description	Encumbrances	Land	Buildings			Land	Buildings	Total		Date of Construction	Date Acquired	is Computed
Office facility in Plymouth, MN	25,187	4,624	29,243	—	—	4,624	29,243	33,867	306	1982	Aug. 2022	40 yrs.
Industrial facilities in Dallas/Forth Worth, TX	4,336	3,918	9,817	—	—	3,918	9,817	13,735	103	1990; 2008	Aug. 2022	40 yrs.
Warehouse facility in Byron Center, MI	6,407	1,925	10,098	—	—	1,925	10,098	12,023	106	2015	Aug. 2022	40 yrs.
Net-lease hotel in Albion, Mauritius	10,972	7,633	29,274	—	1,562	7,956	30,513	38,469	320	2007	Aug. 2022	40 yrs.
Office facility in Warstein, Germany	—	3,917	4,049	20	337	4,083	4,240	8,323	44	2011	Aug. 2022	40 yrs.
Net-lease hotel in Munich, Germany	45,331	17,892	61,405	—	3,356	18,649	64,004	82,653	671	2016	Aug. 2022	40 yrs.
Office facility in Plano, TX	21,221	3,667	28,073	—	—	3,667	28,073	31,740	294	2001	Aug. 2022	40 yrs.
Industrial facility in Plymouth, MN	9,969	3,693	13,242	9	—	3,693	13,251	16,944	139	1975	Aug. 2022	40 yrs.
Net-lease hotel in Hamburg, Germany	15,419	7,328	17,467	—	1,050	7,639	18,206	25,845	191	2017	Aug. 2022	40 yrs.
Retail facility in Oslo, Norway	54,079	27,948	64,033	725	(2,032)	27,330	63,344	90,674	672	1971	Aug. 2022	40 yrs.
Office facility in Jacksonville, FL	9,310	2,084	6,673	—	—	2,084	6,673	8,757	70	2001	Aug. 2022	40 yrs.
Industrial facility in Michalovce, Slovakia	—	4,538	19,009	—	996	4,730	19,813	24,543	208	2006	Aug. 2022	40 yrs.
Office facility in Warrenville, IL	21,433	3,285	11,666	387	—	3,285	12,053	15,338	129	2001	Aug. 2022	40 yrs.
Office facility in Coralville, IA	—	2,222	35,695	—	—	2,222	35,695	37,917	374	2015	Aug. 2022	40 yrs.
Net-lease hotel in Stuttgart, Germany	13,338	—	31,276	—	1,324	—	32,600	32,600	342	1965	Aug. 2022	40 yrs.
Industrial facility in Menomonee Falls, WI	11,841	2,726	17,453	—	—	2,726	17,453	20,179	183	1974	Aug. 2022	40 yrs.
Warehouse facility in Iowa Falls, IA	6,138	997	8,819	—	—	997	8,819	9,816	92	2001	Aug. 2022	40 yrs.
Warehouse facility in Westlake, OH	—	1,928	24,353	—	—	1,928	24,353	26,281	252	1972	Aug. 2022	40 yrs.
Industrial facility in Hebron, Ohio and warehouse facility in Strongsville, OH	—	4,671	5,494	—	—	4,671	5,494	10,165	54	1969; 1999	Aug. 2022	40 yrs.
Warehouse facility in Scarsborough, Canada	—	5,092	1,868	—	—	5,092	1,868	6,960	18	1980	Aug. 2022	40 yrs.
Specialty facilities in West Des Moines, IA and Clifton Park, NY	—	3,229	17,080	—	—	3,229	17,080	20,309	166	1971; 2021	Aug. 2022	40 yrs.
Industrial facility in Orzinuovi, Italy	—	2,473	9,892	—	815	2,636	10,544	13,180	91	1978	Aug. 2022	40 yrs.
Outdoor advertising in West Chester, PA	—	—	559	—	—	—	559	559	10	2022	Oct. 2022	40 yrs.
Industrial facilities in the United States	—	11,117	41,107	—	—	11,117	41,107	52,224	31	Various	Dec. 2022	40 yrs.
Warehouse facility in Romulus, MI	—	2,788	33,353	—	—	2,788	33,353	36,141	5	2017	Dec. 2022	40 yrs.
Industrial facility in Salisbury, NC	—	1,308	13,082	—	—	1,308	13,082	14,390	2	2015	Dec. 2022	40 yrs.
	$ 782,663	$2,628,187	$10,520,207	$ 1,013,116	$ (844,878)	$2,400,002	$10,916,630	$13,316,632	$ 1,672,091			

SCHEDULE III — REAL ESTATE AND ACCUMULATED DEPRECIATION (Continued)
December 31, 2022
(in thousands)

Description	Encumbrances	Initial Cost to Company: Land	Initial Cost to Company: Buildings	Cost Capitalized Subsequent to Acquisition [(a)]	Increase (Decrease) in Net Investments [(b)]	Gross Amount at which Carried at Close of Period Total	Date of Construction	Date Acquired
Direct Financing Method								
Industrial facilities in Irving and Houston, TX	$ —	$ —	$ 27,599	$ —	$ (4,227)	$ 23,372	1978	Jan. 1998
Retail facility in Freehold, NJ	2,925	—	17,067	—	(435)	16,632	2004	Sep. 2012
Office facilities in Corpus Christi, Odessa, San Marcos, and Waco, TX	713	2,089	14,211	—	(1,572)	14,728	1969; 1996; 2000	Sep. 2012
Retail facilities in Germany	—	28,734	145,854	5,582	(64,558)	115,612	Various	Sep. 2012
Warehouse facility in Brierley Hill, United Kingdom	—	2,147	12,357	—	(2,554)	11,950	1996	Sep. 2012
Retail facilities in El Paso and Fabens, TX	—	4,777	17,823	—	(102)	22,498	Various	Jan. 2014
Industrial facility in Eagan, MN	—	—	11,548	—	(628)	10,920	1975	Jan. 2014
Retail facility in Gronau, Germany	—	281	4,401	—	(1,013)	3,669	1989	Jan. 2014
Industrial facility in Mount Carmel, IL	—	135	3,265	—	(303)	3,097	1896	Jan. 2014
Retail facility in Vantaa, Finland	—	5,291	15,522	—	(4,505)	16,308	2004	Jan. 2014
Retail facility in Linköping, Sweden	—	1,484	9,402	—	(4,105)	6,781	2004	Jan. 2014
Industrial facility in Calgary, Canada	—	—	7,076	—	(1,232)	5,844	1965	Jan. 2014
Industrial facilities in Fair Bluff, NC and Valencia, PA	—	5,780	40,860	—	(37,179)	9,461	1968; 1976	Jan. 2014
Industrial facility in Göppingen, Germany	—	10,717	60,120	—	(20,026)	50,811	1930	Jan. 2014
Industrial and office facility in Nagold, Germany	—	4,553	17,675	—	(1,419)	20,809	1994	Oct. 2018
Warehouse facilities in Bristol, Leeds, Liverpool, Luton, Newport, Plymouth, and Southampton, United Kingdom	—	1,062	23,087	—	(1,784)	22,365	Various	Oct. 2018
Warehouse facility in Gieten, Netherlands	—	—	15,258	—	(1,027)	14,231	1985	Oct. 2018
Warehouse facility in Oxnard, CA	—	—	10,960	—	(1,427)	9,533	1975	Oct. 2018
Industrial facilities in Bartow, FL; Momence, IL; Smithfield, NC; Hudson, NY; and Ardmore, OK	—	4,454	87,030	—	2,921	94,405	Various	Oct. 2018
Industrial facility in Countryside, IL	—	563	1,457	—	37	2,057	1981	Oct. 2018
Industrial facility in Clarksville, TN	2,973	1,680	10,180	—	(155)	11,705	1998	Oct. 2018
Industrial facility in Bluffton, IN	1,634	503	3,407	—	(44)	3,866	1975	Oct. 2018
Warehouse facility in Houston, TX	—	—	5,977	—	(128)	5,849	1972	Oct. 2018
Warehouse in Chicago, IL	5,131	—	10,517	—	26	10,543	1942	Aug. 2022
Less: allowance for credit losses					(8,733)	(8,733)		
	$ 13,376	$ 74,250	$ 572,653	$ 5,582	$ (154,172)	$ 498,313		

SCHEDULE III — REAL ESTATE AND ACCUMULATED DEPRECIATION (Continued)
December 31, 2022
(in thousands)

		Initial Cost to Company					Gross Amount at which Carried at Close of Period [c] [d]							
Description	Encumbrances	Land	Buildings	Personal Property	Cost Capitalized Subsequent to Acquisition [a]	Increase (Decrease) in Net Investments [b]	Land	Buildings	Personal Property	Total	Accumulated Depreciation [d]	Date of Construction	Date Acquired	Life on which Depreciation in Latest Statement of Income is Computed
Operating Real Estate – Hotels														
Bloomington, MN	$ —	$ 3,810	$ 29,126	$ 3,622	$ 6,329	$ (314)	$ 3,874	$ 31,265	$ 7,434	$ 42,573	$ 14,303	2008	Jan. 2014	34 yrs.
Operating Real Estate – Student Housing Facilities														
Austin, TX	28,533	12,994	60,006	—	44	—	12,994	60,033	17	73,044	629	2020	Aug. 2022	40 yrs.
Swansea, United Kingdom	43,134	—	32,884	—	33,936	3,526	—	70,346	—	70,346	364	2022	Aug. 2022	40 yrs.
Operating Real Estate – Self-Storage Facilities														
Loves Park, IL	—	1,412	4,853	—	35	—	1,412	4,862	26	6,300	777	1997	Oct. 2018	40 yrs.
Cherry Valley, IL	—	1,339	4,160	—	9	—	1,339	4,160	9	5,508	640	1988	Oct. 2018	40 yrs.
Rockford, IL	—	695	3,873	—	44	—	695	3,903	14	4,612	545	1979	Oct. 2018	40 yrs.
Rockford, IL	—	87	785	—	—	—	87	785	—	872	98	1979	Oct. 2018	40 yrs.
Rockford, IL	—	454	4,724	—	12	—	454	4,733	3	5,190	546	1957	Oct. 2018	40 yrs.
Peoria, IL	—	444	4,944	—	238	—	444	5,164	18	5,626	849	1990	Oct. 2018	40 yrs.
East Peoria, IL	—	268	3,290	—	108	—	268	3,375	23	3,666	528	1986	Oct. 2018	40 yrs.
Loves Park, IL	—	721	2,973	—	27	—	721	3,000	—	3,721	429	1978	Oct. 2018	40 yrs.
Winder, GA	—	338	1,310	—	69	—	338	1,354	25	1,717	218	2006	Oct. 2018	40 yrs.
Winder, GA	—	821	3,180	—	34	—	821	3,198	16	4,035	486	2001	Oct. 2018	40 yrs.
Kissimmee, FL	6,386	2,147	17,164	—	4	—	2,147	17,168	—	19,315	180	2005	Aug. 2022	40 yrs.
St. Petersburg, FL	6,842	1,505	16,229	—	4	—	1,505	16,229	4	17,738	170	2007	Aug. 2022	40 yrs.
Corpus Christi, TX	2,563	904	10,779	—	40	—	904	10,819	—	11,723	114	1998	Aug. 2022	40 yrs.
Palm Desert, CA	6,481	1,036	22,714	—	—	—	1,036	22,714	—	23,750	238	2006	Aug. 2022	40 yrs.
Kailua-Kona, HI	3,546	1,425	12,267	—	30	—	1,425	12,297	—	13,722	129	1991	Aug. 2022	40 yrs.
Miami, FL	2,854	3,680	7,215	—	6	—	3,680	7,215	6	10,901	76	1986	Aug. 2022	40 yrs.
Columbia, SC	2,875	2,481	5,217	—	—	—	2,481	5,217	—	7,698	55	1988	Aug. 2022	40 yrs.
Kailua-Kona, HI	3,316	2,889	16,397	—	—	—	2,889	16,397	—	19,286	172	2004	Aug. 2022	40 yrs.
Pompano Beach, FL	2,869	1,227	10,897	—	—	—	1,227	10,897	—	12,124	114	1992	Aug. 2022	40 yrs.
Jensen Beach, FL	5,294	1,544	15,841	—	42	—	1,544	15,878	5	17,427	166	1989	Aug. 2022	40 yrs.
Dickinson, TX	6,094	1,952	8,826	—	—	—	1,952	8,826	—	10,778	92	2001	Aug. 2022	40 yrs.
Humble, TX	4,771	813	6,459	—	—	—	813	6,459	—	7,272	68	2009	Aug. 2022	40 yrs.
Temecula, CA	6,156	2,368	20,802	—	—	—	2,368	20,802	—	23,170	218	2006	Aug. 2022	40 yrs.
Cumming, GA	2,709	655	10,455	—	5	—	655	10,455	5	11,115	110	1994	Aug. 2022	40 yrs.
Naples, FL	10,157	6,826	20,254	—	18	—	6,826	20,264	8	27,098	213	1974	Aug. 2022	40 yrs.
Valrico, FL	5,694	1,423	11,316	—	8	—	1,423	11,316	8	12,747	119	2009	Aug. 2022	40 yrs.
Tallahassee, FL	4,891	1,534	14,416	—	6	—	1,534	14,416	6	15,956	151	1999	Aug. 2022	40 yrs.

SCHEDULE III — REAL ESTATE AND ACCUMULATED DEPRECIATION (Continued)

December 31, 2022

(in thousands)

		Initial Cost to Company					Gross Amount at which Carried at Close of Period [c] [d]							
Description	Encumbrances	Land	Buildings	Personal Property	Cost Capitalized Subsequent to Acquisition [a]	Increase (Decrease) in Net Investments [b]	Land	Buildings	Personal Property	Total	Accumulated Depreciation [d]	Date of Construction	Date Acquired	Life on which Depreciation in Latest Statement of Income is Computed
Sebastian, FL	1,847	529	7,917	—	10	—	529	7,927	—	8,456	83	1986	Aug. 2022	40 yrs.
Lady Lake, FL	3,923	928	11,881	—	7	—	928	11,881	7	12,816	124	2010	Aug. 2022	40 yrs.
Panama City Beach, FL	2,605	736	7,581	—	—	—	736	7,581	—	8,317	79	1997	Aug. 2022	40 yrs.
Hesperia, CA	—	1,416	18,691	—	—	—	1,416	18,691	—	20,107	196	2004	Aug. 2022	40 yrs.
Hesperia, CA	—	639	9,412	—	—	—	639	9,412	—	10,051	99	2007	Aug. 2022	40 yrs.
Hesperia, CA	—	699	12,896	—	4	—	699	12,900	—	13,599	135	1985	Aug. 2022	40 yrs.
Highland, CA	—	1,465	11,966	—	—	—	1,465	11,966	—	13,431	125	2003	Aug. 2022	40 yrs.
Lancaster, CA	—	598	12,100	—	—	—	598	12,100	—	12,698	127	1989	Aug. 2022	40 yrs.
Rialto, CA	—	3,502	16,924	—	6	—	3,502	16,924	6	20,432	178	2007	Aug. 2022	40 yrs.
Thousand Palms, CA	—	2,465	17,632	—	—	—	2,465	17,632	—	20,097	185	2007	Aug. 2022	40 yrs.
Lilburn, GA	2,325	1,555	6,225	—	16	—	1,555	6,225	16	7,796	66	1998	Aug. 2022	40 yrs.
Stockbridge GA	1,614	308	7,238	—	43	—	308	7,268	13	7,589	77	2003	Aug. 2022	40 yrs.
Louisville, KY	6,564	3,115	13,908	—	115	—	3,115	14,020	3	17,138	151	1998	Aug. 2022	40 yrs.
St. Peters, MO	2,309	386	5,521	—	40	—	386	5,552	9	5,947	59	1991	Aug. 2022	40 yrs.
Crystal Lake, IL	2,615	1,325	6,056	—	2	—	1,325	6,056	2	7,383	64	1977	Aug. 2022	40 yrs.
Las Vegas, NV	6,328	717	20,963	—	24	—	717	20,985	2	21,704	220	1996	Aug. 2022	40 yrs.
Panama City Beach, FL	6,134	666	17,086	—	8	—	666	17,094	—	17,760	179	2008	Aug. 2022	40 yrs.
Sarasota, FL	5,204	1,076	13,597	—	7	—	1,076	13,597	7	14,680	142	2003	Aug. 2022	40 yrs.
Sarasota, FL	3,806	638	10,175	—	8	—	638	10,175	8	10,821	107	2001	Aug. 2022	40 yrs.
Leesburg, FL	2,407	1,272	5,888	—	—	—	1,272	5,888	—	7,160	62	1988	Aug. 2022	40 yrs.
Palm Bay, FL	7,156	2,814	21,425	—	21	—	2,814	21,425	21	24,260	225	2000	Aug. 2022	40 yrs.
Houston, TX	4,619	1,878	8,719	—	57	—	1,878	8,776	—	10,654	91	1971	Aug. 2022	40 yrs.
Hudson, FL	3,253	669	6,092	—	6	—	669	6,092	6	6,767	64	2008	Aug. 2022	40 yrs.
Las Vegas, NV	2,342	918	12,355	—	—	—	918	12,355	—	13,273	129	1984	Aug. 2022	40 yrs.
Las Vegas, NV	2,212	829	11,275	—	12	—	829	11,275	12	12,116	118	1987	Aug. 2022	40 yrs.
Ithaca, NY	2,297	890	4,484	—	8	—	890	4,484	8	5,382	47	1988	Aug. 2022	40 yrs.
Kissimmee, FL	—	626	13,147	—	—	—	626	13,147	—	13,773	138	2015	Aug. 2022	40 yrs.
El Paso, TX	3,704	2,126	5,628	—	—	—	2,126	5,628	—	7,754	59	1983	Aug. 2022	40 yrs.
El Paso, TX	2,542	1,053	4,583	—	3	—	1,053	4,583	3	5,639	48	1980	Aug. 2022	40 yrs.
El Paso, TX	3,612	994	7,451	—	105	—	994	7,556	—	8,550	79	1980	Aug. 2022	40 yrs.
El Paso, TX	3,628	1,295	6,318	—	36	—	1,295	6,354	—	7,649	67	1986	Aug. 2022	40 yrs.
El Paso, TX	1,428	587	3,121	—	14	—	587	3,121	14	3,722	34	1985	Aug. 2022	40 yrs.
El Paso, TX	3,718	1,143	5,894	—	92	—	1,143	5,986	—	7,129	63	1980	Aug. 2022	40 yrs.

SCHEDULE III — REAL ESTATE AND ACCUMULATED DEPRECIATION (Continued)

December 31, 2022

(in thousands)

		Initial Cost to Company					Gross Amount at which Carried at Close of Period [c] [d]							
Description	Encumbrances	Land	Buildings	Personal Property	Cost Capitalized Subsequent to Acquisition [a]	Increase (Decrease) in Net Investments [b]	Land	Buildings	Personal Property	Total	Accumulated Depreciation [d]	Date of Construction	Date Acquired	Life on which Depreciation in Latest Statement of Income is Computed
Fernandina Beach, FL	7,269	2,664	25,000	—	7	—	2,664	25,007	—	27,671	262	1986	Aug. 2022	40 yrs.
Kissimmee, FL	3,448	2,149	6,223	—	20	—	2,149	6,234	9	8,392	65	1981	Aug. 2022	40 yrs.
Houston, TX	2,758	1,350	6,257	—	12	—	1,350	6,257	12	7,619	66	1998	Aug. 2022	40 yrs.
Houston, TX	2,957	1,112	8,044	—	16	—	1,112	8,055	5	9,172	85	2001	Aug. 2022	40 yrs.
Portland, OR	6,348	994	10,176	—	—	—	994	10,176	—	11,170	107	2000	Aug. 2022	40 yrs.
Greensboro, NC	4,036	1,389	15,175	—	—	—	1,389	15,175	—	16,564	159	1953	Aug. 2022	40 yrs.
Avondale, LA	3,422	1,154	9,090	—	—	—	1,154	9,090	—	10,244	95	2008	Aug. 2022	40 yrs.
Washington, D.C.	6,470	3,371	13,655	—	—	—	3,371	13,655	—	17,026	143	1962	Aug. 2022	40 yrs.
Kissimmee, FL	—	1,770	7,034	—	10	—	1,770	7,034	10	8,814	74	2000	Aug. 2022	40 yrs.
Milford, MA	—	951	11,935	—	1	—	951	11,935	1	12,887	125	2003	Aug. 2022	40 yrs.
Millsboro, DE	—	1,180	14,286	—	—	—	1,180	14,286	—	15,466	150	2001	Aug. 2022	40 yrs.
New Castle, DE	4,367	1,110	15,787	—	—	—	1,110	15,787	—	16,897	165	2005	Aug. 2022	40 yrs.
Rehoboth, DE	8,215	1,565	18,284	—	10	—	1,565	18,284	10	19,859	192	1999	Aug. 2022	40 yrs.
Chicago, IL	—	787	4,931	—	67	—	787	4,971	27	5,785	53	1990	Aug. 2022	40 yrs.
Gilroy, CA	—	3,058	13,014	—	8	—	3,058	13,022	—	16,080	137	1999	Aug. 2022	40 yrs.
	$ 292,647	$122,253	$906,396	$ 3,622	$ 41,843	$ 3,212	$122,317	$947,171	$ 7,838	$1,077,326	$ 28,295			

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(a) Consists of the cost of improvements subsequent to acquisition and acquisition costs, including construction costs on build-to-suit transactions, legal fees, appraisal fees, title costs, and other related professional fees. For business combinations, transaction costs are excluded.

(b) The increase (decrease) in net investment was primarily due to (i) sales of properties, (ii) impairment charges, (iii) changes in foreign currency exchange rates, (iv) allowances for credit loss (Note 6), (v) reclassifications from net investments in direct financing leases to real estate subject to operating leases, and (vi) the amortization of unearned income from net investments in direct financing leases, which produces a periodic rate of return that at times may be greater or less than lease payments received.

(c) Excludes (i) gross lease intangible assets of $3.4 billion and the related accumulated amortization of $1.6 billion, (ii) gross lease intangible liabilities of $309.9 million and the related accumulated amortization of $125.3 million, (iii) sale-leasebacks classified as loans receivable of $234.2 million, (iv) secured loans receivable of $39.3 million (as disclosed in Schedule IV – Mortgage Loans on Real Estate), (v) assets held for sale, net of $57.9 million, and (vi) real estate under construction of $40.8 million.

(d) A reconciliation of real estate and accumulated depreciation follows:

W. P. CAREY INC.
NOTES TO SCHEDULE III — REAL ESTATE AND ACCUMULATED DEPRECIATION
(in thousands)

	Reconciliation of Real Estate Subject to Operating Leases		
	Years Ended December 31,		
	2022	2021	2020
Beginning balance	$ 11,677,185	$ 10,736,752	$ 9,703,504
Acquisitions	997,937	1,144,757	555,032
Acquisitions through CPA:18 Merger	881,613	—	—
Foreign currency translation adjustment	(269,272)	(267,018)	290,559
Dispositions	(165,516)	(80,129)	(167,671)
Reclassification from real estate under construction	147,982	86,179	176,211
Reclassification from direct financing leases	67,001	76,929	183,789
Impairment charges	(36,624)	(24,246)	(26,343)
Capital improvements	29,419	14,589	35,722
Reclassification to assets held for sale	(13,093)	(10,628)	(14,051)
Ending balance	$ 13,316,632	$ 11,677,185	$ 10,736,752

	Reconciliation of Accumulated Depreciation for Real Estate Subject to Operating Leases		
	Years Ended December 31,		
	2022	2021	2020
Beginning balance	$ 1,448,020	$ 1,206,912	$ 950,452
Depreciation expense	298,972	286,347	259,337
Dispositions	(47,463)	(17,582)	(24,786)
Foreign currency translation adjustment	(26,400)	(25,298)	24,764
Reclassification to assets held for sale	(1,038)	(2,359)	(2,855)
Ending balance	$ 1,672,091	$ 1,448,020	$ 1,206,912

	Reconciliation of Operating Real Estate		
	Years Ended December 31,		
	2022	2021	2020
Beginning balance	$ 83,673	$ 83,476	$ 83,083
Acquisitions through CPA:18 Merger	922,161	—	—
Reclassification from real estate under construction	66,820	—	—
Foreign currency translation adjustment	3,526	—	—
Capital improvements	1,146	197	393
Ending balance	$ 1,077,326	$ 83,673	$ 83,476

	Reconciliation of Accumulated Depreciation for Operating Real Estate		
	Years Ended December 31,		
	2022	2021	2020
Beginning balance	$ 16,750	$ 14,004	$ 11,241
Depreciation expense	11,541	2,746	2,763
Foreign currency translation adjustment	4	—	—
Ending balance	$ 28,295	$ 16,750	$ 14,004

At December 31, 2022, the aggregate cost of real estate that we and our consolidated subsidiaries own for federal income tax purposes was approximately $16.5 billion.

W. P. CAREY INC.
SCHEDULE IV — MORTGAGE LOANS ON REAL ESTATE
December 31, 2022
(dollars in thousands)

Description	Interest Rate	Final Maturity Date	Carrying Amount
Financing agreement — Cipriani	10.0 %	Jul. 2024	$ 28,000
Financing agreement — observation wheel	7.5 %	Jun. 2023	11,250
			$ 39,250

	Reconciliation of Mortgage Loans on Real Estate		
	Years Ended December 31,		
	2022	2021	2020
Beginning balance	$ 24,143	$ 24,143	$ 47,737
Repayments	(34,000)	—	(11,000)
Acquisition through CPA:18 Merger (Note 6)	28,000	—	—
Gain on repayment of secured loan receivable	10,613	—	—
Change in allowance for credit losses (Note 6)	10,494	—	(12,594)
Ending balance	$ 39,250	$ 24,143	$ 24,143

Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure.

None.

Item 9A. Controls and Procedures.

Disclosure Controls and Procedures

Our disclosure controls and procedures include internal controls and other procedures designed to provide reasonable assurance that information required to be disclosed in this and other reports filed under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), is recorded, processed, summarized, and reported within the required time periods specified in the SEC's rules and forms; and that such information is accumulated and communicated to management, including our chief executive officer and chief financial officer, to allow timely decisions regarding required disclosures. It should be noted that no system of controls can provide complete assurance of achieving a company's objectives and that future events may impact the effectiveness of a system of controls.

Our chief executive officer and chief financial officer, after conducting an evaluation, together with members of our management, of the effectiveness of the design and operation of our disclosure controls and procedures as of December 31, 2022, have concluded that our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act) were effective as of December 31, 2022 at a reasonable level of assurance.

Management's Report on Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act). 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 accounting principles generally accepted in the United States of America.

Our internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting principles generally accepted in the United States of America, and that our receipts and expenditures are being made only in accordance with authorizations of our management and directors; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of our 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 policies or procedures may deteriorate.

We assessed the effectiveness of our internal control over financial reporting at December 31, 2022. In making this assessment, we used criteria set forth in Internal Control — Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on our assessment, we concluded that, at December 31, 2022, our internal control over financial reporting is effective based on those criteria.

The effectiveness of our internal control over financial reporting as of December 31, 2022 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, and in connection therewith, PricewaterhouseCoopers LLP has issued an attestation report on the Company's effectiveness of internal controls over financial reporting as of December 31, 2022, as stated in their report in Item 8.

Changes in Internal Control Over Financial Reporting

There have been no changes in our internal control over financial reporting during our most recently completed fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

Item 9B. Other Information.

None.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections.

Not applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance.

This information will be contained in our definitive proxy statement for the 2023 Annual Meeting of Stockholders, to be filed within 120 days following the end of our fiscal year, and is incorporated herein by reference.

Item 11. Executive Compensation.

This information will be contained in our definitive proxy statement for the 2023 Annual Meeting of Stockholders, to be filed within 120 days following the end of our fiscal year, and is incorporated herein by reference.

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

This information will be contained in our definitive proxy statement for the 2023 Annual Meeting of Stockholders, to be filed within 120 days following the end of our fiscal year, and is incorporated herein by reference.

Item 13. Certain Relationships and Related Transactions, and Director Independence.

This information will be contained in our definitive proxy statement for the 2023 Annual Meeting of Stockholders, to be filed within 120 days following the end of our fiscal year, and is incorporated herein by reference.

Item 14. Principal Accounting Fees and Services.

This information will be contained in our definitive proxy statement for the 2023 Annual Meeting of Stockholders, to be filed within 120 days following the end of our fiscal year, and is incorporated herein by reference.

PART IV

Item 15. Exhibits and Financial Statement Schedules.

(1) and (2) — Financial statements and schedules: see index to financial statements and schedules included in Item 8.

(3) Exhibits:

The following exhibits are filed with this Report. Documents other than those designated as being filed herewith are incorporated herein by reference.

Exhibit No.	Description	Method of Filing
3.1	Articles of Amendment and Restatement of W. P. Carey Inc. dated June 15, 2017	Incorporated by reference to Exhibit 3.1 to Current Report on Form 8-K filed June 16, 2017
3.2	Fifth Amended and Restated Bylaws of W. P. Carey Inc. dated June 15, 2017	Incorporated by reference to Exhibit 3.2 to Current Report on Form 8-K filed June 16, 2017
4.1	Form of Common Stock Certificate	Incorporated by reference to Exhibit 4.1 to Annual Report on Form 10-K for the year ended December 31, 2012 filed February 26, 2013
4.2	Indenture, dated as of March 14, 2014, by and between W. P. Carey Inc., as issuer and U.S. Bank National Association, as trustee	Incorporated by reference to Exhibit 4.1 to Current Report on Form 8-K filed March 14, 2014
4.3	First Supplemental Indenture, dated as of March 14, 2014, by and between W. P. Carey Inc., as issuer, and U.S. Bank National Association, as trustee	Incorporated by reference to Exhibit 4.2 to Current Report on Form 8-K filed March 14, 2014
4.4	Form of Global Note Representing $500,000,000 Aggregate Principal Amount of 4.60% Senior Notes due 2024	Incorporated by reference to Exhibit 4.3 to Current Report on Form 8-K filed March 14, 2014
4.5	Third Supplemental Indenture, dated January 26, 2015, by and between W. P. Carey Inc., as issuer, and U.S. Bank National Association, as trustee	Incorporated by reference to Exhibit 4.2 to Current Report on Form 8-K filed January 26, 2015
4.6	Form of Note representing $450 Million Aggregate Principal Amount of 4.000% Senior Notes due 2025	Incorporated by reference to Exhibit 4.3 to Current Report on Form 8-K filed January 26, 2015
4.7	Fourth Supplemental Indenture, dated as of September 12, 2016, by and between W. P. Carey Inc., as issuer, and U.S. Bank National Association, as trustee	Incorporated by reference to Exhibit 4.2 to Current Report on Form 8-K filed September 12, 2016
4.8	Form of Note representing $350 Million Aggregate Principal Amount of 4.250% Senior Notes due 2026	Incorporated by reference to Exhibit 4.3 to Current Report on Form 8-K filed September 12, 2016
4.9	Indenture, dated as of November 8, 2016, by and among WPC Eurobond B.V., as issuer, W. P. Carey Inc., as guarantor, and U.S. Bank National Association, as trustee	Incorporated by reference to Exhibit 4.3 to Automatic shelf registration statement on Form S-3 (File No. 333-233159) filed August 9, 2019
4.10	First Supplemental Indenture, dated as of January 19, 2017, by and among WPC Eurobond B.V., as issuer, W. P. Carey Inc., as guarantor, and U.S. Bank National Association, as trustee.	Incorporated by reference to Exhibit 4.3 to Current Report on Form 8-K filed January 19, 2017

Exhibit No.	Description	Method of Filing
4.11	Form of Note representing €500 Million Aggregate Principal Amount of 2.250% Senior Notes due 2024	Incorporated by reference to Exhibit 4.1 to Current Report on Form 8-K filed January 19, 2017
4.12	Second Supplemental Indenture dated as of March 6, 2018, by and among WPC Eurobond B.V., as issuer, W. P. Carey Inc., as guarantor, and U.S. Bank National Association, as trustee	Incorporated by reference to Exhibit 4.3 to Current Report on Form 8-K filed March 6, 2018
4.13	Form of Note representing €500 Million Aggregate Principal Amount of 2.125% Senior Notes due 2027	Incorporated by reference to Exhibit 4.1 to Current Report on Form 8-K filed March 6, 2018
4.14	Third Supplemental Indenture dated as of October 9, 2018, by and among WPC Eurobond B.V., as issuer, W. P. Carey Inc., as guarantor, and U.S. Bank National Association, as trustee	Incorporated by reference to Exhibit 4.3 to Current Report on Form 8-K filed October 9, 2018
4.15	Form of Note representing €500 Million Aggregate Principal Amount of 2.250% Senior Notes due 2026	Incorporated by reference to Exhibit 4.1 to Current Report on Form 8-K filed October 9, 2018
4.16	Fifth Supplemental Indenture, dated June 14, 2019, by and between W. P. Carey Inc., as issuer, and U.S. Bank National Association, as trustee	Incorporated by reference to Exhibit 4.1 to Current Report on Form 10-Q filed August 2, 2019
4.17	Form of Note representing $325 Million Aggregate Principal Amount of 3.850% Senior Notes due 2029	Incorporated by reference to Exhibit 4.2 to Current Report on Form 10-Q filed August 2, 2019
4.18	Fourth Supplemental Indenture, dated as of September 19, 2019, by and among WPC Eurobond B.V., as issuer, W. P. Carey Inc., as guarantor, and U.S. Bank National Association, as trustee	Incorporated by reference to Exhibit 4.3 to Current Report on Form 8-K filed September 19, 2019
4.19	Form of Note representing €500 Million Aggregate Principal Amount of 1.350% Senior Notes due 2028	Incorporated by reference to Exhibit 4.1 to Current Report on Form 8-K filed September 19, 2019
4.20	Description of Securities Registered under Section 12 of the Exchange Act	Incorporated by reference to Exhibit 4.22 to Annual Report on Form 10-K for the year ended December 31, 2019 filed February 21, 2020
4.21	Sixth Supplemental Indenture, dated October 14, 2020, by and between W. P. Carey Inc., as issuer, and U.S. Bank National Association, as trustee	Incorporated by reference to Exhibit 4.2 to Current Report on Form 8-K filed October 14, 2020
4.22	Form of Note representing $500 Million Aggregate Principal Amount of 2.400% Senior Notes due 2031	Incorporated by reference to Exhibit 4.3 to Current Report on Form 8-K filed October 14, 2020
4.23	Seventh Supplemental Indenture, dated February 25, 2021, by and between W. P. Carey Inc., as issuer, and U.S. Bank National Association, as trustee	Incorporated by reference to Exhibit 4.2 to Current Report on Form 8-K filed February 25, 2021
4.24	Form of Note representing $425 Million Aggregate Principal Amount of 2.250% Senior Notes Due 2033	Incorporated by reference to Exhibit 4.3 to Current Report on Form 8-K filed February 25, 2021
4.25	Fifth Supplemental Indenture dated as of March 8, 2021, by and among WPC Eurobond B.V., as issuer, W. P. Carey Inc., as guarantor, and U.S. Bank National Association, as trustee	Incorporated by reference to Exhibit 4.3 to Current Report on Form 8-K filed March 8, 2021

Exhibit No.	Description	Method of Filing
4.26	Form of Note representing €525 Million Aggregate Principal Amount of 0.950% Senior Notes Due 2030	Incorporated by reference to Exhibit 4.1 to Current Report on Form 8-K filed March 8, 2021
4.27	Eighth Supplemental Indenture, dated October 15, 2021, by and between W. P. Carey Inc., as issuer, and U.S. Bank National Association, as trustee	Incorporated by reference Exhibit 4.2 to Current Report on Form 8-K filed October 15, 2021
4.28	Form of Note representing $350 Million Aggregate Principal Amount of 2.450% Senior Notes due 2032	Incorporated by reference Exhibit 4.3 to Current Report on Form 8-K filed October 15, 2021
4.29	Form of Note Representing €150,000,000 Aggregate Principal Amount of 3.41% Senior Notes due 2029	Incorporated by reference to Exhibit 4.1 to Quarterly Report on Form 10-Q filed November 4, 2022
4.30	Form of Note Representing €200,000,000 Aggregate Principal Amount of 3.70% Senior Notes due 2032	Incorporated by reference to Exhibit 4.2 to Quarterly Report on Form 10-Q filed November 4, 2022
10.1	W. P. Carey Inc. 1997 Share Incentive Plan, as amended *	Incorporated by reference to Exhibit 10.2 to Annual Report on Form 10-K for the year ended December 31, 2014 filed March 2, 2015
10.2	W. P. Carey Inc. (formerly W. P. Carey & Co. LLC) Long-Term Incentive Program as amended and restated effective as of September 28, 2012 *	Incorporated by reference to Exhibit 10.3 to Annual Report on Form 10-K for the year ended December 31, 2012 filed February 26, 2013
10.3	W. P. Carey Inc. Amended and Restated Deferred Compensation Plan for Employees *	Incorporated by reference to Exhibit 10.4 to Annual Report on Form 10-K for the year ended December 31, 2012 filed February 26, 2013
10.4	Amended and Restated W. P. Carey Inc. 2009 Share Incentive Plan *	Incorporated by reference to Appendix A of Schedule 14A filed April 30, 2013
10.5	2017 Annual Incentive Compensation Plan	Incorporated by reference to Exhibit A of Schedule 14A filed April 11, 2017
10.6	2017 Share Incentive Plan	Incorporated by reference to Exhibit B of Schedule 14A filed April 11, 2017
10.7	Form of Share Option Agreement under the 2017 Share Incentive Plan	Incorporated by reference to Exhibit 4.9 to Registration Statement on Form S-8 filed June 27, 2017
10.8	Form of Restricted Share Agreement under the 2017 Share Incentive Plan	Incorporated by reference to Exhibit 4.7 to Registration Statement on Form S-8 filed June 27, 2017
10.9	Form of Restricted Share Unit Agreement under the 2017 Share Incentive Plan	Incorporated by reference to Exhibit 4.8 to Registration Statement on Form S-8 filed June 27, 2017
10.10	Form of Long-Term Performance Share Unit Award Agreement pursuant to the W. P. Carey Inc. 2017 Share Incentive Plan	Incorporated by reference to Exhibit 4.6 to Registration Statement on Form S-8 filed June 27, 2017
10.11	Form of Non-Employee Director Restricted Share Agreement under the 2017 Share Incentive Plan	Incorporated by reference to Exhibit 4.5 to Registration Statement on Form S-8, filed June 27, 2017

Exhibit No.	Description	Method of Filing
10.12	W. P. Carey Inc. 2009 Non-Employee Directors' Incentive Plan *	Incorporated by reference to Exhibit 10.2 to Quarterly Report on Form 10-Q for the quarter ended June 30, 2013 filed August 6, 2013
10.13	Fourth Amended and Restated Credit Agreement, dated as of February 20, 2020, among W. P. Carey Inc. and Certain of its Subsidiaries identified therein as Guarantors, Bank of America, N.A., as Administrative Agent, Bank of America, N.A., JPMorgan Chase Bank, N.A. and Wells Fargo Bank, N.A., as L/C Issuers, Bank of America, N.A., as Swing Line Lender, and the Lenders party thereto	Incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K filed February 20, 2020
10.14	First Amendment (LIBOR Transition), dated as of December 1, 2021, to the Fourth Amended and Restated Credit Agreement, dated as of February 20, 2020, among W. P. Carey Inc. and Bank of America, N.A., as administrative agent	Incorporated by reference to Exhibit 10.18 to Annual Report on Form 10-K filed February 11, 2022
10.15	Second Amendment, dated as of April 19, 2022, to the Fourth Amended and Restated Credit Agreement, dated as of February 20, 2020, by and among W. P. Carey Inc. as Borrower, certain Subsidiaries of W. P. Carey identified therein, from time to time as Guarantors, Bank of America, N.A., as Administrative Agent, Bank of America, N.A., JPMorgan Chase Bank, N.A. and Wells Fargo Bank, N.A., as L/C	Incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K filed April 22, 2022
10.16	Third Amendment, dated as of January 26, 2023, to the Fourth Amended and Restated Credit Agreement, dated as of February 20, 2020, is entered into among W. P. Carey Inc., as Parent Borrower, each of the Lenders party hereto, each of the L/C Issuers party hereto, and Bank of America, N.A., as administrative agent	Filed herewith
10.17	Agency Agreement dated as of January 19, 2017, by and among WPC Eurobond B.V., as issuer, W. P. Carey Inc., as guarantor, Elavon Financial Services DAC, UK Branch, as paying agent and U.S. Bank National Association, as transfer agent, registrar and trustee	Incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K filed January 19, 2017
10.18	Agency Agreement dated as of March 6, 2018, by and among WPC Eurobond B.V., as issuer, W. P. Carey Inc., as guarantor, Elavon Financial Services DAC, UK Branch, as paying agent and U.S. Bank National Association, as transfer agent, registrar and trustee	Incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K filed March 6, 2018
10.19	Agency Agreement dated as of October 9, 2018, by and among WPC Eurobond B.V., as issuer, W. P. Carey Inc., as guarantor, Elavon Financial Services DAC, UK Branch, as paying agent and U.S. Bank National Association, as transfer agent, registrar and trustee	Incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K filed October 9, 2018
10.20	Agency Agreement dated as of March 8, 2021, by and among WPC Eurobond B.V., as issuer, W. P. Carey Inc., as guarantor, Elavon Financial Services DAC, as paying agent and U.S. Bank National Association, as transfer agent, registrar and trustee	Incorporated by reference to Exhibit 10.1 to Current Report on Form 8-K filed March 8, 2021

Exhibit No.	Description	Method of Filing
10.21	Equity Sales Agreement, dated May 2, 2022, by and among W. P. Carey Inc. and each of Barclays Capital Inc., BMO Capital Markets Corp., BNY Mellon Capital Markets, LLC, BofA Securities, Inc., BTIG, LLC, Capital One Securities, Inc., Fifth Third Securities, Inc., Jefferies LLC, JMP Securities LLC, J.P. Morgan Securities LLC, RBC Capital Markets, LLC, Regions Securities LLC, Scotia Capital (USA) Inc., and Wells Fargo Securities, LLC, as agents, and each of Barclays Bank PLC, Bank of Montreal, The Bank of New York Mellon, Bank of America, N.A., Jefferies LLC, JPMorgan Chase Bank, National Association, Regions Securities LLC, Royal Bank of Canada, The Bank of Nova Scotia and Wells Fargo Bank, National Association, as forward purchasers	Incorporated by reference to Exhibit 1.1 to Current Report on Form 8-K, filed May 3, 2022
10.22	Form of Forward Confirmation	Incorporated by reference to Exhibit 1.2 to Current Report on Form 8-K, filed May 3, 2022
10.23	Note Purchase Agreement, dated August 31, 2022, by and among W. P. Carey Inc. and the purchasers listed in the purchaser schedule thereto	Incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K filed September 1, 2022
18.1	Preferability letter of Independent Registered Public Accounting Firm	Incorporated by reference to Exhibit 18.1 to Quarterly Report on Form 10-Q for the quarter ended September 30, 2013 filed November 5, 2013
21.1	List of Registrant Subsidiaries	Filed herewith
23.1	Consent of PricewaterhouseCoopers LLP	Filed herewith
31.1	Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	Filed herewith
31.2	Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	Filed herewith
32	Certifications pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	Filed herewith
99.1	Director and Officer Indemnification Policy	Incorporated by reference to Exhibit 99.1 to Annual Report on Form 10-K for the year ended December 31, 2012 filed February 26, 2013
101.INS	XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL Document.	Filed herewith
101.SCH	XBRL Taxonomy Extension Schema Document	Filed herewith
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document	Filed herewith

Exhibit No.	Description	Method of Filing
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document	Filed herewith
101.LAB	XBRL Taxonomy Extension Label Linkbase Document	Filed herewith
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document	Filed herewith
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)	Filed herewith

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*The referenced exhibit is a management contract or compensation plan or arrangement required to be filed as an exhibit pursuant to Item 15 (a)(3) of Form 10-K.

Item 16. Form 10-K Summary.

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

			W. P. Carey Inc.
Date:	February 10, 2023	By:	/s/ ToniAnn Sanzone
			ToniAnn Sanzone Chief Financial Officer

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

Signature	Title	Date
/s/ Jason E. Fox Jason E. Fox	Director and Chief Executive Officer (Principal Executive Officer)	February 10, 2023
/s/ ToniAnn Sanzone ToniAnn Sanzone	Chief Financial Officer (Principal Financial Officer)	February 10, 2023
/s/ Brian Zander Brian Zander	Chief Accounting Officer (Principal Accounting Officer)	February 10, 2023
/s/ Christopher J. Niehaus Christopher J. Niehaus	Chairman of the Board and Director	February 10, 2023
/s/ Mark A. Alexander Mark A. Alexander	Director	February 10, 2023
/s/ Constantin H. Beier Constantin H. Beier	Director	February 10, 2023
/s/ Tonit M. Calaway Tonit M. Calaway	Director	February 10, 2023
/s/ Peter J. Farrell Peter J. Farrell	Director	February 10, 2023
/s/ Robert J. Flanagan Robert J. Flanagan	Director	February 10, 2023
/s/ Jean Hoysradt Jean Hoysradt	Director	February 10, 2023
/s/ Margaret G. Lewis Margaret G. Lewis	Director	February 10, 2023
/s/ Nicolaas J. M. van Ommen Nicolaas J. M. van Ommen	Director	February 10, 2023
/s/ Elisabeth Stheeman Elisabeth Stheeman	Director	February 10, 2023

EXHIBIT INDEX

The following exhibits are filed with this Report. Documents other than those designated as being filed herewith are incorporated herein by reference.

Exhibit No.	Description	Method of Filing
3.1	Articles of Amendment and Restatement of W. P. Carey Inc. dated June 15, 2017	Incorporated by reference to Exhibit 3.1 to Current Report on Form 8-K filed June 16, 2017
3.2	Fifth Amended and Restated Bylaws of W. P. Carey Inc. dated June 15, 2017	Incorporated by reference to Exhibit 3.2 to Current Report on Form 8-K filed June 16, 2017
4.1	Form of Common Stock Certificate	Incorporated by reference to Exhibit 4.1 to Annual Report on Form 10-K for the year ended December 31, 2012 filed February 26, 2013
4.2	Indenture, dated as of March 14, 2014, by and between W. P. Carey Inc., as issuer and U.S. Bank National Association, as trustee	Incorporated by reference to Exhibit 4.1 to Current Report on Form 8-K filed March 14, 2014
4.3	First Supplemental Indenture, dated as of March 14, 2014, by and between W. P. Carey Inc., as issuer, and U.S. Bank National Association, as trustee	Incorporated by reference to Exhibit 4.2 to Current Report on Form 8-K filed March 14, 2014
4.4	Form of Global Note Representing $500,000,000 Aggregate Principal Amount of 4.60% Senior Notes due 2024	Incorporated by reference to Exhibit 4.3 to Current Report on Form 8-K filed March 14, 2014
4.5	Third Supplemental Indenture, dated January 26, 2015, by and between W. P. Carey Inc., as issuer, and U.S. Bank National Association, as trustee	Incorporated by reference to Exhibit 4.2 to Current Report on Form 8-K filed January 26, 2015
4.6	Form of Note representing $450 Million Aggregate Principal Amount of 4.000% Senior Notes due 2025	Incorporated by reference to Exhibit 4.3 to Current Report on Form 8-K filed January 26, 2015
4.7	Fourth Supplemental Indenture, dated as of September 12, 2016, by and between W. P. Carey Inc., as issuer, and U.S. Bank National Association, as trustee	Incorporated by reference to Exhibit 4.2 to Current Report on Form 8-K filed September 12, 2016
4.8	Form of Note representing $350 Million Aggregate Principal Amount of 4.250% Senior Notes due 2026	Incorporated by reference to Exhibit 4.3 to Current Report on Form 8-K filed September 12, 2016
4.9	Indenture, dated as of November 8, 2016, by and among WPC Eurobond B.V., as issuer, W. P. Carey Inc., as guarantor, and U.S. Bank National Association, as trustee	Incorporated by reference to Exhibit 4.3 to Automatic shelf registration statement on Form S-3 (File No. 333-233159) filed August 9, 2019
4.10	First Supplemental Indenture, dated as of January 19, 2017, by and among WPC Eurobond B.V., as issuer, W. P. Carey Inc., as guarantor, and U.S. Bank National Association, as trustee.	Incorporated by reference to Exhibit 4.3 to Current Report on Form 8-K filed January 19, 2017

Exhibit No.	Description	Method of Filing
4.11	Form of Note representing €500 Million Aggregate Principal Amount of 2.250% Senior Notes due 2024	Incorporated by reference to Exhibit 4.1 to Current Report on Form 8-K filed January 19, 2017
4.12	Second Supplemental Indenture dated as of March 6, 2018, by and among WPC Eurobond B.V., as issuer, W. P. Carey Inc., as guarantor, and U.S. Bank National Association, as trustee	Incorporated by reference to Exhibit 4.3 to Current Report on Form 8-K filed March 6, 2018
4.13	Form of Note representing €500 Million Aggregate Principal Amount of 2.125% Senior Notes due 2027	Incorporated by reference to Exhibit 4.1 to Current Report on Form 8-K filed March 6, 2018
4.14	Third Supplemental Indenture dated as of October 9, 2018, by and among WPC Eurobond B.V., as issuer, W. P. Carey Inc., as guarantor, and U.S. Bank National Association, as trustee	Incorporated by reference to Exhibit 4.3 to Current Report on Form 8-K filed October 9, 2018
4.15	Form of Note representing €500 Million Aggregate Principal Amount of 2.250% Senior Notes due 2026	Incorporated by reference to Exhibit 4.1 to Current Report on Form 8-K filed October 9, 2018
4.16	Fifth Supplemental Indenture, dated June 14, 2019, by and between W. P. Carey Inc., as issuer, and U.S. Bank National Association, as trustee	Incorporated by reference to Exhibit 4.1 to Current Report on Form 10-Q filed August 2, 2019
4.17	Form of Note representing $325 Million Aggregate Principal Amount of 3.850% Senior Notes due 2029	Incorporated by reference to Exhibit 4.2 to Current Report on Form 10-Q filed August 2, 2019
4.18	Fourth Supplemental Indenture, dated as of September 19, 2019, by and among WPC Eurobond B.V., as issuer, W. P. Carey Inc., as guarantor, and U.S. Bank National Association, as trustee	Incorporated by reference to Exhibit 4.3 to Current Report on Form 8-K filed September 19, 2019
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4.24	Form of Note representing $425 Million Aggregate Principal Amount of 2.250% Senior Notes Due 2033	Incorporated by reference to Exhibit 4.3 to Current Report on Form 8-K filed February 25, 2021
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10.4	Amended and Restated W. P. Carey Inc. 2009 Share Incentive Plan *	Incorporated by reference to Appendix A of Schedule 14A filed April 30, 2013
10.5	2017 Annual Incentive Compensation Plan	Incorporated by reference to Exhibit A of Schedule 14A filed April 11, 2017
10.6	2017 Share Incentive Plan	Incorporated by reference to Exhibit B of Schedule 14A filed April 11, 2017
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