recognized as of December 31, 2019, given that these projects have been complete and stabilized except for eCentral stabilization which is expected in the spring of 2020. Of the $26.2 million estimated residential inventory gains, $25.8 million has been recognized into income to date since Q4 2018.

As of December 31, 2019, the Trust has recognized $266.0 million of cumulative fair value gains for its 4.2 million square feet of active projects with detailed cost estimates (refer to the *Estimated PUD Project Costs* section of this MD&A), excluding the value reclassification between Windfield Farms Commercial Phase One and future phases. The $266.0 million of cumulative fair value gains includes $163.9 million relating to ePlace, King Portland Centre and Frontier. Fair value gains relating to Bathurst College Centre and Sage Hill are not included in the $266.0 million of cumulative fair value gains as the projects have been completely transferred to income producing properties and their square footages are not included in the 4.2 million square feet of active projects with detailed cost estimates.

The Trust anticipates realizing substantial net value creation from its additional 16.7 million square feet of excess density that are either zoned or with zoning application submitted as well as 7.9 million square feet of future density. As of December 31, 2019, nominal fair value gains or inventory gains have been recognized relating to these 24.6 million square feet of densities.

Mortgages and Loans Receivable

Contractual mortgages and loans receivable as at December 31, 2019 and December 31, 2018 are comprised of the following:

	Contractual interest rates		Weighted		
(thousands of dollars)	Low	High	average interest rate	**December 31, 2019**	December 31, 2018
Mezzanine financing to co-owners	4.95%	7.00%	6.39%	**$ 155,399**	$ 146,680
Vendor-take-back and other	5.00%	6.40%	5.36%	**20,552**	17,334
Total	4.95%	7.00%	6.27%	**$ 175,951**	$ 164,014

All of the $176.0 million of mortgages and loans receivable as at December 31, 2019 are carried at amortized cost.

RioCan's Declaration of Trust contains provisions that have the effect of limiting the aggregate value of the investment by the Trust in mortgages, other than mortgages taken back on the sale of RioCan's properties, to a maximum of 30% of consolidated unitholders' equity. Additionally, RioCan is limited to the amount of capital that can be invested in greenfield developments and development properties held for resale to no more than 15% of the book value of RioCan's total consolidated unitholders' equity, and this limitation also applies to any mortgages receivable to fund the co-owners' share of such developments referred to as mezzanine financing. At December 31, 2019, RioCan was in compliance with these restrictions.

CAPITAL RESOURCES AND LIQUIDITY

Liquidity and Cash Management

RioCan maintains a committed revolving unsecured operating credit facility to provide financial liquidity which can be drawn or repaid on short notice, reducing the need to hold liquid resources in cash and deposits. This minimizes costs arising from the difference between borrowing and deposit rates, while reducing credit exposure.

Capital Management Framework

RioCan defines capital as the aggregate of common unitholder and preferred unitholders' equity and debt. The Trust's capital management framework is designed to maintain a level of capital that:

- complies with investment and debt restrictions pursuant to the Trust's Declaration;
- complies with debt covenants;
- enables RioCan to achieve target credit ratings;
- funds the Trust's business strategies; and
- builds long-term unitholder value.

The key elements of RioCan's capital management framework are set out in the Trust's Declaration, and/or approved by the Trust's Board, through the Board's annual review of the strategic plan and budget, supplemented by periodic Board and related committee meetings. Capital adequacy is monitored by management of the Trust by assessing performance against the approved annual plan throughout the year, which is updated accordingly, and by monitoring adherence to investment and debt restrictions contained in the Declaration and debt covenants (refer to Note 27 of RioCan's 2019 Annual Consolidated Financial Statements). In selecting appropriate funding choices, RioCan's objective is to manage its capital structure such that it diversifies its funding sources while minimizing its funding costs and risks. RioCan expects to be able to satisfy all of its financing requirements through the use of some or all of the following: cash on hand, cash generated by operations, refinancing of maturing debt, utilization of its operating line of credit, credit facilities, construction financing facilities, sale of marketable securities, sale of non-core properties and secondary markets properties, and through public offerings of unsecured debentures and common equity. If market conditions become challenging, the Trust could finance certain assets currently unencumbered by debt or issue preferred units.

Credit Ratings

RioCan intends to maintain strong debt service coverage and fixed charge coverage ratios as part of its commitment to maintaining its investment-grade debt ratings from Standard and Poor’s (S&P) and from Dominion Bond Rating Services Limited (DBRS). A credit rating generally provides an indication of the risk that the borrower will not fulfill its obligations in a timely manner with respect to both interest and principal commitments. Rating categories range from the highest credit quality (generally AAA) to default payment (generally D). The addition of a rating outlook modifier, such as "Positive", "Negative", "Stable" or "Developing" assesses the potential direction of a long-term credit rating over the intermediate term (typically six months to two years).

The following table summarizes RioCan’s credit ratings as at December 31, 2019:

Debt	Rating Agency	Long-term credit rating	Trend/Outlook
Senior Unsecured Debentures	S&P	BBB	Stable
Senior Unsecured Debentures	DBRS	BBB (high)	Stable

An obligor with a credit rating of BBB by S&P exhibits adequate capacity to meet its financial obligations, however, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitment on the obligation. A credit rating of BBB- or higher is an investment grade rating.

A credit rating of BBB by DBRS is generally an indication of adequate credit quality, the capacity for the payment of financial obligations is considered acceptable but the entity may be vulnerable to future events.

Capital Structure

RioCan’s capital structure is as follows:

(thousands of dollars)	IFRS		RioCan's proportionate share	
As at	**December 31, 2019**	December 31, 2018	**December 31, 2019**	December 31, 2018
Capital:				
Debentures payable	**$ 2,891,648**	$ 2,742,633	**$ 2,891,648**	$ 2,742,633
Mortgages payable	**2,412,451**	2,218,270	**2,514,178**	2,286,836
Lines of credit and other bank loans	**1,086,719**	913,130	**1,106,105**	958,187
Total debt	**$ 6,390,818**	$ 5,874,033	**$ 6,511,931**	$ 5,987,656
Common unit equity	**8,305,211**	7,666,390	**8,305,211**	7,666,390
Total capital	**$ 14,696,029**	$ 13,540,423	**$ 14,817,142**	$ 13,654,046
Total assets	**$ 15,188,326**	$ 14,003,765	**$ 15,317,298**	$ 14,117,865
Cash and cash equivalents	**$ 93,516**	$ 74,698	**$ 96,564**	$ 77,188
Ratio of total debt to total assets (net of cash and cash equivalents)	**41.7%**	41.6%	**42.1%**	42.1%
Ratio of floating rate debt to total debt	**6.1%**	15.8%	**6.4%**	16.4%

The Trust's leverage ratio at RioCan's proportionate share remained consistent from December 31, 2018 at 42.1%, as management continued to manage the issuance of debt and equity with the timing of acquisitions and dispositions.

The Trust reduced its floating interest rate debt exposure to 6.4% as at December 31, 2019 (December 31, 2018 - 16.4%), mainly through the issuance of a $500.0 million unsecured senior debenture at a fixed rate in August 2019 and used a significant portion of the net proceeds to pay down floating rate debt. Refer to the *Debentures Payable* section of this MD&A for details. During the fourth quarter, the Trust used the net proceeds of $220.2 million from the public offering of common trust units on October 28, 2019 to repay certain floating rate debt incurred to fund the aforementioned strategic acquisitions. In addition, throughout the year, various floating rate mortgages and construction lines of completed developments, were also converted to fixed rate mortgages or hedged to fixed rates, as management actively reduced the Trust's floating rate exposure.

Debt Metrics

RioCan’s debt metrics are tracked and disclosed on a quarterly basis to help facilitate financial statement users’ and stakeholders’ understanding of RioCan’s ability to service its debt and fixed charges. Presented below are the Trust's key debt metrics presented on both an IFRS and RioCan's proportionate share basis in comparison to our targeted ratios:

		Rolling 12 months ended			
		IFRS		RioCan's proportionate share	
	Targeted Ratios	**December 31, 2019**	December 31, 2018	**December 31, 2019**	December 31, 2018
Debt to Adjusted EBITDA (i)	<8.0x	**8.05**	7.76	**8.06**	7.88
Interest coverage (i)	>3.00x	**3.52**	3.68	**3.50**	3.63
Debt service coverage (i)	>2.25x	**2.98**	3.09	**2.96**	3.05
Fixed charge coverage (i)	>1.10x	**1.15**	1.16	**1.16**	1.15
Unencumbered assets		**$ 8,895,777**	$ 7,966,491	**$ 8,936,721**	$ 7,970,296
Unencumbered assets to unsecured debt	>200%	**226%**	231%	**227%**	231%
NOI generated from unencumbered assets (ii)	>50.0%	**58.2%**	59.1%	**58.5%**	59.1%
Unsecured debt to total debt	60.0%	**61.6%**	58.7%	**60.4%**	57.6%

(i) Refer to the *Non-GAAP Measures* section of this MD&A for further details. See tables below for the calculation of Adjusted EBITDA for the respective periods.

(ii) Ratio is calculated on a continuing operations basis.

The Trust's Debt to Adjusted EBITDA at RioCan's proportionate share increased from 7.88x for the rolling twelve months ended December 31, 2018 to 8.06x for the rolling twelve months ended December 31, 2019. The increase was primarily due to timing of acquisitions and dispositions, while Adjusted EBITDA has not yet fully reflected the benefit of the acquisitions and development completions.

As previously noted, the net proceeds from the equity offering completed on October 28, 2019 were used to repay indebtedness incurred in funding the aforementioned strategic acquisitions completed in Q3 2019.

Adjusted EBITDA increased by $10.7 million at RioCan's proportionate share over the rolling twelve months ended December 31, 2019 when compared to the rolling twelve months ended December 31, 2018, as the loss of Adjusted EBITDA from substantial secondary market property dispositions and lower marketable securities gains was more than offset by same property NOI growth, operating income from development completions including residential inventory gains, higher fee revenue, income from acquisitions, higher Adjusted EBITDA from equity accounted investments and lower G&A expenses.

The interest coverage ratio at RioCan's proportionate share for the rolling twelve months ended December 31, 2019 remained well above the RioCan target of 3.0x but declined modestly compared to December 31, 2018, mainly due to higher interest costs from higher debt balances and higher effective interest rates over the comparable periods.

For similar reasons, debt service coverage at RioCan's proportionate share for the rolling twelve months ended December 31, 2019 declined modestly but remained well above the RioCan target of 2.25x when compared to December 31, 2018.

The fixed charge coverage ratio at RioCan's proportionate share for the rolling twelve months ended December 31, 2019 is marginally higher compared to December 31, 2018, mainly due to higher Adjusted EBITDA, partially offset by higher interest costs, net of lower distributions as a result of unit buybacks.

The Trust continued to grow its unencumbered asset pool at RioCan's proportionate share, increasing it from $8.0 billion as at December 31, 2018 to $8.9 billion as at December 31, 2019, primarily due to the repayment of property level debt at Yonge Sheppard Centre, one of RioCan's flagship properties in Toronto, Ontario. The percentage of NOI at RioCan's proportionate share generated from unencumbered assets was 58.5% as of December 31, 2019, above the Trust's 50% target. The unencumbered assets to unsecured debt ratio at RioCan's proportionate share was 227% as at December 31, 2019, above the Trust's 200% target.

The following tables present a reconciliation of consolidated net income from continuing and discontinued operations attributable to unitholders to Adjusted EBITDA:

	IFRS					
Twelve months ended	**December 31, 2019**			December 31, 2018		
(thousands of dollars)	Continuing Operations	Discontinued Operations	Total	Continuing Operations	Discontinued Operations	Total
Net income attributable to unitholders	**$ 775,834**	**$ —**	**$ 775,834**	$ 527,362	$ 741	$ 528,103
Add (deduct) the following items:						
Income tax expenses (recovery):						
Current	**(699)**	**—**	**(699)**	—	1,188	1,188
Deferred	**2,064**	**—**	**2,064**	(1,440)	—	(1,440)
Fair value (gains) on investment properties, net	**(247,624)**	**—**	**(247,624)**	(18,304)	—	(18,304)
Change in unrealized fair value on marketable securities (i)	**15,637**	**—**	**15,637**	42,767	—	42,767
Internal leasing costs	**11,309**	**—**	**11,309**	11,294	—	11,294
Non-cash unit based compensation expense	**6,478**	**—**	**6,478**	6,826	—	6,826
Interest costs	**182,780**	**—**	**182,780**	168,299	—	168,299
Depreciation and amortization	**4,381**	**—**	**4,381**	4,575	—	4,575
Transaction (gains) losses on the sale of investment properties, net (ii)	**1,066**	**—**	**1,066**	(78)	—	(78)
Transaction costs on investment properties	**7,989**	**—**	**7,989**	17,761	153	17,914
Operational lease revenue and expenses from ROU assets (iii)	**1,963**	**—**	**1,963**	—	—	—
Adjusted EBITDA	**$ 761,178**	**$ —**	**$ 761,178**	$ 759,062	$ 2,082	$ 761,144
Debt, net of cash and cash equivalents is calculated as follows:						
Average debt outstanding			**$ 6,206,562**			$ 5,988,106
Less: average cash and cash equivalents			**(75,705)**			(80,999)
Debt, net of cash and cash equivalents			**$ 6,130,857**			$ 5,907,107
Debt to Adjusted EBITDA			**8.05**			7.76

(i) Adjustment is a result of adopting IFRS 9 on January 1, 2018 without prior period restatement. The fair value gains on marketable securities under IFRS 9 include both the change in unrealized fair value and realized gains on sale of marketable securities. By adding back the change in unrealized fair value on marketable securities, RioCan effectively continues to include realized gains or losses on the sale of marketable securities in Adjusted EBITDA and excludes unrealized fair value gains (losses) on marketable securities in Adjusted EBITDA. Refer to the *Non-GAAP Measures* section of this MD&A for more detailed discussion on Adjusted EBITDA and IFRS 9's impact on Adjusted EBITDA.

(ii) Includes transaction gains and losses realized on the disposal of Canadian and U.S. investment properties.

(iii) The Trust has also included adjustments for certain subleases or leases that are classified as finance leases under IFRS 16 effective January 1, 2019, consistent with the adjustments in the REALPAC definitions of FFO and ACFO that were recently released in February 2019. The adjustment relates to operational revenue and expenses from ROU assets as a result of certain subleases and leases that were classified as operating leases under IAS 17 and are classified as finance leases under IFRS 16, such that the principal portion of the relevant lease receipt and/ or lease payment continues to be reflected in Adjusted EBITDA upon the adoption of IFRS 16 on January 1, 2019.

	RioCan's proportionate share					
Twelve months ended	**December 31, 2019**			December 31, 2018		
(thousands of dollars)	Continuing Operations	Discontinued Operations	Total	Continuing Operations	Discontinued Operations	Total
Net income attributable to unitholders	**$ 775,834**	**$ —**	**$ 775,834**	$ 527,362	$ 741	$ 528,103
Add (deduct) the following items:						
Income tax expense (recovery):						
Current	**(699)**	**—**	**(699)**	—	1,188	1,188
Deferred	**2,064**	**—**	**2,064**	(1,440)	—	(1,440)
Fair value (gains) on investment property, net	**(239,294)**	**—**	**(239,294)**	(19,526)	—	(19,526)
Change in unrealized fair value on marketable securities (i)	**15,637**	**—**	**15,637**	42,767	—	42,767
Internal leasing costs	**11,309**	**—**	**11,309**	11,294	—	11,294
Non-cash unit based compensation expense	**6,478**	**—**	**6,478**	6,826	—	6,826
Interest costs	**187,871**	**—**	**187,871**	172,279	—	172,279
Depreciation and amortization	**4,381**	**—**	**4,381**	4,575	—	4,575
Transaction (gains) losses on the sale of investment properties, net (ii)	**1,066**	**—**	**1,066**	(78)	—	(78)
Transaction costs on investment properties	**7,989**	**—**	**7,989**	17,762	153	17,915
Operational lease revenue and expenses from ROU assets (iii)	**1,939**	**—**	**1,939**	—	—	—
Adjusted EBITDA	**$ 774,575**	**$ —**	**$ 774,575**	$ 761,821	$ 2,082	$ 763,903
Debt, net of cash and cash equivalents is calculated as follows:						
Average debt outstanding			**$ 6,324,391**			$ 6,099,892
Less: average cash and cash equivalents			**(78,599)**			(84,034)
Debt, net of cash and cash equivalents			**$ 6,245,792**			$ 6,015,858
Debt to Adjusted EBITDA			**8.06**			7.88

(i) Adjustment is a result of adopting IFRS 9 on January 1, 2018 without prior period restatement. The fair value gains on marketable securities under IFRS 9 include both the change in unrealized fair value and realized gains on sale of marketable securities. By adding back the change in unrealized fair value on marketable securities, RioCan effectively continues to include realized gains or losses on the sale of marketable securities in Adjusted EBITDA and excludes unrealized fair value gains (losses) on marketable securities in Adjusted EBITDA. Refer to the *Non-GAAP Measures* section of this MD&A for more detailed discussion on Adjusted EBITDA and IFRS 9's impact on Adjusted EBITDA.

(ii) Includes transaction gains and losses realized on the disposal of Canadian and U.S. investment properties.

(iii) The Trust has also included adjustments for certain subleases or leases that are classified as finance leases under IFRS 16 effective January 1, 2019, consistent with the adjustments in the REALPAC definitions of FFO and ACFO that were recently released in February 2019. The adjustment relates to operational revenue and expenses from ROU assets as a result of certain subleases and leases that were classified as operating leases under IAS 17 and are classified as finance leases under IFRS 16, such that the principal portion of the relevant lease receipt and/or lease payment continues to be reflected in Adjusted EBITDA upon the adoption of IFRS 16 on January 1, 2019.

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Total Debt Profile

RioCan's fixed and floating rate debt as a percentage of total debt and term to maturity are as follows:

(thousands of dollars) As at December 31, 2019		Total debt	Percentage of total RioCan's aggregate debt	Weighted average term to maturity in years	Weighted average contractual interest rate	Weighted average effective interest rate
Total debt at:						
Fixed rate	$	6,003,200	93.9%	3.67	3.35%	3.46%
Floating rate		387,618	6.1%	3.95	3.14%	3.16%
Total debt	**$**	**6,390,818**	**100.0%**	**3.69**	**3.34%**	**3.44%**

(thousands of dollars) As at December 31, 2018		Total debt	Percentage of total RioCan's aggregate debt	Weighted average term to maturity in years	Weighted average contractual interest rate	Weighted average effective interest rate
Total debt at:						
Fixed rate	$	4,945,718	84.2%	3.42	3.54%	3.59%
Floating rate		928,315	15.8%	2.64	3.34%	3.34%
Total debt	**$**	**5,874,033**	**100.0%**	**3.30**	**3.51%**	**3.55%**

The following table summarizes the activity in total debt for the year ended December 31, 2019:

(thousands of dollars) Year ended December 31, 2019		Debentures		Mortgages Payable		Lines of Credit and Other Bank Loans		Total
Contractual obligations, beginning of year	$	2,750,000	$	2,211,800	$	916,481	**$**	**5,878,281**
Borrowings		500,000		452,000		886,799		**1,838,799**
Scheduled amortization		—		(39,369)		—		**(39,369)**
Repayments		(350,000)		(408,266)		(778,396)		**(1,536,662)**
Assumed on the acquisition of properties (i)		—		193,752		65,288		**259,040**
Contractual obligations, end of year	**$**	**2,900,000**	**$**	**2,409,917**	**$**	**1,090,172**	**$**	**6,400,089**
Unamortized differential between contractual and market interest rates on liabilities assumed at the acquisition of properties and unamortized debt modification losses		—		6,338		614		**6,952**
Unamortized debt financing costs, net of premiums and discounts		(8,352)		(3,804)		(4,067)		**(16,223)**
Balance, end of year	**$**	**2,891,648**	**$**	**2,412,451**	**$**	**1,086,719**	**$**	**6,390,818**

(i) Contractual balance of debt assumed excludes a mark-to-market adjustment of $0.4 million on debt relating to one acquisition, which is included in the unamortized differential between contractual and market interest rates on liabilities assumed at the acquisition of properties and unamortized debt modification losses line item.

RioCan's debt maturity profile and future repayments are as outlined below:

	Contractual principal maturities and interest rates							
(thousands of dollars)	Debentures payable	Weighted average interest rate	Mortgages payable	Weighted average interest rate	Lines of credit and other bank loans	Weighted average interest rate	Total aggregate debt	Weighted average interest rate
Year of debt maturity								
2020	$ 400,000	2.72%	$ 503,891	3.64%	$ 30,120	2.63%	$ 934,011	3.21%
2021	550,000	2.89%	349,893	4.38%	18,052	3.07%	917,945	3.46%
2022	550,000	3.25%	178,205	3.34%	—	—%	728,205	3.27%
2023	500,000	3.42%	293,072	3.48%	200,000	3.28%	993,072	3.41%
2024	300,000	3.29%	241,776	3.45%	842,000	3.29%	1,383,776	3.32%
Thereafter	600,000	3.14%	843,080	3.49%	—	—%	1,443,080	3.35%
	$ 2,900,000	3.12%	$ 2,409,917	3.63%	$ 1,090,172	3.28%	$ 6,400,089	3.34%
Unamortized differential between contractual and market interest rates on liabilities assumed at the acquisition of properties and unamortized debt modification losses	—		6,338		614		6,952	
Unamortized debt financing costs, net of premiums and discounts	(8,352)		(3,804)		(4,067)		(16,223)	
Balance, end of year	$ 2,891,648		$ 2,412,451		$ 1,086,719		$ 6,390,818	

Debentures Payable

The following series of senior unsecured debentures were outstanding as at December 31, 2019 and 2018:

(thousands of dollars)

Series	Maturity date	Coupon rate	Interest payment frequency	2019	2018
Q	June 28, 2019	3.85%	Semi-annual	$ **—**	$ 350,000
U	June 1, 2020	3.62%	Semi-annual	**150,000**	150,000
X	August 26, 2020	2.19%	Semi-annual	**250,000**	250,000
Z	April 9, 2021	2.19%	Semi-annual	**300,000**	300,000
R	December 13, 2021	3.72%	Semi-annual	**250,000**	250,000
V	May 30, 2022	3.75%	Semi-annual	**250,000**	250,000
Y	October 3, 2022	2.83%	Semi-annual	**300,000**	300,000
T	April 18, 2023	3.73%	Semi-annual	**200,000**	200,000
AA	September 29, 2023	3.21%	Semi-annual	**300,000**	300,000
W	February 12, 2024	3.29%	Semi-annual	**300,000**	300,000
AB	February 12, 2025	2.58%	Semi-annual	**500,000**	—
I	February 6, 2026	5.95%	Semi-annual	**100,000**	100,000
Contractual obligations				**$ 2,900,000**	$ 2,750,000
Unamortized debt financing costs				**(8,352)**	(7,367)
Balance, end of year				**$ 2,891,648**	$ 2,742,633

The unsecured debentures have covenants similar to our 60% debt to Aggregate Assets limit as set out in RioCan's Declaration of Trust, the maintenance of at least $1.0 billion in consolidated unitholders' equity and maintenance of an interest coverage ratio of 1.65 times or better. There are no requirements under the unsecured debenture covenants that require RioCan to maintain unencumbered assets. The Series I debentures, which are due in 2026 and are $100 million in aggregate, have an additional provision that provides RioCan with the right, at any time, to convert these debentures to mortgage debt, subject to the acceptability of the security given to the debenture holders. In such an event, the covenants relating to the 60% leverage limit, minimum consolidated unitholders' equity and interest coverage ratio would be eliminated for this series of debentures.

Issuance

On August 12, 2019, RioCan issued $500.0 million of Series AB senior unsecured debentures. The debentures were issued at par, carry a coupon rate of 2.576% per annum and will mature on February 12, 2025.

Redemption

On June 28, 2019, RioCan redeemed, in full, its $350.0 million 3.85% Series Q senior unsecured debentures in accordance with their terms.

Mortgages Payable

Mortgages payable consist of the following:

(thousands of dollars)

As at	December 31, 2019	December 31, 2018
Fixed rate mortgages (i) (ii)	**$ 2,412,451**	$ 2,128,255
Floating rate mortgages (ii)	**—**	90,015
	$ 2,412,451	$ 2,218,270

(i) Includes hedged floating rate mortgages.

(ii) Amount outstanding includes total of $2.5 million in unamortized differential between contractual and market interest rates on liabilities assumed at the acquisition of properties and unamortized debt modification losses, net of unamortized financing costs.

At the outset of 2019, RioCan had $310.2 million of mortgage principal maturing in 2019 at a weighted average contractual interest rate of 4.21%. For the year ended December 31, 2019, RioCan completed new term mortgage borrowings of $452.0 million at a weighted average interest rate of 3.14% and a weighted average term of 10 years, repaid $447.6 million of mortgage balances and scheduled amortization and assumed $194.2 million of mortgage financing pursuant to the completion of acquisitions at a weighted average interest rate of 3.40%.

The majority of our mortgage debt provides recourse to the assets of the Trust, as opposed to only having recourse to the specific property charged. We follow this policy as it generally results in lower interest rates for the Trust.

Upon closing of the acquisition of the remaining 50% interest in eCentral and retail component of ePlace in Toronto, Ontario in September 2019, RioCan obtained $150.0 million of financing for the property at a fixed contractual interest rate of 2.58% for an 11-year term. Upon stabilization which is expected to occur in the spring of 2020, it is anticipated that the loan will become CMHC insured at which time the contractual interest rate of such advance will be reduced to 2.33%. In addition, upon stabilization, a second tranche of funding estimated to be approximately $40.0 million will be advanced at an interest rate to be determined at such time.

Subsequent to year end, the Trust closed on its first CMHC insured mortgage, a $28.6 million loan (at RioCan's interest) at its Frontier property in Ottawa, bearing interest at an annual rate of 2.63%, with a 10-year term.

Lines of Credit and Other Bank Loans

Lines of credit and other bank loans consist of the following:

(thousands of dollars)				
As at		**December 31, 2019**		December 31, 2018
Revolving unsecured operating line of credit (i)	**$**	**339,446**	$	350,190
Non-revolving unsecured credit facilities (i)		**699,101**		349,459
Construction lines and other bank loans		**48,172**		213,481
	$	**1,086,719**	$	913,130

(i) Amount outstanding is net of a total of $3.5 million in unamortized financing costs and unamortized differential between contractual and market interest rates on liabilities assumed at the acquisition of properties and unamortized debt modification losses.

Revolving Unsecured Operating Line of Credit

RioCan had a drawn balance of $342.0 million and $658.0 million of credit availability to be drawn from this revolving unsecured operating line of credit at December 31, 2019. The weighted average contractual interest rate on amounts drawn under this facility was 3.19% (December 31, 2018 - 3.41%).

During the second quarter, the Trust exercised its option to extend the maturity date on its operating line of credit to May 31, 2024. All other terms and conditions remained the same.

Non-revolving Unsecured Credit Facilities

The Trust has a $200 million non-revolving unsecured credit facility with two financial institutions (consisting of a Schedule I and a Schedule III bank), with a maturity date of January 31, 2023 bearing interest at a rate of Bankers' Acceptances plus 110 basis points per annum. On January 7, 2019, the Trust fixed the annual all-in interest rate for $125.0 million of this credit facility at 3.38% through an interest rate swap. The remaining $75.0 million of this credit facility was previously fixed at 3.125%.

The Trust also has a $150 million non-revolving unsecured credit facility with two financial institutions (consisting of a Schedule I and a Schedule III bank), with an initial maturity date of December 27, 2019 and initial interest at a rate of Bankers' Acceptances plus 100 basis points per annum. On February 7, 2019, the Trust extended the maturity date of this credit facility to June 27, 2024 and fixed the annual all-in interest rate at 3.43% through an interest rate swap. The Trust recorded a one-time IFRS debt modification cost of $0.9 million as a result of this debt maturity extension.

On February 7, 2019, the Trust also entered into a $350.0 million five-year non-revolving unsecured credit facility with three financial institutions (consisting of two Schedule I banks and one Schedule III bank). This credit facility matures on February 7, 2024 and, through an interest rate swap, bears an annual all-in fixed interest rate of 3.34%.

As of December 31, 2019, all of the Trust's non-revolving unsecured credit facilities are fully drawn.

Construction Lines of Credit and Other Bank Loans

In addition to the revolving unsecured operating line of credit and non-revolving unsecured credit facilities, the Trust has secured credit facilities and other bank loans, which include variable rate non-revolving secured construction facilities for the funding of certain development properties. At December 31, 2019, these secured facilities and other bank loans have an aggregate maximum borrowing capacity of $106.5 million (December 31, 2018 - $311.4 million) and mature in 2020 and 2021, of which the Trust had drawn $48.2 million (December 31, 2018 - $213.5 million). The weighted average contractual interest rate on the aggregate amounts outstanding is 2.93% (December 31, 2018 - 3.36%).

On August 30, 2019, upon acquiring KingSett's 50% co-ownership interest in Yonge Sheppard Centre, the Trust repaid $130.6 million (at 100% ownership) of construction financing, using a portion of the proceeds from the issuance of the Series AB senior unsecured debentures.

On September 26, 2019, approximately $145.7 million of construction financing for ePlace (at RioCan's interest prior to the closing of this transaction) at prevailing market rates of 3.19% was repaid. RioCan secured $150.0 million of financing for 100% of eCentral and the retail component of ePlace at a fixed contractual interest rate of 2.58% for an 11-year term, which was advanced upon the closing of ePlace as more fully described under the *Mortgages Payable* section of this MD&A.

Letter of Credit Facilities

The Trust has aggregate letter of credit facilities with certain Schedule I banks totaling $76.4 million (December 31, 2018 - $77.9 million). As at December 31, 2019, the Trust's outstanding letters of credit under these facilities was $54.8 million (December 31, 2018 - $47.5 million).

Liquidity

Liquidity refers to the Trust having credit availability under committed credit facilities and/or generating sufficient amounts of cash and cash equivalents to fund the ongoing operational commitments, distributions to unitholders and planned growth in the business.

RioCan retains a portion of its operating cash flows to help fund ongoing maintenance capital expenditures including tenant improvements costs and long term unfunded contractual obligations, among other items.

Cash on hand, borrowings under the revolving unsecured operating line of credit, non-revolving unsecured credit facilities, construction financing facilities, debt and equity capital markets, secured financing and the potential sale of assets also provide the necessary liquidity to fund ongoing and future capital expenditures and obligations.

As at December 31, 2019, RioCan had the following sources of liquidity available:

- $93.5 million of cash and cash equivalents;
- $658.0 million of cash available under its undrawn revolving unsecured operating line of credit;
- $58.3 million of cash available under undrawn construction facilities to fund future construction commitments; and
- 151 unencumbered investment properties with a fair value of $8.9 billion.

RioCan's liquidity profile is as follows:

(thousands of dollars, except where otherwise noted)	IFRS		RioCan's proportionate share	
As at	**December 31, 2019**	December 31, 2018	**December 31, 2019**	December 31, 2018
Cash and cash equivalents	**$ 93,516**	$ 74,698	**$ 96,564**	$ 77,188
Undrawn revolving unsecured operating line of credit	**658,000**	647,000	**658,000**	647,000
Undrawn construction lines of credit and other bank loans	**58,327**	97,923	**110,339**	97,923
Liquidity	**$ 809,843**	$ 819,621	**$ 864,903**	$ 822,111
Contractual debt:				
Debentures payable	**$ 2,900,000**	$ 2,750,000	**$ 2,900,000**	$ 2,750,000
Mortgages payable	**2,409,917**	2,211,800	**2,511,930**	2,280,391
Lines of credit and other bank loans	**1,090,172**	916,481	**1,109,600**	961,548
Total contractual debt	**$ 6,400,089**	$ 5,878,281	**$ 6,521,530**	$ 5,991,939
Percentage of total contractual debt:				
Liquidity	**12.7%**	13.9%	**13.3%**	13.7%
Unsecured debt	**61.6%**	58.7%	**60.4%**	57.6%
Secured debt	**38.4%**	41.3%	**39.6%**	42.4%

Our liquidity is impacted by contractual debt commitments and committed expenditures on active development projects. Our contractual debt commitments and committed development expenditures for the next five years are as follows:

(thousands of dollars)	2020	2021	2022	2023	2024	Thereafter	Total
Contractual obligations:							
Lines of credit and other bank loans	$ 30,120	$ 18,052	$ —	$ 200,000	$ 842,000	$ —	$ 1,090,172
Mortgages payable	503,891	349,893	178,205	293,072	241,776	843,080	2,409,917
Unsecured debentures	400,000	550,000	550,000	500,000	300,000	600,000	2,900,000
Lease liabilities (ii)	1,740	1,363	1,428	1,467	1,520	27,862	35,380
Other lease obligations	682	304	206	74	21	—	1,287
Total	$ 936,433	$ 919,612	$ 729,839	$ 994,613	$ 1,385,317	$ 1,470,942	$ 6,436,756
Active committed developments (i)	442,920	327,378	105,074	27,929	—	—	903,301
Total	$ 1,379,353	$ 1,246,990	$ 834,913	$ 1,022,542	$ 1,385,317	$ 1,470,942	$ 7,340,057

(i) Represents estimated development costs spending to complete properties under active development only when all major planning issues have been resolved, anchor tenant(s) for the commercial components has/have been secured, and/or construction is about to commence or has commenced. The costs of additional projects will be added to this schedule once a project becomes committed.

(ii) Represents the discounted minimum lease payments of lease liabilities under IFRS 16.

The Trust's contractual debt obligations and projected development expenditures can be funded by net proceeds from the sale of non-core and secondary market assets (including, but not limited to, sale of excess land and potential air rights), existing cash on hand, our revolving unsecured operating line of credit, proceeds from mortgage refinancing and proceeds from the issuance of unsecured debentures or issuance of equity units. In addition, RioCan has undrawn construction facilities to fund future construction commitments as it pertains to certain development projects and our unencumbered asset pool of $8.9 billion as at December 31, 2019 can also allow us to support additional financing, if needed.

RioCan has also entered into purchase obligations to acquire certain interests from its partners as further described in Note 4 in the consolidated financial statements.

RioCan, as a mutual fund trust, expects to make monthly distributions to unitholders with the cash generated from ongoing operating activities. Our unitholder dividend reinvestment plan ("DRIP") allows us to conserve liquidity by issuing additional units, as opposed to paying cash distributions. Although RioCan suspended its DRIP effective November 1, 2017, RioCan can elect to reinstate the DRIP in the future, should we decide that it is beneficial to do so.

Unencumbered Assets

The fair value of the unencumbered investment property assets as at December 31, 2019 is estimated at approximately $8.9 billion for 151 properties or 61.9% of the total fair value of investment properties as compared to 153 properties with a fair value of $8.0 billion as at December 31, 2018. This has resulted in approximately 58.2% of the Trust's annualized NOI being generated by unencumbered assets (December 31, 2018 - 59.1%), providing RioCan with access to a pool of assets for obtaining additional secured debt.

The table below presents RioCan's unencumbered assets and unsecured debt:

	IFRS		RioCan's proportionate share	
(thousands of dollars, except where otherwise noted)	**December 31,**	December 31,	**December 31,**	December 31,
As at	**2019**	2018	**2019**	2018
Unencumbered assets	**$ 8,895,777**	$ 7,966,491	**$ 8,936,721**	$ 7,970,296
Unsecured debt:				
Debentures	**$ 2,900,000**	$ 2,750,000	**$ 2,900,000**	$ 2,750,000
Amounts drawn on revolving unsecured operating line of credit	**342,000**	353,000	**342,000**	353,000
Amounts drawn on non-revolving unsecured credit facilities	**700,000**	350,000	**700,000**	350,000
Total unsecured debt outstanding	**$ 3,942,000**	$ 3,453,000	**$ 3,942,000**	$ 3,453,000
Unsecured debt to total debt	**61.6%**	58.7%	**60.4%**	57.6%
Unencumbered assets to unsecured debt	**226%**	231%	**227%**	231%
NOI generated from unencumbered assets (i)	**58.2%**	59.1%	**58.5%**	59.1%

(i) Refer to the *Non-GAAP Measures* section of this MD&A for further details.

Guarantees

As at December 31, 2019, the maximum exposure to loss resulting from the Trust's debt guarantees, on behalf of certain of our co-owners' interests and mortgages assumed by purchasers on property dispositions, is $163.2 million (December 31, 2018 - $309.2 million), with expiries between 2020 and 2025. The maximum exposure to credit risk relating to a guarantee is the maximum risk of loss if there was a total default, without consideration of recoveries under recourse provisions against the aforementioned parties or the properties secured.

On September 27, 2019, Metropia and Bazis repaid their proportionate share of project level construction loans relating to the ePlace development in Toronto, Ontario upon the sale of their combined 50% interest in the residential and retail components of the project to RioCan based on a pre-agreement. The Trust no longer provides a guarantee on behalf of the former co-owners' interest in the project and this was the primary reason for the $146.0 million decrease in guarantees as of December 31, 2019 when compared to the prior year end.

As at and for the year ended December 31, 2019, there have been no defaults by the primary obligors for debts on which we have provided guarantees and no provision for expected losses on these guarantees has been recognized in our 2019 Annual Consolidated Financial Statements.

The parties on behalf of which RioCan has outstanding guarantees are as follows:

(thousands of dollars)		
As at	**December 31, 2019**	December 31, 2018
Partners and co-owners		
HBC (RioCan-HBC JV)	**$ 42,349**	$ 43,523
Bayfield	**26,709**	63,230
Metropia and Bazis	**—**	119,454
Other	**37,497**	24,984
	$ 106,555	$ 251,191
Assumption of mortgages by purchasers on property dispositions	**56,644**	58,029
	$ 163,199	$ 309,220

Hedging Activities

Interest Rate Risk

As at December 31, 2019, the outstanding notional amount of floating-to-fixed interest rate swaps was $1.3 billion (December 31, 2018 – $764.4 million) and the term to maturity of these agreements ranges from April 2020 to November 2028. We assess the effectiveness of the hedging relationship on a quarterly basis and have determined there is no ineffectiveness in the hedging of