# EARNINGS RELEASE

MAA

## SUPPLEMENTAL DATA

SECOND QUARTER / 2016

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## OVERVIEW

**MAA REPORTS SECOND QUARTER RESULTS**
MEMPHIS, Tenn., July 27, 2016 /PRNewswire/ -- Mid-America Apartment Communities, Inc., or MAA, (NYSE: MAA) today announced operating results for the quarter ended June 30, 2016.

**Net Income Available for Common Shareholders**
For the quarter ended June 30, 2016, net income available for MAA common shareholders was $45.1 million, or $0.60 per diluted common share, compared to $136.3 million, or $1.81 per diluted common share, for the quarter ended June 30, 2015. Results for the quarter ended June 30, 2016 included $0.6 million, or $0.01 per diluted common share, of gains related to the sale of real estate assets as compared to $105.4 million, or $1.40 per diluted common share, for the quarter ended June 30, 2015.

For the six months ended June 30, 2016, net income available for MAA common shareholders was $88.6 million, or $1.17 per diluted common share, compared to $197.6 million, or $2.62 per diluted common share, for the six months ended June 30, 2015. Results for the six months ended June 30, 2016 included $3.0 million, or $0.04 per diluted common share, of gains related to the sale of real estate assets as compared to $135.6 million, or $1.80 per diluted common share, for the six months ended June 30, 2015.

**Funds from Operations (FFO)**
For the quarter ended June 30, 2016, FFO was $122.6 million, or $1.54 per common share and unit, or per Share, compared to $112.4 million, or $1.41 per Share, for the quarter ended June 30, 2015. Core Funds from Operations, or Core FFO, which excludes certain non-cash and/or non-routine items, for the quarter ended June 30, 2016 was $118.8 million, or $1.49 per Share, as compared to $108.0 million, or $1.36 per Share, for the quarter ended June 30, 2015.

For the six months ended June 30, 2016, FFO was $241.9 million, or $3.04 per Share, compared to $219.3 million, or $2.76 per Share, for the six months ended June 30, 2015. Core FFO for the six months ended June 30, 2016 was $233.3 million, or $2.93 per Share, as compared to $213.2 million, or $2.68 per Share, for the six months ended June 30, 2015.

A reconciliation of FFO and Core FFO to net income available for MAA common shareholders, and an expanded discussion of the components of FFO and Core FFO, can be found later in this release.

Eric Bolton, Chairman and Chief Executive Officer, said, "Leasing conditions across our portfolio remain strong as steady job growth drives increasing demand for apartment housing. Better than expected results in the second quarter support an ability to once again increase our outlook for growth in Core FFO for 2016."

**Highlights**
- Same Store NOI, for the second quarter increased 5.7% as compared to the same period in the prior year, based on a 4.4% increase in revenue and a 2.3% increase in property operating expenses.
- Average Effective Rent per Unit for the Same Store Portfolio increased to $1,031 during the second quarter, a 4.4% increase as compared to the same period in the prior year, while Average Physical Occupancy was at 96.2% for the second quarter of both 2016 and 2015.
- Resident turnover for the Same Store Portfolio remained low for the second quarter of 2016 at 51.5% on a rolling twelve month basis.
- During the second quarter, MAA acquired one property, Residences at Fountainhead, a recently developed upscale community located in Tempe, Arizona, which contains 322 units and was in initial lease-up when acquired.
- MAA has a total of four expansion development projects underway, containing 628 units, with a total projected cost of approximately $96.9 million.
- As of the end of the second quarter, three properties remained in lease-up, including the recently acquired community, with average quarter-end physical occupancy of 86.6%.
- Year-to-date the company has completed renovation of 3,221 units under its redevelopment program, achieving average rental rate increases of 10.3% above non-renovated units.
- MAA ended the quarter with Net Debt/Recurring EBITDA of 5.73x and unencumbered assets increased to 74.2% of Gross Real Estate Assets.

**Second Quarter Same Store Portfolio Operating Results**
Operating results for the Same Store Portfolio of 72,329 units for MAA's Large Market and Secondary Market segments of the portfolio are presented below:

| | Percent Change From Three months ended June 30, 2015 | | | | Three months ended June 30, 2016 |
|---|---|---|---|---|---|
| | Revenue | Expense | NOI | Average Effective Rent per Unit | Average Physical Occupancy |
| Large Market | 5.2% | 2.7% | 6.7% | 5.2% | 96.2% |
| Secondary Market | 2.9% | 1.5% | 3.8% | 3.0% | 96.4% |
| Same Store | 4.4% | 2.3% | 5.7% | 4.4% | 96.2% |

Total Same Store Portfolio revenue growth of 4.4% during the second quarter was primarily produced by a 4.4% increase in Average Effective Rent per Unit, as compared to the same period in the prior year. Average Physical Occupancy for the Same Store Portfolio was 96.2% for the second quarter, which is consistent with the prior year. Operating expenses increased 2.3% for the quarter, with the largest portion of the growth related to property taxes, partially offset by declining marketing expenses.

A reconciliation of NOI, including Same Store NOI, to net income available for MAA common shareholders, and an expanded discussion of the components of NOI, can be found later in this release.

**Acquisition and Disposition Activity**
During the second quarter, MAA acquired one new community, Residences at Fountainhead, a 322-unit community located in Tempe, Arizona. The community was completed in 2015 and was in initial lease-up upon acquisition, with physical occupancy of 75.8% at quarter end. This acquisition brings total acquisition volume for the full year to $130.6 million for two new communities acquired.

**Development and Lease-up Activity**
As of the end of the second quarter, MAA had four development communities, all representing expansions of current communities owned, under construction with a total projected cost of $96.9 million, and an expected average stabilized NOI yield of 7.5%. During the second quarter, MAA funded $16.1 million of construction costs. An estimated $47.5 million remains to be funded on current development projects. MAA had three communities remaining in lease-up during the second quarter: Residences at Fountainhead, located in Tempe, Arizona, which was acquired in lease-up during the second quarter; Cityscape at Market Center II, located in Dallas, Texas, which was acquired in lease-up during the fourth quarter of 2015; and Station Square at Cosner's Corner II, a development community located in Fredericksburg, Virginia, which was completed during the first quarter of 2016. Physical occupancy for the three communities averaged 86.6% at the end of the second quarter.

**Redevelopment Activity**
MAA continues its interior redevelopment program at select communities throughout the portfolio. During the second quarter, MAA redeveloped a total of 1,815 units at an average cost of $4,461 per unit, bringing the total units renovated during the year to 3,221, achieving average rental rate increases of 10.3% above non-renovated units. The company expects a total of 5,000 to 6,000 units to be redeveloped in 2016.

**Capital Expenditures**
Recurring capital expenditures totaled $18.9 million for the second quarter of 2016, or approximately $0.24 per Share, as compared to $21.9 million, or $0.28 per Share, for the same period in 2015. These expenditures led to Core Adjusted Funds from Operations, or Core AFFO, of $1.25 per Share, for the second quarter of 2016, compared to $1.08 per Share for the same period in 2015, which represents a 16% increase.

Redevelopment, revenue enhancing and other capital expenditures during the second quarter were $21.7 million, as compared to $16.6 million for the same period in 2015. These expenditures led to Funds Available for Distribution, or FAD, of $0.98 per Share, for the second quarter of 2016, compared to $0.87 per Share for the same period in 2015, which represents a 13% increase.

Recurring capital expenditures totaled $28.4 million for the six months ended June 30, 2016, or approximately $0.36 per Share, as compared to $32.5 million, or $0.41 per Share, for the same period in 2015. These expenditures led to Core AFFO, of $2.57 per Share, for the six months ended June 30, 2016, compared to $2.27 per Share for the same period in 2015, which represents a 13% increase.

Redevelopment, revenue enhancing and other capital expenditures during the six months ended June 30, 2016, were $37.0 million, as compared to $30.6 million for the same period in 2015. These expenditures led to FAD of $2.11 per Share, for the six months ended June 30, 2016, compared to $1.89 per Share for the same period in 2015, which represents a 12% increase.

A reconciliation of FFO, Core FFO, Core AFFO and FAD to net income available for MAA common shareholders, and an expanded discussion of the components of FFO, Core FFO, Core AFFO and FAD, can be found later in this release.

**Balance Sheet**
As of June 30, 2016,

- Total debt to Total Market Capitalization was 29.2% (based on the June 30, 2016 closing stock price), compared to 32.2% as of December 31, 2015,
- Net Debt to Gross Assets (based on gross book value at June 30, 2016) was 40.7%, compared to 40.6% as of December 31, 2015,
- Total debt outstanding was $3.5 billion at an average effective interest rate of 3.7%,
- 91.5% of total debt was fixed or hedged against rising interest rates for an average of 4.7 years,
- Fixed charge coverage ratio (Recurring EBITDA divided by interest expense adjusted for mark-to-market debt adjustment) was 4.32x and Net Debt to Recurring EBITDA was 5.73x,
- Approximately $593.5 million combined cash and capacity under the company's unsecured credit facility was available, and
- Unencumbered assets increased to 74.2% of Gross Real Estate Assets, as compared to 72.8% as of December 31, 2015.

A reconciliation of EBITDA and Recurring EBITDA to consolidated net income, and an expanded discussion of the components of EBITDA and Recurring EBITDA, can be found later in this release.

In addition, a reconciliation of the following items and an expanded discussion of their components can be found later in this release:

- Net Debt to Unsecured notes payable and Secured notes payable,
- Gross Assets to Total assets, and
- Gross Real Estate Assets to Real estate assets, net.

**90th Consecutive Quarterly Common Dividend Declared**
MAA declared its 90th consecutive quarterly common dividend at an annual rate of $3.28 per common share, which will be paid on July 29, 2016 to holders of record on July 15, 2016.

**2016 Core FFO and Core AFFO per Share Guidance**
MAA provides guidance on Core FFO per Share and Core AFFO per Share, which are non-GAAP measures, but does not forecast net income available for common shareholders per diluted share. It is not reasonable to accurately predict the timing and certainty of acquisitions and dispositions that would materially affect depreciation, capital gains or losses, merger and acquisition expenses and net income attributable to noncontrolling interests or to forecast extraordinary items, which, combined, generally represent the difference between net income available for common shareholders and Core FFO. Based on historical experience, the dollar amount of that unavailable information could be significant.

MAA is updating and increasing prior guidance for full year Core FFO, now projected to be in a range of $5.77 to $5.93 per Share or $5.85 per Share at the midpoint. Core AFFO is now projected to be in the range of $5.07 to $5.23 per Share or $5.15 per Share at the midpoint. In addition, the company now expects full year NOI growth for the Same Store Portfolio to be in the range of 4.75% to 5.25%. Further details of our full year expectations can be found in supplemental materials with this release.

**Supplemental Material and Conference Call**
Supplemental data to this press release can be found on the "For Investors" page of our website at www.maac.com. MAA will host a conference call to further discuss second quarter results on Thursday, July 28, 2016, at 9:00 AM Central Time. The conference call-in number is 866-952-7534. You may also join the live webcast of the conference call by accessing the "For Investors" page of our website at www.maac.com. Our filings with the Securities and Exchange Commission, or SEC, are filed under the registrant names of Mid-America Apartment Communities, Inc. and Mid-America Apartments, L.P.

**About MAA**
MAA is a self-administered, self-managed real estate investment trust, which owned 80,300 apartment units throughout the Southeast and Southwest regions of the United States as of June 30, 2016. For further details, please visit the MAA website at www.maac.com or contact Investor Relations at investor.relations@maac.com, or via mail at MAA, 6584 Poplar Ave., Memphis, TN 38138, Attn: Investor Relations.

**Forward-Looking Statements**
Sections of this release contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, with respect to our expectations for future periods. Forward-looking statements do not discuss historical fact, but instead include statements related to expectations, projections, intentions or other items related to the future. Such forward-looking statements include, without limitation, statements concerning property acquisitions and dispositions, joint venture activity, development and renovation activity as well as other capital expenditures, capital raising activities, rent and expense growth, occupancy, financing activities, operating performance and results and interest rate and other economic expectations. Words such as “expects,” “anticipates,” “intends,” “plans,” “believes,” “seeks,” “estimates,” and variations of such words and similar expressions are intended to identify such forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to be materially different from the results of operations, financial conditions or plans expressed or implied by such forward-looking statements. Such factors include, among other things, unanticipated adverse business developments affecting us, or our properties, adverse changes in the real estate markets and general and local economies and business conditions. Although we believe that the assumptions underlying the forward-looking statements contained herein are reasonable, any of the assumptions could be inaccurate, and therefore such forward-looking statements included in this release may not prove to be accurate. In light of the significant uncertainties inherent in the forward-looking statements included herein, the inclusion of such information should not be regarded as a representation by us or any other person that the results or conditions described in such statements or our objectives and plans will be achieved.

The following factors, among others, could cause our future results to differ materially from those expressed in the forward-looking statements:

- inability to generate sufficient cash flows due to market conditions, changes in supply and/or demand, competition, uninsured losses, changes in tax and housing laws, or other factors;
- exposure, as a multifamily focused REIT, to risks inherent in investments in a single industry and sector;
- adverse changes in real estate markets, including, but not limited to, the extent of future demand for multifamily units in our significant markets, barriers of entry into new markets, which we may seek to enter in the future, limitations on our ability to increase rental rates, competition, our ability to identify and consummate attractive acquisitions or development projects on favorable terms, our ability to consummate any planned dispositions in a timely manner on acceptable terms, and our ability to reinvest sale proceeds in a manner that generates favorable returns;
- failure of new acquisitions to achieve anticipated results or be efficiently integrated;
- failure of development communities to be completed, if at all, within budget and on a timely basis or to lease-up as anticipated;
- unexpected capital needs;
- changes in operating costs, including real estate taxes, utilities and insurance costs;
- losses from catastrophes in excess of our insurance coverage;
- ability to obtain financing at favorable rates, if at all, and refinance existing debt as it matures;
- level and volatility of interest or capitalization rates or capital market conditions;
- loss of hedge accounting treatment for interest rate swaps or interest rate caps;
- the continuation of the good credit of our interest rate swap and cap providers;
- price volatility, dislocations and liquidity disruptions in the financial markets and the resulting impact on financing;
- the effect of any rating agency actions on the cost and availability of new debt financing;
- significant decline in market value of real estate serving as collateral for mortgage obligations;
- significant change in the mortgage financing market that would cause single-family housing, either as an owned or rental product, to become a more significant competitive product;

- our ability to continue to satisfy complex rules in order to maintain our status as a REIT for federal income tax purposes, the ability of our operating partnership to satisfy the rules to maintain its status as a partnership for federal income tax purposes, the ability of our taxable REIT subsidiaries to maintain their status as such for federal income tax purposes, and our ability and the ability of our subsidiaries to operate effectively within the limitations imposed by these rules;
- inability to attract and retain qualified personnel;
- cyberliability or potential liability for breaches of our privacy or information security systems;
- potential liability for environmental contamination;
- adverse legislative or regulatory tax changes;
- litigation and compliance costs associated with laws requiring access for disabled persons; and
- other risks identified in this press release and, from time to time, in other reports we file with the SEC or in other documents that we publicly disseminate.

We undertake no obligation to publicly update or revise these forward-looking statements to reflect events, circumstances or changes in expectations after the date of this release.

## FINANCIAL HIGHLIGHTS

*Dollars in thousands, except per share data*

| | Three months ended June 30, | | Six months ended June 30, | |
|---|---|---|---|---|
| | 2016 | 2015 | 2016 | 2015 |
| Total property revenues | $ 272,236 | $ 258,891 | $ 541,252 | $ 517,443 |
| Net income available for MAA common shareholders | $ 45,144 | $ 136,299 | $ 88,557 | $ 197,566 |
| Total NOI | $ 169,281 | $ 158,035 | $ 337,416 | $ 315,938 |
| Recurring EBITDA | $ 154,019 | $ 144,398 | $ 306,599 | $ 287,039 |
| Earnings per common share:[(1)] | | | | |
| Basic | $ 0.60 | $ 1.81 | $ 1.17 | $ 2.62 |
| Diluted | $ 0.60 | $ 1.81 | $ 1.17 | $ 2.62 |
| Funds from operations per Share (diluted):[(1)] | | | | |
| FFO | $ 1.54 | $ 1.41 | $ 3.04 | $ 2.76 |
| Core FFO | $ 1.49 | $ 1.36 | $ 2.93 | $ 2.68 |
| Core AFFO | $ 1.25 | $ 1.08 | $ 2.57 | $ 2.27 |
| FAD | $ 0.98 | $ 0.87 | $ 2.11 | $ 1.89 |
| Dividends declared per common share | $ 0.82 | $ 0.77 | $ 1.64 | $ 1.54 |
| Dividends/ Core FFO (diluted) payout ratio | 55.0% | 56.6% | 56.0% | 57.5% |
| Dividends/ Core AFFO (diluted) payout ratio | 65.6% | 71.3% | 63.8% | 67.8% |
| Dividends/ FAD (diluted) payout ratio | 83.7% | 88.5% | 77.7% | 81.5% |
| Consolidated interest expense | $ 32,039 | $ 30,433 | $ 64,250 | $ 61,281 |
| Mark-to-market debt adjustment | 3,641 | 5,337 | 7,492 | 10,731 |
| Debt discount and debt issuance cost amortization[(2)] | (1,177) | (1,100) | (2,395) | (2,214) |
| Capitalized interest | 328 | 490 | 708 | 964 |
| Total interest incurred | $ 34,831 | $ 35,160 | $ 70,055 | $ 70,762 |
| Amortization of principal on notes payable | $ 1,766 | $ 2,115 | $ 3,640 | $ 4,387 |

[(1)] See "Share and Unit Data" section for additional information

[(2)] Quarter-to-date amounts include $904,000 of debt issuance cost amortization (previously disclosed as amortization of deferred financing costs) and $273,000 of debt discount amortization for the second quarter of 2016 and $905,000 of debt issuance cost amortization and $195,000 of debt discount amortization for the second quarter of 2015. Year-to-date amounts include $1,801,000 of debt issuance cost amortization and $594,000 of debt discount amortization for the six months ended June 30, 2016, and $1,822,000 of debt issuance cost amortization and $392,000 of debt discount amortization for the six months ended June 30, 2015.

## FINANCIAL HIGHLIGHTS (CONTINUED)

*Dollars in thousands, except per share data*

| | As of | |
|---|---|---|
| | June 30, 2016 | December 31, 2015 |
| Gross Assets | $ 8,516,015 | $ 8,346,994 |
| Gross Real Estate Assets | $ 8,432,703 | $ 8,255,138 |
| Total debt | $ 3,489,425 | $ 3,427,568 |
| Common shares and units, outstanding end of period | 79,683,089 | 79,571,567 |
| Share price, end of period | $ 106.40 | $ 90.81 |
| Book equity value, end of period | $ 3,129,688 | $ 3,166,073 |
| Market equity value, end of period | $ 8,478,281 | $ 7,225,894 |
| Debt to Total Market Capitalization ratio | 29.2% | 32.2% |
| Net Debt/Gross Assets | 40.7% | 40.6% |
| Unencumbered Assets/Gross Real Estate Assets | 74.2% | 72.8% |
| Recurring EBITDA[(1)]/Debt Service[(2)] | 4.11x | 4.13x |
| Fixed Charge Coverage [(3)] | 4.32x | 4.36x |
| Net Debt/Recurring EBITDA [(4)] | 5.73x | 5.79x |

(1) Recurring EBITDA in this calculation represents the three month period ended for each period presented.

(2) Debt Service represents interest expense adjusted for mark-to-market debt adjustments plus amortization of principal on notes payable.

(3) Fixed charge coverage represents Recurring EBITDA for the three month period divided by interest expense adjusted for mark-to-market debt adjustment and any preferred dividends. As of June 30, 2016 and December 31, 2015, interest expense included debt issuance costs of $904,000 and $872,000, respectively.

(4) Recurring EBITDA in this calculation represents the trailing twelve month time-frame for each period presented.

## CONSOLIDATED STATEMENTS OF OPERATIONS

*Dollars in thousands, except per share data*

| | Three months ended June 30, 2016 | Three months ended June 30, 2015 | Six months ended June 30, 2016 | Six months ended June 30, 2015 |
|---|---|---|---|---|
| Operating revenues: | | | | |
| Rental revenues | $ 249,326 | $ 236,165 | $ 494,991 | $ 471,106 |
| Other property revenues | 22,910 | 22,726 | 46,261 | 46,337 |
| Total operating revenues | 272,236 | 258,891 | 541,252 | 517,443 |
| Property operating expenses: | | | | |
| Personnel | 25,858 | 25,872 | 51,055 | 51,533 |
| Building repairs and maintenance | 7,680 | 7,778 | 13,779 | 14,403 |
| Real estate taxes and insurance | 34,729 | 32,805 | 69,900 | 66,126 |
| Utilities | 22,244 | 21,596 | 44,380 | 43,673 |
| Landscaping | 5,673 | 5,687 | 10,994 | 11,132 |
| Other Operating | 6,771 | 7,118 | 13,728 | 14,638 |
| Depreciation and amortization | 75,742 | 74,396 | 150,870 | 147,508 |
| Total property operating expenses | 178,697 | 175,252 | 354,706 | 349,013 |
| Acquisition expense | 421 | 1,159 | 1,134 | 1,499 |
| Property management expenses | 8,310 | 6,986 | 17,313 | 15,478 |
| General and administrative expenses | 7,014 | 6,657 | 13,596 | 13,224 |
| Income from continuing operations before non-operating items | 77,794 | 68,837 | 154,503 | 138,229 |
| Interest and other non-property income (expense) | 62 | 29 | 94 | (180) |
| Interest expense | (32,039) | (30,433) | (64,250) | (61,281) |
| (Loss) gain on debt extinguishment | — | (3) | 3 | (3,379) |
| Net casualty gain after insurance and other settlement proceeds | 1,760 | 510 | 813 | 490 |
| Gain on sale of depreciable real estate assets | 68 | 105,182 | 823 | 135,410 |
| Gain on sale of non-depreciable real estate assets | 543 | 172 | 2,170 | 172 |
| Income before income tax expense | 48,188 | 144,294 | 94,156 | 209,461 |
| Income tax expense | (457) | (398) | (745) | (907) |
| Income from continuing operations before joint venture activity | 47,731 | 143,896 | 93,411 | 208,554 |
| (Loss) gain from real estate joint ventures | (101) | (23) | 27 | (4) |
| Consolidated net income | 47,630 | 143,873 | 93,438 | 208,550 |
| Net income attributable to noncontrolling interests | 2,486 | 7,574 | 4,881 | 10,984 |
| Net income available for MAA common shareholders | $ 45,144 | $ 136,299 | $ 88,557 | $ 197,566 |
| Earnings per common share - basic: | | | | |
| Net income available for common shareholders | $ 0.60 | $ 1.81 | $ 1.17 | $ 2.62 |
| Earnings per common share - diluted: | | | | |
| Net income available for common shareholders | $ 0.60 | $ 1.81 | $ 1.17 | $ 2.62 |
| Dividends declared per common share | $ 0.82 | $ 0.77 | $ 1.64 | $ 1.54 |

## SHARE AND UNIT DATA

*Shares and units in thousands*

| | Three months ended June 30, | | Six months ended June 30, | |
|---|---|---|---|---|
| | 2016 | 2015 | 2016 | 2015 |
| **NET INCOME SHARES** [(1)] | | | | |
| Weighted average common shares - Basic | 75,277 | 75,168 | 75,263 | 75,157 |
| Weighted average partnership units outstanding | — | — | — | — |
| Effect of dilutive securities | — | — | 239 | — |
| Weighted average common shares - Diluted | 75,277 | 75,168 | 75,502 | 75,157 |
| **FUNDS FROM OPERATIONS SHARES AND UNITS** | | | | |
| Weighted average common shares and units - Basic | 79,436 | 79,356 | 79,424 | 79,346 |
| Weighted average common shares and units - Diluted | 79,684 | 79,554 | 79,649 | 79,530 |
| **PERIOD END SHARES AND UNITS** | | | | |
| Common shares at June 30, | 75,524 | 75,375 | 75,524 | 75,375 |
| Partnership units at June 30, | 4,159 | 4,186 | 4,159 | 4,186 |
| Total shares and units at June 30, | 79,683 | 79,561 | 79,683 | 79,561 |

(1) For additional information on the calculation of diluted common shares and earnings per common share, please refer to the Notes to Condensed Consolidated Financial Statements in MAA's Quarterly Report on Form 10-Q for the three and six months ended June 30, 2016, expected to be filed with the SEC on or about July 29, 2016.

## CONSOLIDATED BALANCE SHEETS

*Dollars in thousands*

| | June 30, 2016 | December 31, 2015 |
|---|---|---|
| **Assets** | | |
| Real estate assets | | |
| Land | $ 943,179 | $ 926,532 |
| Buildings and improvements | 7,096,432 | 6,939,288 |
| Furniture, fixtures and equipment | 245,607 | 228,157 |
| Capital improvements in progress | 53,509 | 44,355 |
| | 8,338,727 | 8,138,332 |
| Accumulated depreciation | (1,628,891) | (1,482,368) |
| | 6,709,836 | 6,655,964 |
| Undeveloped land | 40,514 | 51,779 |
| Corporate property, net | 9,390 | 8,812 |
| Investments in real estate joint ventures | 50 | 1,811 |
| Real estate assets, net | 6,759,790 | 6,718,366 |
| Cash and cash equivalents | 26,279 | 37,559 |
| Restricted cash | 25,131 | 26,082 |
| Deferred financing cost, net | 4,587 | 5,232 |
| Other assets | 51,987 | 58,935 |
| Goodwill | 1,607 | 1,607 |
| Total assets | $ 6,869,381 | $ 6,847,781 |
| | | |
| **Liabilities and Shareholders' Equity** | | |
| Liabilities | | |
| Unsecured notes payable | $ 2,246,227 | $ 2,141,332 |
| Secured notes payable | 1,243,198 | 1,286,236 |
| Accounts payable | 7,464 | 5,922 |
| Fair market value of interest rate swaps | 11,760 | 10,358 |
| Accrued expenses and other liabilities | 218,658 | 226,237 |
| Security deposits | 12,386 | 11,623 |
| Total liabilities | 3,739,693 | 3,681,708 |
| Redeemable stock | 10,369 | 8,250 |
| Shareholders' equity | | |
| Common stock | 754 | 753 |
| Additional paid-in capital | 3,630,094 | 3,627,074 |
| Accumulated distributions in excess of net income | (670,954) | (634,141) |
| Accumulated other comprehensive loss | (4,150) | (1,589) |
| Total MAA shareholders' equity | 2,955,744 | 2,992,097 |
| Noncontrolling interest | 163,575 | 165,726 |
| Total equity | 3,119,319 | 3,157,823 |
| Total liabilities and shareholders' equity | $ 6,869,381 | $ 6,847,781 |

## RECONCILATION OF FFO, CORE FFO, CORE AFFO AND FAD TO NET INCOME

*Amounts in thousands, except per share data*

| | Three months ended June 30, | | Six months ended June 30, | |
|---|---|---|---|---|
| | **2016** | **2015** | **2016** | **2015** |
| Net income available for MAA common shareholders | $ 45,144 | $ 136,299 | $ 88,557 | $ 197,566 |
| Depreciation and amortization of real estate assets | 74,901 | 73,663 | 149,223 | 146,116 |
| Gain on sale of depreciable real estate assets | (68) | (105,182) | (823) | (135,410) |
| Loss (gain) on disposition within unconsolidated entities | 98 | — | 98 | (12) |
| Depreciation and amortization of real estate assets of real estate joint ventures | 5 | 6 | 11 | 13 |
| Net income attributable to noncontrolling interests | 2,486 | 7,574 | 4,881 | 10,984 |
| Funds from operations attributable to the Company | 122,566 | 112,360 | 241,947 | 219,257 |
| Acquisition expense | 421 | 1,159 | 1,134 | 1,499 |
| Gain on sale of non-depreciable real estate assets | (544) | (172) | (2,300) | (172) |
| Mark-to-market debt adjustment | (3,641) | (5,337) | (7,492) | (10,731) |
| Loss (gain) on debt extinguishment | — | 3 | (3) | 3,379 |
| Core funds from operations attributable to the Company | 118,802 | 108,013 | 233,286 | 213,232 |
| Recurring capital expenditures | (18,906) | (21,899) | (28,432) | (32,496) |
| Core adjusted funds from operations | 99,896 | 86,114 | 204,854 | 180,736 |
| Redevelopment and revenue enhancing capital expenditures | (17,770) | (15,489) | (30,832) | (25,138) |
| Other capital expenditures | (3,881) | (1,159) | (6,160) | (5,430) |
| Funds available for distribution | $ 78,245 | $ 69,466 | $ 167,862 | $ 150,168 |
| | | | | |
| Dividends and distributions paid | $ 65,327 | $ 61,106 | $ 130,597 | $ 122,169 |
| Weighted average common shares - Diluted | 75,277 | 75,168 | 75,502 | 75,157 |
| Weighted average common shares and units - Diluted | 79,684 | 79,554 | 79,649 | 79,530 |
| | | | | |
| Earnings per common share - diluted: | | | | |
| Net income available for common shareholders | $ 0.60 | $ 1.81 | $ 1.17 | $ 2.62 |
| | | | | |
| Funds from operations per Share | $ 1.54 | $ 1.41 | $ 3.04 | $ 2.76 |
| Core funds from operations per Share | $ 1.49 | $ 1.36 | $ 2.93 | $ 2.68 |
| Core adjusted funds from operations per Share | $ 1.25 | $ 1.08 | $ 2.57 | $ 2.27 |
| Funds available for distribution per Share | $ 0.98 | $ 0.87 | $ 2.11 | $ 1.89 |

## RECONCILIATION OF NET OPERATING INCOME TO NET INCOME

*Dollars in thousands*

| | Three Months Ended | | | Six Months Ended | |
|---|---|---|---|---|---|
| | June 30, 2016 | March 31, 2016 | June 30, 2015 | June 30, 2016 | June 30, 2015 |
| NOI | | | | | |
| Same Store NOI | $ 152,142 | $ 151,252 | $ 143,904 | $ 303,394 | $ 285,183 |
| Non-Same Store NOI | 17,139 | 16,883 | 14,131 | 34,022 | 30,755 |
| Total NOI | 169,281 | 168,135 | 158,035 | 337,416 | 315,938 |
| Depreciation and amortization | (75,742) | (75,127) | (74,396) | (150,870) | (147,508) |
| Acquisition expense | (421) | (713) | (1,159) | (1,134) | (1,499) |
| Property management expenses | (8,310) | (9,004) | (6,986) | (17,313) | (15,478) |
| General and administrative expenses | (7,014) | (6,582) | (6,657) | (13,596) | (13,224) |
| Interest and other non-property income (expense) | 62 | 32 | 29 | 94 | (180) |
| Interest expense | (32,039) | (32,211) | (30,433) | (64,250) | (61,281) |
| Gain (loss) on debt extinguishment | — | 3 | (3) | 3 | (3,379) |
| Gain on sale of depreciable real estate assets | 68 | 755 | 105,182 | 823 | 135,410 |
| Net casualty gain (loss) and other settlement proceeds | 1,760 | (947) | 510 | 813 | 490 |
| Income tax expense | (457) | (288) | (398) | (745) | (907) |
| Gain on sale of non-depreciable real estate assets | 543 | 1,627 | 172 | 2,170 | 172 |
| (Loss) gain from real estate joint ventures | (101) | 128 | (23) | 27 | (4) |
| Net income attributable to noncontrolling interests | (2,486) | (2,395) | (7,574) | (4,881) | (10,984) |
| Net income available for MAA common shareholders | $ 45,144 | $ 43,413 | $ 136,299 | $ 88,557 | $ 197,566 |

## RECONCILIATION OF EBITDA AND RECURRING EBITDA TO NET INCOME

*Dollars in thousands*

| | Three Months Ended June 30, 2016 | Three Months Ended June 30, 2015 | Twelve Months Ended June 30, 2016 | Twelve Months Ended June 30, 2015 |
|---|---|---|---|---|
| Consolidated net income | $ 47,630 | $ 143,873 | $ 235,634 | $ 315,727 |
| Depreciation and amortization | 75,742 | 74,396 | 297,881 | 289,675 |
| Interest expense | 32,039 | 30,433 | 125,313 | 121,910 |
| Loss on debt extinguishment | — | 3 | 220 | 5,965 |
| Net casualty gain and other settlement proceeds | (1,760) | (510) | (795) | (323) |
| Income tax expense | 457 | 398 | 1,512 | 2,165 |
| (Gain) loss on sale of non-depreciable assets | (543) | (172) | (2,170) | 13 |
| Gain on sale of depreciable real estate assets | (68) | (105,182) | (55,372) | (171,750) |
| Loss (gain) on disposition within unconsolidated entities | 101 | — | (28) | (605) |
| EBITDA | 153,598 | 143,239 | 602,195 | 562,777 |
| Acquisition expense | 421 | 1,159 | 2,412 | 2,928 |
| Merger related expenses | — | — | — | 281 |
| Integration related expenses | — | — | — | 1,402 |
| Recurring EBITDA | $ 154,019 | $ 144,398 | $ 604,607 | $ 567,388 |

## RECONCILIATION OF NET DEBT TO UNSECURED NOTES PAYABLE AND SECURED NOTES PAYABLE

*Dollars in thousands*

| | As of | | |
|---|---|---|---|
| | June 30, 2016 | December 31, 2015 | June 30, 2015 |
| Unsecured notes payable | $ 2,246,227 | $ 2,141,332 | $ 1,413,793 |
| Secured notes payable | 1,243,198 | 1,286,236 | 2,028,451 |
| Total debt | 3,489,425 | 3,427,568 | 3,442,244 |
| Cash and cash equivalents | (26,279) | (37,559) | (30,030) |
| Net Debt | $ 3,463,146 | $ 3,390,009 | $ 3,412,214 |

## RECONCILIATION OF GROSS ASSETS TO TOTAL ASSETS

*Dollars in thousands*

| | As of | | |
|---|---|---|---|
| | June 30, 2016 | December 31, 2015 | June 30, 2015 |
| Total assets | $ 6,869,381 | $ 6,847,781 | $ 6,843,413 |
| Accumulated depreciation | 1,628,891 | 1,482,368 | 1,338,726 |
| Accumulated depreciation for corporate property[1] | 17,743 | 16,845 | 16,022 |
| Accumulated depreciation for Assets held for sale | — | — | 45,484 |
| Gross Assets | $ 8,516,015 | $ 8,346,994 | $ 8,243,645 |

[1] Included in Corporate properties, net on the Consolidated Balance Sheets

## RECONCILIATION OF GROSS REAL ESTATE ASSETS TO REAL ESTATE ASSETS, NET

*Dollars in thousands*

| | As of | | |
|---|---|---|---|
| | June 30, 2016 | December 31, 2015 | June 30, 2015 |
| Real estate assets, net | $ 6,759,790 | $ 6,718,366 | $ 6,683,457 |
| Accumulated depreciation | 1,628,891 | 1,482,368 | 1,338,726 |
| Accumulated depreciation for corporate property[1] | 17,743 | 16,845 | 16,022 |
| Assets held for sale | — | — | (64,265) |
| Cash and cash equivalents | 26,279 | 37,559 | 30,030 |
| Gross Real Estate Assets | $ 8,432,703 | $ 8,255,138 | $ 8,003,970 |

[1] Included in Corporate properties, net on the Consolidated Balance Sheets

## NON-GAAP FINANCIAL MEASURES

**Core Adjusted Funds From Operations (Core AFFO)**

Core AFFO is composed of Core FFO less recurring capital expenditures. Core AFFO should not be considered as an alternative to net income. As an owner and operator of real estate, MAA considers Core AFFO to be an important measure of performance from core operations because Core AFFO measures the ability to control revenues, expenses and recurring capital expenditures.

**Core Funds From Operations (Core FFO)**

Core FFO represents FFO excluding certain non-cash or non-routine items such as acquisition, merger and integration expenses, mark-to-market debt adjustments, loss or gain on debt extinguishment, and loss or gain on sale of non-depreciable assets. While MAA's definition of Core FFO is similar to others in the industry, MAA's precise methodology for calculating Core FFO may differ from that utilized by other REITs and, accordingly, may not be comparable to such other REITs. Core FFO should not be considered as an alternative to net income. MAA believes that Core FFO is helpful in understanding operating performance in that it removes certain items that by their nature are not comparable over periods and therefore tend to obscure actual operating performance.

**EBITDA**

For purposes of calculations in this document, Earnings Before Interest, Income Taxes, Depreciation and Amortization, or EBITDA, is composed of net income before net gain on asset sales and insurance and other settlement proceeds, and gain or loss on debt extinguishment, plus depreciation, interest expense, income taxes, and amortization of deferred financing costs. As an owner and operator of real estate, MAA considers EBITDA to be an important measure of performance from core operations because EBITDA does not include various income and expense items that are not indicative of operating performance. EBITDA should not be considered as an alternative to net income as an indicator of financial performance. MAA's computation of EBITDA may differ from the methodology utilized by other companies to calculate EBITDA.

**Funds Available for Distribution (FAD)**

FAD is composed of Core FFO less total capital expenditures, excluding development spending and property acquisitions. FAD should not be considered as an alternative to net income. As an owner and operator of real estate, MAA considers FAD to be an important measure of performance from core operations because FAD measures the ability to control revenues, expenses and total capital expenditures.

**Funds From Operations (FFO)**

FFO represents net income available for common shareholders (computed in accordance with U.S. generally accepted accounting principles, or GAAP) excluding extraordinary items, asset impairment, gains or losses on disposition of real estate assets, plus net income attributable to noncontrolling interest, depreciation of real estate, and adjustments for joint ventures to reflect FFO on the same basis. Because noncontrolling interest is added back, FFO, when used in this document, represents FFO attributable to the Company. While MAA's definition of FFO is in accordance with the National Association of Real Estate Investment Trusts' definition, it may differ from the methodology for calculating FFO utilized by other REITs and, accordingly, may not be comparable to such other REITs. FFO should not be considered as an alternative to net income as an indicator of operating performance. MAA believes that FFO is helpful in understanding operating performance in that FFO excludes depreciation expense of real estate assets. MAA believes that GAAP historical cost depreciation of real estate assets is generally not correlated with changes in the value of those assets, whose value does not diminish predictably over time, as historical cost depreciation implies.

**Gross Assets**

Gross Assets represents Total assets plus Accumulated depreciation and the accumulated depreciation for corporate properties. MAA believes that Gross Assets can be used as a helpful tool in evaluating its balance sheet positions. MAA believes that GAAP historical cost depreciation of real estate assets is generally not correlated with changes in the value of those assets, whose value does not diminish predictably over time, as historical cost depreciation implies.

**Gross Real Estate Assets**

Gross Real Estate Assets represents Real estate assets, net plus Accumulated depreciation and the accumulated depreciation for corporate properties plus Cash and cash equivalents. MAA believes that Gross Real Estate Assets can be used as a helpful tool in evaluating its balance sheet positions. MAA believes that GAAP historical cost depreciation of real estate assets is generally not correlated with changes in the value of those assets, whose value does not diminish predictably over time, as historical cost depreciation implies.

## NON-GAAP FINANCIAL MEASURES (CONTINUED)

**Net Debt**

Net Debt represents Unsecured notes payable and Secured notes payable less Cash and cash equivalents. MAA believes Net Debt is a helpful tool in evaluating its debt position.

**Net Operating Income (NOI)**

Net operating income represents total property revenues less total property operating expenses, excluding depreciation, for all properties held during the period, regardless of their status as held for sale. MAA believes NOI by market is a helpful tool in evaluating the operating performance within MAA's markets because it measures the core operations of property performance by excluding corporate level expenses and other items not related to property operating performance.

**Recurring EBITDA**

Recurring EBITDA represents EBITDA excluding certain non-cash or non-routine items such as acquisition and merger and integration expenses. MAA believes Recurring EBITDA is an important performance measure as it adjusts for certain items that by their nature are not comparable over periods and therefore tend to obscure actual operating performance. Recurring EBITDA should not be considered as an alternative to net income as an indicator of operating performance. MAA's computation of Recurring EBITDA may differ from the methodology utilized by other companies to calculate Recurring EBITDA.

**Same Store NOI**

Same Store NOI represents total property revenues less total property operating expenses, excluding depreciation, for all properties classified as Same Store held during the period. MAA believes Same Store NOI by portfolio is a helpful tool in evaluating the operating performance within MAA's markets because it measures the core operations of property performance by excluding corporate level expenses and other items not related to property operating performance.

## OTHER KEY DEFINITIONS

**Average Effective Rent per Unit**

Average effective rent per unit represents the average of gross rent amounts after the effect of leasing concessions for occupied units plus prevalent market rates asked for unoccupied units, divided by the total number of units. Leasing concessions represent discounts to the current market rate. MAA believes average effective rent is a helpful measurement in evaluating average pricing. It does not represent actual rental revenue collected per unit.

**Average Physical Occupancy**

Average physical occupancy represents the average of the daily physical occupancy for the quarter.

**Development Portfolio**

Communities remain identified as development until certificates of occupancy are obtained for all units under development. Once all units are delivered and available for occupancy, the community moves into the Lease-up Portfolio.

**Lease-up Portfolio**

New acquisitions acquired during lease-up and newly developed communities remain in the Lease-up Portfolio until stabilized.

**Other Non-Same Store Portfolio**

Other Non-Same Store Portfolio includes recent acquisitions, communities in development or lease-up, communities that have undergone a significant casualty loss, and commercial assets.

**Same Store Portfolio**

MAA reviews its Same Store Portfolio at the beginning of each calendar year, or as significant transactions warrant. Communities are generally added into the Same Store Portfolio if they were owned and stabilized at the beginning of the previous year. Communities that have been approved by MAA's Board of Directors for disposition are excluded from the Same Store Portfolio. Communities that have undergone a significant casualty loss are also excluded from the Same Store Portfolio. Within the Same Store Portfolio communities are designated as operating in Large or Secondary Markets:

*Large Market Same Store* communities are generally those communities in markets with a population of at least one million and at least 1% of the total public multifamily REIT units.

*Secondary Market Same Store* communities are generally those communities in markets with either a population less than one million or less than 1% of the total public multifamily REIT units, or both.

**Stabilized Communities**

Communities are considered stabilized after achieving 90% occupancy for 90 days.

**Total Market Capitalization**

Total Market Capitalization equals the number of shares of common stock and units at period end multiplied by the closing stock price at period end, plus total debt outstanding.

CONTACT: Investor Relations of MAA, 866-576-9689 (toll free), investor.relations@maac.com

## PORTFOLIO STATISTICS

### TOTAL MULTIFAMILY PORTFOLIO AT JUNE 30, 2016 (In apartment units)

| | Same Store | Non Same Store | In Lease-Up | Total for Completed Communities | Current Development Units Delivered | Total |
|---|---|---|---|---|---|---|
| Atlanta, GA | 6,074 | 3 | — | 6,077 | — | 6,077 |
| Austin, TX | 5,838 | — | — | 5,838 | — | 5,838 |
| Dallas, TX | 4,743 | 554 | 318 | 5,615 | — | 5,615 |
| Charlotte, NC | 4,401 | 600 | — | 5,001 | — | 5,001 |
| Raleigh/Durham, NC | 4,397 | 266 | — | 4,663 | — | 4,663 |
| Fort Worth, TX | 4,093 | 426 | — | 4,519 | — | 4,519 |
| Nashville, TN | 3,207 | 569 | — | 3,776 | — | 3,776 |
| Orlando, FL | 3,190 | 462 | — | 3,652 | 10 | 3,662 |
| Houston, TX | 3,232 | — | — | 3,232 | — | 3,232 |
| Tampa, FL | 2,878 | — | — | 2,878 | — | 2,878 |
| Phoenix, AZ | 1,976 | 325 | 322 | 2,623 | — | 2,623 |
| Las Vegas, NV | 721 | — | — | 721 | — | 721 |
| South Florida | 480 | — | — | 480 | — | 480 |
| **Large Markets** | **45,230** | **3,205** | **640** | **49,075** | **10** | **49,085** |
| | | | | | | |
| Jacksonville, FL | 3,202 | 294 | — | 3,496 | — | 3,496 |
| Charleston, SC | 2,648 | — | — | 2,648 | 72 | 2,720 |
| Savannah, GA | 2,219 | — | — | 2,219 | — | 2,219 |
| Richmond, VA | 1,668 | 254 | — | 1,922 | — | 1,922 |
| Memphis, TN | 1,811 | — | — | 1,811 | — | 1,811 |
| Greenville, SC | 1,748 | — | — | 1,748 | — | 1,748 |
| San Antonio, TX | 1,504 | — | — | 1,504 | — | 1,504 |
| Birmingham, AL | 1,462 | — | — | 1,462 | — | 1,462 |
| Fredericksburg, VA | 741 | 574 | 120 | 1,435 | — | 1,435 |
| Huntsville, AL | 1,228 | 152 | — | 1,380 | — | 1,380 |
| Little Rock, AR | 1,368 | — | — | 1,368 | — | 1,368 |
| Jackson, MS | 1,241 | — | — | 1,241 | — | 1,241 |
| Lexington, KY | 924 | — | — | 924 | — | 924 |
| Other | 5,335 | 2,650 | — | 7,985 | — | 7,985 |
| **Secondary Markets** | **27,099** | **3,924** | **120** | **31,143** | **72** | **31,215** |
| **Total Multifamily Units** | **72,329** | **7,129** | **760** | **80,218** | **82** | **80,300** |

## PORTFOLIO STATISTICS (CONTINUED)

### TOTAL MULTIFAMILY COMMUNITY STATISTICS

*Dollars in thousands, except Average Effective Rent*

| | | As of June 30, 2016 | | | Average Effective Rent for the Three Months Ended June 30, 2016 | As of June 30, 2016 | |
|---|---|---|---|---|---|---|---|
| | | Gross Real Assets | Percent to Total of Gross Real Assets | Physical Occupancy | | Completed Units | Total Units, Including Development |
| Atlanta, GA | | $ 671,322 | 8.1% | 96.6% | $ 1,123 | 6,077 | |
| Charlotte, NC | | $ 613,195 | 7.4% | 96.3% | $ 1,020 | 5,001 | |
| Austin, TX | | $ 585,234 | 7.1% | 96.0% | $ 1,085 | 5,838 | |
| Raleigh/Durham, NC | | $ 551,265 | 6.6% | 96.1% | $ 973 | 4,663 | |
| Dallas, TX | | $ 550,565 | 6.6% | 96.2% | $ 1,116 | 5,297 | |
| Orlando, FL | | $ 481,869 | 5.8% | 96.5% | $ 1,194 | 3,652 | |
| Fort Worth, TX | | $ 387,152 | 4.7% | 96.3% | $ 1,014 | 4,519 | |
| Nashville, TN | | $ 380,989 | 4.6% | 96.9% | $ 1,126 | 3,776 | |
| Tampa, FL | | $ 307,576 | 3.7% | 96.1% | $ 1,124 | 2,878 | |
| Phoenix, AZ | | $ 294,402 | 3.6% | 96.2% | $ 1,012 | 2,301 | |
| Houston, TX | | $ 283,228 | 3.4% | 95.9% | $ 1,050 | 3,232 | |
| Las Vegas, NV | | $ 66,572 | 0.8% | 98.1% | $ 855 | 721 | |
| South Florida | | $ 58,994 | 0.7% | 94.8% | $ 1,555 | 480 | |
| **Large Markets** | | **$ 5,232,363** | **63.1%** | **96.3%** | **$ 1,078** | **48,435** | |
| Jacksonville, FL | | $ 292,835 | 3.5% | 97.3% | $ 999 | 3,496 | |
| Charleston, SC | | $ 266,692 | 3.2% | 97.5% | $ 1,070 | 2,648 | |
| Richmond, VA | | $ 233,262 | 2.8% | 97.0% | $ 1,010 | 1,922 | |
| Savannah, GA | | $ 227,436 | 2.7% | 96.8% | $ 987 | 2,219 | |
| Fredericksburg, VA | | $ 218,031 | 2.6% | 96.7% | $ 1,290 | 1,315 | |
| San Antonio, TX | | $ 157,559 | 1.9% | 96.1% | $ 1,056 | 1,504 | |
| Kansas City, MO | | $ 153,608 | 1.9% | 96.9% | $ 1,173 | 956 | |
| Birmingham, AL | | $ 147,930 | 1.8% | 95.9% | $ 945 | 1,462 | |
| Norfolk, Hampton, VA Beach, VA | | $ 141,939 | 1.7% | 97.0% | $ 1,029 | 1,285 | |
| Memphis, TN | | $ 126,244 | 1.5% | 96.5% | $ 877 | 1,811 | |
| Huntsville, AL | | $ 115,760 | 1.4% | 97.0% | $ 758 | 1,380 | |
| Little Rock, AR | | $ 115,355 | 1.4% | 97.0% | $ 878 | 1,368 | |
| Greenville, SC | | $ 97,384 | 1.2% | 97.3% | $ 779 | 1,748 | |
| All Other Secondary Markets by State (individual markets <1% gross real assets) | | | | | | | |
| Florida | | $ 143,131 | 1.7% | 96.9% | $ 998 | 1,790 | |
| Kentucky | | $ 92,072 | 1.1% | 98.0% | $ 833 | 1,308 | |
| Mississippi | | $ 73,156 | 0.9% | 97.1% | $ 861 | 1,241 | |
| North Carolina | | $ 71,768 | 0.9% | 96.8% | $ 698 | 1,172 | |
| Alabama | | $ 60,213 | 0.7% | 98.4% | $ 939 | 628 | |
| Tennessee | | $ 48,621 | 0.6% | 97.2% | $ 801 | 943 | |
| Virginia | | $ 48,084 | 0.6% | 97.6% | $ 1,392 | 251 | |
| South Carolina | | $ 36,536 | 0.4% | 95.0% | $ 782 | 576 | |
| **Secondary Markets** | | **$ 2,867,616** | **34.5%** | **97.0%** | **$ 956** | **31,023** | |
| | **Subtotal** | **$ 8,099,979** | **97.6%** | **96.6%** | **$ 1,031** | **79,458** | |
| Dallas, TX | Large | $ 58,777 | 0.7% | 92.8% | $ 1,367 | 318 | 318 |
| Orlando, FL | Large | $ 21,865 | 0.3% | 78.0% | $ 1,282 | 10 | 314 |
| Phoenix, AZ | Large | $ 68,929 | 0.8% | 75.8% | $ 1,280 | 322 | 322 |
| Fredericksburg, VA | Secondary | $ 19,628 | 0.2% | 99.2% | $ 1,186 | 120 | 120 |
| Charleston, SC | Secondary | $ 13,595 | 0.2% | 34.6% | $ 1,671 | 72 | 78 |
| Richmond, VA | Secondary | $ 7,215 | 0.1% | 0.0% | $ — | — | 82 |
| Kansas City, MO | Secondary | $ 6,723 | 0.1% | 0.0% | $ — | — | 154 |
| **Lease-up and Development** | | **$ 196,732** | **2.4%** | **82.0%** | **$ 1,333** | **842** | **1,388** |
| **Total Wholly Owned Multifamily Communities** | | **$ 8,296,711** | **100.0%** | **96.4%** | **$ 1,034** | **80,300** | **80,846** |

## COMPONENTS OF PROPERTY NET OPERATING INCOME

*Dollars in thousands*

| | Apartment Units | Gross Real Assets | Three Months Ended June 30, 2016 | Three Months Ended June 30, 2015 | Percent Change |
|---|---|---|---|---|---|
| **Property Revenue** | | | | | |
| Same Store Communities | 72,329 | $ 7,272,371 | $ 245,215 | $ 234,888 | 4.4% |
| Non-Same Store Communities | 7,129 | 827,608 | 24,655 | 21,815 | |
| Lease up/Development Communities | 842 | 196,732 | 1,760 | 6 | |
| **Total Multifamily Portfolio** | **80,300** | **$ 8,296,711** | **$ 271,630** | **$ 256,709** | |
| Commercial Property/Land | — | $ 30,681 | $ 606 | $ 2,182 | |
| **Total Property Revenue** | **80,300** | **$ 8,327,392** | **$ 272,236** | **$ 258,891** | |
| | | | | | |
| **Property Expenses** | | | | | |
| Same Store Communities | | | $ 93,073 | $ 90,984 | 2.3% |
| Non-Same Store Communities | | | 8,860 | 9,307 | |
| Lease up/Development Communities | | | 765 | (1) | |
| **Total Multifamily Portfolio** | | | **$ 102,698** | **$ 100,290** | |
| Commercial Property/Land | | | $ 257 | $ 566 | |
| **Total Property Expenses** | | | **$ 102,955** | **$ 100,856** | |
| | | | | | |
| **Property Net Operating Income** | | | | | |
| Same Store Communities | | | $ 152,142 | $ 143,904 | 5.7% |
| Non-Same Store Communities | | | 15,795 | 12,508 | |
| Lease up/Development Communities | | | 995 | 7 | |
| **Total Multifamily Portfolio** | | | **$ 168,932** | **$ 156,419** | |
| Commercial Property/Land | | | $ 349 | $ 1,616 | |
| **Total Property Net Operating Income** | | | **$ 169,281** | **$ 158,035** | 7.1% |

## COMPONENTS OF SAME STORE PROPERTY EXPENSES

*Dollars in thousands*

| | Three Months Ended June 30, 2016 | Three Months Ended June 30, 2015 | Three Months Ended Percent Increase/ (Decrease) | Six Months Ended June 30, 2016 | Six Months Ended June 30, 2015 | Six Months Ended Percent Increase/ (Decrease) |
|---|---|---|---|---|---|---|
| Personnel | $ 23,322 | $ 23,007 | 1.4 % | $ 46,136 | $ 45,289 | 1.9 % |
| Building Repair and Maintenance | 11,986 | 11,792 | 1.6 % | 22,311 | 22,169 | 0.6 % |
| Utilities | 19,977 | 19,416 | 2.9 % | 39,863 | 38,712 | 3.0 % |
| Marketing | 2,668 | 3,076 | (13.3)% | 5,212 | 6,018 | (13.4)% |
| Office Operations | 3,356 | 3,369 | (0.4)% | 6,867 | 6,783 | 1.2 % |
| Property Taxes | 28,780 | 27,358 | 5.2 % | 57,745 | 54,607 | 5.7 % |
| Insurance | 2,984 | 2,966 | 0.6 % | 6,001 | 5,872 | 2.2 % |
| **Total Property Expenses** | $ 93,073 | $ 90,984 | 2.3 % | $ 184,135 | $ 179,450 | 2.6 % |

## NOI CONTRIBUTION PERCENTAGE BY REGION

| | Apartment Units | Percent of Same Store NOI | Average Physical Occupancy | |
|---|---|---|---|---|
| | | | Three months ended June 30, 2016 | Three months ended June 30, 2015 |
| Atlanta, GA | 6,074 | 9.4 % | 96.2 % | 95.9 % |
| Austin, TX | 5,838 | 7.8 % | 95.8 % | 95.6 % |
| Dallas, TX | 4,743 | 6.8 % | 95.8 % | 96.0 % |
| Charlotte, NC | 4,401 | 6.7 % | 96.5 % | 96.8 % |
| Raleigh/Durham, NC | 4,397 | 6.1 % | 96.2 % | 96.1 % |
| Fort Worth, TX | 4,093 | 5.4 % | 96.0 % | 95.9 % |
| Orlando, FL | 3,190 | 5.2 % | 96.2 % | 96.8 % |
| Nashville, TN | 3,207 | 5.1 % | 96.6 % | 96.0 % |
| Tampa, FL | 2,878 | 4.3 % | 96.2 % | 96.4 % |
| Houston, TX | 3,232 | 4.0 % | 96.0 % | 96.1 % |
| Phoenix, AZ | 1,976 | 2.8 % | 97.0 % | 95.7 % |
| South Florida | 480 | 1.0 % | 95.5 % | 96.5 % |
| Las Vegas, NV | 721 | 0.9 % | 96.6 % | 95.3 % |
| **Large Markets** | **45,230** | **65.5%** | **96.2%** | **96.1%** |
| | | | | |
| Jacksonville, FL | 3,202 | 4.2 % | 96.6 % | 96.5 % |
| Charleston, SC | 2,648 | 4.0 % | 96.2 % | 96.6 % |
| Savannah, GA | 2,219 | 3.0 % | 96.7 % | 96.2 % |
| Richmond, VA | 1,668 | 2.4 % | 97.0 % | 96.3 % |
| Memphis, TN | 1,811 | 1.9 % | 96.5 % | 96.2 % |
| San Antonio, TX | 1,504 | 1.9 % | 95.9 % | 95.5 % |
| Greenville, SC | 1,748 | 1.8 % | 96.1 % | 96.0 % |
| Birmingham, AL | 1,462 | 1.7 % | 95.9 % | 96.3 % |
| Little Rock, AR | 1,368 | 1.6 % | 95.4 % | 94.7 % |
| Jackson, MS | 1,241 | 1.5 % | 96.6 % | 96.6 % |
| Fredericksburg, VA | 741 | 1.4 % | 97.3 % | 96.7 % |
| Huntsville, AL | 1,228 | 1.3 % | 96.5 % | 94.9 % |
| Lexington, KY | 924 | 1.0 % | 97.1 % | 97.1 % |
| Other | 5,335 | 6.8 % | 96.3 % | 96.7 % |
| **Secondary Markets** | **27,099** | **34.5%** | **96.4%** | **96.3%** |
| | | | | |
| **Total Same Store** | **72,329** | **100.0%** | **96.2%** | **96.2%** |

## MULTIFAMILY SAME STORE QUARTER OVER QUARTER COMPARISONS

*Dollars in thousands, except unit and per unit data*

| | Units | Revenues | | | Expenses | | | NOI | | | Effective Rent per Unit | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Q2 2016 | Q2 2015 | % Chg | Q2 2016 | Q2 2015 | % Chg | Q2 2016 | Q2 2015 | % Chg | Q2 2016 | Q2 2015 | % Chg |
| Atlanta, GA | 6,074 | $ 22,621 | $ 21,308 | 6.2 % | $ 8,375 | $ 8,281 | 1.1 % | $ 14,246 | $ 13,027 | 9.4 % | $ 1,123 | $ 1,057 | 6.2 % |
| Austin, TX | 5,838 | 20,810 | 19,705 | 5.6 % | 9,001 | 8,948 | 0.6 % | 11,809 | 10,757 | 9.8 % | 1,085 | 1,031 | 5.2 % |
| Dallas, TX | 4,743 | 17,458 | 16,601 | 5.2 % | 7,156 | 6,680 | 7.1 % | 10,302 | 9,921 | 3.8 % | 1,134 | 1,083 | 4.7 % |
| Charlotte, NC | 4,401 | 15,248 | 14,475 | 5.3 % | 5,011 | 4,939 | 1.5 % | 10,237 | 9,536 | 7.4 % | 1,047 | 987 | 6.1 % |
| Raleigh/Durham, NC | 4,397 | 14,214 | 13,837 | 2.7 % | 4,912 | 4,738 | 3.7 % | 9,302 | 9,099 | 2.2 % | 983 | 946 | 3.9 % |
| Fort Worth, TX | 4,093 | 13,997 | 13,065 | 7.1 % | 5,839 | 5,556 | 5.1 % | 8,158 | 7,509 | 8.6 % | 1,022 | 958 | 6.7 % |
| Orlando, FL | 3,190 | 12,411 | 11,569 | 7.3 % | 4,497 | 4,411 | 1.9 % | 7,914 | 7,158 | 10.6 % | 1,194 | 1,111 | 7.5 % |
| Nashville, TN | 3,207 | 11,677 | 11,168 | 4.6 % | 3,877 | 3,756 | 3.2 % | 7,800 | 7,412 | 5.2 % | 1,111 | 1,074 | 3.4 % |
| Tampa, FL | 2,878 | 10,624 | 10,079 | 5.4 % | 4,033 | 3,883 | 3.9 % | 6,591 | 6,196 | 6.4 % | 1,124 | 1,061 | 5.9 % |
| Houston, TX | 3,232 | 11,041 | 11,023 | 0.2 % | 4,919 | 4,820 | 2.1 % | 6,122 | 6,203 | (1.3)% | 1,050 | 1,052 | (0.2)% |
| Phoenix, AZ | 1,976 | 6,421 | 6,003 | 7.0 % | 2,137 | 2,176 | (1.8)% | 4,284 | 3,827 | 11.9 % | 972 | 919 | 5.8 % |
| South Florida | 480 | 2,348 | 2,262 | 3.8 % | 869 | 847 | 2.6 % | 1,479 | 1,415 | 4.5 % | 1,555 | 1,491 | 4.3 % |
| Las Vegas, NV | 721 | 2,113 | 1,973 | 7.1 % | 738 | 708 | 4.2 % | 1,375 | 1,265 | 8.7 % | 855 | 808 | 5.8 % |
| **Large Markets** | **45,230** | **$ 160,983** | **$153,068** | **5.2%** | **$ 61,364** | **$ 59,743** | **2.7 %** | **$ 99,619** | **$ 93,325** | **6.7 %** | **$ 1,082** | **$ 1,029** | **5.2 %** |
| | | | | | | | | | | | | | |
| Jacksonville, FL | 3,202 | $ 9,925 | $ 9,463 | 4.9 % | $ 3,545 | $ 3,519 | 0.7 % | $ 6,380 | $ 5,944 | 7.3 % | $ 968 | $ 932 | 3.9 % |
| Charleston, SC | 2,648 | 9,360 | 9,025 | 3.7 % | 3,215 | 3,125 | 2.9 % | 6,145 | 5,900 | 4.2 % | 1,070 | 1,017 | 5.2 % |
| Savannah, GA | 2,219 | 7,302 | 7,157 | 2.0 % | 2,759 | 2,704 | 2.0 % | 4,543 | 4,453 | 2.0 % | 987 | 970 | 1.8 % |
| Richmond, VA | 1,668 | 5,362 | 5,220 | 2.7 % | 1,786 | 1,790 | (0.2)% | 3,576 | 3,430 | 4.3 % | 972 | 944 | 3.0 % |
| Memphis, TN | 1,811 | 5,193 | 5,008 | 3.7 % | 2,260 | 2,278 | (0.8)% | 2,933 | 2,730 | 7.4 % | 877 | 852 | 2.9 % |
| San Antonio, TX | 1,504 | 5,161 | 5,064 | 1.9 % | 2,255 | 2,205 | 2.3 % | 2,906 | 2,859 | 1.6 % | 1,056 | 1,046 | 1.0 % |
| Greenville, SC | 1,748 | 4,575 | 4,405 | 3.9 % | 1,827 | 1,808 | 1.1 % | 2,748 | 2,597 | 5.8 % | 779 | 755 | 3.2 % |
| Birmingham, AL | 1,462 | 4,637 | 4,608 | 0.6 % | 1,985 | 1,981 | 0.2 % | 2,652 | 2,627 | 1.0 % | 945 | 936 | 1.0 % |
| Little Rock, AR | 1,368 | 3,867 | 3,776 | 2.4 % | 1,472 | 1,418 | 3.8 % | 2,395 | 2,358 | 1.6 % | 878 | 876 | 0.2 % |
| Jackson, MS | 1,241 | 3,559 | 3,553 | 0.2 % | 1,345 | 1,332 | 1.0 % | 2,214 | 2,221 | (0.3)% | 861 | 843 | 2.1 % |
| Fredericksburg, VA | 741 | 2,961 | 2,838 | 4.3 % | 851 | 843 | 0.9 % | 2,110 | 1,995 | 5.8 % | 1,226 | 1,155 | 6.1 % |
| Huntsville, AL | 1,228 | 3,248 | 3,177 | 2.2 % | 1,290 | 1,227 | 5.1 % | 1,958 | 1,950 | 0.4 % | 772 | 765 | 0.9 % |
| Lexington, KY | 924 | 2,522 | 2,488 | 1.4 % | 927 | 939 | (1.3)% | 1,595 | 1,549 | 3.0 % | 845 | 830 | 1.8 % |
| Other | 5,335 | 16,560 | 16,038 | 3.3 % | 6,192 | 6,072 | 2.0 % | 10,368 | 9,966 | 4.0 % | 954 | 916 | 4.1 % |
| **Secondary Markets** | **27,099** | **$ 84,232** | **$ 81,820** | **2.9%** | **$ 31,709** | **$ 31,241** | **1.5 %** | **$ 52,523** | **$ 50,579** | **3.8 %** | **$ 947** | **$ 919** | **3.0 %** |
| | | | | | | | | | | | | | |
| **Total Same Store** | **72,329** | **$ 245,215** | **$234,888** | **4.4%** | **$ 93,073** | **$ 90,984** | **2.3 %** | **$152,142** | **$143,904** | **5.7 %** | **$ 1,031** | **$ 988** | **4.4 %** |

## MULTIFAMILY SAME STORE SEQUENTIAL QUARTER COMPARISONS

*Dollars in thousands, except unit and per unit data*

| | Units | Revenues | | | Expenses | | | NOI | | | Effective Rent per Unit | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Q2 2016 | Q1 2016 | % Chg | Q2 2016 | Q1 2016 | % Chg | Q2 2016 | Q1 2016 | % Chg | Q2 2016 | Q1 2016 | % Chg |
| Atlanta, GA | 6,074 | $ 22,621 | $ 22,313 | 1.4 % | $ 8,375 | $ 8,367 | 0.1 % | $ 14,246 | $ 13,946 | 2.2 % | $ 1,123 | $ 1,103 | 1.8 % |
| Austin, TX | 5,838 | 20,810 | 20,539 | 1.3 % | 9,001 | 9,377 | (4.0)% | 11,809 | 11,162 | 5.8 % | 1,085 | 1,068 | 1.6 % |
| Dallas, TX | 4,743 | 17,458 | 17,148 | 1.8 % | 7,156 | 7,266 | (1.5)% | 10,302 | 9,882 | 4.3 % | 1,134 | 1,116 | 1.6 % |
| Charlotte, NC | 4,401 | 15,248 | 14,985 | 1.8 % | 5,011 | 4,684 | 7.0 % | 10,237 | 10,301 | (0.6 )% | 1,047 | 1,028 | 1.8 % |
| Raleigh/Durham, NC | 4,397 | 14,214 | 14,098 | 0.8 % | 4,912 | 4,611 | 6.5 % | 9,302 | 9,487 | (2.0 )% | 983 | 968 | 1.5 % |
| Fort Worth, TX | 4,093 | 13,997 | 13,734 | 1.9 % | 5,839 | 5,767 | 1.2 % | 8,158 | 7,967 | 2.4 % | 1,022 | 1,003 | 1.9 % |
| Orlando, FL | 3,190 | 12,411 | 12,296 | 0.9 % | 4,497 | 4,347 | 3.5 % | 7,914 | 7,949 | (0.4 )% | 1,194 | 1,175 | 1.6 % |
| Nashville, TN | 3,207 | 11,677 | 11,355 | 2.8 % | 3,877 | 3,564 | 8.8 % | 7,800 | 7,791 | 0.1 % | 1,111 | 1,096 | 1.4 % |
| Tampa, FL | 2,878 | 10,624 | 10,463 | 1.5 % | 4,033 | 4,038 | (0.1)% | 6,591 | 6,425 | 2.6 % | 1,124 | 1,105 | 1.7 % |
| Houston, TX | 3,232 | 11,041 | 11,068 | (0.2)% | 4,919 | 5,039 | (2.4)% | 6,122 | 6,029 | 1.5 % | 1,050 | 1,052 | (0.2)% |
| Phoenix, AZ | 1,976 | 6,421 | 6,303 | 1.9 % | 2,137 | 2,056 | 3.9 % | 4,284 | 4,247 | 0.9 % | 972 | 958 | 1.5 % |
| South Florida | 480 | 2,348 | 2,334 | 0.6 % | 869 | 818 | 6.2 % | 1,479 | 1,516 | (2.4 )% | 1,555 | 1,543 | 0.8 % |
| Las Vegas, NV | 721 | 2,113 | 2,085 | 1.3 % | 738 | 708 | 4.2 % | 1,375 | 1,377 | (0.1 )% | 855 | 844 | 1.3 % |
| **Large Markets** | **45,230** | **$ 160,983** | **$ 158,721** | **1.4 %** | **$ 61,364** | **$ 60,642** | **1.2 %** | **$ 99,619** | **$ 98,079** | **1.6 %** | **$ 1,082** | **$ 1,066** | **1.5 %** |
| | | | | | | | | | | | | | |
| Jacksonville, FL | 3,202 | $ 9,925 | $ 9,792 | 1.4 % | $ 3,545 | $ 3,387 | 4.7 % | $ 6,380 | $ 6,405 | (0.4 )% | $ 968 | $ 957 | 1.1 % |
| Charleston, SC | 2,648 | 9,360 | 9,220 | 1.5 % | 3,215 | 3,090 | 4.0 % | 6,145 | 6,130 | 0.2 % | 1,070 | 1,055 | 1.4 % |
| Savannah, GA | 2,219 | 7,302 | 7,289 | 0.2 % | 2,759 | 2,506 | 10.1 % | 4,543 | 4,783 | (5.0 )% | 987 | 981 | 0.6 % |
| Richmond, VA | 1,668 | 5,362 | 5,321 | 0.8 % | 1,786 | 1,853 | (3.6)% | 3,576 | 3,468 | 3.1 % | 972 | 960 | 1.3 % |
| Memphis, TN | 1,811 | 5,193 | 5,146 | 0.9 % | 2,260 | 2,224 | 1.6 % | 2,933 | 2,922 | 0.4 % | 877 | 864 | 1.5 % |
| San Antonio, TX | 1,504 | 5,161 | 5,108 | 1.0 % | 2,255 | 2,200 | 2.5 % | 2,906 | 2,908 | (0.1 )% | 1,056 | 1,053 | 0.3 % |
| Greenville, SC | 1,748 | 4,575 | 4,531 | 1.0 % | 1,827 | 1,681 | 8.7 % | 2,748 | 2,850 | (3.6 )% | 779 | 771 | 1.0 % |
| Birmingham, AL | 1,462 | 4,637 | 4,646 | (0.2)% | 1,985 | 1,844 | 7.6 % | 2,652 | 2,802 | (5.4 )% | 945 | 938 | 0.7 % |
| Little Rock, AR | 1,368 | 3,867 | 3,848 | 0.5 % | 1,472 | 1,354 | 8.7 % | 2,395 | 2,494 | (4.0 )% | 878 | 875 | 0.3 % |
| Jackson, MS | 1,241 | 3,559 | 3,558 | 0.0 % | 1,345 | 1,303 | 3.2 % | 2,214 | 2,255 | (1.8 )% | 861 | 856 | 0.6 % |
| Fredericksburg, VA | 741 | 2,961 | 2,951 | 0.3 % | 851 | 923 | (7.8)% | 2,110 | 2,028 | 4.0 % | 1,226 | 1,206 | 1.7 % |
| Huntsville, AL | 1,228 | 3,248 | 3,246 | 0.1 % | 1,290 | 1,227 | 5.1 % | 1,958 | 2,019 | (3.0 )% | 772 | 765 | 0.9 % |
| Lexington, KY | 924 | 2,522 | 2,509 | 0.5 % | 927 | 865 | 7.2 % | 1,595 | 1,644 | (3.0 )% | 845 | 835 | 1.2 % |
| Other | 5,335 | 16,560 | 16,428 | 0.8 % | 6,192 | 5,963 | 3.8 % | 10,368 | 10,465 | (0.9 )% | 954 | 941 | 1.4 % |
| **Secondary Markets** | **27,099** | **$ 84,232** | **$ 83,593** | **0.8 %** | **$ 31,709** | **$ 30,420** | **4.2 %** | **$ 52,523** | **$ 53,173** | **(1.2)%** | **$ 947** | **$ 937** | **1.1 %** |
| | | | | | | | | | | | | | |
| **Total Same Store** | **72,329** | **$ 245,215** | **$ 242,314** | **1.2 %** | **$ 93,073** | **$ 91,062** | **2.2 %** | **$ 152,142** | **$ 151,252** | **0.6 %** | **$ 1,031** | **$ 1,017** | **1.4 %** |

## MULTIFAMILY SAME STORE YEAR TO DATE COMPARISONS AS OF JUNE 30, 2016

*Dollars in thousands, except unit and per unit data*

| | Units | Revenues | | | Expenses | | | NOI | | | Effective Rent per Unit | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | YTD 2016 | YTD 2015 | % Chg | YTD 2016 | YTD 2015 | % Chg | YTD 2016 | YTD 2015 | % Chg | YTD 2016 | YTD 2015 | % Chg |
| Atlanta, GA | 6,074 | $ 44,934 | $ 42,203 | 6.5 % | $ 16,742 | $ 16,588 | 0.9 % | $ 28,192 | $ 25,615 | 10.1 % | $ 1,113 | $ 1,046 | 6.4 % |
| Austin, TX | 5,838 | 41,349 | 38,992 | 6.0 % | 18,378 | 17,499 | 5.0 % | 22,971 | 21,493 | 6.9 % | 1,076 | 1,021 | 5.4 % |
| Dallas, TX | 4,743 | 34,606 | 32,996 | 4.9 % | 14,422 | 13,651 | 5.6 % | 20,184 | 19,345 | 4.3 % | 1,125 | 1,077 | 4.5 % |
| Charlotte, NC | 4,401 | 30,233 | 28,543 | 5.9 % | 9,695 | 9,599 | 1.0 % | 20,538 | 18,944 | 8.4 % | 1,038 | 978 | 6.1 % |
| Raleigh/Durham, NC | 4,397 | 28,312 | 27,288 | 3.8 % | 9,523 | 9,142 | 4.2 % | 18,789 | 18,146 | 3.5 % | 976 | 940 | 3.8 % |
| Fort Worth, TX | 4,093 | 27,731 | 25,826 | 7.4 % | 11,606 | 11,023 | 5.3 % | 16,125 | 14,803 | 8.9 % | 1,012 | 950 | 6.5 % |
| Orlando, FL | 3,190 | 24,707 | 22,867 | 8.0 % | 8,844 | 8,616 | 2.6 % | 15,863 | 14,251 | 11.3 % | 1,185 | 1,096 | 8.1 % |
| Nashville, TN | 3,207 | 23,032 | 21,893 | 5.2 % | 7,441 | 7,306 | 1.8 % | 15,591 | 14,587 | 6.9 % | 1,104 | 1,065 | 3.7 % |
| Tampa, FL | 2,878 | 21,087 | 20,047 | 5.2 % | 8,071 | 7,772 | 3.8 % | 13,016 | 12,275 | 6.0 % | 1,114 | 1,051 | 6.0 % |
| Houston, TX | 3,232 | 22,109 | 21,938 | 0.8 % | 9,958 | 9,635 | 3.4 % | 12,151 | 12,303 | (1.2)% | 1,051 | 1,046 | 0.5 % |
| Phoenix, AZ | 1,976 | 12,724 | 11,925 | 6.7 % | 4,193 | 4,310 | (2.7)% | 8,531 | 7,615 | 12.0 % | 965 | 912 | 5.8 % |
| South Florida | 480 | 4,682 | 4,489 | 4.3 % | 1,687 | 1,650 | 2.2 % | 2,995 | 2,839 | 5.5 % | 1,549 | 1,475 | 5.0 % |
| Las Vegas, NV | 721 | 4,198 | 3,887 | 8.0 % | 1,446 | 1,408 | 2.7 % | 2,752 | 2,479 | 11.0 % | 850 | 800 | 6.3 % |
| **Large Markets** | **45,230** | **$ 319,704** | **$ 302,894** | **5.5%** | **$ 122,006** | **$ 118,199** | **3.2 %** | **$ 197,698** | **$ 184,695** | **7.0 %** | **$ 1,074** | **$ 1,020** | **5.3%** |
| | | | | | | | | | | | | | |
| Jacksonville, FL | 3,202 | $ 19,717 | $ 18,817 | 4.8 % | $ 6,932 | $ 6,930 | 0.0 % | $ 12,785 | $ 11,887 | 7.6 % | $ 963 | $ 926 | 4.0 % |
| Charleston, SC | 2,648 | 18,580 | 17,720 | 4.9 % | 6,305 | 6,197 | 1.7 % | 12,275 | 11,523 | 6.5 % | 1,063 | 1,008 | 5.5 % |
| Savannah, GA | 2,219 | 14,591 | 14,078 | 3.6 % | 5,265 | 5,159 | 2.1 % | 9,326 | 8,919 | 4.6 % | 984 | 964 | 2.1 % |
| Richmond, VA | 1,668 | 10,683 | 10,336 | 3.4 % | 3,639 | 3,590 | 1.4 % | 7,044 | 6,746 | 4.4 % | 966 | 938 | 3.0 % |
| Memphis, TN | 1,811 | 10,339 | 9,851 | 5.0 % | 4,484 | 4,462 | 0.5 % | 5,855 | 5,389 | 8.6 % | 870 | 848 | 2.6 % |
| San Antonio, TX | 1,504 | 10,269 | 10,104 | 1.6 % | 4,455 | 4,391 | 1.5 % | 5,814 | 5,713 | 1.8 % | 1,054 | 1,040 | 1.3 % |
| Greenville, SC | 1,748 | 9,106 | 8,691 | 4.8 % | 3,508 | 3,458 | 1.4 % | 5,598 | 5,233 | 7.0 % | 775 | 749 | 3.5 % |
| Birmingham, AL | 1,462 | 9,283 | 9,102 | 2.0 % | 3,829 | 3,752 | 2.1 % | 5,454 | 5,350 | 1.9 % | 942 | 934 | 0.9 % |
| Little Rock, AR | 1,368 | 7,715 | 7,564 | 2.0 % | 2,826 | 2,794 | 1.1 % | 4,889 | 4,770 | 2.5 % | 877 | 876 | 0.1 % |
| Jackson, MS | 1,241 | 7,117 | 7,003 | 1.6 % | 2,648 | 2,613 | 1.3 % | 4,469 | 4,390 | 1.8 % | 859 | 841 | 2.1 % |
| Fredericksburg, VA | 741 | 5,912 | 5,671 | 4.2 % | 1,774 | 1,786 | (0.7)% | 4,138 | 3,885 | 6.5 % | 1,216 | 1,159 | 4.9 % |
| Huntsville, AL | 1,228 | 6,494 | 6,319 | 2.8 % | 2,517 | 2,420 | 4.0 % | 3,977 | 3,899 | 2.0 % | 768 | 760 | 1.1 % |
| Lexington, KY | 924 | 5,031 | 4,907 | 2.5 % | 1,792 | 1,824 | (1.8)% | 3,239 | 3,083 | 5.1 % | 840 | 822 | 2.2 % |
| Other | 5,335 | 32,988 | 31,576 | 4.5 % | 12,155 | 11,875 | 2.4 % | 20,833 | 19,701 | 5.7 % | 947 | 910 | 4.1 % |
| **Secondary Markets** | **27,099** | **$ 167,825** | **$ 161,739** | **3.8%** | **$ 62,129** | **$ 61,251** | **1.4 %** | **$ 105,696** | **$ 100,488** | **5.2 %** | **$ 942** | **$ 914** | **3.1%** |
| | | | | | | | | | | | | | |
| **Total Same Store** | **72,329** | **$ 487,529** | **$ 464,633** | **4.9%** | **$ 184,135** | **$ 179,450** | **2.6 %** | **$ 303,394** | **$ 285,183** | **6.4 %** | **$ 1,024** | **$ 980** | **4.5%** |

## MULTIFAMILY DEVELOPMENT PIPELINE

*Dollars in thousands*

| | | Units as of June 30, 2016 | | | | Projected | | | Development Costs | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Location | Total | Delivered | Leased | Start Date | Initial Occupancy Date | Completion Date | Stabilization Date[1] | Total Cost | Thru Q2 2016 | After |
| River's Walk Phase II | Charleston, South Carolina | 78 | 72 | 54 | 2Q15 | 2Q16 | 3Q16 | 4Q16 | $ 15,100 | $ 13,595 | $ 1,505 |
| Retreat at West Creek II | Richmond, Virginia | 82 | — | — | 4Q15 | 4Q16 | 2Q17 | 3Q17 | 15,100 | 7,215 | 7,885 |
| CG at Randal Lakes Phase II | Orlando, Florida | 314 | 10 | 48 | 2Q15 | 2Q16 | 2Q17 | 4Q17 | 41,300 | 21,865 | 19,435 |
| The Denton II | Kansas City, Missouri-Kansas MSA | 154 | — | — | 4Q15 | 2Q17 | 4Q17 | 3Q18 | 25,400 | 6,723 | 18,677 |
| **Total Active** | | **628** | **82** | **102** | | | | | **$ 96,900** | **$ 49,398** | **$ 47,502** |

## MULTIFAMILY LEASE-UP COMMUNITIES

| | | As of June 30, 2016 | | | |
|---|---|---|---|---|---|
| | MSA | Total Units | Percent Occupied | Construction Finished | Expected Stabilized[1] |
| Residences at Fountainhead | Tempe, Arizona | 322 | 75.8% | [2] | 1Q17 |
| Cityscape at Market Center II | Dallas, Texas | 318 | 92.8% | [2] | 3Q16 |
| Station Square at Cosner's Corner II | Fredericksburg, Virginia | 120 | 99.2% | 1Q16 | 3Q16 |
| **Total** | | **760** | **86.6%** | | |

[1] Communities are considered stabilized after achieving 90% occupancy for 90 days.
[2] Property was acquired while still in lease-up and construction was complete prior to acquisition by MAA.

## 2016 ACQUISITION ACTIVITY

*Dollars in thousands*

| Multifamily Acquisitions | Location | Apartment Units | Year Built | Closing Date | YTD NOI |
|---|---|---|---|---|---|
| The Apartments at Cobblestone Square | Fredericksburg, Virginia | 314 | 2012 | March 1, 2016 | $1,295 |
| Residences at Fountainhead | Tempe, Arizona | 322 | 2015 | June 30, 2016 | $9 |

## 2016 DISPOSITION ACTIVITY

*Dollars in thousands*

| Commercial Dispositions | Location | Square Feet | Year Built | Closing Date | YTD NOI |
|---|---|---|---|---|---|
| Colonial Promenade Nord du Lac | Covington, Louisiana | 295,447 | 2011 | March 28, 2016 | $465 |
| Land Title Building[1] | Birmingham, Alabama | 29,971 | | May 23, 2016 | — |

| Land Dispositions | Location | Acres | Closing Date |
|---|---|---|---|
| McKinney[2] | McKinney, Texas | 30 | February 4, 2016 |
| Colonial Promenade Nord du Lac - Outparcels | Covington, Louisiana | 25 | March 28, 2016 |
| Colonial Grand at Heathrow - Adjacent Land Parcels | Heathrow, Florida | 11 | April 7, 2016 and April 13, 2016 |
| CP Huntsville - Outparcel | Huntsville, Alabama | 1 | June 29, 2016 |

[1] This property was sold by Six Hundred Building Partners, a joint venture, in which MAA owned a 33.3% interest.
[2] This property consisting of undeveloped land was sold by McDowell CRLP McKinney JV, LLC, a joint venture, in which MAA owned a 25% interest.

## DEBT AND DEBT COVENANTS AS OF JUNE 30, 2016

*Dollars in thousands*

### DEBT SUMMARIES

| | Balance | Percent of Total | Effective Interest Rate | Contract Interest Rate | Average Years to Rate Maturity |
|---|---|---|---|---|---|
| **Floating Versus Fixed Rate or Hedged Debt** | | | | | |
| Fixed rate or swapped debt | $ 3,119,425 | 89.4 % | 3.9 % | 4.4 % | 4.8 |
| Capped debt | 75,000 | 2.1 % | 1.1 % | 1.1 % | 1.3 |
| Floating (unhedged) debt | 295,000 | 8.5 % | 1.3 % | 1.3 % | 0.1 |
| **Total** | **$ 3,489,425** | **100.0%** | **3.7%** | **4.1%** | **4.3** |

| | Balance | Percent of Total | Effective Interest Rate | Contract Interest Rate | Average Years to Contract Maturity |
|---|---|---|---|---|---|
| **Secured Versus Unsecured Debt** | | | | | |
| Unsecured Debt | $ 2,246,227 | 64.4 % | 3.7 % | 3.7 % | 5.5 |
| Secured Debt | 1,243,198 | 35.6 % | 3.5 % | 4.7 % | 2.7 |
| **Total** | **$ 3,489,425** | **100.0%** | **3.7%** | **4.1%** | **4.5** |

| | Total Cost | Percent of Total | Q2 2016 NOI | Percent of Total |
|---|---|---|---|---|
| **Unencumbered Versus Encumbered Assets** | | | | |
| Unencumbered gross assets | $ 6,257,087 | 73.5 % | $ 124,236 | 73.4 % |
| Encumbered gross assets | 2,258,928 | 26.5 % | 45,045 | 26.6 % |
| **Total** | **$ 8,516,015** | **100.0%** | **$ 169,281** | **100.0%** |

### FIXED OR HEDGED INTEREST RATE MATURITIES

| Maturity | Fixed Rate Debt | Interest Rate Swaps | Total Fixed Rate Balances | Contract Rate | Interest Rate Caps | Total Fixed or Hedged | Average Years to Rate Maturity |
|---|---|---|---|---|---|---|---|
| 2016 | $ 75,835 | $ — | $ 75,835 | 6.1 % | $ 25,000 | $ 100,835 | |
| 2017 | 127,972 | 299,022 | 426,994 | 3.0 % | 25,000 | 451,994 | |
| 2018 | 140,253 | 250,815 | 391,068 | 4.1 % | 25,000 | 416,068 | |
| 2019 | 564,646 | — | 564,646 | 5.7 % | — | 564,646 | |
| 2020 | 168,669 | — | 168,669 | 4.8 % | — | 168,669 | |
| Thereafter | 1,492,213 | — | 1,492,213 | 4.3 % | — | 1,492,213 | |
| **Total** | **$ 2,569,588** | **$ 549,837** | **$ 3,119,425** | **4.4%** | **$ 75,000** | **$ 3,194,425** | **4.7** |

*Dollars in thousands*

**DEBT MATURITIES OF OUTSTANDING BALANCES**

| | Credit Facilities | | | | |
|---|---|---|---|---|---|
| | Fannie Mae Secured | Key Bank Unsecured | Other Secured | Other Unsecured | Total |
| 2016 | $ 80,000 | $ — | $ — | $ 75,835 | $ 155,835 |
| 2017 | 80,000 | — | 60,002 | 17,970 | 157,972 |
| 2018 | 80,000 | — | 90,355 | 300,714 | 471,069 |
| 2019 | — | — | 544,705 | 19,941 | 564,646 |
| 2020 | — | 180,000 | 168,669 | 149,728 | 498,397 |
| Thereafter | — | — | 139,467 | 1,502,039 | 1,641,506 |
| **Total** | **$ 240,000** | **$ 180,000** | **$ 1,003,198** | **$ 2,066,227** | **$3,489,425** |

**DEBT COVENANT ANALYSIS[1]**

| Public Bond Covenants | Required | Actual | Compliance |
|---|---|---|---|
| Limit on Incurrence of Total Debt | 60% or less | 41.1% | Yes |
| Limit on Incurrence of Secured Debt | 40% or less | 14.6% | Yes |
| Ratio of Income Available for Debt Service/Annual Debt Service Charge | 1.5:1 or greater for trailing 4 quarters | 4.83x | Yes |
| Maintenance of Unencumbered Total Asset Value | Greater than 150% | 278.2% | Yes |

| Bank Covenants | Required | Actual | Compliance |
|---|---|---|---|
| Total Leverage Ratio | 60% or less | 34.0% | Yes |
| Total Secured Leverage Ratio | 40% or Less | 11.9% | Yes |
| Adjusted EBITDA to Fixed Charges | 1.5:1 or greater for trailing 4 quarters | 4.03x | Yes |
| Unencumbered Leverage Ratio | 60% or less | 29.9% | Yes |

[1] The calculations of the Public Bond Covenants and Bank Covenants above are specifically defined in our debt agreements. These calculations may not be consistent with those found earlier in this document.

## BALANCE SHEET RATIOS

| | Three Months Ended June 30, | |
|---|---|---|
| | 2016 | 2015 |
| Recurring EBITDA/Debt Service[(1)] | 4.11x | 3.81x |
| Fixed Charge Coverage [(1)] [(2)] | 4.32x | 4.04x |
| Total Debt/Total Market Capitalization | 29.2% | 36.1% |
| Total Debt/Gross Assets | 41.0% | 41.8% |
| Net Debt/Gross Assets | 40.7% | 41.4% |
| Unencumbered Assets/Gross Real Estate Assets | 74.2% | 70.3% |

(1) As of June 30, 2016 and 2015, interest expense includes debt issuance costs of $904,000 and $905,000, respectively.
(2) Fixed charge coverage represents Recurring EBITDA divided by interest expense adjusted for mark-to-market debt adjustment and any preferred dividends.

| | Twelve Months Ended June 30, | |
|---|---|---|
| | 2016 | 2015 |
| Fixed Charge Coverage [(1)] [(2)] | 4.26x | 3.95x |
| Net Debt/Recurring EBITDA [(2)] | 5.73x | 6.01x |

(1) Fixed charge coverage represents Recurring EBITDA divided by interest expense adjusted for mark-to-market debt adjustment and any preferred dividends.
(2) For the twelve months ended June 30, 2016 and 2015, interest expense includes debt issuance costs of $3.6 million and $3.8 million, respectively.

## 2016 GUIDANCE

MAA provides guidance on Core FFO per Share and Core AFFO per Share, which are non-GAAP measures, but does not forecast net income available for common shareholders per diluted share. It is not reasonable to accurately predict the timing and certainty of acquisitions and dispositions that would materially affect depreciation, capital gains or losses, merger and acquisition expenses and net income attributable to noncontrolling interests or to forecast extraordinary items, which, combined, generally represent the difference between net income available for common shareholders and Core FFO. Based on historical experience, the dollar amount of that unavailable information could be significant.

| | Full Year 2016 |
|---|---|
| **Earnings** | |
| Core FFO per Share - diluted | $5.77 to $5.93 |
| Midpoint | $5.85 |
| Core AFFO per Share - diluted | $5.07 to $5.23 |
| Midpoint | $5.15 |
| | |
| **Same Store Communities:** | |
| Number of units | 72,329 |
| Property revenue growth | 4.0% to 4.5% |
| Property operating expense growth | 2.5% to 3.5% |
| Property NOI growth | 4.75% to 5.25% |
| Real estate tax expense growth | 5.5% to 6.5% |
| | |
| **Corporate Expenses:** | |
| General and administrative and property management expenses | $60.0 to $62.0 million |
| Income tax expense | $1.5 to $2.0 million |
| | |
| **Transaction/Investment Volume:** | |
| Acquisition volume (multifamily) | $250 to $350 million |
| Disposition volume (multifamily) | $200 to $300 million |
| Commercial / land disposition volume | $30 to $60 million |
| Development investment | $50 to $60 million |
| | |
| **Debt:** | |
| Average Interest Rate (excluding mark-to-market debt adjustment) | 4.1% to 4.3% |
| Average Effective Interest Rate | 3.6% to 3.9% |
| Capitalized Interest | $1.0 to $2.0 million |
| Leverage (Total Net Debt/Total Gross Assets) | 39% to 41% |
| Unencumbered Asset Pool (Percent of Total Gross Assets) | 72% to 75% |
| | |
| **Non Core Items:** | |
| Acquisition expense | $1.8 to $2.4 million |
| Projected amortization of debt mark-to-market | $15 to $16 million |

## CREDIT RATINGS

| | Rating | Outlook |
|---|---|---|
| Fitch Ratings [1] | BBB | Positive |
| Moody's Investors Service [2] | Baa2 | Positive |
| Standard & Poor's Ratings Services [1] | BBB | Stable |

(1) Corporate credit rating assigned to Mid-America Apartment Communities, Inc. and its primary operating partnership, Mid-America Apartments, LP.
(2) Corporate credit rating assigned to Mid-America Apartments, LP, the primary operating partnership of Mid-America Apartment Communities, Inc.

## COMMON STOCK

**Stock Symbol:** **MAA**

**Exchange Traded:** **NYSE**

| **Estimated Future Dates:** | **Q3 2016** | **Q4 2016** | **Q1 2017** | **Q2 2017** |
|---|---|---|---|---|
| Earnings release & conference call | Late October | Early February | Late April | Late July |

| **Dividend Information - Common Shares:** | **Q2 2015** | **Q3 2015** | **Q4 2015** | **Q1 2016** | **Q2 2016** |
|---|---|---|---|---|---|
| Declaration Date | 5/19/2015 | 9/24/2015 | 12/8/2015 | 3/22/2016 | 5/17/2016 |
| Record Date | 7/15/2015 | 10/15/2015 | 1/15/2016 | 4/15/2016 | 7/15/2016 |
| Payment Date | 7/31/2015 | 10/30/2015 | 1/29/2016 | 4/29/2016 | 7/29/2016 |
| Distributions Per Share | $ 0.77 | $ 0.77 | $ 0.82 | $ 0.82 | $ 0.82 |

## INVESTOR RELATIONS DATA

MAA does not send quarterly reports to shareholders, but provides quarterly reports, earnings releases and supplemental data upon request.

For recent press releases, 10-Qs, 10-Ks and other information call 866-576-9689 (toll free) or email investor.relations@maac.com. This information, as well as access to MAA's quarterly conference call, is also available on the "For Investors" page of our website at www.maac.com.

For Questions Contact:

| Name | Title |
|---|---|
| Tim Argo | Senior Vice President, Finance |
| Jennifer Patrick | Investor Relations |