# MAA EARNINGS CONFERENCE CALL | FOURTH QUARTER/FULL YEAR 2025

## TRANSCRIPT | MANAGEMENT PREPARED COMMENTS | FEBRUARY 5, 2026, 9:00 AM CT

**Andrew Schaeffer, SVP, Treasurer and Director of Capital Markets**

Thank you, Julianne, and good morning, everyone. This is Andrew Schaeffer, Treasurer & Director of Capital Markets for MAA. Members of the management team participating on the call this morning are Brad Hill, Tim Argo, Clay Holder and Rob DelPriore.

Before we begin with prepared comments this morning, I want to point out that as part of this discussion, company management will be making forward-looking statements. Actual results may differ materially from our projections. We encourage you to refer to the forward-looking statements section in yesterday's earnings release and our '34-Act filings with the SEC, which describe risk factors that may impact future results.

During this call, we will also discuss certain non-GAAP financial measures. A presentation of the most directly comparable GAAP financial measures, as well as reconciliations of the differences between non-GAAP and comparable GAAP measures, can be found in our earnings release and supplemental financial data.

Our earnings release and supplement are currently available on the "For Investors" page of our website at www.maac.com. A copy of our prepared comments and an audio recording of this call will also be available on our website later today.

After some brief prepared comments, the management team will be available to answer questions. When we get to Q&A, please be respectful of everyone's time and in an attempt to complete our call within one hour due to other earnings calls today, we will limit questions to 1 per analyst. We ask that you rejoin the queue if you have a follow-up question or additional items to discuss.

I will now turn the call over to Brad.

**Brad Hill, President, Chief Executive Officer**

Thank you, Andrew, and good morning, everyone.

As highlighted in our release, our fourth quarter Core FFO results met expectations despite continued elevated supply levels. With occupancy up 10 bps and Same Store blended lease-over-lease performance 40 bps stronger year-over-year, the recovery in fundamentals is underway. As we look ahead, we are entering 2026 in a stronger position, with a higher earn-in and more top-line revenue momentum that we expect to build throughout the year, particularly in new lease rates, driving an anticipated 110-160 bps improvement in blended lease rates and a 85 bps improvement in effective rent growth compared to 2025.

While uncertainty remains in the broader economy, the level of uncertainty appears lower than what we navigated in 2025, supported by expectations for sustained GDP growth. Several of last year's major headwinds are showing signs of easing. At the same time, the economy should benefit from the Working Families Tax Cut, easing inflationary pressure and improving consumer sentiment which is showing signs of recovering from multi-decade lows. Looking at our portfolio, rent to income ratios have improved, making rents more affordable, new deliveries are decelerating sharply, down over 60% in 2026 from the peak, and new starts are muted and have been for nearly three years, down

nearly 70% from peak levels. Against this improving backdrop, we anticipate demand across our markets to remain solid and broad-based, supported by stable job growth, continued in-migration, healthy wage gains, and record levels of resident retention. These trends point to a financially healthy resident base, supporting our consistently strong collections, reinforcing the durability of our revenue profile and suggesting that, absent a meaningful shift in the broader economy, underlying demand conditions remain well supported.

Building on this foundation, our long-term earnings growth will benefit from numerous strategic investments we are making. This includes expanding our technology initiatives, such as community-wide WiFi and other enhancements designed to elevate the resident experience and improve operational efficiency. Our residents value our communities and the exceptional service our teams provide, reflected in record retention levels, strong renewal rates, and sector leading resident Google scores averaging 4.7 out of 5 for the year. Persistent single family affordability challenges, combined with favorable demographic trends, continue to support renter demand and keep move-outs to purchase a home near historical lows. These trends, along with fewer competitive units in lease-up, support strong returns from our repositioning and redevelopment projects. As a result, we are expanding our capital investments in these areas by more than 10% in 2026.

Beyond these investments, we continue to grow our development pipeline by leveraging our strong balance sheet and development capabilities to invest early to take advantage of growth opportunities at a time when access to capital is more limited for others. As such, during the fourth quarter we purchased a shovel ready project in Scottsdale, AZ from a developer that was unable to line up equity for their project after three years of due diligence, bringing our active development pipeline to $932 million. Additionally, during the first quarter of 2026, we purchased a land parcel in the Clarendon neighborhood of Arlington, VA and expect to start construction on a 287-unit apartment community later this year. As demand remains robust, new deliveries slow, and new starts track well below historical levels across our region, our developments should continue to generate strong returns and earnings growth with stabilized NOI yields between 6.0%–6.5%, well above current market cap rates. Subject to market conditions, we expect to begin construction on 5 to 7 new development projects in 2026, that should deliver into a much stronger operating environment than the one experienced over the past year. Additionally, our balance sheet provides the flexibility to pursue compelling acquisition opportunities as they materialize.

We remain encouraged by the progress we are seeing across our portfolio. With more than 30 years of navigating economic cycles, we believe we are well positioned to serve our residents and to deliver compounded earnings growth over the full cycle. As market conditions continue to strengthen, improving fundamentals coupled with our strategic investments should provide meaningful opportunities to enhance performance and support a stronger revenue trajectory over the next few years.

To all our associates across our properties and corporate offices—thank you for your continued commitment to customer service.

With that, I'll turn the call over to Tim.

**Tim Argo, EVP, Chief Strategy and Analysis Officer**

Thanks Brad and good morning, everyone.

For the fourth quarter, the key operating fundamentals of pricing and occupancy combined were in line with expectations. New lease growth continues to be muted, due to the moderating but still elevated supply picture combined with the normal seasonal slowdown of the fourth quarter. We did, however, continue to have strong retention and renewal lease rates and achieved sequentially

improved average physical occupancy. As compared to the fourth quarter of 2024, blended rates improved 40 bps, supported by a 50-bps improvement in renewal rates and flat new lease rates. Average physical occupancy was 95.7%, which was a 10-bps improvement from both the fourth quarter of 2024 and the third quarter of 2025. Additionally, we had another quarter of strong collections, with net delinquency representing just 0.3% of billed rents, in line with the collection performance for the full year.

While we broadly saw normal seasonality in pricing during the fourth quarter, many of our mid-tier markets, particularly in Virginia and South Carolina, continue to be outperformers relative to the portfolio. Charleston, Greenville, Richmond and the D.C. area markets all demonstrated strong pricing power and strong occupancy in the quarter. Encouragingly, our two highest concentration markets, Atlanta and Dallas, continued to show improvement as compared to the prior year. Of our top twenty largest markets, these two along with Denver had the largest year-over-year improvement in blended pricing as compared to the fourth quarter of last year. Austin continues to be our weakest market in terms of pricing, as it continues to work through the 25% of inventory that has been delivered cumulatively over the last four years.

In our lease-up portfolio, MAA Vale in the Raleigh/Durham market, reached stabilization in the fourth quarter. We now have three properties remaining in lease-up with a combined occupancy of 65.7% as of the end of the fourth quarter and an additional three development properties that are actively leasing units. Elevated concessions and longer lease-up periods continue to have a greater impact on the lease-up properties and have pushed the full earnings contribution from these out about a year. However, these projects are still expected to achieve our underwritten yields as markets continue to improve and retain the long-term value creation opportunity despite the overall leasing velocity being behind original expectations.

We continued to progress on our various targeted redevelopment and repositioning initiatives in the fourth quarter, and as Brad mentioned, expect to accelerate each of these programs in 2026 with improving fundamentals. During the fourth quarter of 2025, we completed 1,227 interior unit upgrades, bringing the total for the year to 5,995 units renovated with rent increases of $95 above non-upgraded units and a cash-on-cash return of 19%. Despite this more competitive supply environment, for the full year, these units leased on average 11 days faster than non-renovated units when adjusted for the additional turn time. For our common area and amenity repositioning program, we are on average over 70% re-priced at six recent projects, with an average NOI yield above 10% and rent growth far exceeding peer MAA properties. Five additional projects are well underway with anticipated re-pricing in mid-2026, during prime leasing season. We have targeted an additional six properties to begin later this year that will re-price in 2027. While vendor challenges and equipment delivery delays have slowed progress on our community wide Wi-Fi retrofit projects, we are live on 14 of the 23 projects started in 2025 with the remaining nine expected to go live in the first quarter. Similar to our redevelopment plans, we expect to expand this initiative in 2026 also.

Looking forward to 2026, we are well positioned. While winter storm Fern did impact about 70% of our portfolio and slowed traffic for several days, we ended January with physical occupancy of 95.6% and 60-day exposure of 7.1%, both in line with this time last year. As Brad referenced, new supply pressure continues to moderate and demand remains strong with market level occupancies including lease-ups in our markets well above where they were this time last year. Strong renewal performance continues in the first quarter with high retention rates and lease-over-lease growth rates on renewals accepted for January, February, and March all above 5%. This compares to the 4.5% we achieved in the first quarter of 2025. We expect gradual, seasonal improvement in new lease rates along with consistent renewal growth will drive improved performance in 2026 and be particularly impactful to 2027 as pressure from supply subsides throughout the year.

That is all I have in the way of prepared comments; I will now turn the call over to Clay.

**Clay Holder, EVP, Chief Financial Officer**

Thank you, Tim, and good morning, everyone.

We reported Core FFO for the quarter of $2.23 per diluted share, which was in line with the midpoint of our fourth quarter guidance and contributed to Core FFO for the full year of $8.74 per share. Fourth quarter Same Store NOI was in line with our guidance as Same Store revenues were one cent unfavorable due to other revenues and pricing, offset by Same Store expenses favorable by one cent due to office operations, repair and maintenance and real estate taxes. Favorable interest expense was offset by overhead expenses and the operating performance from our Non Same Store portfolio.

During the quarter, we funded approximately $81 million in development costs for our current $932 million pipeline, leaving an expected $306 million to be funded on the current pipeline over the next three years. As Brad noted, our balance sheet remains well positioned to support these and other future growth opportunities.

At the end of the quarter, we had $880 million in combined cash and borrowing capacity under our revolving credit facility and our net Debt/EBITDA ratio was 4.3x. At quarter-end, our outstanding debt was approximately 87% fixed with an average maturity of 6.4 years at an effective rate of 3.8%. During November, we issued $400 million of 7-year public bonds at an effective rate of just over 4.75%, using proceeds to repay borrowings under our commercial paper program, which were used to repay the November 2025 bond maturity. During the quarter, we repurchased 207 thousand shares at a weighted average share price $131.61, our first repurchase since 2001.

Finally, we provided initial earnings guidance for 2026 in our release, which is detailed in the supplemental information package. Core FFO for 2026 is projected to be $8.35 to $8.71, or $8.53 at the midpoint. As was outlined in the prior comments, with the continuing improvement in supply impacting our markets, coupled with solid demand fundamentals, we expect rental pricing to grow during the year and to drive improving earnings performance as we progress throughout the year.

Projected 2026 Same Store revenue growth midpoint of 0.55% results from a rental pricing earn-in of negative 0.20%, an improvement compared to 2025's earn-in, combined with a blended rental pricing expectation in the range of 1.0% to 1.5% for the year. New lease pricing is expected to show improvement over last year. We expect supply levels to continue to impact new lease pricing, particularly in the first half of the year, but believe the impact will increasingly improve over the course of the year as the effect from new supply continues to decline. Renewal pricing is expected to remain strong and in the 5.0% to 5.25% range throughout the year.

For the Same Store portfolio, we expect effective rent growth to be approximately 0.35% at the midpoint of our range; occupancy to average 95.6% at the midpoint, and other revenue items, primarily from reimbursement and fee income, to grow just over 2%.

Same Store operating expenses are projected to grow at a midpoint of 2.65% for the year. Personnel costs are expected to grow by less than 2%, while we expect some continued pressure from utilities, marketing costs and office operations. These expense projections combined with the revenue growth of 0.55% results in a projected decline in Same Store NOI of 0.70% at the midpoint.

As outlined in our release, we expect our Non Same Store portfolio to contribute 19 cents in NOI during 2026. With the related interest carry, along with the slower leasing velocity and higher lease-up concessions that Tim mentioned, we anticipate the recently completed developments and acquisitions will be slightly accretive to 2026 Core FFO and move closer to their expected yields in 2027 and beyond.

We expect continued external growth in 2026 consisting of our current development pipeline and the projected new starts that Brad noted, with funding between $350 to $450 million coming from debt financing and internal cash flow. We also expect to match fund $250 million in acquisition opportunities with dispositions. This external growth is expected to be slightly dilutive to Core FFO in 2026 and then turn accretive to Core FFO after stabilization.

We project total overhead expenses, a combination of property management expenses and G&A expenses, to be $136 million, a 5.0% increase over 2025 results, bringing our 3-year average increase to 2.5%. We also expect to refinance $300 million in bonds maturing in September 2026, which have an effective rate of 1.2%. Further, we plan to redeem the outstanding preferred shares in the second half of the year. These anticipated transactions, coupled with our 2025 refinancing activities, will result in incremental interest expense of over 5 cents. Combined with financing to support our 2025 development deliveries and the expected deliveries of 2026, we project interest expense to increase by over 15% for the year.

We are still early in the assessment of the impact of winter storm Fern but based on initial assessments, we anticipate excluding the impact from our Core FFO results as we expect to receive insurance proceeds to cover a portion of the cost of the damages.

That is all we have in the way of prepared comments, so Julianne, we will now turn the call back to you for questions.