

AMERICAN CAMPUS COMMUNITIES INC

Form S-11

June 06, 2005

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As filed with the Securities and Exchange Commission on June 6, 2005

Registration No. 333-

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM S-11

**FOR REGISTRATION UNDER
THE SECURITIES ACT OF 1933
OF CERTAIN REAL ESTATE COMPANIES**

American Campus Communities, Inc.

(Exact Name of Registrant as Specified in Its Governing Instruments)

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Austin, TX 78746
(512) 732-1000

(Address, Including Zip Code and Telephone Number, Including Area Code,
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Approximate date of commencement of proposed sale to the public: As soon as practicable after this Registration Statement becomes effective.

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement of the same offering.

If this form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box.

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities To Be Registered	Proposed Maximum Aggregate Offering Price (1)	Amount of Registration Fee
Common Stock, par value \$.01 per share	\$ 75,000,000	\$ 8,828

(1) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(o) of the Securities Act of 1933, as amended.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until this registration statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

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The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. The prospectus is not an offer to sell the securities and it is not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject to Completion, Dated June 6, 2005

PROSPECTUS

**Shares
American Campus Communities, Inc.
Common Stock**

We are one of the largest owners, managers and developers of high quality student housing properties in the United States in terms of beds owned, managed and developed. This is a public offering, or Offering, of _____ shares of our common stock. We will receive all of the cash proceeds from the sale of these shares. Our common stock is listed on the New York Stock Exchange under the symbol ACC. On June 3, 2005, the last reported sales price of our common stock on the New York Stock Exchange was \$20.64 per share. We intend to elect to be taxed as a real estate investment trust, or REIT, for U.S. federal income tax purposes commencing with our tax year ended December 31, 2004.

See Risk Factors beginning on page 18 for certain risk factors relevant to an investment in our common stock, including, among others:

As of March 31, 2005, our total consolidated indebtedness was approximately \$309.4 million (excluding unamortized debt premiums). Our debt service obligations expose us to the risk of default and reduce (or eliminate) cash resources that are available to operate our business or pay distributions, including those necessary to maintain our REIT qualification. There is no limit on the amount of indebtedness that we may incur except as provided by the covenants in our revolving credit facility.

Our results of operations are subject to annual re-leasing, seasonality and other risks that are unique to the student housing industry.

We have been recently organized and have a limited operating history. Our management has limited experience in running a public company or in operating in accordance with the requirements for maintaining its qualification as a REIT.

Provisions of our organizational documents limit the ownership of our shares.

If we fail to qualify as a REIT for federal income tax purposes, our distributions will not be deductible by us, reducing our cash available for distribution to our stockholders.

We may not be able to make distributions to our stockholders in the future, and we may make distributions that include a return of capital.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	Per Share	Total
Public offering price	\$	\$
Underwriting discount	\$	\$
Proceeds, before expenses, to us	\$	\$

To the extent the underwriters sell more than _____ shares of our common stock, they will have an overallotment option to purchase up to an additional _____ shares from us at the public offering price less the underwriting discount.

The underwriters expect to deliver the shares on or about _____, 2005.

Citigroup

Deutsche Bank Securities

The date of this prospectus is _____, 2005

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You should rely only on the information contained in this document. We have not authorized anyone to provide you with any additional or different information. This document may only be used where it is legal to sell these securities. The information in this document may only be accurate on the date of this document.

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PROSPECTUS SUMMARY

You should read the following summary together with the more detailed information regarding us and our historical and pro forma financial statements appearing elsewhere in this prospectus, including under the caption Risk Factors. References in this prospectus to we, our, us, our Company or like terms when used in the present tense, prospectively or for historical periods since August 17, 2004 (the date of the consummation of the initial public offering, or IPO, of our common stock) refer to American Campus Communities, Inc., a Maryland corporation, together with our consolidated subsidiaries. These consolidated subsidiaries include American Campus Communities Operating Partnership LP, a Maryland limited partnership of which we are the parent of the general partner and which we sometimes refer to in this prospectus as our Operating Partnership, and American Campus Communities Services, Inc., a Delaware corporation and wholly owned subsidiary of our Operating Partnership, which is our taxable REIT subsidiary and which we sometimes refer to in this prospectus as our TRS. References to the Predecessor Entities, Predecessor owners, predecessors, we, our, us, our Company or like terms when used for historical periods prior to August 17, 2004 refer to our predecessor entities, which were a combination of real estate entities under common ownership and voting control collectively doing business as American Campus Communities, L.L.C. and Affiliated Student Housing Properties. Unless otherwise indicated, the information contained in this prospectus is as of March 31, 2005 and assumes that the underwriters' over-allotment option has not been exercised and the common stock to be sold in this Offering has been sold at \$ _____ per share.

Our Company

We are one of the largest owners, managers and developers of high quality student housing properties in the United States in terms of beds owned, managed and developed. As of March 31, 2005, we owned and/or managed 43 student communities consisting of approximately 26,900 beds in approximately 9,700 units. We are a fully integrated, self-managed and self-administered equity REIT with expertise in the acquisition, design, financing, development, construction management, leasing and management of student housing properties.

As of March 31, 2005, our owned property portfolio consisted of 24 high-quality student housing properties, containing approximately 15,600 beds in approximately 5,200 units. We acquired 16 of these properties and developed the remaining eight properties. We manage all 24 of our owned properties. Nineteen of our 24 owned properties are located off-campus in close proximity to 22 colleges and universities in nine states, and five of these properties are located on-campus, where we manage and participate in their ownership and management through ground/facility leases with two university systems. We refer to these five on-campus properties as our on-campus participating properties. Our owned property portfolio contains modern housing units, offers resort-style amenities and is supported by a classic resident assistant system and other student-oriented programming.

We are also one of the nation's leaders in providing third party services to colleges and universities for the management and development of on-campus student housing. We manage 19 properties on a third party basis primarily for colleges, universities and financial institutions. These third party managed properties contain approximately 11,300 beds in approximately 4,500 units. In addition, since 1996, we have been awarded more than 30 on-campus development projects, resulting in strong relationships with some of the nation's preeminent university systems.

We have driven innovation in the student housing industry, establishing our company as a premier owner, manager and developer in the sector. In 2004, we became the first publicly traded REIT focused solely on student housing properties. Today, operating as a fully integrated, self-managed and self-administered equity REIT, our unique and singular focus has not changed: ***Student housing is our core business.***

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Our principal executive offices are located at 805 Las Cimas Parkway, Suite 400, Austin, Texas 78746. Our telephone number at that location is (512) 732-1000. Our website is located at www.studenthousing.com or www.americancampuscommunities.com. The information on our website is not part of this prospectus.

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Recent Activities

Since our IPO in August of 2004, we have had substantial growth activities in each portion of our business.

Acquisitions

We have acquired seven properties totaling 3,118 beds in 978 units for an aggregate purchase price of approximately \$120.2 million. In connection with these acquisitions, we assumed approximately \$47.2 million of mortgage debt. Each of these acquisitions is described below.

In March 2005, we acquired an off-campus student housing property (Exchange at Gainesville, to be renamed) consisting of 1,044 beds in 396 units, near the University of Florida campus in Gainesville, Florida, for a purchase price of \$47.5 million. We entered into a fixed-rate mortgage loan in the amount of \$38.8 million in connection with this acquisition.

In March 2005, we acquired an off-campus student housing property (City Parc at Fry Street) consisting of 418 beds in 136 units, located near the University of North Texas in Denton, Texas, for a purchase price of \$19.2 million. We assumed approximately \$11.8 million of fixed-rate mortgage debt in connection with this acquisition.

In February 2005, we acquired a portfolio of five off-campus student housing properties (the Proctor Portfolio) for a purchase price of approximately \$53.5 million. Four of the properties are located in Tallahassee, Florida and one property is located in Gainesville, Florida. These five communities contained 1,656 beds in 446 units. We assumed approximately \$35.4 million of fixed-rate mortgage debt in connection with this acquisition.

Owned Development Activities

With the commencement of the 2004/2005 academic year in late August and early September, we completed the development of three owned off-campus student housing properties at Temple University, Cal State Fresno and Cal State San Bernardino. These properties were placed into service with an opening occupancy of 98%. Collectively they contained 1,635 beds in 457 units. On January 5, 2005, we sold the Cal State San Bernardino community to the University upon exercise of its purchase option for \$28.3 million and recognized a gain on sale of \$5.9 million.

We are currently in the process of constructing one owned off-campus property and are in pre-development of two additional off-campus owned properties. We are also currently constructing one owned on-campus participating property. We anticipate that the total development cost relating to these activities will be approximately \$150.3 million. As of March 31, 2005, we have incurred pre-development and development costs of approximately \$26.1 million in connection with these properties, with the remaining development costs estimated at \$124.2 million. The activities are described below:

We acquired a land parcel near the State University of New York - Buffalo and commenced development of an owned off-campus property containing 828 beds in 269 units. Total development cost is estimated to be \$36.1 million. This property is currently in the final stages of construction and is pre-leased to 100% occupancy for its upcoming opening in August 2005. As of March 31, 2005, the project was approximately 68% complete, and we anticipate incurring remaining development costs of approximately \$14.8 million.

We are in the later stages of design and pre-development on two owned off-campus properties with total anticipated development costs of approximately \$97.2 million. One project is located in Newark, New Jersey near the campuses of the New Jersey Institute of Technology, Rutgers University and Essex County Community College. We anticipate development costs of this property to total approximately \$62.3 million and plan to own this property

through a joint venture that we will control with Titan Investments, a partner with whom we have previously developed four off-campus student housing properties. As of March 31, 2005, we have incurred approximately \$0.5 million of pre-development costs related to this project. The second property is located in close proximity to Texas A&M University in College Station, Texas, and we estimate the total development costs of this property to be approximately \$34.9 million. Both developments are currently progressing through their respective entitlement and

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municipal approval processes and are contingent upon receiving all necessary approvals. Depending upon the timeliness of these approvals, we plan to commence construction in Summer of 2005 for an August 2006 completion or to commence construction in Summer of 2006 for an August 2007 completion.

Our Cullen Oaks Phase II on-campus participating property, located on the campus of the University of Houston, is currently under construction with total development costs estimated to be \$17.0 million. The project is scheduled to be completed in August 2005 in connection with the 2005/2006 academic year. As of March 31, 2005, the project was approximately 23% complete, and we anticipate incurring remaining development costs of approximately \$12.7 million.

Amended Revolving Credit Facility

Although no assurance can be given, we expect to amend our three-year, \$75 million revolving credit facility and to increase the size of the facility from \$75 million to \$100 million. Key Bank National Association (an affiliate of KeyBanc Capital Markets, Inc.) will act as administrative agent under the amended facility. Citicorp North America, Inc. (an affiliate of Citigroup Global Markets Inc., which is a lead managing underwriter in this offering) and Deutsche Bank Trust Company Americas (an affiliate of Deutsche Bank Securities Inc., which is a lead managing underwriter in this offering) will be co-syndication agents under the amended facility. This amended facility, if consummated, may be expanded by up to an additional \$100 million upon the satisfaction of certain conditions. This facility is expected to be available to, among other things, fund future property development, acquisitions and other working capital needs. Our ability to borrow from time to time under the amended facility is expected to be subject to certain conditions and the satisfaction of specified financial covenants, which we expect to be more favorable to us than those contained in our current facility. The amended facility is also expected to contain covenants that restrict our ability to pay dividends or other distributions to our stockholders unless certain tests are satisfied.

Senior Management Restructuring

On April 28, 2005 we announced the following restructuring of our senior management:

James C. Hopke, Jr. rejoined our Company and was appointed as Executive Vice President and Chief Investment Officer;

Brian B. Nickel, our former Executive Vice President, Chief Investment Officer and Secretary, was appointed as Executive Vice President, Chief Financial Officer and Secretary;

Jonathan Graf, our former Vice President and Controller, was promoted to Senior Vice President, Chief Accounting Officer and Treasurer;

Greg A. Dowell, our former Senior Vice President and Chief of Operations, was promoted to Executive Vice President and Chief of Operations; and

Kim K. Voss, our former Assistant Controller, was promoted to Vice President and Controller.

In April 2005, Ronnie Macejewski resigned as Senior Vice President - Development and Construction and in May 2005, Mark J. Hager resigned as Executive Vice President, Chief Financial and Accounting Officer and Treasurer.

Competitive Strengths

We believe that we have the following competitive advantages:

Student housing is our core business. We have expertise in the unique and specialized aspects of the student housing industry and focus on student housing as our core business. We are a fully integrated organization, which is capable of conducting market analysis, administering the

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entitlement and municipal approval process, coordinating product design, securing financing, administering the development process and providing construction management, leasing and property management services. Since our inception in 1993, we have been one of the most active companies in the sector as we have been involved in the development, acquisition, ownership and/or management of more than 62 student housing properties containing more than 38,200 beds.

One of the industry's most experienced teams. Collectively throughout their individual careers, the seven members of our senior management team have been involved in the development, acquisition or management of more than 114 student housing properties containing more than 73,500 beds at 78 colleges and universities. Our corporate team of student housing professionals have participated in every functional aspect of the ownership, acquisition, development and management of student housing. Seven corporate employees at the level of Vice President or above, including our CEO, began their careers in student housing as resident assistants while in college, providing us with a comprehensive understanding of the operational aspects of the student housing business. We believe that this history of experience provides a base of knowledge that has facilitated building a company with substantial operating and development expertise in the student housing industry.

High quality student housing properties. As of March 31, 2005, our properties had an average age of only 4.7 years. Our properties are located in close proximity to, and in the case of our on-campus participating properties on the grounds of, major colleges and universities. Our typical units include private bedrooms, private or semi-private bathrooms, living rooms and full kitchens with modern appliances. Our properties typically offer extensive amenities and services, including swimming pools, basketball, sand volleyball and/or tennis courts and clubhouses with fitness centers, recreational rooms and computer labs, in an academically oriented environment that parents appreciate. Each of our properties is managed and cared for by our trained on-site staff — managers, maintenance, business personnel and resident assistants.

Extensive network of university and college relationships. This network provides us with acquisition, development and management opportunities. Our clients have included some of the nation's most prominent systems of higher education, including the State University of New York System, the University of California System, the Texas A&M University System, the Texas State University System, the University of Georgia System, the University of North Carolina System, the Purdue University System, the University of Colorado System and the Arizona State University System.

Industry innovators. With nearly \$1 billion of development completed or in progress and in excess of \$300 million of properties acquired over the last decade, we have led the industry in evolving student housing in the areas of product design concepts, site planning, unit plans and amenity offerings. We have also developed and implemented specialized student housing investment and operating systems and have created a proprietary lease administration and marketing software customized for student housing that enables us to quickly identify and respond to market changes and trends.

Summary Risk Factors

You should carefully consider the following important risks:

Our results of operations are subject to an annual leasing cycle, short lease-up period, seasonal cash flows, changing university admission and housing policies and other risks inherent in the student housing industry. We generally lease our owned properties under 12-month leases, and in certain cases, under ten-month, nine-month or shorter-term semester leases. As a result, we may experience significantly reduced cash flows during the summer months at properties leased under leases having terms shorter than 12 months. Furthermore, all of our properties must be entirely re-leased each year, exposing us to increased leasing risk. Student housing

properties are also

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typically leased during a limited leasing season that usually begins in January and ends in August of each year. We are therefore highly dependent on the effectiveness of our marketing and leasing efforts and personnel during this season.

We face significant competition from university-owned on-campus student housing, from other off-campus student housing properties and from traditional multifamily housing located within close proximity to universities. On-campus student housing has certain inherent advantages over off-campus student housing in terms of physical proximity to the university campus and integration of on-campus facilities into the academic community. Colleges and universities can generally avoid real estate taxes and borrow funds at lower interest rates than us and other private sector operators. We also compete with national and regional owner-operators of off-campus student housing in a number of markets as well as with smaller local owner-operators.

As of March 31, 2005, our total consolidated indebtedness was approximately \$309.4 million (excluding unamortized debt premiums). Our debt service obligations expose us to the risk of default and reduce (or eliminate) cash resources that are available to operate our business or pay distributions, including those necessary to maintain our REIT qualification. There is no limit on the amount of indebtedness that we may incur except as provided by the covenants in our existing revolving credit facility and we expect that our amended revolving credit facility will contain limits on the amount of indebtedness that we may incur. Although no assurance can be given, we expect to amend our existing revolving credit facility to fund future property development, acquisitions and other working capital needs. We expect that our ability to borrow from time to time under this facility will be subject to certain conditions and the satisfaction of specified financial covenants. Our level of debt and the limitations imposed on us by our debt agreements could have significant adverse consequences.

Our future growth will be dependent upon our ability to successfully develop, acquire and manage new properties. As we develop and acquire additional properties, we will be subject to risks associated with managing new properties, including lease-up and integration risks. Newly developed properties may not perform as expected and newly acquired properties may have characteristics or deficiencies unknown to us at the time of acquisition. There can be no assurance that future acquisition and development opportunities will be available to us on terms that meet our investment criteria or that we will be successful in capitalizing on such opportunities. Our ability to capitalize on such opportunities will be largely dependent upon external sources of capital that may not be available to us on favorable terms, or at all.

We have been recently organized and have a limited operating history. In addition, all of our properties have been acquired or developed by us or our predecessors within the past nine years and have limited operating histories under current management. Our management has limited experience in running a public company or in operating in accordance with the requirements for maintaining our qualification as a REIT.

Provisions of our charter limit the ownership of our shares. Our charter provides that, subject to certain exceptions, no person or entity may beneficially own, or be deemed to own by virtue of certain constructive ownership provisions, more than 9.8% (by value or by number of shares, whichever is more restrictive) of the outstanding shares of our common stock or more than 9.8% by value of all our outstanding shares, including both common and preferred stock. We refer to this restriction as our ownership limit. Our charter, however, requires exceptions to be made to this limitation if our board of directors determines that such exceptions will not jeopardize our tax status as a REIT. This ownership limit could delay, defer or prevent a change of control or other transaction that might involve a premium price for our common stock or otherwise be in the best interest of our stockholders.

In order to qualify as a REIT, we are required under the Internal Revenue Code of 1986, as amended, or the Code, to distribute annually at least 90% of our REIT taxable income,

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determined without regard to the dividends paid deduction and excluding any net capital gain. Our TRS, or taxable REIT subsidiary, may, in its discretion, retain any income it generates net of any tax liability it incurs on that income without affecting the 90% distribution requirements to which we are subject as a REIT. Net income of our TRS will be included in REIT taxable income, and will increase the amount required to be distributed, only if such amounts are paid out as a dividend by our TRS. In addition, we will be subject to income tax at regular corporate rates to the extent that we distribute less than 100% of our net taxable income, including any net capital gains. Because of these distribution requirements, we may not be able to fund future capital needs, including any necessary acquisition financing, from operating cash flow. Consequently, we will be compelled to rely on third party sources to fund our capital needs. We may not be able to obtain this financing on favorable terms or at all. Any additional indebtedness that we incur will increase our leverage. If we cannot obtain capital from third party sources, we may not be able to acquire or develop properties when strategic opportunities exist, satisfy our debt service obligations or make the cash distributions to our stockholders, including those necessary to qualify as a REIT.

To qualify as a REIT, we are required to comply with highly technical and complex provisions of the Code. Failure to qualify as a REIT would likely subject us to higher tax expenses and reduce or eliminate cash available for distribution to our stockholders.

The operations of our on-campus participating properties and our third party services are conducted through our TRS. The income from these operations is subject to regular federal income taxation and state and local income taxation where applicable, thus reducing the amount of cash available for distribution to our stockholders.

We may not be able to make distributions to our stockholders in the future, and we may make distributions that include a return of capital.

Our Business and Growth Strategies

Our primary business objectives are to maximize long-term stockholder value and cash flow available for distribution to our stockholders. We intend to achieve these objectives by:

- developing and acquiring owned off-campus student housing communities that meet our focused investment criteria;

- maximizing the profitability of our owned and third-party managed properties through proactive marketing, management and asset preservation strategies; and

- continuing to grow our third-party development and management services businesses to generate cash flow and build our national reputation among colleges and universities.

The following summarizes the key aspects of our strategies:

Follow a Disciplined Off-Campus Acquisition and Development Strategy

Our investment criteria are focused on acquiring and developing high quality, modern student housing properties that are located in close proximity to major colleges and universities. We target properties that offer pedestrian or bicycle access to their respective campuses. We acquire and develop properties that feature a differentiated product offering and are located in student housing submarkets with barriers to entry. Our focused investment criteria coupled with our superior operational capabilities provide an opportunity to increase the value and cash flow of our properties. We believe that our reputation and close relationship with colleges and universities also gives us an advantage in sourcing acquisition and development opportunities, obtaining municipal approvals and community support for our

development projects, and in creating marketing or operational advantages.

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We consider many factors when determining whether we should enter a market and, if so, whether through acquisition or development and how to position our property within the market, including the following:

Property Factors

Proximity to campus

Unit mix compared to competition

Marketability of floor plans compared to competition

Quality and marketability of amenity offering compared to competition

Total housing cost to residents compared to each direct competitor

Age of the structure

Quality of construction and impact related to ongoing capital expenditures

Quality of furniture, fixtures and equipment and impact on ongoing capital expenditures

Condition and extraordinary cost impacts related to mechanical and physical plant systems

Operational and marketing inefficiencies and identification of areas for improvement

Internet, communications and entertainment features incorporated into the structure

Reputation of the property and competitor properties among students and key university offices

University Factors

Size of college or university

Enrollment characteristics and growth projections

Percent of students housed on-campus

On-campus housing requirements and policies

On-campus housing products and pricing

Development plans for future housing

University's admission policy and expected changes to such policies

Presence of university services/programs that enable establishing formal relationships

Market Factors

Fundamentals of the overall local housing market

Fundamentals of student housing submarkets

Nature of direct competitors and their product offering

Impact of greater housing market on each student housing submarket

Barriers to entry in each student housing submarket

Student preferences related to each student housing submarket

Planned or potential future student housing development

After we identify a potential student housing acquisition or development opportunity, a due diligence team consisting of in-house personnel and third parties will conduct detailed due diligence to assess the potential opportunity.

Given our significant development and acquisition activities over the last decade, we have developed active relationships with universities, developers, owners, lenders and brokers of student housing properties that allow us to identify and capitalize on acquisition and development opportunities. As a result, we have generated a proprietary database of contacts and properties that assist us in identifying and evaluating acquisition and development opportunities. Through our experienced development staff and our relationship with certain developers with whom we have previously developed off-campus student housing properties, we will continue to identify and acquire development sites in close proximity to colleges and universities that permit us to develop unique properties that offer a competitive advantage. We will also continue to benefit from opportunities derived from our extensive network with colleges and universities.

Maximize Property-Level Profitability

We seek to maximize property-level profitability by maximizing occupancy and revenue along with the implementation of prudent cost control systems. Our experienced and trained on-site management personnel

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administer the timely execution of our marketing, management and maintenance plans with corporate support and supervision in all functional areas.

Some of our specific expense control initiatives include:

establishing internal controls and procedures for cost control consistently throughout our communities;

appropriately staffing our properties at the site-level, minimizing multiple layers of management and increasing effectiveness;

negotiating utility and service-level pricing arrangements with national and regional vendors and requiring corporate-level approval of service agreements for each community; and

conducting analysis of the costs and effectiveness of each of our marketing programs via our proprietary LAMS system.

Utilize our Proprietary Marketing Systems

We believe we have developed the industry's only specialized, fully integrated leasing administration and marketing software program, which we call LAMS. We utilize LAMS to maximize our revenue and improve the efficiency and effectiveness of our marketing and lease administration process. Through LAMS, each of our properties' ongoing marketing and leasing efforts are supervised at the corporate office on a real time basis. Among other things, LAMS provides:

a fully integrated prospect tracking and follow-up system. Prospect information from all types of inquiries walk-in, telephone, web site/email, or fax is recorded and entered into the LAMS database, and an aggressive, fully-automated follow-up and tracking program is then implemented, with LAMS generating all follow-up marketing pieces, labels and electronic communications.

a built-in marketing effectiveness program to measure the success of our marketing efforts on a real time basis. LAMS generates a weekly traffic analysis that shows the quantity of each type of inquiry received for that period as well as the marketing medium that generated each piece of traffic. In addition, LAMS generates a period-to-period comparative traffic and leasing analysis that allows us to compare the pace of the current year's traffic and leasing activity to that of previous years. This enables us to track the effectiveness of each marketing program being utilized and to respond accordingly.

a real-time monitor of lease closings and leasing terms. LAMS automatically generates closing reports allowing us to measure the staff's closing ratios. The closing ratios are calculated by LAMS on an individual basis so that we may better evaluate performance and optimize our staffing. LAMS generates application and leasing status reports that detail the current period and year-to-date status of applications and leasing broken down by type of accommodation. This enables us to quickly identify potential problems related to pricing and/or desirability of our various types of accommodations and to respond accordingly.

an automated lease generation system. Each property's lease term and rental rate information is set up in LAMS by authorized corporate staff. This enables the corporate office to maintain tight controls on pricing changes and special promotions. LAMS generates each resident lease, eliminating the potential for manual errors of our on-site staff.

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Our properties generally are modern facilities, and amenities at most of our properties include a swimming pool, basketball courts and a large community center featuring a fitness center, computer center, tanning beds, study areas, and a recreation room with billiards and other games. Some properties also have a jacuzzi/hot tub, volleyball courts, tennis courts and in-unit washers and dryers. Lease terms are generally 12 months at our off-campus properties and 9 months at our on-campus participating properties. As of March 31, 2005, the average age of our properties was 4.7 years.

The following table presents certain information about our owned property portfolio as of March 31, 2005.

Property	Year		Primary University Served	Occupancy		
	Acquired/	Developed Location		Rates (1)	Units	Beds
Off-campus properties:						
1. Commons On Apache	1999	Tempe, AZ	Arizona State University Main Campus	100.0%	111	444
2. The Village at Blacksburg	2000	Blacksburg, VA	Virginia Polytechnic Institute and State University	98.6%	288	1,056
3. The Village on University	1999	Tempe, AZ	Arizona State University Main Campus	99.1%	288	918
4. River Club Apartments	1999	Athens, GA	The University of Georgia - Athens	95.5%	266	794
5. River Walk Townhomes	1999	Athens, GA	The University of Georgia - Athens	97.1%	100	340
6. The Callaway House (2)	2001	College Station, TX	Texas A&M University	101.3%	173	538
7. The Village at Alafaya Club	2000	Orlando, FL	The University of Central Florida	97.4%	228	840
8. The Village at Science Drive	2001	Orlando, FL	The University of Central Florida	99.3%	192	732
9. University Village at Boulder Creek	2002	Boulder, CO	The University of Colorado at Boulder	87.7%	82	309
10. University Village at Fresno	2004	Fresno, CA				