



2005 Annual Report



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It Begins with

# FOUNDATION

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Since the inception of American Campus Communities, it has been our mission to be the premier student housing company. As we look back on our first full year as a publicly traded company, we've made great strides towards that goal. As of December 31, 2005, our total shareholder return of 52 percent was the highest of any of our peers in the public student housing sector since the respective times of their IPO's.

Our success is directly linked to our people, the foundation of our organization. In 2005, it was their expertise and commitment that helped us achieve our business objectives, and their passion and tenacity to succeed that delivered results beyond initial expectations. The ACC team, through a collective, unequaled understanding of the student housing industry, enabled us to attain substantial external growth consistent with our stringent investment criteria, and strong internal growth in our core business. Perhaps the last line of our mission statement says it best:

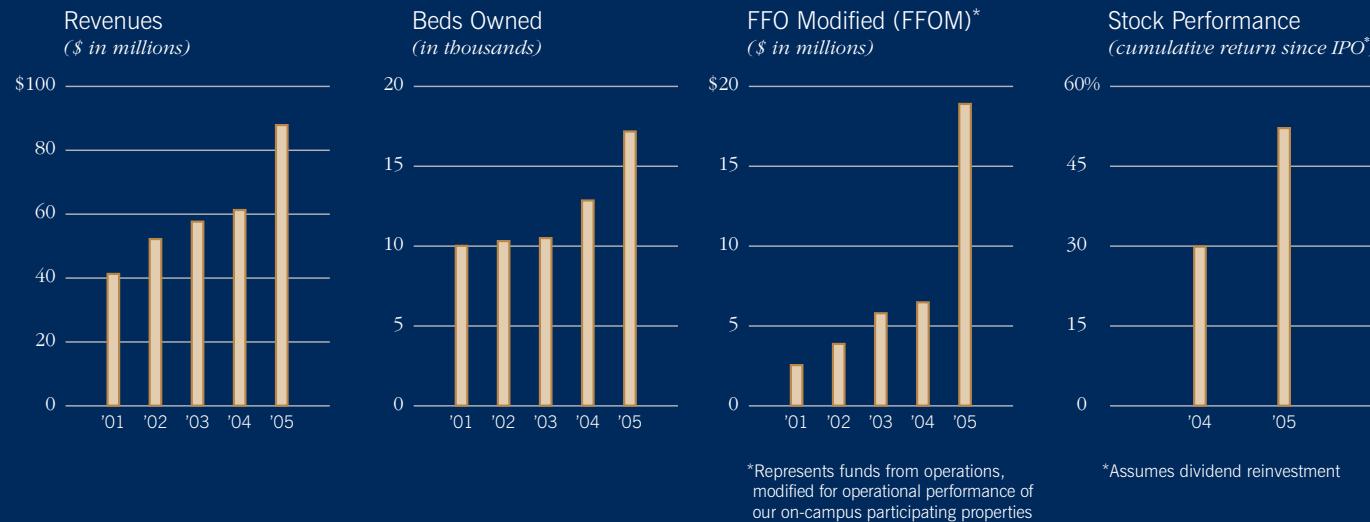
*“Our people are our strength, achieving success through a dedication to excellence and integrity.”*

# Selected Historical Data

(dollars in thousands)

For the Year Ended December 31,	2005	2004 <sup>1</sup>	2003	2002	2001
Revenues	\$ 87,474	\$ 60,823	\$ 57,124	\$ 52,131	\$ 40,752
Income (loss) from continuing operations	\$ 3,781	\$ (1,667)	\$ (967)	\$ (2,753)	\$ (3,300)
Net income (loss)	\$ 9,662	\$ (1,339)	\$ (944)	\$ (2,139)	\$ (2,939)
Investments in real estate, net	\$ 497,468	\$ 340,514	\$ 300,596	\$ 279,428	\$ 265,989
Total assets	\$ 550,862	\$ 367,628	\$ 330,566	\$ 307,658	\$ 295,637
Secured debt	\$ 291,646	\$ 201,014	\$ 267,518	\$ 249,706	\$ 234,449
Stockholders' and predecessor owners' equity	\$ 223,227	\$ 138,229	\$ 27,658	\$ 35,526	\$ 40,572
Owned properties	25	18	14	14	13
Units	5,620	4,317	3,567	3,459	3,377
Beds	17,109	12,955	10,546	10,336	10,027
Occupancy as of December 31,	97.0%	97.1%	91.5%	91.0%	93.5%

<sup>1</sup> Results for the year ended December 31, 2004 represent the historical data for our predecessor for the period from January 1, 2004 to August 16, 2004 as well as the consolidated results for our company for the period from August 17, 2004 to December 31, 2004, subsequent to our initial public offering. Results for the years ended December 31, 2001 through 2003 represent the historical data of our predecessor.



# Dear Fellow Shareholders

As we look back on 2005, we are pleased with the progress made in our endeavor to be the premier company in the student housing sector. The year can be characterized as one in which we met our stated goals and objectives by staying true to our proven strategies, while relying on our people to do what they do best: meet and exceed expectations. We demonstrated to the market why we are considered by many to be the best operator in the industry.

Our goals for 2005 included growing our same-store NOI, re-leasing our owned portfolio to a level that provided revenue and NOI growth for the 2005–2006 academic year, and increasing FFO and FFOM through the implementation of our disciplined investment strategy. I am proud to report, that based on the efforts and dedication of our employees, we were successful in all of these areas.

With regard to annual same-store NOI growth for our owned off-campus properties, Greg Dowell, chief of operations, along with Jim Sholders and the corporate and onsite operations team, continued to deliver results

beyond our initial expectations, posting an increase of 11.6 percent over 2004. For the year, we posted strong same-store revenue growth of 6.1 percent, while benefiting from our scalability and specialized operating systems in holding expenses constant.

Our leasing and marketing teams, led by Jennifer Beese and Michael Cipriano, met our re-leasing goals for the 2005–2006 academic year by improving fall occupancy to 98.5 percent from 97.4 percent in fall 2004. This increase was accompanied by solid rental rate growth, which led our fourth quarter same-store NOI to increase 7.7 percent over the same quarter 2004, a strong indicator our core business should remain strong in 2006.

Turning to our development and acquisition goals, Jim Hopke, our chief investment officer, along with William Talbot and Brian Winger were responsible for quality growth. We increased our assets by 50 percent as we acquired seven new properties that met our stringent criteria—close proximity to campus, product differentiation and location in submarkets with barriers to entry. We also

completed construction and placed into service our owned off-campus development at SUNY Buffalo, which opened fully stabilized at 100 percent occupancy.

Our third-party development team lead by Jason Wills and Noel Brinkman, along with our third-party management team, led by Steve Crawford, delivered \$8.6 million in total third-party fee revenue, a 9.3 percent increase over 2004. The year was highlighted by major development awards at the University of Hawaii, the University of New Orleans and Arizona State University. Arizona State is a milestone award, with the transaction turning into an opportunity to develop and own on-campus housing versus providing third-party development services.

These collective accomplishments led to strong financial growth with annual FFO increasing to \$20.0 million and FFOM increasing to \$18.9 million, respective increases of 132 percent and 191 percent over 2004.

In 2005, our people also set the stage for continued growth. We commenced construction on \$110 million of owned developments and established an owned development



Bill Bayless, President & CEO

pipeline in excess of \$300 million. In the fourth quarter, we also contracted to purchase the Royal Properties student housing portfolio for \$244 million.

During the first quarter of 2005, we announced a restructuring of senior management to help ensure we attain our long-term objectives. Brian Nickel, who has been my most valued resource for the past decade, moved into the role of CFO. Brian, along with Daniel Perry, facilitated the implementation of our business plan with prudent management of our balance sheet and capital structure. In July, we raised \$103 million in equity with the successful consummation of our follow-on offering to fund our growth plan. We also expanded our line of credit and amended its covenants to provide more favorable terms. We were successful in establishing our stock as a viable currency, with approximately \$52 million in consideration for the Royal assets coming in the form of OP units, further preserving our capacity for growth.

The supporting cast at ACC also contributed greatly. Jon Graf, chief accounting officer, along with Kim Voss, Ed Sullivan and the entire financial operations team, continued to make our transition from a private to public company a seamless effort, including becoming 404 compliant in our first year.

Jorge Decardenas and our information technology team took us to the next level as they enhanced our operating systems and reporting platforms, while simultaneously supporting and facilitating our growth. This was evidenced by the IT department's John Mitchell being voted as ACC's Employee of the Year. In addition, Maureen Hahn and her staff spearheaded the efforts to bring our HR functions in-house, setting the stage for future efficiencies and improved service to our employees.

While you won't see any evidence of it on a financial statement, there may be no greater example of dedication than the efforts of our management services team after Hurricane Rita. The hurricane struck Beaumont, Texas with a direct hit on Lamar University, where we have a third-party management contract for their on-campus housing. The ACC team mobilized immediately. Within days, Melinda Farmer, Rebecca Teagarden, Wayne Schrader and Wayne Taylor left the corporate office and moved into a FEMA disaster area to lead the cleanup, reconstruction and re-opening of the University's housing facilities. They and our local staff went weeks with little sleep, no electricity or comforts of the modern world. Their efforts were praised in an article in *The Chronicle of Higher Education*. It described

the surprise and joy of a Lamar University student who had fled, leaving her apartment in total disarray, only to return a few weeks later to find her laundry done, clothes folded, computer hooked up and a Hershey's Kiss on her pillow. It's that kind of dedication and commitment to service that brings an intangible value to an American Campus Community.

I would be remiss if I did not commend and thank our board of directors for their numerous contributions in 2005. Their guidance, support and willingness to share their knowledge and experience with myself and members of senior management are of great benefit to the company and its shareholders.

As an old cliché goes, "It all comes down to people." At ACC, we are truly blessed with the best and the brightest team in the industry. In 2005, our people made the difference and they delivered. On behalf of all of them, thank you for your investment and your confidence in American Campus Communities.



Bill Bayless  
President & CEO  
March 2006

Building on the

## STRENGTH OF OUR PEOPLE



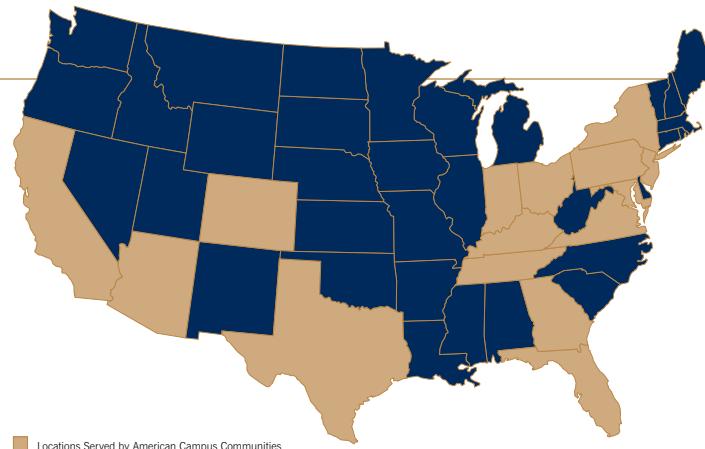
A deep-rooted understanding of the industry drives the American Campus team. It's telling that seven of our senior-level management began their careers as resident assistants. At the level of senior vice president and above, the ACC team has been involved in the development, acquisition or management of 129 student housing properties, with more than 80,800 beds at 85 colleges and universities. This unparalleled experience guides how we analyze student markets, underwrite acquisitions, design and construct our developments, and how we market, lease and operate our communities.

We continue to hone the skills of our next generation of talent through our Inside Track program. Through it, we identify our most gifted field personnel, including community assistants, business and maintenance staff, and immerse and train them in all facets of operations. As we implemented our 2005 business plan, we realized the true benefit of Inside Track with over 70 percent of the general managers at our growth properties having come through the program.



# Our Communities

► AS OF MARCH 31, 2006



Property	Serving Students of	Location	Beds
<b>OWNED PROPERTIES (38)</b>			
<b>Owned Off-Campus Properties</b>			
The Commons on Apache	Arizona State University	Tempe, AZ	444
The Village on University	Arizona State University	Tempe, AZ	918
College Club Townhomes	Florida State University	Tallahassee, FL	384
Royal Oaks	Florida State University	Tallahassee, FL	224
Royal Pavilion	Florida State University	Tallahassee, FL	204
Royal Village	Florida State University	Tallahassee, FL	288
The Greens at College Club Townhomes	Florida State University	Tallahassee, FL	160
The Grove at University Club Townhomes	Florida State University	Tallahassee, FL	128
University Club Townhomes	Florida State University	Tallahassee, FL	608
University Village	Fresno State	Fresno, CA	406
Raider's Crossing	Middle Tennessee State University	Murfreesboro, TN	265
The Woods at Greenland	Middle Tennessee State University	Murfreesboro, TN	271
Village at Newark <sup>1</sup>	NJIT, ECCC, Rutgers	Newark, NJ	812
University Village at Sweethome	State University of New York, Buffalo	Buffalo, NY	828
University Village	Temple University	Philadelphia, PA	749
Aggie Station	Texas A&M University	College Station, TX	450
Callaway Villas <sup>1</sup>	Texas A&M University	College Station, TX	704
The Callaway House	Texas A&M University	College Station, TX	538
The Outpost	Texas State University	San Marcos, TX	486
Raider's Pass	Texas Tech University	Lubbock, TX	828
Entrada Real	University of Arizona	Tucson, AZ	367
Northgate Lakes	University of Central Florida	Orlando, FL	710
The Village at Alafaya Club	University of Central Florida	Orlando, FL	840
The Village at Science Drive	University of Central Florida	Orlando, FL	732

Property	Serving Students of	Location	Beds
University Village at Boulder Creek	University of Colorado	Boulder, CO	309
The Estates	University of Florida	Gainesville, FL	1,044
Royal Village	University of Florida	Gainesville, FL	449
University Club	University of Florida	Gainesville, FL	376
River Club Apartments	University of Georgia	Athens, GA	794
River Walk Townhomes	University of Georgia	Athens, GA	340
Royal Lexington	University of Kentucky	Lexington, KY	340
City Parc at Fry Street	University of North Texas	Denton, TX	418
The Outpost	University of Texas at San Antonio	San Antonio, TX	828
The Village at Blacksburg	Virginia Tech	Blacksburg, VA	1,056
			18,298
<b>On-Campus Participating Properties</b>			
University College	Prairie View A&M University	Prairie View, TX	1,470
University Village	Prairie View A&M University	Prairie View, TX	1,920
University Village	Texas A&M International University	Laredo, TX	252
Cullen Oaks	University of Houston	Houston, TX	879
			4,521
<b>MANAGED PROPERTIES (15)</b>			
Texan Hall <sup>2</sup>	Angelo State University	San Angelo, TX	512
Viking Hall	Cleveland State University	Cleveland, OH	475
IPFW Student Housing <sup>2</sup>	Indiana University/Purdue University, Fort Wayne	Fort Wayne, IN	568
Cardinal Village (Phase I) <sup>2</sup>	Lamar University	Beaumont, TX	521
Cardinal Village (Phase II) <sup>2</sup>	Lamar University	Beaumont, TX	521
Cardinal Village (Phase III) <sup>2</sup>	Lamar University	Beaumont, TX	499
University Village	Purdue University, Calumet	Hammond, IN	377
University Village	Savannah State University	Savannah, GA	660
Bobcat Village	Texas State University	San Marcos, TX	660
University Village	Towson University	Towson, MD	615
Vista Del Campo (Phase I) <sup>2</sup>	University of California, Irvine	Irvine, CA	1,488
Bayou Oaks Greek Housing <sup>2</sup>	University of Houston	Houston, TX	471
Dobie Center	University of Texas	Austin, TX	975
The Village at Riverside	University of Texas	Austin, TX	408
Coyote Village <sup>2</sup>	Weatherford College	Weatherford, TX	280
			9,030

<sup>1</sup> Under Construction

<sup>2</sup> Developed by ACC



# Our Competitive Edge

## ► UNDERSTANDING OUR BUSINESS

It's no accident American Campus is one of the nation's top-performing student housing companies. We know what it takes to be successful and it's reflected in our investment criteria: close proximity to campuses, product differentiation and in-fill locations in submarkets with barriers to entry.

We've built our entire organization around the unique facets of student housing. Whether it be operations, acquisitions or development, our systems and procedures are customized to the sector. Additionally, we've invested in the tools necessary to maximize our effectiveness.

Our long-term vision of success is founded on a disciplined investment and growth strategy, coupled with our focused efforts to be the best operator in the industry. Never complacent, we'll continue to look for opportunities and evolve our products and services to meet emerging needs. By adhering to these principles, we will continue to strive to be the premier student housing company.





The Estates at the University of Florida

# Our Expertise

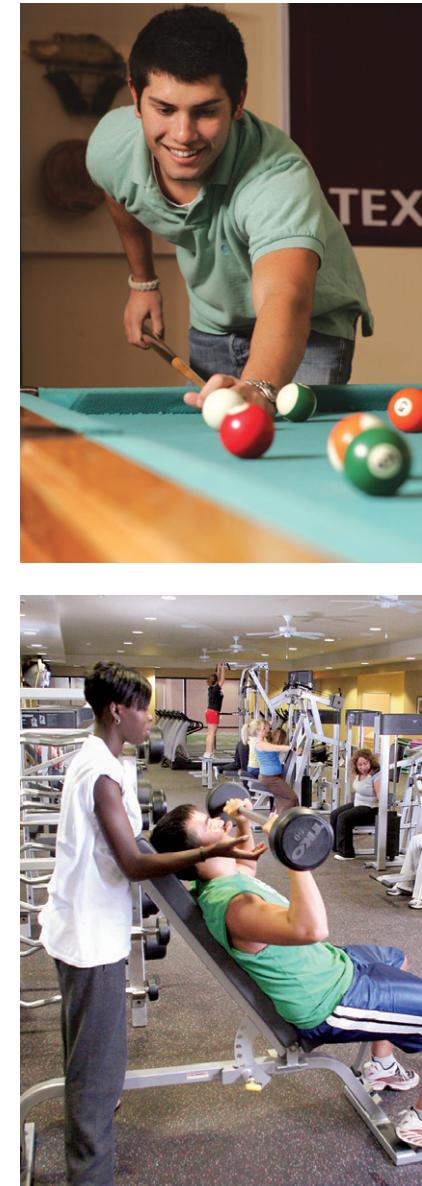
## ► MANAGING FOR LONG-TERM GROWTH

Student housing operations pose obstacles and risks for the inexperienced manager. From re-leasing all units each year to the mass move-in at the start of fall classes, to the mass move-out at the end of summer classes to the 10–14 days to turn and make-ready an entire community, student housing operations are intense.

We've spent our careers developing and refining systems to manage these demanding periods. Perhaps the best example is our proprietary Leasing Administration and Marketing System (LAMS). This web-based software program links our corporate offices to each of our owned assets on a real-time basis. LAMS automates prospect tracking and follow-up, measures marketing medium effectiveness, closing ratios and unit type absorption, and produces comprehensive leasing reports, while delivering a host of productivity-driven benefits. By proactively managing and monitoring our efforts, we achieve optimal results.

We use our management expertise to develop communities and operating plans with success built-in at every stage. From concept to project completion to the delivery of financial goals, our integrated, collaborative process allows us to meet and frequently exceed expectations.





# Corporate Information

## Board of Directors—2005

William C. Bayless, Jr.

*President, Chief Executive Officer,  
Executive Committee Chair*

R.D. Burck

*Independent Chairman of the Board,  
Audit Committee Member,  
Nominating and Corporate Governance  
Committee Member*

G. Steven Dawson

*Independent Director,  
Audit Committee Chair,  
Compensation Committee Member*

Cydney Donnell

*Independent Director,  
Executive Committee Member,  
Nominating and Corporate Governance  
Committee Member*

Edward Lowenthal

*Independent Director,  
Nominating and Corporate Governance  
Committee Chair,  
Compensation Committee Member*

Brian B. Nickel

*Executive Vice President,  
Chief Financial Officer,  
Executive Committee Member*

Scott H. Rechler

*Executive Committee Member*

Winston W. Walker

*Independent Director,  
Compensation Committee Chair,  
Audit Committee Member*

## Officers

William C. Bayless, Jr.

*President, Chief Executive Officer*

Greg A. Dowell

*Executive Vice President,  
Chief of Operations*

Brian B. Nickel

*Executive Vice President,  
Chief Financial Officer, Secretary*

James C. Hopke, Jr.

*Executive Vice President,  
Chief Investment Officer*

Jonathan A. Graf

*Senior Vice President,  
Chief Accounting Officer, Treasurer*

## Legal Counsel

Locke Liddell & Sapp LLP

Dallas, Texas

## Auditors

Ernst & Young, LLP

Austin, Texas

## Transfer Agent

Bank of New York

New York, New York

## Shareholder Information

Copies of the Company's Form 10-K and all amendments filed with the Securities and Exchange Commission for the year ended December 31, 2005 may be obtained free of charge by contacting:

### Investor Relations

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*Directors standing, left to right: Cydney Donnell, Brian Nickel, Winston Walker, Dan Burck, Edward Lowenthal. Seated, left to right: Bill Bayless, Steven Dawson. Not pictured: Scott Rechler.*

## Annual Meeting

May 11, 2006

The Driskill Hotel

604 Brazos Street

Austin, Texas 78701



OUR MISSION IS TO BE THE PREMIER  
PROVIDER OF QUALITY STUDENT HOUSING  
communities and services through a unique understanding of and an unrelenting  
commitment to students, parents, educational institutions and investors. Our  
people are our strength, achieving success through a dedication to excellence  
and integrity.



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