AMERICAN CAMPUS COMMUNITIES

Where students love living.®

2020 Annual Report

On the cover:

Top: Manzanita Square, San Francisco State University.
Bottom: Lightview, Northeastern University

Dear Fellow Shareholder

For us all, 2020 was a challenging year with the COVID-19 global pandemic impacting every aspect of our lives. In an effort to slow the spread of the pandemic, governmental shelter-in-place orders were instituted across the country, which dramatically impacted the US higher education system. As a result, the student housing industry, like most businesses, faced unprecedented and unanticipated disruption.

With our core values as our guide, we responded immediately with a pledge to provide every resident with a home, regardless of their ability to pay rent on time. Further, we attempted to address these unforeseen impacts by *"Doing the Right Things"* on behalf of all of our stakeholders. For our residents, we focused on continuing to provide essential services through our environmentally responsible housing that is conducive to safe and healthy living, personal growth, and academic and professional achievement. All the while, we attempted to mitigate long-term negative impacts to our business and provide thought leadership and action to help universities and their students return to a sense of normalcy.

We have also been agile in responding to local conditions, focusing on protecting our team members, residents and others with whom we interact. We challenged ourselves to remain leaders during this time and enacted detailed business continuity plans that allow us to continue to serve our residents and preserve value for shareholders, while protecting the well-being of our people.

To accomplish these important objectives, we took numerous decisive actions as the pandemic took hold:

- At the onset of the pandemic, we formed a COVID-19 Resident Hardship Program through which we provided over $32 million in financial relief to our residents suffering financial hardship and to students through our university partnerships.
- In addition to this direct financial assistance, we waived all late fees and online payment fees during the spring and summer terms and did not pursue any financial-related evictions during the year.
- We collaborated with RB, the makers of Lysol and a global leader in hygiene products, launching the "Be safe. Be smart. Do your part.™" program, which set a new standard and approach to cleanliness and disinfection at our student housing communities. This program includes a comprehensive review of cleaning products and procedures by a third-party hygiene and disinfectant specialist that integrates enhanced cleaning standards, resident responsibility education and touchless preventative measures in our college communities across the country.
- We adopted pervasive work-from-home and emergency leave measures for our employees, and senior management reallocated $1 million of additional cash incentive compensation to field-level staff as recognition of the importance of their role in supporting our residents and implementing our significantly expanded operational procedures during the pandemic.
- We continued to advance our ESG programs, including a focus on employee diversity, equity, and inclusion with a key component being the formation of a Diversity & Inclusion Task Force and becoming a signatory of the CEO Action for Diversity and Inclusion pledge.

From a financial perspective, while our operating results were negatively impacted by COVID-19, our ability to be resilient and adapt quickly to external changes was critical to the preservation of long-term value for our shareholders in spite of the challenges presented by the global pandemic. For the 2020-2021 academic year, as of September 30, 2020, the Company leased 90.3% of its same store owned property beds, as compared to 97.4% as of the same date the prior year. We believe the strategic improvements we conducted in recent years to significantly improve our property portfolio quality in terms of proximity to campus positioned the Company for outperformance relative to the broader industry amid the pandemic. As compared to the results in the top 175 markets, as measured and reported by a third-party provider of student housing statistics, our achievement of same store occupancy of 90.3% and 1.1% average rental rate growth per occupied bed compared to occupancy of 87.7% and rental rate growth of 1.3%, or approximately 2.4 percentage points of total revenue outperformance.

Looking forward, while the virus has a lingering effect on the student housing sector, we are seeing signs of improvement. The need for resident rent relief has significantly diminished, collection rates in the fourth quarter of 2020 have nearly normalized at approximately 98%, many universities are announcing plans to return to traditional on-campus activities in the fall, and discussions with our university partners indicate that admission applications are up over last year, with many projecting enrollment growth for Fall 2021.

With our long-term strategy, our focus on residents and the university communities we serve, and our performance and operating discipline, we believe we are well-positioned to navigate the future.

I want to take this opportunity to express my gratitude to departing board members Carla Piñeyro Sublett, who departed our Board in concert with accepting the position of Chief Marketing Officer with IBM, and Ed Lowenthal, who announced that he will be retiring from the Board in May, after 16 years of service, including five years as Board Chair. Ed has helped oversee our Company's transformation from an owner of only 16 student housing properties at the IPO to becoming the industry leader. We would also like to congratulate Cydney Donnell, who will be assuming the role of Board Chair upon Ed's departure.

In closing, I'd like to thank the entire ACC family for their commitment and tireless efforts. And on behalf of all of us, we thank each and every one of you for your support.

Bill Bayless
Chief Executive Officer

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

☒ Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the fiscal year ended December 31, 2020.

☐ Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the Transition Period From ____________________ to _________________.

Commission file number 001-32265 (American Campus Communities, Inc.)
Commission file number 333-181102-01 (American Campus Communities Operating Partnership LP)

AMERICAN CAMPUS COMMUNITIES, INC.
AMERICAN CAMPUS COMMUNITIES OPERATING PARTNERSHIP LP

(Exact name of registrant as specified in its charter)

American Campus Communities, Inc.	**Maryland**	**76-0753089**
American Campus Communities Operating Partnership LP	**Maryland**	**56-2473181**
	(State or Other Jurisdiction of Incorporation or Organization)	*(IRS Employer Identification No.)*

12700 Hill Country Blvd., Suite T-200, Austin, TX **78738**
(Address of Principal Executive Offices) *(Zip Code)*

(512) 732-1000
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Common Stock, par value $.01 per share	ACC	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

American Campus Communities, Inc.	Yes ☒	No ☐
American Campus Communities Operating Partnership LP	Yes ☐	No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

American Campus Communities, Inc.	Yes ☐	No ☒
American Campus Communities Operating Partnership LP	Yes ☐	No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

American Campus Communities, Inc.	Yes ☒	No ☐
American Campus Communities Operating Partnership LP	Yes ☒	No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

American Campus Communities, Inc.	Yes ☒	No ☐
American Campus Communities Operating Partnership LP	Yes ☒	No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer", "accelerated filer", "smaller reporting company", and "emerging growth company" in Rule 12b-2 of the Exchange Act.

American Campus Communities, Inc.

Large accelerated filer	☒	Accelerated Filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

American Campus Communities Operating Partnership LP

Large accelerated filer	☐	Accelerated Filer	☐
Non-accelerated filer	☒ (Do not check if a smaller reporting company)	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

American Campus Communities, Inc.	☒
American Campus Communities Operating Partnership LP	☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act).

American Campus Communities, Inc.	Yes ☐	No ☒
American Campus Communities Operating Partnership LP	Yes ☐	No ☒

The aggregate market value of voting and non-voting common equity held by non-affiliates of the registrant was $3,534,887,720 based on the last sale price of the common equity on June 30, 2020 which is the last business day of the Company's most recently completed second quarter.

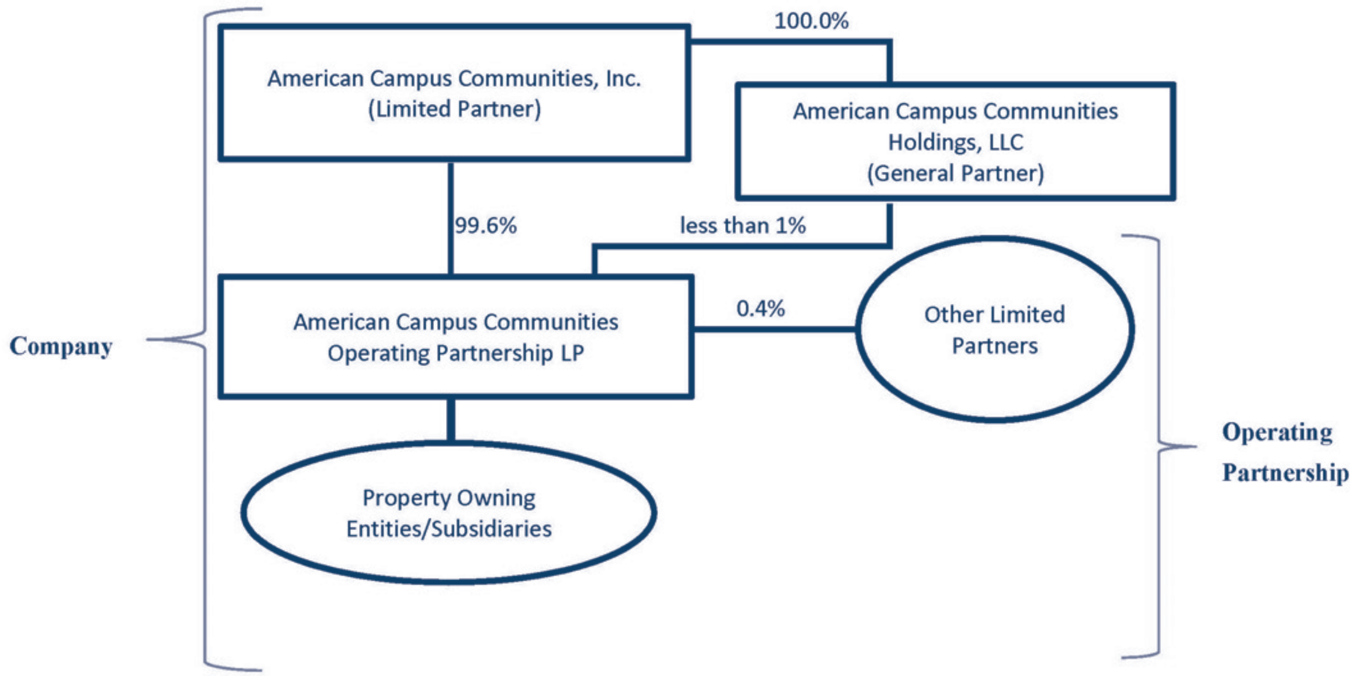
There were 137,641,145 shares of the Company's common stock with a par value of $0.01 per share outstanding as of the close of business on February 19, 2021.

DOCUMENTS INCORPORATED BY REFERENCE

Part III of this report incorporates information by reference from the definitive Proxy Statement for the 2021 Annual Meeting of Stockholders.

EXPLANATORY NOTE

This report combines the annual reports on Form 10-K for the year ended December 31, 2020 of American Campus Communities, Inc. and American Campus Communities Operating Partnership LP. Unless stated otherwise or the context otherwise requires, references to "ACC" mean American Campus Communities, Inc., a Maryland corporation that has elected to be treated as a real estate investment trust ("REIT") under the Internal Revenue Code, and references to "ACCOP" mean American Campus Communities Operating Partnership LP, a Maryland limited partnership. References to the "Company," "we," "us," or "our" mean collectively ACC, ACCOP, and those entities/subsidiaries owned or controlled by ACC and/or ACCOP. References to the "Operating Partnership" mean collectively ACCOP and those entities/subsidiaries owned or controlled by ACCOP. The following chart illustrates the Company's and the Operating Partnership's corporate structure:



The general partner of ACCOP is American Campus Communities Holdings, LLC ("ACC Holdings"), an entity that is wholly-owned by ACC. As of December 31, 2020, ACC Holdings held an ownership interest in ACCOP of less than less than 1%. The limited partners of ACCOP are ACC and other limited partners consisting of current and former members of management and nonaffiliated third parties. As of December 31, 2020, ACC owned an approximate 99.6% limited partnership interest in ACCOP. As the sole member of the general partner of ACCOP, ACC has exclusive control of ACCOP's day-to-day management. Management operates the Company and the Operating Partnership as one business. The management of ACC consists of the same members as the management of ACCOP. The Company is structured as an umbrella partnership REIT ("UPREIT"), and ACC contributes all net proceeds from its various equity offerings to the Operating Partnership. In return for those contributions, ACC receives a number of units of ACCOP ("OP Units," see definition below) equal to the number of common shares it has issued in the equity offering. Contributions of properties to the Company can be structured as tax-deferred transactions through the issuance of OP Units in ACCOP. Based on the terms of ACCOP's partnership agreement, OP Units can be exchanged for ACC's common shares on a one-for-one basis. The Company maintains a one-for-one relationship between the OP Units of ACCOP issued to ACC and ACC Holdings and the common shares issued to the public. The Company believes that combining the reports on Form 10-K of the Company and the Operating Partnership into this single report provides the following benefits:

- enhances investors' understanding of the Company and the Operating Partnership by enabling investors to view the business as a whole in the same manner as management views and operates the business;
- eliminates duplicative disclosure and provides a more streamlined and readable presentation since a substantial portion of the disclosure applies to both the Company and the Operating Partnership; and
- creates time and cost efficiencies through the preparation of one combined report instead of two separate reports.

ACC consolidates ACCOP for financial reporting purposes, and ACC essentially has no assets or liabilities other than its investment in ACCOP. Therefore, the assets and liabilities of the Company and the Operating Partnership are the same on their respective financial statements. However, the Company believes it is important to understand the few differences between the Company and the Operating Partnership in the context of how the entities operate as a consolidated company. All of the

Company's property ownership, development and related business operations are conducted through the Operating Partnership. ACC also issues public equity from time to time and guarantees certain debt of ACCOP. ACC does not have any indebtedness, as all debt is incurred by the Operating Partnership. The Operating Partnership holds substantially all of the assets of the Company, including the Company's ownership interests in its joint ventures. The Operating Partnership conducts the operations of the business and is structured as a partnership with no publicly traded equity. Except for the net proceeds from ACC's equity offerings, which are contributed to the capital of ACCOP in exchange for OP Units on a one-for-one common share per OP Unit basis, the Operating Partnership generates all remaining capital required by the Company's business. These sources include, but are not limited to, the Operating Partnership's working capital, net cash provided by operating activities, borrowings under its credit facility, the issuance of unsecured notes, and proceeds received from the disposition of certain properties. Noncontrolling interests, stockholders' equity, and partners' capital are the main areas of difference between the consolidated financial statements of the Company and those of the Operating Partnership. The noncontrolling interests in the Operating Partnership's financial statements consist of the interests of unaffiliated partners in various consolidated joint ventures. The noncontrolling interests in the Company's financial statements include the same noncontrolling interests at the Operating Partnership level and OP Unitholders of ACCOP. The differences between stockholders' equity and partners' capital result from differences in the type of equity issued at the Company and Operating Partnership levels.

To help investors understand the significant differences between the Company and the Operating Partnership, this report provides separate consolidated financial statements for the Company and the Operating Partnership. A single set of consolidated notes to such financial statements is presented that includes separate discussions for the Company and the Operating Partnership when applicable (for example, noncontrolling interests, stockholders' equity or partners' capital, earnings per share or unit, etc.). A combined Management's Discussion and Analysis of Financial Condition and Results of Operations section is also included that presents discrete information related to each entity, as applicable. This report also includes separate Part II, Item 9A Controls and Procedures sections and separate Exhibits 31 and 32 certifications for each of the Company and the Operating Partnership in order to establish that the requisite certifications have been made and that the Company and the Operating Partnership are compliant with Rule 13a-15 or Rule 15d-15 of the Securities Exchange Act of 1934 and 18 U.S.C. §1350.

In order to highlight the differences between the Company and the Operating Partnership, the separate sections in this report for the Company and the Operating Partnership specifically refer to the Company and the Operating Partnership. In the sections that combine disclosure of the Company and the Operating Partnership, this report refers to actions or holdings as being actions or holdings of the Company. Although the Operating Partnership is generally the entity that directly or indirectly enters into contracts and joint ventures and holds assets and debt, reference to the Company is appropriate because the Company operates its business through the Operating Partnership. The separate discussions of the Company and the Operating Partnership in this report should be read in conjunction with each other to understand the results of the Company on a consolidated basis and how management operates the Company.

FORM 10-K
FOR THE YEAR ENDED DECEMBER 31, 2020

TABLE OF CONTENTS

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PART I

Item 1. Business

Overview

American Campus Communities, Inc. ("ACC") is a real estate investment trust ("REIT") that commenced operations effective with the completion of an initial public offering ("IPO") on August 17, 2004. Through ACC's controlling interest in American Campus Communities Operating Partnership LP ("ACCOP"), ACC is one of the largest owners, managers, and developers of high quality student housing properties in the United States in terms of beds owned and under management. ACC is 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.

The general partner of ACCOP is American Campus Communities Holdings, LLC ("ACC Holdings"), an entity that is wholly-owned by ACC. As of December 31, 2020, ACC Holdings held an ownership interest in ACCOP of less than 1%. The limited partners of ACCOP are ACC and other limited partners consisting of current and former members of management and nonaffiliated third parties. As of December 31, 2020, ACC owned an approximate 99.6% limited partnership interest in ACCOP. As the sole member of the general partner of ACCOP, ACC has exclusive control of ACCOP's day-to-day management. Management operates ACC and ACCOP as one business. The management of ACC consists of the same members as the management of ACCOP. ACC consolidates ACCOP for financial reporting purposes, and ACC does not have significant assets other than its investment in ACCOP. Therefore, the assets and liabilities of ACC and ACCOP are the same on their respective financial statements. References to the "Company," "we," "us" or "our" mean collectively ACC, ACCOP and those entities/subsidiaries owned or controlled by ACC and/or ACCOP. References to the "Operating Partnership" mean collectively ACCOP and those entities/subsidiaries owned or controlled by ACCOP.

As of December 31, 2020, our total owned and third-party managed portfolio included 206 properties with approximately 141,100 beds.

Business Objectives, Investment Strategies, and Operating Segments

Business Objectives

Our primary business objectives are to create long-term stockholder value by deploying capital to develop, redevelop, acquire and operate student housing communities, and to sell communities when they no longer meet our long-term investment strategy and when market conditions are favorable. We believe we can achieve these objectives by continuing to implement our investment strategies and successfully manage our operating segments, which are described in more detail below. Our business objectives align with our commitment to corporate responsibility, in which we focus on creating healthy, sustainable environments with a sense of community and connection, giving back to the communities we serve, and investing in our employees.

Investment Strategies

We seek to own high quality, well designed and well located student housing properties. We seek to acquire or develop properties in markets that have stable or increasing student populations, are in submarkets with barriers to entry and provide opportunities for economic growth as a result of their product position and/or differentiated design and close proximity to campuses, or through our superior operational capabilities. We believe that our reputation and established relationships with universities give us an advantage in sourcing acquisitions and developments and obtaining municipal approvals and community support for our development projects.

Our experienced development staff intends to continue to identify and acquire land parcels in close proximity to colleges and universities that offer location advantages or that allow for the development of unique products that offer a competitive advantage. We expect to continue to benefit from opportunities derived from our extensive network with colleges and universities as well as our relationship with certain developers with whom we have previously developed student housing properties.

Operating Segments

We define business segments by their distinct customer base and service provided. We have identified four reportable segments: Owned Properties, On-Campus Participating Properties, Development Services and Property Management Services.

For a detailed financial analysis of our segments' results of operations and financial position, please refer to Note 16 in the accompanying Notes to Consolidated Financial Statements contained in Item 8.

Property Operations

Unique Leasing Characteristics: Student housing properties are typically leased by the bed on an individual lease liability basis, unlike multifamily housing where leasing is by the unit. Individual lease liability limits each resident's liability to his or her own rent without liability for a roommate's rent. A parent or guardian is generally required to execute each lease as a guarantor unless the resident provides adequate proof of income or financial aid. The number of lease contracts that we administer is therefore approximately equivalent to the number of beds occupied and not the number of units. Leases at our off-campus properties typically require 12 monthly rental installments, whereas leases for our residence hall properties typically correspond to the university's academic year and require ten monthly rental installments. Please refer to the property table contained in Item 2 – Properties for a listing of the typical rent payment terms at our properties. As an example, in the case of our typical off-campus leases, the commencement date coincides with the commencement of the respective university's Fall academic term and the termination date is the last day of the subsequent summer school session. As such, we must re-lease each property in its entirety each year.

Management Philosophy: Our management philosophy is based upon meeting the following objectives:

- Satisfying the specialized needs of residents by providing the highest levels of customer service;
- Developing and maintaining an academically oriented environment via a premier residence life/student development program;
- Maintaining each project's physical plant in top condition;
- Maximizing revenue through the development and implementation of a strategic annual marketing plan and leasing administration program; and
- Maximizing cash flow through maximizing revenue coupled with prudent control of expenses.

Owned Properties: Our off-campus properties are generally located in close proximity to the school campus, generally with pedestrian, bicycle, or university shuttle access. Off-campus housing tends to offer more relaxed rules and regulations than on-campus housing, resulting in off-campus housing being generally more appealing to upper-classmen. We believe that the support of colleges and universities can be beneficial to the success of our owned properties. We actively seek to have these institutions recommend our facilities to their students or to provide us with mailing lists so that we may directly market to students and parents. In some cases, the institutions actually promote our off-campus facilities in their recruiting and admissions literature. In cases where the educational institutions do not provide mailing lists or recommendations for off-campus housing, most provide comprehensive lists of suitable properties to their students, and we continually work to ensure that our properties are on these lists in each of the markets that we serve.

Off-campus housing is subject to competition for tenants with on-campus housing owned by colleges and universities, and vice versa. Colleges and universities can generally avoid real estate taxes and borrow funds at lower interest rates than us (and other private sector operators), thereby decreasing their operating costs. Residence halls owned and operated by the primary colleges and universities in the markets of our off-campus properties may charge lower rental rates, but typically offer fewer amenities than we offer at our properties. Additionally, most universities are only able to house a small percentage of their overall enrollment and are therefore highly dependent upon the off-campus market to provide housing for their students. High-quality, well run off-campus student housing can be a critical component to an institution's ability to attract and retain students. Therefore, developing and maintaining good relationships with educational institutions can result in a privately owned off-campus facility becoming, in effect, an extension of the institution's housing program, with the institution providing highly valued references and recommendations to students and parents.

This segment also competes with national and regional owner-operators of off-campus student housing in a number of markets as well as with smaller local owner-operators. Therefore, the performance of this segment could be affected by the construction of new on-campus or off-campus residences, increases or decreases in the general levels of rents for housing in competing communities, increases or decreases in the number of students enrolled at one or more of the colleges or universities in the market of a property, and other general economic conditions.

American Campus Equity ("ACE®"): Included in our owned properties segment and branded and marketed to colleges and universities as the ACE program, this transaction structure provides us with what we believe is a lower-risk opportunity compared to other off-campus projects, as our ACE projects have premier on-campus locations with marketing and operational assistance from the university. The subject university substantially benefits by increasing its housing capacity with modern, well-amenitized student housing with no or minimal impacts to its own credit ratios, preserving the university's credit capacity to fund academic and research facilities.

In 2018, we expanded our ACE program and executed an agreement to develop a ten-phase purpose-built housing project serving student interns participating in the highly competitive Disney College Program ("Disney College Program"). This project offers natural synergies with our other ACE projects and exploits our core competency of housing college students. The $614.6 million living-learning community will include ACC-designed units offering a variety of configurations and price points providing privacy and individuality for college student participants. The development will also include a centralized 25,000-square-foot Disney Education Center located on site, offering college accredited coursework allowing participants to earn credit hours transferable to their respective universities. The first and second phases of the of the project were delivered in May and August 2020, respectively, and the remaining phases are anticipated to be delivered from 2021-2023. Due to the disruption associated with COVID-19, the Disney College Program is temporarily suspended, and although we are marketing the community to a broader rental market, we are experiencing diminished financial performance for this project as compared to original expectations. The project's future financial results will be affected by the duration of the suspension of the Disney College Program, with potential offsets by any success we experience in leasing the community to a broader rental market until such time as the Disney College Program is reinstated and the project achieves normalized occupancy levels.

On-Campus Participating Properties: Our On-Campus Participating Properties segment includes six on-campus properties that are operated under long-term ground/facility leases with three university systems. Under our ground/facility leases, we receive an annual distribution representing 50% of these properties' net cash flows, as defined in the ground/facility lease agreements. We also manage these properties under long-term management agreements and are paid management fees equal to a percentage of defined gross receipts.

Our on-campus participating properties are susceptible to some of the same risks as our owned properties, including: (i) seasonality in rents; (ii) annual re-leasing that is highly dependent on marketing and university admission policies; and (iii) competition for tenants from other on-campus housing operated by educational institutions or other off-campus properties.

Third-Party Services

Our third-party services consist of development services and management services and are typically provided to university and college clients. Fee revenue earned from this business segment allows us to develop strong and key relationships with colleges and universities. We believe these services continue to provide synergies with respect to our ability to identify, close, and successfully operate student housing properties. While management evaluates the operational performance of our third-party services based on the distinct segments identified below, at times we also evaluate these segments on a combined basis.

Development Services: Our Development Services segment consists of development and construction management services that we provide through one of our taxable REIT subsidiaries ("TRSs") for student housing properties owned by universities, 501(c)3 foundations, and others. Our clients have included some of the nation's most prominent systems of higher education. These services range from short-term consulting projects to long-term full-scale development and construction projects. We typically provide these services to colleges and universities seeking to modernize their on-campus student housing properties, and we are sometimes retained to manage these properties following their opening. They look to us to bring our student housing experience and expertise to ensure they develop marketable, functional and financially sustainable facilities. Educational institutions usually seek to build housing that will enhance their recruitment and retention of students while facilitating their academic objectives. Most of these development service contracts are awarded via a competitive request for proposal ("RFP") process that qualifies developers based on their overall capability to provide specialized student housing design, development, construction management, financial structuring and property management services. Our development services typically include pre-development, design and financial structuring services. Our pre-development services typically include feasibility studies for third-party owners and design services. Feasibility studies include an initial feasibility analysis, review of conceptual design and assistance with master planning. Some of the documents produced in this process include the conceptual design documents, preliminary development and operating budgets, cash flow projections and a preliminary market assessment. Our design services include coordination with the architect and other members of the design team, review of construction plans and assistance with project due diligence and project budgets.

Construction management services typically consist of hiring project professionals and a general contractor, coordinating and supervising the construction, equipping and furnishing the property, site visits, and full coordination and administration of all activities necessary for project completion in accordance with plans and specifications and with verification of adequate insurance.

Our Development Services activities benefit our primary goal of owning and operating student housing properties in a number of ways. By providing these services to others, we are able to expand and refine our unit plan and community design, the operational efficiency of our material specifications and our ability to determine market acceptance of unit and community amenities. Our development and construction management personnel enable us to establish relationships with general contractors, architects and project professionals throughout the nation. Through these services, we gain experience and expertise in residential and commercial construction methodologies under various labor conditions, including right-to-work labor markets, markets subject to prevailing wage requirements and fully unionized environments. This segment is subject to competition from other specialized student housing development companies as well as from national real estate development companies.

Property Management Services: Our Property Management Services segment includes revenues generated from third-party management contracts in which we are typically responsible for all aspects of operations, including marketing, leasing administration, facilities maintenance, business administration, accounts payable, accounts receivable, financial reporting, capital projects, and residence life student development. We provide these services pursuant to management agreements that have initial terms that range from one to five years.

There are several housing options that compete with our third-party managed properties including, but not limited to, multifamily housing, for-rent single family dwellings, other off-campus specialized student housing and the aforementioned on-campus participating properties. We also compete with other regional and national providers of third-party management services.

Americans with Disabilities Act and Federal Fair Housing Act

Many laws and governmental regulations are applicable to our properties and changes in the laws and regulations, or their interpretation by agencies and the courts, occur frequently. Our properties must comply with Title III of the Americans with Disabilities Act, or ADA, to the extent that such properties are "public accommodations" as defined by the ADA. The ADA may require removal of structural barriers to access by persons with disabilities in certain public areas of our properties where such removal is readily achievable. We believe that the existing properties are in substantial compliance with the ADA and that we will not be required to make substantial capital expenditures to address the requirements of the ADA. However, noncompliance with the ADA could result in imposition of fines or an award of damages to private litigants. The obligation to make readily achievable accommodations is an ongoing one, and we intend to continue to assess our properties and to make alterations as appropriate in this respect.

Under the federal and state fair housing laws, discrimination on the basis of certain protected classes is prohibited. Violation of these laws can result in significant damage awards to victims.

Our Commitment to Environmental, Social and Governance ("ESG") Factors

Corporate responsibility is fundamental to the Company's mission to consistently provide every resident and team member with an environment conducive to healthy living, personal growth, academic achievement, and professional success. This mission drives our ESG vision of creating healthy, sustainable environments with a sense of community and connection by giving back, investing in our employees, and driving long-term value for all stakeholders.

To further our ESG vision, the Company created an ESG Committee comprised of employees of the Company, including our president, and engaged a third-party ESG consultant to assist in our efforts. Additional information regarding the Company's ESG initiatives, including a Letter of Commitment to ESG, may be found online at www.ESG.AmericanCampus.com. The information contained on our website, including the Letter of Commitment to ESG, is not a part of or incorporated into this report.

Environmental Matters

Under various laws and regulations relating to the protection of the environment, an owner of real estate may be held liable for the costs of removal or remediation of certain hazardous or toxic substances located on or in its property. These laws often impose liability without regard to whether the owner was responsible for, or even knew of, the presence of such substances. The presence of such substances may adversely affect the owner's ability to rent or sell the property or use the property as collateral. Independent environmental consultants conducted environmental site assessments on all acquired or developed owned properties and on-campus participating properties in our existing portfolio. We are not aware of any environmental conditions that management believes would have a material adverse effect on the Company. There is no assurance, however, that environmental site assessments or other investigations would reveal all environmental conditions or that environmental conditions not known to us may exist now or in the future which would result in liability to the Company for remediation or fines, either under existing laws and regulations or future changes to such requirements.

From time to time, the United States Environmental Protection Agency, or EPA, designates certain sites affected by hazardous substances as "Superfund" sites pursuant to CERCLA. Superfund sites can cover large areas, affecting many different parcels of land. Although CERCLA imposes joint and several liability for contamination on property owners and operators regardless of fault, the EPA may choose to pursue potentially responsible parties ("PRPs") based on their actual contribution to the contamination. PRPs are liable for the costs of responding to the hazardous substances. Each of Villas on Apache (disposed of in April 2011), The Village on University (disposed of in December 2006) and University Village at San Bernardino (disposed of in January 2005) are located within federal Superfund sites. The EPA designated these areas as Superfund sites because groundwater underneath these areas is contaminated. We have not been named, and do not expect to be named, as a PRP with respect to these sites. However, there can be no assurance regarding potential future developments concerning such sites.

Insurance

Our primary lines of insurance coverage are property, liability and workers' compensation. We believe that our insurance coverages are of the type and amount customarily obtained on real property assets. We intend to obtain similar coverage for properties we acquire in the future. However, there are certain types of losses, generally of a catastrophic nature, such as losses from floods or earthquakes, which may be subject to limitations in certain areas. When not otherwise contractually stipulated, we exercise our judgment in determining amounts, coverage limits and deductibles, in an effort to maintain appropriate levels of insurance on our investments. If we suffer a substantial loss, our insurance coverage may not be sufficient due to market conditions at the time or other unforeseen factors. Inflation, changes in building codes and ordinances, environmental considerations and other factors also might make it infeasible to use insurance proceeds to replace a property after it has been damaged or destroyed.

Human Capital Resources

As of December 31, 2020, we had approximately 2,988 employees, consisting of 399 corporate employees and 2,589 employees at our owned, managed, and on-campus participating properties.

Purpose and Culture: Our company values are centered around people. We care deeply about our residents. Serving students well requires engaged, passionate, and diverse team members, so we've created an award-winning culture that fosters growth and rewards achievement. Service is also deeply embedded into our culture: we give back to the communities in which we live and work.

In 2020, we earned a Great Places to Work™ certification with a total of 97% of the employees surveyed saying ACC is a great place to work. Our employee compensation and benefits packages are designed to competitively compensate all employees for their contributions, and our Culture Committee conducts regular internal communications, volunteer events, and activities that help to ensure we are attracting and retaining employees that share our passion. Our employees are not currently represented by a labor union.

Diversity and Inclusion: We are proud that our ACC team represents the diversity of the residents and communities we serve, as roughly half of our team members are minorities and half are female. In addition, we are overseen by a Board of Directors a third of whose members are diverse by race or gender. We strive to have an inclusive culture where all know their unique voices will be valued. We have recently formed a diversity and inclusion taskforce to oversee the execution of our goals over the long term.

Our Diversity and Inclusion Statement

ACC's founding vision states, "Our people are our strength, achieving success through a dedication to excellence and integrity." Our people are devoted to a culture of inclusion, diversity, and equality in the workplace and our communities.

Our company and our student communities are defined and strengthened by the belief that every individual and their experience adds value and enhances our position as an industry leader and university partner.

We take responsibility to intentionally execute an evolving set of goals specific to inclusion, diversity, and accountability, driven by empathetic leadership and embraced by all.

We have a Code of Conduct for employees and residents that includes policies on diversity, equity and inclusion, and antidiscrimination. Additionally, ACC is a signatory for the CEO Impact Pledge to further diversity, equity, and inclusion initiatives.

Training and Professional Development: Our management team supports a culture of developing future leaders from our existing workforce, enabling us to promote from within for many leadership positions.

We've built a comprehensive employee development program with opportunities at every career stage. We connect employees with plans tailored to their goals, and offer a range of trainings, mentoring, and conferences through ACC University and other programs. Employees are auto-enrolled for the appropriate courses when they are hired for or promoted into new positions.

Our Inside Track program provides top-performing student workers and community-level team members with the development needed to become general managers. Inside Track consists of intensive training and a six-month mentoring program emphasizing residence life, human resource management, business operations, marketing and leasing, facilities, and career development.

COVID-19 Response: ACC executed a coordinated response to the COVID-19 pandemic that ensured our teams were supported. There were no furloughs or layoffs at any of our owned properties or at our corporate headquarters. We maintained our benefits and provided five additional days of paid time-off for those who came in contact or were infected with COVID-19, in addition to sick time and paid time-off provided under our regular policy. We also implemented enhanced safety protocols in the workspace, provided remote working options and conducted virtual move-in / move-out and leasing processes for residents and staff to minimize personal contact onsite at our communities. Finally, our senior management team reallocated additional cash incentive compensation to our field-level staff who tirelessly supported our residents during the pandemic.

Offices and Access to SEC Filings

Our principal executive offices are located at 12700 Hill Country Boulevard, Suite T-200 Austin, TX 78738. Our telephone number at that location is (512) 732-1000.

We file our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and other reports required by Sections 13(a) and 15(d) of the Securities Exchange Act of 1934 with the SEC. The SEC maintains website that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC. The address of that website is www.sec.gov.

Our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to these reports filed or furnished pursuant to Sections 13(a) or 15(d) of the Securities Act of 1934, as amended, are available free of charge in the "Investor Relations" section of our website, www.americancampus.com, as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC. Our website also contains copies of our Corporate Governance Guidelines and Code of Business Ethics as well as the charters of our Nominating and Corporate Governance, Audit, Compensation, Strategic Planning and Risk, and Capital Allocation committees. The information on our website is not part of this filing.

Forward-looking Statements

This report contains forward-looking statements within the meaning of the federal securities laws. We caution investors that any forward-looking statements presented in this report, or which management may make orally or in writing from time to time, are based on management's beliefs and assumptions made by, and information currently available to, management. When used, the words "anticipate," "believe," "expect," "intend," "may," "might," "plan," "estimate," "project," "should," "will," "result" and similar expressions, do not relate solely to historical matters and are intended to identify forward-looking statements. Such statements are subject to risks, uncertainties and assumptions and may be affected by known and unknown risks, trends, uncertainties and factors that are beyond our control. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, estimated or projected. We caution you that forward-looking statements are not guarantees of future performance and will be impacted by actual events when they occur after we make such statements. We expressly disclaim any responsibility to update forward-looking statements, whether as a result of new information, future events or otherwise. Accordingly, investors should use caution in relying on past forward-looking statements, which are based on results and trends at the time they were made, to anticipate future results or trends.

Some of the risks and uncertainties that may cause our actual results, performance or achievements to differ materially from those expressed or implied by forward-looking statements include, among others, the following: general risks affecting the real estate industry; risks associated with changes in University admission or housing policies; risks associated with the availability and terms of financing and the use of debt to fund acquisitions and developments; failure to manage effectively our growth and expansion into new markets or to integrate acquisitions successfully; risks and uncertainties affecting property development and construction; risks associated with downturns in the national and local economies, volatility in capital and credit markets, increases in interest rates, and volatility in the securities markets; costs of compliance with the Americans with Disabilities Act and other similar laws; potential liability for uninsured losses and environmental contamination; risks associated with our Company's potential failure to qualify as a REIT under the Internal Revenue Code of 1986 (the "Code"), as amended, and possible adverse changes in tax and environmental laws; and the other factors discussed in the "Risk Factors" contained in Item 1A of this report.

COVID-19, which was characterized on March 11, 2020 by the World Health Organization as a pandemic, has currently resulted in a widespread health crisis, which has adversely affected international, national and local economies and financial markets generally, and continues to have an unprecedented effect on many businesses, including the student housing industry. The discussions below, including without limitation statements with respect to outlooks of future operating performance and liquidity, are subject to the future effects of the COVID-19 pandemic and the global responses to curb its spread, which continue to evolve daily. As such, the full magnitude of the pandemic and its ultimate effect on our results of operations, cash flows, financial condition, and liquidity for future years is uncertain at this time.

Item 1A. Risk Factors

The following risk factors may contain defined terms that are different from those used in other sections of this report. Unless otherwise indicated, when used in this section, the terms "we" and "us" refer to American Campus Communities, Inc. and its subsidiaries, including American Campus Communities Operating Partnership LP, our Operating Partnership, and the term "securities" refers to shares of common stock of American Campus Communities, Inc. and units of limited partnership interest in our Operating Partnership.

The factors described below represent our principal risks. Other factors may exist that we do not consider being significant based on information that is currently available or that we are not currently able to anticipate.

Risks Related to Our Properties, Our Business and the Real Estate Industry

The effects of the COVID-19 pandemic have materially affected how we are operating our business, and the duration and extent to which this will impact our future results of operations and overall financial performance remains uncertain.

The novel coronavirus disease ("COVID-19"), which was characterized on March 11, 2020 by the World Health Organization as a pandemic, has currently resulted in a widespread health crisis, which has adversely affected international, national and local economies and financial markets generally, and has had an unprecedented effect on many businesses including the student housing industry.

Beginning in April 2020, our operations began to be negatively affected by a range of external factors related to the COVID-19 pandemic that are not within our control. All of the colleges and universities our properties serve canceled in-person classes for the remainder of the 2020 spring and summer term and many closed their on-campus residence halls or encouraged students living in on-campus residence halls to return to their permanent residences for the remainder of the spring term and in some cases for the summer term. Also, a wide range of restrictions on physical movement imposed by governmental entities to limit the spread of COVID-19 have been in effect. While our properties have remained open throughout the pandemic, as a result of these actions, we experienced significant decreases in students physically occupying their units at many of our properties during the spring and summer terms. During this time, we waived all late fees, online payment fees and financial-related eviction proceedings temporarily and worked with residents and families who endured financial hardship on a case by case basis through our Resident Hardship Program. In certain circumstances, we provided financial assistance, including rent abatements and/or early lease terminations at both our off-campus and on-campus properties, based on individual university policies. In addition, we transitioned property tours and other leasing activities for the 2020/2021 academic year to virtual experiences. Furthermore, we experienced cancellations of summer camps, conferences and other events, which impacted revenue we typically earn during the summer months at certain of our properties.

August and September 2020 marked the beginning of the 2020/2021 academic year, with students' housing decisions and preferences being affected by the continued uncertainty associated with COVID-19, which resulted in our experiencing diminished leasing results. As of September 30, 2020, the beginning of the 2020/2021 academic year, our total owned property portfolio was 89.9% occupied, which compares to 97.4% occupancy as of September 30, 2019, the beginning of the 2019/2020 academic year. As such, as we progress through the current academic year, we anticipate reduced revenue as compared to prior years due to the lower occupancy at our properties. Additionally, in certain locations, governmental orders continue to restrict us from charging late fees and proceeding with financial eviction proceedings, which have and could continue to adversely affect our revenue. We also continue to administer our Resident Hardship program and any additional rent abatements provided through the program will additionally adversely affect our revenue. Finally, should the colleges or universities that our properties serve decide to cancel classes due to a resurgence of COVID-19 cases or additional governmental actions restricting physical movement, we expect we would experience further adverse effects. The above factors also continue to affect the properties we manage under third-party management agreements, and because the management fees we earn are typically based on the properties' revenue, we anticipate reduced management fee revenue from this business segment throughout the 2020/2021 academic year and possibly for future academic years. Any adverse effect on revenues could affect our ability to make distributions to stockholders and unitholders and service indebtedness, which could be material.

A significant number of the locations in which we conduct business have been subject to varying levels of ongoing "shelter in place" or "stay at home" orders adopted by state and local authorities. This resulted in a temporary closing of our corporate headquarters and other offices and the implementation of travel restrictions, all of which disrupted how we operate our business. We have taken steps to allow our workforce to render critical business functions remotely. Many of these measures were deployed for the first time and there is no guarantee that the data security and privacy safeguards we have put in place will be completely effective or that we will not encounter some of the common risks associated with employees accessing data and systems remotely.

We have also experienced delays in the closing of financing and commencement of construction for our third-party development projects, resulting in the revenue anticipated to be earned from such projects being delayed to future years. Curtailed or deferred tenant demand and additional delays in our third-party development projects could materially adversely affect our revenue, and thus our ability to make distributions to stockholders and unitholders and service indebtedness.

The COVID-19 pandemic has impacted the capital markets and could impact our cost of borrowing. Also, the pandemic may pose risks arising from market liquidity and credit concerns. Any deterioration of the capital markets could cause our income and expense to vary from expectations. As of December 31, 2020, we had no impairment charges associated with our long-term real estate investments, but we cannot predict future market conditions, market liquidity or credit availability, and can provide no assurance that our real estate portfolio will remain materially unimpaired. While we were in compliance with all debt covenants for both secured and unsecured indebtedness as of December 31, 2020, the economic disruption caused by the COVID-19 pandemic could affect our future ability to remain in compliance with our debt covenants, depending on the ultimate impact to the valuation of collateral and any additional financing we obtain to meet our liquidity needs. In addition, our credit ratings given by Moody's and Standard & Poor's are based on a number of factors, which include their assessment of our financial strength, liquidity, capital structure, asset quality and sustainability of cash flow and earnings. If we are unable to maintain our current credit ratings due to the COVID-19 pandemic or other changes in market conditions, the cost of funds under our credit facilities and our liquidity and access to capital markets would be adversely affected.

The COVID-19 pandemic and the responses to curb its spread continue to evolve daily. As such, it is uncertain as to the full magnitude of the pandemic on our results of operations, cash flows, financial condition, or liquidity for future periods. In addition, many of the other risk factors described within this Form 10-K may be more likely to impact us as a result of the COVID-19 pandemic and the responses to curb its spread.

Our results of operations are subject to risks inherent in the student housing industry, including a concentrated lease-up period and seasonal cash flows.

Leases at our off-campus properties typically require 12 monthly rental installments, whereas leases at our residence hall properties typically correspond to the university's academic year and require ten monthly rental installments. As a result, we may experience significantly reduced cash flows during the summer months at our residence hall properties. Furthermore, all of our properties must be entirely re-leased each year during a limited leasing season. We are therefore highly dependent on the effectiveness of our marketing and leasing efforts and personnel during this season, exposing us to significant leasing risk. In addition, we are subject to increased leasing risk on our properties under construction and future acquired properties based on our lack of experience leasing those properties and unfamiliarity with their leasing cycles. If we are unable to lease a substantial portion of our properties, or if the rental rates upon such leasing are significantly lower than expected rates, our cash flow from operations and our ability to make distributions to stockholders and service indebtedness could be adversely affected.

Additionally, prior to the commencement of each new lease period, generally during the first two weeks of August, we prepare the units for new incoming residents. During this period (referred to as "turn"), we incur significant expenses making our units ready for occupancy, which we recognize as incurred. We therefore experience seasonally decreased operating results and cash flows during the third quarter of each year as a result of expenses we incur during turn as well as lower revenue at our residence hall properties.

We rely on our relationships with universities, and changes in university personnel and/or policies could adversely affect our operating results.

In some cases, we rely on our relationships with colleges and universities for referrals of prospective student-tenants or for mailing lists of prospective student-tenants and their parents. Many of these colleges and universities own and operate their own competing on-campus facilities. Any failure to maintain good relationships with these colleges and universities could therefore have a material adverse effect on us. If colleges and universities refuse to make their lists of prospective student-tenants and their parents available to us or increase the costs of these lists, there could be a material adverse effect on us.

Changes in university admission policies could adversely affect us. For example, if a university reduces the number of student admissions or requires that a certain class of students, such as freshmen, live in a university-owned facility, the demand for our properties may be reduced and our occupancy rates may decline. While we may engage in marketing efforts to compensate for such changes in admission policy, we may not be able to affect such marketing efforts prior to the commencement of the annual lease-up period or at all.

A decrease in enrollment at the Universities at which our properties are located could adversely affect our financial results.

University enrollment can be affected by a number of factors including, but not limited to, the current macroeconomic environment, the COVID-19 pandemic and the universities' response to curb its spread, students' ability to afford tuition and/or the availability of student loans, competition for international students, the impact of visa requirements for international students, higher demand for distance education, budget constraints that could limit a University's ability to attract and retain students, any degradation in a university's reputation and reports of crime or other negative publicity regarding the safety of the students residing on, or near, the university. If a University's enrollment were to significantly decline as a result of these or other factors, our ability to achieve our leasing targets and thus our properties' financial performance could be adversely affected.

We face significant competition from university-owned student housing and from other private student housing communities located within close proximity to universities.

On-campus student housing traditionally has certain inherent advantages over off-campus student housing because of, among other factors, closer 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, while we and other private sector owners are subject to full real estate tax rates. Also, colleges and universities may be able to borrow funds at lower interest rates than those available to us and other private sector owners. As a result, universities may be able to offer more convenient and/or less expensive student housing than we can, which may adversely affect our occupancy and rental rates. We also compete with other national and regional owner-operators of off-campus student housing in a number of markets as well as with smaller local owner-operators. There are a number of purpose-built student housing properties that compete directly with us located near or in the same general vicinity of many of our student housing communities. Such competing student housing communities may be newer than our student housing communities, located closer to campus, charge less rent, possess more attractive amenities, or offer more services, shorter lease terms or more flexible leases. The construction of competing properties or decreases in the general levels of rents for housing at competing properties could adversely affect our rental income. We have recently seen a number of large new entrants in the student housing business and there may be additional new entrants with substantial financial and marketing resources. The entry of these companies has increased and may continue to increase competition for students and for the acquisition, development and management of other student housing properties.

We may be unable to successfully complete and operate our properties or our third-party developed properties.

We intend to continue to develop and construct student housing. These activities include a number of risks, which may include the following:

- we may be unable to obtain financing on favorable terms or at all;
- we may not complete development projects on schedule, within budgeted amounts or in conformity with building plans and specifications, and if we fail to complete the construction of a property on schedule, we may be required to provide alternative housing to the students with whom we have signed leases, which would result in our incurring significant expenses, and may result in students attempting to terminate their leases, which may adversely affect occupancy at such property for the applicable academic year;
- we may encounter delays or refusals in obtaining all necessary zoning, land use, building, occupancy and other required governmental permits and authorizations;
- occupancy and rental rates at newly developed or renovated properties may fluctuate depending on a number of factors, including market and economic conditions, and may reduce or eliminate our return on investment;
- we may become liable for injuries and accidents occurring during the construction process and for environmental liabilities, including off-site disposal of construction materials;
- we may decide to abandon our development efforts if we determine that continuing the project would not be in our best interests; and
- we may encounter strikes, weather, government regulations and other conditions beyond our control.

Our newly developed properties will be subject to risks associated with managing new properties, including lease-up and integration risks. In addition, new development activities, regardless of whether or not they are ultimately successful, typically will require a substantial portion of the time and attention of our development and management personnel. Newly developed properties may not perform as expected.

We may in the future develop properties nationally, internationally or in geographic regions other than those in which we currently operate. We do not possess the same level of familiarity with development and related regulations in these new markets, which could adversely affect our ability to develop such properties successfully or at all or to achieve expected performance. Future development opportunities may not be available to us on terms that meet our investment criteria or we may be unsuccessful in capitalizing on such opportunities.

We typically provide guarantees of timely completion of projects that we develop for third parties. In certain cases, our contingent liability under these guarantees may exceed our development fee from the project. Although we seek to mitigate this risk by, among other things, obtaining similar guarantees from the project contractor, we could sustain significant losses if development of a project were to be delayed or stopped and we were unable to cover our guarantee exposure with the guarantee received from the project contractor.

We may be unable to successfully acquire properties on favorable terms.

Our future growth will be in part dependent upon our ability to successfully acquire new properties on favorable terms. With respect to recently acquired properties, and as we acquire additional properties, we will continue to be subject to risks associated with managing new properties, including lease-up and integration risks. Acquired properties may not perform as expected and may have characteristics or deficiencies unknown to us at the time of acquisition. Future acquisition opportunities may not be available to us on terms that meet our investment criteria or we may be unsuccessful in capitalizing on such opportunities. Our ability to acquire properties on favorable terms and successfully operate them involves the following significant risks:

- our potential inability to acquire a desired property may be caused by competition from other real estate investors;
- competition from other potential acquirers may significantly increase the purchase price and decrease expected yields;
- we may be unable to finance an acquisition on favorable terms or at all;
- we may have to incur significant unexpected capital expenditures to improve or renovate acquired properties;
- we may be unable to quickly and efficiently integrate new acquisitions, particularly acquisitions of portfolios of properties, into our existing operations;
- market conditions may result in higher than expected costs and vacancy rates and lower than expected rental rates; and
- we may acquire properties subject to liabilities but without any recourse, or with only limited recourse, to the sellers, or with liabilities that are unknown to us, such as liabilities for clean-up of undisclosed environmental contamination, claims by tenants, vendors or other persons dealing with the former owners of our properties and claims for indemnification by members, directors, officers and others indemnified by the former owners of our properties.

Our failure to acquire or finance property acquisitions on favorable terms, or operate acquired properties to meet our financial expectations, could adversely affect us.

Difficulties of selling real estate could limit our flexibility.

We intend to evaluate the potential disposition of assets that may no longer meet our investment objectives. When we decide to sell an asset, we may encounter difficulty in finding buyers in a timely manner as real estate investments generally cannot be disposed of quickly, especially when market conditions are poor. This may limit our ability to vary our portfolio promptly in response to changes in economic or other conditions. In some cases, we may also determine that we will not recover the carrying value of the property upon disposition and might recognize an impairment charge. In addition, in order to maintain our status as a REIT, the Internal Revenue Code imposes restrictions on our ability to sell properties held fewer than two years, which may cause us to incur losses thereby reducing our cash flows and adversely impacting distributions to equity holders.

Our ownership of properties through ground leases may expose us to the loss of such properties upon the exercise by the lessors of purchase options or the breach or termination of the ground leases.

We have acquired an interest in certain of our properties by acquiring a leasehold interest in the property on which the building is located (or under development), and we may acquire additional properties in the future through the purchase of interests in ground leases. We could lose our interests in a property if the ground lease is terminated, if a purchase option is exercised by the lessor or if we breach the ground lease, which could adversely affect our financial condition or results of operations.

We face risks associated with land holdings.

We hold land for future development and may in the future acquire additional land holdings. The risks inherent in owning or purchasing and developing land increase as demand for student housing, or rental rates, decrease. As a result, we hold certain land and may in the future acquire additional land in our development pipeline at a cost we may not be able to recover fully or on which we cannot build and develop into a profitable student housing project. Also, real estate markets are highly uncertain and, as a result, the value of undeveloped land has fluctuated significantly and may continue to fluctuate as a result of changing market conditions. In addition, carrying costs can be significant and can result in losses or reduced margins in a poorly performing project. If there are subsequent changes in the fair value of our land holdings that we determine is less than the carrying basis of our land holdings reflected in our financial statements plus estimated costs to sell, we may be required to take future impairment charges, which would reduce our net income.

We may not be able to recover pre-development costs for new developments.

University systems and educational institutions typically award us development services contracts on the basis of a competitive award process, but such contracts are typically executed following the formal approval of the transaction by the institution's governing body. In the intervening period, we may incur significant pre-development and other costs in the expectation that the development services contract will be executed. If an institution's governing body does not ultimately approve our selection and the terms of the pending development contract, we may not be able to recoup these costs from the institution and the resulting losses could be substantial. Also, we anticipate that we will, from time to time, elect not to proceed with ongoing development projects. If we elect not to proceed with a development project, the development costs associated therewith will ordinarily be charged against income for the then-current period. Any such charge could have a material adverse effect on our results of operations in the period in which the charge is taken.

Our awarded projects may not be successfully structured or financed and may delay our recognition of revenues.

The recognition and timing of revenues from our awarded development services projects will, among other things, be contingent upon successfully structuring and closing project financing as well as the timing of construction. The development projects that we have been awarded have at times been delayed beyond the originally scheduled construction commencement date. If such delays were to occur with our current awarded projects, our recognition of expected revenues and receipt of expected fees from these projects would be delayed.

Tax laws may continue to change at any time, and any such legislative or other actions could have a negative effect on us.

Tax laws remain under constant review by persons involved in the legislative process, at the Internal Revenue Service and the U.S. Department of Treasury, and by various state and local tax authorities. Future changes in tax laws, including to the administrative interpretations thereof or to the enacted tax rates, or new pronouncements relating to accounting for income taxes, could adversely affect us in a number of ways, including making it more difficult or more costly for us to qualify as a REIT.

We are subject to numerous other laws and regulations, changes to which could increase our costs and individually or in the aggregate adversely affect our business.

In addition to tax laws, we are subject to laws and regulations affecting our operations in a number of areas. Changes in these laws and regulations, including, among others, additional healthcare reform, employment law reform such as the enactment of federal overtime exemption regulations, and financial and disclosure reform such as revisions to the Dodd-Frank Act and related SEC rulemaking, or the enactment of new laws or regulations, may increase our costs. Also, compliance with these laws, regulations and similar requirements may be onerous and expensive, and they may be inconsistent from jurisdiction to jurisdiction, which may further increase the cost of compliance and doing business. We cannot predict whether, when, in what forms, or with what effective dates, laws, regulations, and administrative interpretations applicable to us or our stockholders may be changed. Any such change may significantly affect our liquidity and results of operations, as well as the value of our shares. In addition, the properties in our portfolio are subject to various federal, state and local regulatory requirements, such as state and local fire and life safety requirements. If we fail to comply with these various requirements, we might incur governmental fines or private damage awards. Furthermore, existing requirements could change and require us to make significant unanticipated expenditures that would materially and adversely affect us.

Our collection, processing, storage, use and transmission of personal data could give rise to liabilities as a result of governmental regulation, conflicting legal requirements, differing views on data privacy or security breaches.

We collect, process, store, use and transmit a large volume of personal data, including, for example, to process lease transactions for our residents, and regarding or employees and our financial and strategic information. Personal data is increasingly subject to legal and regulatory protections, which vary widely in approach and which possibly conflict with one another. In recent years, for example, U.S. legislators and regulatory agencies such as the Federal Trade Commission, as well as U.S. states, have increased their focus on protecting personal data by law and regulation, and have increased enforcement actions for violations of privacy and data protection requirements. The European Commission also has adopted the General Data Protection Regulation (GDPR). These data protection laws and regulations are intended to protect the privacy and security of personal data. Implementation of and compliance with these laws and regulations may be more costly or take longer than we anticipate, or could otherwise adversely affect our business operations, which could negatively impact our financial position or cash flows. We also risk exposure to potential liabilities and costs resulting from the compliance with, or any failure to comply with, applicable legal requirements, conflicts among these legal requirements or differences in approaches to privacy and security of personal data. Our business could be materially adversely affected by our inability, or the inability of our vendors who receive personal data from us, to comply with legal obligations regarding the use of personal data and new data handling requirements that conflict with or negatively impact our business practices.

As our reliance on technology has increased, so have the risks posed to our systems, both internal and those we have outsourced to third party service providers. In addition, information security risks have generally increased in recent years due to the rise in new technologies and the increased sophistication and activities of cybercriminals who attempt to compromise our systems. We are periodically subject to these threats and intrusions, and sensitive or material information could be compromised as a result. The costs of any investigation of such incidents, as well as any remediation related to these incidents, may be material. The theft, destruction, loss, misappropriation or release of sensitive and/or confidential information or intellectual property, or interference with our information technology systems or the technology systems of third-parties on which we rely, could result in business disruption, negative publicity, brand damage, violation of privacy laws, loss of residents, potential liability and competitive disadvantage, any of which could result in a material adverse effect on our financial condition or results of operations.

Joint venture investments could be adversely affected by our lack of sole decision-making authority, our reliance on co-venturers' financial condition and disputes between our co-venturers and us.

We have co-invested, and may continue in the future to co-invest, with third parties through partnerships, joint ventures or other entities, acquiring noncontrolling interests in or sharing responsibility for managing the affairs of a property, partnership, joint venture or other entity. In connection with joint venture investments, we do not have sole decision-making control regarding the property, partnership, joint venture or other entity. Investments in partnerships, joint ventures or other entities may, under certain circumstances, involve risks not present were a third-party not involved, including the possibility that our partners or co-venturers might become bankrupt or fail to fund their share of required capital contributions. Our partners or co-venturers also may have economic or other business interests or goals that are inconsistent with our business interests or goals, and may be in a position to take actions contrary to our preferences, policies or objectives. Such investments also will have the potential risk of impasses on decisions, such as a sale, because neither we nor our partners or co-venturers would have full control over the partnership or joint venture. Disputes between us and our partners or co-venturers may result in litigation or arbitration that would increase our expenses and prevent our officers and/or directors from focusing their time and effort exclusively on our business. Consequently, actions by or disputes with our partners or co-venturers might result in subjecting properties owned by the partnership, joint venture or other entity to additional risk. In addition, we may in certain circumstances be liable for the actions of our partners or co-venturers.

Litigation risks could affect our business.

As a publicly traded owner of properties, we have become and in the future may become involved in legal proceedings, including consumer, employment, tort or commercial litigation, that if decided adversely to or settled by us, and not adequately covered by insurance, could result in liability that is material to our financial condition or results of operations.

Our performance and value are subject to risks associated with real estate assets and with the real estate industry.

Our ability to satisfy our financial obligations and make expected distributions to our security holders depends on our ability to generate cash revenues in excess of expenses and capital expenditure requirements. Events and conditions generally applicable to owners and operators of real property that are beyond our control may decrease cash available for distribution and the value of our properties. These events include:

- risks associated with the COVID-19 pandemic, as discussed above;
- general economic conditions;
- rising level of interest rates;
- local oversupply, increased competition or reduction in demand for student housing;
- inability to collect rent from tenants;
- vacancies or our inability to rent beds on favorable terms;
- inability to finance property development and acquisitions on favorable terms;
- increased operating costs, including insurance premiums, utilities, and real estate taxes;
- costs of complying with changes in governmental regulations;

- the relative illiquidity of real estate investments;
- decreases in student enrollment at particular colleges and universities;
- changes in university policies related to admissions and housing; and
- changing student demographics.

In addition, periods of economic slowdown or recession, rising interest rates or declining demand for real estate, or the public perception that any of these events may occur, could result in a general decline in rents or an increased incidence of defaults under existing leases, which would adversely affect us.

Potential losses may not be covered by insurance.

We carry fire, earthquake, terrorism, business interruption, vandalism, malicious mischief, boiler and machinery, commercial general liability and workers' compensation insurance covering all of the properties in our portfolio under various policies. We believe the policy specifications and insured limits are appropriate and adequate given the relative risk of loss, the cost of the coverage and industry practice. There are, however, certain types of losses, such as property damage from generally unsecured losses such as riots, wars, punitive damage awards or acts of God that may be either uninsurable or not economically insurable. Some of our properties are insured subject to limitations involving large deductibles and policy limits that may not be sufficient to cover losses. In addition, we may discontinue earthquake, terrorism or other insurance on some or all of our properties in the future if the cost of premiums from any of these policies exceeds, in our judgment, the value of the coverage discounted for the risk of loss. If we experience a loss that is uninsured or that exceeds policy limits, we could lose the capital invested in the damaged properties as well as the anticipated future cash flows from those properties. In addition, if the damaged properties are subject to recourse indebtedness, we would continue to be liable for the indebtedness, even if these properties were irreparably damaged and require substantial expenditures to rebuild or repair. In the event of a significant loss at one or more of our properties, the remaining insurance under our policies, if any, could be insufficient to adequately insure our other properties. In such event, securing additional insurance, if possible, could be significantly more expensive than our current policies.

Unionization or work stoppages could have an adverse effect on us.

We are at times required to use unionized construction workers or to pay the prevailing wage in a jurisdiction to such workers. Due to the highly labor intensive and price competitive nature of the construction business, the cost of unionization and/or prevailing wage requirements for new developments could be substantial. Unionization and prevailing wage requirements could adversely affect a new development's profitability. Union activity or a union workforce could increase the risk of a strike, which would adversely affect our ability to meet our construction timetables.

We could incur significant costs related to government regulation and private litigation over environmental matters.

Under various environmental laws, including the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), a current or previous owner or operator of real property may be liable for contamination resulting from the release or threatened release of hazardous or toxic substances or petroleum at that property, and an entity that arranges for the disposal or treatment of a hazardous or toxic substance or petroleum at another property may be held jointly and severally liable for the cost to investigate and clean up such property or other affected property. Such parties are known as potentially responsible parties ("PRPs"). Such environmental laws often impose liability without regard to whether the owner or operator knew of, or was responsible for, the presence of the contaminants, and the costs of any required investigation or cleanup of these substances can be substantial. PRPs are liable to the government as well as to other PRPs who may have claims for contribution. The liability is generally not limited under such laws and could exceed the property's value and the aggregate assets of the liable party. The presence of contamination or the failure to remediate contamination at our properties may expose us to third-party liability for personal injury or property damage, or adversely affect our ability to sell, lease or develop the real property or to borrow using the real property as collateral.

Environmental laws also impose ongoing compliance requirements on owners and operators of real property. Environmental laws potentially affecting us address a wide variety of matters, including, but not limited to, asbestos-containing building materials ("ACBM"), storage tanks, storm water and wastewater discharges, lead-based paint, wetlands, and hazardous wastes. Failure to comply with these laws could result in fines and penalties or expose us to third-party liability. Some of our properties may have conditions that are subject to these requirements and we could be liable for such fines or penalties or liable to third parties.

Insurance carriers have reacted to awards or settlements related to lawsuits against owners and managers of residential properties alleging personal injury and property damage caused by the presence of mold in residential real estate by excluding mold related programs designed to minimize the existence of mold in any of our properties as well as guidelines for promptly addressing and resolving reports of mold to minimize any impact mold might have on residents or the property.

Environmental liability at any of our properties may have a material adverse effect on our financial condition, results of operations, cash flow, the trading price of our stock or our ability to satisfy our debt service obligations and pay dividends or distributions to our security holders.

We may incur significant costs complying with the Americans with Disabilities Act and similar laws.

Under the Americans with Disabilities Act of 1990, or the ADA, all public accommodations must meet federal requirements related to access and use by disabled persons. Additional federal, state and local laws also may require modifications to our properties, or restrict our ability to renovate our properties. For example, the Fair Housing Amendments Act of 1988, or FHAA, requires apartment properties first occupied after March 13, 1990 to be accessible to the handicapped. We have not conducted an audit or investigation of all of our properties to determine our compliance with present requirements. Noncompliance with the ADA or FHAA could result in the imposition of fines or an award or damages to the government or private litigants and also could result in an order to correct any non-complying feature. Also, discrimination on the basis of certain protected classes can result in significant awards to victims. We cannot predict the ultimate amount of the cost of compliance with the ADA, FHAA or other legislation. If we incur substantial costs to comply with the ADA, FHAA or any other legislation, we could be materially and adversely affected.

The impact of climate change and damage from catastrophic weather and other natural events may adversely affect our financial condition or results of operations.

Certain of our properties are located in areas that have experienced and may in the future experience catastrophic weather and other natural events from time to time, including fires, snow or ice storms, windstorms, tornadoes, hurricanes, earthquakes, flooding or other severe weather. In addition, to the extent that climate change does occur and exacerbates extreme weather and changes in precipitation and temperature, we may experience physical damage or decrease in demand for properties located in these areas or affected by these conditions. These adverse weather or natural events could cause substantial damages or losses to our properties which could exceed our insurance coverage. Should the impacts be material in nature or occur for lengthy periods of time, our financial condition or results of operations may be adversely affected. In addition, changes in federal and state legislation and regulation on climate change could result in increased capital expenditures to improve the energy efficiency of our existing properties and could also require us to spend more on our new development properties without a corresponding increase in revenue.

We are in the process of implementing a new enterprise resource planning (“ERP”) system and problems with the design or implementation of this system could interfere with our business and operations.

We are engaged in a multi-year implementation of an ERP system, which includes certain functionality that is being designed internally, and which is in the process of being deployed in phases. The new ERP system replaces multiple current business systems and maintains books and records, records transactions and provides important information related to the operations of our business to our management. The implementation of the new ERP system has required, and will continue to require, the investment of significant personnel and financial resources. While we have invested, and will continue to invest, significant resources in planning and project management, implementation issues may arise during the course of the full deployment of the new ERP system, and it is possible we may experience delays, increased costs and other difficulties not presently contemplated. Any disruptions, delays or deficiencies in the design and implementation of the new ERP system could have a material adverse effect on our financial condition and results of operations.

Risks Associated with Our Indebtedness and Financing

We depend heavily on the availability of debt and equity capital to fund our business.

In order to maintain our qualification as a REIT, we are required under the Internal Revenue Code to distribute annually at least 90% of our REIT taxable income, determined without regard to the deduction for dividends paid and excluding any net capital gain. To the extent that we satisfy this distribution requirement but distribute less than 100% of our net taxable income, including any net capital gains, we will be subject to federal corporate income tax on our undistributed taxable income. In addition, we will be subject to a 4% nondeductible excise tax if the actual amount that we pay out to our stockholders in a calendar year is less than a minimum amount specified under federal tax laws. Because of these distribution requirements, REITs are largely unable to fund capital expenditures, such as acquisitions, renovations, development and property upgrades from operating cash flow. Consequently, we will be largely dependent on the public equity and debt capital markets and private lenders to provide capital to fund our growth and other capital expenditures. We may not be able to obtain this financing on favorable terms or at all. Our access to equity and debt capital depends, in part, on:

- risks associated with the COVID-19 pandemic, as discussed above;
- general market conditions;
- our current debt levels and the number of properties subject to encumbrances;
- our current performance and the market's perception of our growth potential;
- our cash flow and cash distributions; and
- the market price per share of our common stock.

If we cannot obtain capital from third-party sources, we may not be able to acquire properties when strategic opportunities exist, satisfy our debt service obligations or make cash distributions to our stockholders, including those necessary to maintain our qualification as a REIT.

Disruptions in the financial markets could adversely affect our ability to obtain debt financing or to issue equity and impact our acquisitions and dispositions.

Dislocations and liquidity disruptions in capital and credit markets could impact liquidity in the debt markets, resulting in financing terms that are less attractive to us and/or the unavailability of certain types of debt financing. Should the capital and credit markets experience volatility and the availability of funds become limited, or be available only on unattractive terms, we will incur increased costs associated with issuing debt instruments. In addition, it is possible that our ability to access the capital and credit markets may be limited or precluded by these or other factors at a time when we would like, or need, to do so, which would adversely impact our ability to refinance maturing debt and/or react to changing economic and business conditions. Uncertainty in the capital and credit markets could negatively impact our ability to make acquisitions and make it more difficult or not possible for us to sell properties or may adversely affect the price we receive for properties that we do sell, as prospective buyers may experience increased costs of debt financing or difficulties in obtaining debt financing. Potential disruptions in the financial markets could also have other unknown adverse effects on us or the economy generally and may cause the price of our securities to fluctuate significantly and/or to decline.

Our debt level reduces cash available for distribution and could have other important adverse consequences.

As of December 31, 2020, our total consolidated indebtedness was approximately $3.6 billion (excluding unamortized mortgage debt premiums and discounts and original issue discounts). 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 that are necessary to maintain our qualification as a REIT. There is no limit on the amount of indebtedness that we may incur except as provided by the covenants in our corporate-level debt. We may incur additional indebtedness to fund future property development, acquisitions and other working capital needs, which may include the payment of distributions to our security holders. The amount available to us and our ability to borrow from time to time under our corporate-level debt is subject to certain conditions and the satisfaction of specified financial and other covenants. If the income generated by our properties and other assets fails to cover our debt service, we would be forced to reduce or eliminate distributions to our stockholders and may experience losses.

In addition, the indenture governing our outstanding senior unsecured notes contains financial and operating covenants that among other things, restrict our ability to take specific actions, even if we believe them to be in our best interest, including restrictions on our ability to consummate a merger, consolidation or sale of all or substantially all of our assets and incur secured and unsecured indebtedness.

Our level of debt and the operating limitations imposed on us by our debt agreements could have significant adverse consequences, including the following:

- we may default on our scheduled principal payments or other obligations as a result of insufficient cash flow or otherwise;
- with respect to debt secured by our properties, the lenders or mortgagees may foreclose on such properties and receive an assignment of rents and leases, and foreclosures could create taxable income without accompanying cash proceeds, a circumstance that could hinder our ability to meet the REIT distribution requirements imposed by the Internal Revenue Code; and
- compliance with the provisions of our debt agreements, including the financial and other covenants, such as the maintenance of specified financial ratios, could limit our flexibility and a default in these requirements, if uncured,

could result in a requirement that we repay indebtedness, which could severely affect our liquidity and increase our financing costs.

We may be unable to renew, repay or refinance our outstanding debt.

We are subject to the risk that our indebtedness will not be able to be renewed, repaid or refinanced when due or that the terms of any renewal or refinancing will not be as favorable as the existing terms of such indebtedness. If we were unable to refinance our indebtedness on acceptable terms, or at all, we might be forced to dispose of one or more of our properties on disadvantageous terms, which might result in losses to us. In addition, if a property is mortgaged to secure payment of indebtedness and income from such property is insufficient to pay that indebtedness, the property could be foreclosed upon by the mortgagee resulting in a loss of income and a decline in our total asset value. If any of the foregoing occurs, such losses could have a material adverse effect on us and our ability to make distributions to our equity holders and pay amounts due on our debt.

Our variable rate debt exposes us to risks associated with rising interest rates, including as a result of changes in LIBOR reporting practices or the method in which LIBOR is determined, which could adversely affect our cash flows.

As of December 31, 2020, we had outstanding approximately $704.8 million of fixed and variable rate debt that was indexed to the London Interbank Offered Rate ("LIBOR"). We may incur additional debt indexed to LIBOR in the future. The Financial Conduct Authority that regulates LIBOR previously announced its intent to stop compelling banks to submit rates for the calculation of LIBOR after 2021, and the administrator of LIBOR announced its intention to cease the publication of the one week and two month USD LIBOR settings immediately following December 31, 2021, and the remaining USD LIBOR settings immediately following the LIBOR publication on June 30, 2023. There is significant uncertainty with respect to how the phase-out will be implemented and what alternative index will be adopted, which will ultimately be determined by the market as a whole. It therefore remains uncertain how such changes will be implemented and the effects such changes would have on us and the financial markets generally. These changes may have a material adverse impact on the availability of financing and on our financing costs. Also, increases in interest rates on variable rate debt would increase our interest expense and the cost of refinancing existing debt and incurring new debt, unless we make arrangements that hedge the risk of rising interest rates, which would adversely affect net income and cash available for payment of our debt obligations and distributions to equity holders.

Failure to maintain our current credit ratings could adversely affect our cost of funds, liquidity and access to capital markets.

Moody's and Standard & Poor's, the major debt rating agencies, have evaluated our debt and have given us ratings of Baa2 and BBB, respectively. These ratings are based on a number of factors, which include their assessment of our financial strength, liquidity, capital structure, asset quality and sustainability of cash flow and earnings. Due to changes in market conditions, we may not be able to maintain our current credit ratings, which will adversely affect the cost of funds under our credit facilities, and could also adversely affect our liquidity and access to capital markets.

We may incur losses on interest rate swap and hedging arrangements.

We may periodically enter into agreements to reduce the risks associated with increases in interest rates. Although these agreements may partially protect against rising interest rates, they also may reduce the benefits to us if interest rates decline. If an arrangement is not indexed to the same rate as the indebtedness that is hedged, we may be exposed to losses to the extent which the rate governing the indebtedness and the rate governing the hedging arrangement change independently of each other. Finally, nonperformance by the other party to the arrangement may subject us to increased credit risks.

Risks Related to Our Organization and Structure

Our stock price will fluctuate.

The market price and volume of our common stock will fluctuate due not only to general stock market conditions but also to the risk factors discussed above and below and the following:

- operating results that vary from the expectations of securities analysts and investors;
- investor interest in our property portfolio;
- the reputation and performance of REITs;
- the attractiveness of REITs as compared to other investment vehicles;

- our financial condition and the results of our operations;
- the perception of our growth and earnings potential;
- dividend payment rates and the form of the payment;
- increases in market interest rates, which may lead purchasers of our common stock to demand a higher yield; and
- changes in financial markets and national economic and general market conditions.

To qualify as a REIT, we may be forced to limit the activities of a TRS.

To qualify as a REIT, no more than 20% of the value of our total assets may consist of the securities of one or more taxable REIT subsidiaries, or TRSs. Certain of our activities, such as our third-party development, management and leasing services, must be conducted through a TRS for us to qualify as a REIT. In addition, certain non-customary services must be provided by a TRS or an independent contractor. If the revenues from such activities create a risk that the value of our TRS entities, based on revenues or otherwise, approaches the 20% threshold, we will be forced to curtail such activities or take other steps to remain under the 20% threshold. Since the threshold is based on value, it is possible that the IRS could successfully contend that the value of our TRS entities exceeds the threshold even if the TRS accounts for less than 20% of our consolidated revenues, income or cash flow. Five of our six on-campus participating properties and our third-party services are held by a TRS. Consequently, income earned from five of our six on-campus participating properties and our third-party services will be 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 security holders. Our TRS entities' income tax returns are subject to examination by federal, state and local tax jurisdictions, and the methodology used in determining taxable income or loss for those subsidiaries is therefore subject to challenge in any such examination.

A TRS is not permitted to directly or indirectly operate or manage a "hotel, motel or other establishment more than one-half of the dwelling units in which are used on a transient basis." We believe that our method of operating our TRS entities will not be considered to constitute such an activity. Future Treasury Regulations or other guidance interpreting the applicable provisions might adopt a different approach, or the IRS might disagree with our conclusion. In such event we might be forced to change our method of operating our TRS entities, which could adversely affect us, or one of our TRS entities could fail to qualify as a taxable REIT subsidiary, which would likely cause us to fail to qualify as a REIT.

Failure to qualify as a REIT would have significant adverse consequences to us and the value of our securities.

We intend to operate in a manner that will allow us to qualify as a REIT for federal income tax purposes under the Internal Revenue Code. If we lose our REIT status, we will face serious tax consequences that would substantially reduce or eliminate the funds available for investment and for distribution to security holders for each of the years involved, because:

- we would not be allowed a deduction for dividends to security holders in computing our taxable income and such amounts would be subject to federal income tax at regular corporate rates;
- we also could be subject to increased state and local taxes; and
- unless we are entitled to relief under applicable statutory provisions, we could not elect to be taxed as a REIT for four taxable years following the year during which we were disqualified.

In addition, if we fail to qualify as a REIT, we will not be required to pay dividends to stockholders, and all dividends to stockholders will be subject to tax as ordinary income to the extent of our current and accumulated earnings and profits. As a result of all these factors, our failure to qualify as a REIT also could impair our ability to expand our business and raise capital, and would adversely affect the value of our common stock.

Qualification as a REIT involves the application of highly technical and complex Internal Revenue Code provisions for which there are only limited judicial and administrative interpretations. The complexity of these provisions and of the applicable Treasury Regulations that have been promulgated under the Internal Revenue Code is greater in the case of a REIT that, like us, holds its assets through a partnership or a limited liability company. The determination of various factual matters and circumstances not entirely within our control may affect our ability to qualify as a REIT. In order to qualify as a REIT, we must satisfy a number of requirements, including requirements regarding the composition of our assets and two "gross income tests": (a) at least 75% of our gross income in any year must be derived from qualified sources, such as rents from real property, mortgage interest, dividends from other REITs and gains from sale of such assets, and (b) at least 95% of our gross income must be derived from sources meeting the 75% income test above, and other passive investment sources, such as other interest and dividends and gains from sale of securities. Also, we must pay dividends to stockholders aggregating annually at least 90% of our REIT taxable income, excluding any net capital gains. In addition, legislation, new regulations, administrative interpretations or court decisions may adversely affect our investors, our ability to qualify as a REIT for federal income tax purposes or the desirability of an investment in a REIT relative to other investments.

Even if we qualify as a REIT for federal income tax purposes, we may be subject to some federal, state and local taxes on our income or property and, in certain cases, a 100% penalty tax, in the event we sell property as a dealer or if a TRS enters into agreements with us or our tenants on a basis that is determined to be other than an arm's length basis.

Our charter contains restrictions on the ownership and transfer of our stock.

Our charter provides that, subject to certain exceptions, no person or entity may beneficially own, or be deemed to own by virtue of the applicable constructive ownership provisions of the Internal Revenue Code, 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 the "ownership limit." A person or entity that becomes subject to the ownership limit by virtue of a violative transfer that results in a transfer to a trust is referred to as a "purported beneficial transferee" if, had the violative transfer been effective, the person or entity would have been a record owner and beneficial owner or solely a beneficial owner of our stock, or is referred to as a "purported record transferee" if, had the violative transfer been effective, the person or entity would have been solely a record owner of our stock.

The constructive ownership rules under the Internal Revenue Code are complex and may cause stock owned actually or constructively by a group of related individuals and/or entities to be owned constructively by one individual or entity. As a result, the acquisition of less than 9.8% of our stock (or the acquisition of an interest in an entity that owns, actually or constructively, our stock) by an individual or entity, could, nevertheless cause that individual or entity, or another individual or entity, to own constructively in excess of 9.8% of our outstanding stock and thereby subject the stock to the 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 security holders.

Certain tax and anti-takeover provisions of our charter and bylaws may inhibit a change of our control.

Certain provisions contained in our charter and bylaws and the Maryland General Corporation Law may discourage a third-party from making a tender offer or acquisition proposal to us. If this were to happen, it could delay, deter or prevent a change in control or the removal of existing management. These provisions also may delay or prevent the security holders from receiving a premium for their securities over then-prevailing market prices. These provisions include:

- the REIT ownership limit described above;
- authorization of the issuance of our preferred shares with powers, preferences or rights to be determined by our board of directors;
- the right of our board of directors, without a stockholder vote, to increase our authorized shares and classify or reclassify unissued shares;
- advance-notice requirements for stockholder nomination of directors and for other proposals to be presented to stockholder meetings; and
- the requirement that a majority vote of the holders of common stock is needed to remove a member of our board of directors for "cause."

The Maryland business statutes also impose potential restrictions on a change of control of our Company.

Various Maryland laws may have the effect of discouraging offers to acquire us, even if the acquisition would be advantageous to security holders. Our bylaws exempt us from some of those laws, such as the control share acquisition provisions, but our board of directors can change our bylaws at any time to make these provisions applicable to us.

Our rights and the rights of our security holders to take action against our directors and officers are limited.

Maryland law provides that a director or officer has no liability in that capacity if he or she performs his or her duties in good faith, in a manner he or she reasonably believe to be in our best interests and with the care that an ordinary prudent person in a like position would use under similar circumstances. In addition, our charter eliminates our directors' and officers' liability to us and our stockholders for money damages except for liability resulting from actual receipt of an improper benefit in money, property or services or active and deliberate dishonesty established by a final judgment and which is material to the cause of action. Our bylaws require us to indemnify directors and officers for liability resulting from actions taken by them in those capacities to the maximum extent permitted by Maryland law. As a result, we and our security holders may have more limited rights against our directors and officers than might otherwise exist under common law. In addition, we may be obligated to fund the defense costs incurred by our directors and officers.

Item 1B. Unresolved Staff Comments

There were no unresolved comments from the staff of the SEC at December 31, 2020.

Item 2. Properties

The following table presents certain summary information about our properties. Our properties generally are modern facilities, and amenities at most of our properties include a swimming pool and a large community center featuring a fitness center, computer center, study areas, and a recreation room with billiards and other games. Some properties also have a jacuzzi/hot tub, volleyball courts, tennis courts, in-unit washers and dryers, and food service facilities. Leases at our off-campus properties typically require 12 rental installments. Leases at our residence hall properties typically correspond to the university's academic year and require nine or ten rental installments.

These properties are included in the Owned Properties and On-Campus Participating Properties segments discussed in Item 1 and Note 16 in the accompanying Notes to Consolidated Financial Statements contained in Item 8. We own fee title to all of these properties except for properties subject to ground/facility leases and our on-campus participating properties, as discussed more fully in Note 2 and Note 14 in the accompanying Notes to Consolidated Financial Statements contained in Item 8. All dollar amounts in this table and others herein, except bed, unit, and per bed amounts, are stated in thousands unless otherwise indicated.

Property [1]	Year Built [2]	Date Acquired/ Developed	Primary University Served	Typical Number of Rental Payments/ Year	Year Ended December 31, 2020 Revenue [3]	Average Monthly Base Rental Revenue/ Bed [4]	# of Units	# of Beds
OWNED PROPERTIES								
Same Store Owned Properties [5]								
The Callaway House College Station	1999	Mar-01	Texas A&M University	9	$ 8,713 [6]	$ 1,645 [6]	173	538
The Village at Science Drive	2000	Nov-01	The University of Central Florida	12	6,562	741	192	732
University Village at Boulder Creek	2002	Aug-02	The University of Colorado at Boulder	12	4,304	1,140	82	309
University Village	2004	Aug-04	California State University - Fresno	12	2,774	580	105	406
University Village	2004	Aug-04	Temple University	12	5,769	678	220	749
University Club Apartments	1999	Feb-05	University of Florida	12	2,552	565	94	376
City Parc at Fry Street	2004	Mar-05	University of North Texas	12	3,107	692	136	418
Entrada Real	2000	Mar-05	University of Arizona	12	2,093	561	98	363
University Village at Sweethome	2005	Aug-05	State University of New York at Buffalo	12	6,989	722	269	828
University Village	1991	Mar-06	Florida State University	12	3,783	513	217	716
Royal Village	1996	Mar-06	University of Florida	12	3,686	683	118	448
Royal Lexington	1994	Mar-06	The University of Kentucky	12	2,440	570	94	364
Raiders Pass	2001	Mar-06	Texas Tech University	12	4,153	415	264	828
Aggie Station	2003	Mar-06	Texas A&M University	12	3,010	551	156	450
The Outpost	2005	Mar-06	University of Texas – San Antonio	12	5,241	610	276	828
Callaway Villas	2006	Aug-06	Texas A&M University	12	4,475	554	236	704
The Village on Sixth Avenue	1999	Jan-07	Marshall University	12	3,728	445	248	752
Newtown Crossing	2005	Feb-07	University of Kentucky	12	6,984	639	356	942
Olde Towne University Square	2005	Feb-07	University of Toledo	12	3,754	607	224	550
Peninsular Place	2005	Feb-07	Eastern Michigan University	12	3,224	568	183	478
University Centre	2007	Aug-07	Rutgers University, NJIT	12	6,592	791	234	838
The Summit & Jacob Heights	2004	Jun-08	Minnesota State University	12	5,083	466	258	930
GrandMarc Seven Corners	2000	Jun-08	University of Minnesota	12	4,469	701	186	440
Aztec Corner	2001	Jun-08	San Diego State University	12	6,087	808	180	606
The Tower at Third	1973	Jun-08	University of Illinois	12	3,168	729	188	375
Willowtree Apartments and Tower	1970	Jun-08	University of Michigan	12	7,162	687	473	851

Property [1]	Year Built [2]	Date Acquired/ Developed	Primary University Served	Typical Number of Rental Payments/ Year	Year Ended December 31, 2020 Revenue [3]	Average Monthly Base Rental Revenue/ Bed [4]	# of Units	# of Beds
University Pointe	2004	Jun-08	Texas Tech University	12	$ 4,163	$ 515	204	682
University Trails	2003	Jun-08	Texas Tech University	12	4,257	516	240	684
Campus Trails	1991	Jun-08	Mississippi State University	12	2,119	418	156	480
University Crossings (ACE)	2003	Jun-08	Drexel University	12	8,971	554	260	1,016
Vista del Sol (ACE)	2008	Aug-08	Arizona State University	12	19,754	816	613	1,866
Villas at Chestnut Ridge	2008	Aug-08	State Univ. of New York at Buffalo	12	5,194	806	196	552
Barrett Honors College (ACE)	2009	Aug-09	Arizona State University	10	11,869	1,002	604	1,721
Sanctuary Lofts	2006	Jun-10	Texas State University	12	4,151	718	201	485
The Edge - Charlotte	1999	Nov-10	UNC - Charlotte	12	4,218	602	180	720
University Walk	2002	Nov-10	UNC - Charlotte	12	3,570	622	120	480
Uptown	2004	Nov-10	University of North Texas	12	3,569	678	180	528
2nd Avenue Centre	2008	Dec-10	University of Florida	12	7,903	763	274	868
Villas at Babcock	2011	Aug-11	University of Texas – San Antonio	12	4,551	556	204	792
Lobo Village (ACE)	2011	Aug-11	University of New Mexico	12	5,369	503	216	864
Villas on Sycamore	2011	Aug-11	Sam Houston State University	12	4,558	567	170	680
26 West	2008	Dec-11	University of Texas at Austin	12	13,780	1,039	367	1,026
Avalon Heights	2002	May-12	University of South Florida in Tampa	12	6,177	710	210	754
University Commons	2003	Jun-12	Univ. of Minnesota in Minneapolis	12	4,490	630	164	480
Casas del Rio (ACE)	2012	Aug-12	University of New Mexico	10	2,710	583	283	1,028
The Suites (ACE)	2013	Aug-12	Northern Arizona University	10	5,198	765	439	878
Hilltop Townhomes (ACE)	2012	Aug-12	Northern Arizona University	12	5,395	766	144	576
U Club on Frey	2013	Aug-12	Kennesaw State University	12	7,238	709	216	864
Campus Edge on UTA Boulevard	2012	Aug-12	University of Texas - Arlington	12	3,229	624	128	488
U Club Townhomes on Marion Pugh	2012	Aug-12	Texas A&M University	12	4,408	581	160	640
Villas on Rensch	2012	Aug-12	State Univ. of New York at Buffalo	12	5,533	815	153	610
The Village at Overton Park	2012	Aug-12	Texas Tech University	12	3,978	533	163	612
Casa de Oro (ACE)	2012	Aug-12	Arizona State University	10	1,638	752	109	365
The Villas at Vista del Sol (ACE)	2012	Aug-12	Arizona State University	12	4,265	882	104	400
The Block	2008	Aug-12	The University of Texas at Austin	12	16,868	945	669	1,555
University Pointe at College Station (ACE)	2012	Sep-12	Portland State University	12	6,424	663	282	978
309 Green	2008	Sep-12	University of Illinois	12	4,006	785	110	416
The Retreat	2012	Sep-12	Texas State University	12	6,564	677	187	780
Lofts54	2008	Sep-12	University of Illinois	12	1,446	661	43	172
Campustown Rentals	1982	Sep-12	University of Illinois	12	3,933	431	264	746
Chauncey Square	2011	Sep-12	Purdue University	12	4,387	906	158	386
Texan & Vintage	2008	Sep-12	The University of Texas at Austin	12	3,717	993	124	311
The Castilian	1967	Sep-12	The University of Texas at Austin	10	6,611 [6]	1,361 [6]	371	623
Bishops Square	2002	Sep-12	Texas State University	12	2,416	646	134	315
Union	2006	Sep-12	Baylor University	12	723	577	54	120
922 Place	2009	Sep-12	Arizona State University	12	5,091	848	132	468

Property [1]	Year Built [2]	Date Acquired/ Developed	Primary University Served	Typical Number of Rental Payments/ Year	Year Ended December 31, 2020 Revenue [3]	Average Monthly Base Rental Revenue/ Bed [4]	# of Units	# of Beds
Campustown	1997	Sep-12	Iowa State University	12	$ 8,181	$ 566	452	1,217
River Mill	1972	Sep-12	University of Georgia	12	3,491	643	243	461
The Province	2011	Nov-12	UNC - Greensboro	12	5,208	643	219	696
RAMZ Apartments on Broad	2004	Nov-12	Virginia Commonwealth University	12	1,931	781	88	172
The Lofts at Capital Garage	2000	Nov-12	Virginia Commonwealth University	12	768	500	36	144
25Twenty	2011	Nov-12	Texas Tech University	12	3,987	626	249	562
The Province	2009	Nov-12	University of Louisville	12	6,429	649	366	858
The Province	2010	Nov-12	Rochester Institute of Technology	12	7,965	823	336	816
5 Twenty Four and 5 Twenty Five Angliana	2010	Nov-12	University of Kentucky	12	7,000	551	376	1,060
The Province	2009	Nov-12	University of South Florida	12	8,163	709	287	947
U Pointe Kennesaw	2012	Nov-12	Kennesaw State University	12	5,956	673	216	795
The Cottages of Durham	2012	Nov-12	University of New Hampshire	12	6,191	873	141	619
University Edge	2012	Dec-12	Kent State University	12	4,774	688	201	608
The Lodges of East Lansing	2012	Jul-13	Michigan State University	12	9,091	772	364	1,049
7th Street Station	2012	Jul-13	Oregon State University	12	2,721	784	82	309
The Callaway House - Austin	2013	Aug-13	The University of Texas at Austin	10	13,956 [6]	2,396 [6]	219	753
Manzanita Hall (ACE)	2013	Aug-13	Arizona State University	10	5,037	962	241	816
University View (ACE)	2013	Aug-13	Prairie View A&M University	10	2,214	721	96	336
U Club Townhomes at Overton Park	2013	Aug-13	Texas Tech University	12	3,066	567	112	448
601 Copeland	2013	Aug-13	Florida State University	12	2,637	763	81	283
The Townhomes at Newtown Crossing	2013	Aug-13	University of Kentucky	12	4,531	628	152	608
Chestnut Square (ACE)	2013	Sep-13	Drexel University	12	9,045	804	220	861
Park Point	2008	Oct-13	Rochester Institute of Technology	12	9,377	804	300	924
U Centre at Fry Street	2012	Nov-13	University of North Texas	12	5,299	768	194	614
Cardinal Towne	2010	Nov-13	University of Louisville	12	4,965	649	255	545
Merwick Stanworth (ACE)	2014	Jul-14	Princeton University	12	7,642	1,146	325	595
Plaza on University	2014	Aug-14	University of Central Florida	12	13,173	790	364	1,313
U Centre at Northgate (ACE)	2014	Aug-14	Texas A&M University	12	6,179	646	196	784
University Walk	2014	Aug-14	University of Tennessee	12	4,635	696	177	526
U Club on Woodward	2014	Aug-14	Florida State University	12	7,819	689	236	944
Park Point	2010	Feb-15	Syracuse University	12	3,192	1,218	66	226
1200 West Marshall	2013	Mar-15	Virginia Commonwealth University	12	3,804	854	136	406
8 1/2 Canal Street	2011	Mar-15	Virginia Commonwealth University	12	4,916	773	160	540
Vistas San Marcos	2013	Mar-15	Texas State University	12	5,462	742	255	600
Crest at Pearl	2014	Jun-15	University of Texas at Austin	12	4,175	1,051	141	343
U Club Binghamton	2005	Jun-15	SUNY Binghamton University	12	12,362	832	326	1,272
160 Ross	2015	Aug-15	Auburn University	12	5,320	719	182	642
The Summit at University City (ACE)	2015	Sep-15	Drexel University	12	12,619	688	351	1,315
2125 Franklin	2015	Sep-15	University of Oregon	12	6,779	753	192	734
University Crossings	2014	Aug-16	University of North Carolina - Charlotte	12	4,471	696	187	546

Property [(1)]	Year Built [(2)]	Date Acquired/ Developed	Primary University Served	Typical Number of Rental Payments/ Year	Year Ended December 31, 2020 Revenue [(3)]	Average Monthly Base Rental Revenue/ Bed [(4)]	# of Units	# of Beds
U Club on 28th	2016	Aug-16	University of Colorado	12	$ 6,121	$ 1,238	100	398
Currie Hall (ACE)	2016	Aug-16	University of Southern California	12	7,175	1,337	178	456
University Pointe (ACE)	2016	Aug-16	University of Louisville	12	3,979	624	134	531
Fairview House (ACE)	2016	Aug-16	Butler University	10	3,900	748	107	633
U Club Sunnyside	2016	Aug-16	West Virginia University	12	4,443	654	134	534
Stadium Centre	2016	Aug-16	Florida State University	12	14,204	780	558	1,383
U Point	2016	Oct-16	Syracuse University	12	1,718	875	54	163
The Arlie	2016	Apr-17	University of Texas Arlington	12	4,061	667	169	598
TWELVE at U District	2014	Jun-17	University of Washington	12	7,495	1,523	283	384
The 515	2015	Aug-17	University of Oregon	12	4,888	809	183	513
State	2013	Aug-17	Colorado State University	12	5,378	700	220	665
Tooker House (ACE)	2017	Aug-17	Arizona State University	10	9,825	947	429	1,594
SkyView (ACE)	2017	Aug-17	Northern Arizona University	12	5,933	766	163	626
University Square (ACE)	2017	Aug-17	Prairie View A&M University	10	3,354	762	143	466
U Centre on Turner	2017	Aug-17	University of Missouri	12	7,230	789	182	718
U Pointe on Speight	2017	Aug-17	Baylor University	12	4,727	558	180	700
21Hundred at Overton Park	2017	Aug-17	Texas Tech University	12	7,550	522	296	1,204
The Suites at Third	2017	Aug-17	University of Illinois	12	2,420	787	63	251
Callaway House Apartments	2017	Aug-17	University of Oklahoma	12	7,991	692	386	915
U Centre on College	2017	Aug-17	Clemson University	12	4,518	838	127	418
The James	2017	Sep-17	University of Wisconsin - Madison	12	10,669	944	366	850
Bridges @ 11th	2015	Oct-17	University of Washington	12	4,697	1,715	184	258
Hub U District Seattle	2017	Nov-17	University of Washington	12	4,209	1,434	111	248
David Blackwell Hall (ACE)	2018	Aug-18	University of California, Berkeley	10	5,556	1,515	412	780
Gladding Residence Center (ACE)	2018	Aug-18	Virginia Commonwealth University	10	10,700	808	592	1,524
Irvington House (ACE)	2018	Aug-18	Butler University	10	3,770	672	197	648
Greek Leadership Village (ACE)	2018	Aug-18	Arizona State University	10	8,001	918	498	957
NAU Honors College (ACE)	2018	Aug-18	Northern Arizona University	10	4,536	770	318	636
U Club Townhomes at Oxford	2018	Aug-18	University of Mississippi	12	2,691	439	132	528
Hub Ann Arbor	2018	Aug-18	University of Michigan	12	4,861	1,361	124	310
The Jack	2018	Aug-18	Northern Arizona University	12	5,364	830	198	591
Campus Edge on Pierce	2018	Aug-18	Purdue University	12	5,091	861	289	598
Subtotal - Same Store Owned Properties					**$ 775,929**	**$ 747**	**30,576**	**92,193**
New Owned Properties								
2019 and 2020 Completed Development Projects								
191 College	2019	Jul-19	Auburn University	12	$ 5,143	$ 838	127	495
LightView (ACE)	2019	Aug-19	Northeastern University	12	14,287	1,598	214	825
University of Arizona Honors College (ACE)	2019	Aug-19	University of Arizona	10	9,498	990	319	1,056
The Flex at Stadium Centre	2019	Aug-19	Florida State University	12	3,268	759	78	340

Property [1]	Year Built [2]	Date Acquired/ Developed	Primary University Served	Typical Number of Rental Payments/ Year	Year Ended December 31, 2020 Revenue [3]	Average Monthly Base Rental Revenue/ Bed [4]	# of Units	# of Beds
959 Franklin	2019	Sep-19	University of Oregon	12	$ 5,057	$ 941	230	443
Currie Hall Phase II (ACE)	2020	Jul-20	University of Southern California	12	1,356	1,223	95	272
Manzanita Square (ACE)	2020	Aug-20	San Francisco State University	12	2,618	1,435	169	584
Disney College Program Phases I-II (ACE)	2020	May-20/ Aug-20	*Walt Disney World*® Resort	Various	56	597	408	1,627
Projects Under Development								
Disney College Program Phases III-X (ACE)	2020-23	Multiple	*Walt Disney World*® Resort	Various	—	—	2,206	8,813
Subtotal – New Owned Properties					**$ 41,283**	**$ 1,102**	**3,846**	**14,455**
TOTAL – OWNED PROPERTIES					**$ 817,212** [7]	**$ 759**	**34,422**	**106,648**
ON-CAMPUS PARTICIPATING PROPERTIES								
University Village & University Village Northwest at Prairie View	1998	Aug-98	Prairie View A&M University	9	$ 10,793	$ 695	648	2,064
University Village at Laredo	1997	Aug-97	Texas A&M International University	9	1,632	761	84	250
University College at Prairie View	2001	Aug-00	Prairie View A&M University	9	7,197	659	756	1,470
Cullen Oaks	2003	Aug-01	The University of Houston	9	5,901	987	411	879
College Park	2014	Aug-14	West Virginia University	12	4,383	653	224	567
TOTAL - ON-CAMPUS PARTICIPATING PROPERTIES					**$ 29,906**	**$ 723**	**2,123**	**5,230**
GRAND TOTAL- ALL PROPERTIES					**$ 847,118**	**$ 758**	**36,545**	**111,878**

(1) A number of our properties consist of two or more phases that are counted separately in the property portfolio numbers disclosed in Item 7 and Note 1 in the accompanying Notes to Consolidated Financial Statements contained in Item 8.

(2) For properties with multiple phases, the year built represents the weighted average year based on the number of beds delivered each year.

(3) Includes base rental revenue and other income, which includes, but is not limited to, utility income, damages, parking income, summer conference rent, application fees, income from retail tenants, etc. Other income also includes the provision for uncollectible accounts.

(4) Average monthly rental revenue per bed is calculated based upon our base rental revenue earned during the year ended December 31, 2020 divided by average monthly occupied beds over the lease term.

(5) Our same store owned portfolio represents properties that were owned and operated by us for the full years ended December 31, 2019 and 2020, which are not conducting or planning to conduct substantial development, redevelopment or repositioning activities, and are not classified as held for sale as of December 31, 2020.

(6) As rent at this property includes food services, revenue is not comparable to the other properties in this table.

(7) Excludes revenues from properties disposed of during the year ended December 31, 2020 and revenues from four land parcels with non-student housing structures that were acquired by the Company with the intention of ultimately demolishing them in order to build student housing projects. These projects are currently in predevelopment and generated revenues of approximately $0.8 million during the year ended December 31, 2020.

Occupancy information for our property portfolio for the year ended and as of December 31, 2020 is set forth below:

	2020 Weighted Average Occupancy [1]	Occupancy as of December 31, 2020
OWNED PROPERTIES		
Same store properties [2]	89.3%	90.2%
New properties	67.4%	61.1%
TOTAL – OWNED PROPERTIES	**88.3%**	**88.5%**
ON-CAMPUS PARTICIPATING PROPERTIES	**67.8%**	**87.7%**

(1) Average occupancy is calculated based on the average number of occupied beds for the year ended December 31, 2020 divided by total beds. For properties with typical lease terms shorter than 12 months, average occupancy includes the impact of significantly lower occupancy during the summer months. Average occupancy for properties which commenced operations during 2020 is calculated based on the period these properties were operational during 2020.

(2) Our same store owned portfolio represents properties that were owned and operated by us for the full years ended December 31, 2019 and 2020, which are not conducting or planning to conduct substantial development, redevelopment or repositioning activities, and are not classified as held for sale as of December 31, 2020.

Item 3. Legal Proceedings

We are subject to various claims, lawsuits, and legal proceedings that have not been fully resolved and that have arisen in the ordinary course of business. While it is not possible to ascertain the ultimate outcome of such matters, management believes that the aggregate amount of such liabilities, if any, in excess of amounts provided or covered by insurance, will not have a material adverse effect on our consolidated financial position or results of operations. However, the outcome of claims, lawsuits, and legal proceedings brought against us are subject to significant uncertainty. Therefore, although management considers the likelihood of such an outcome to be remote, the ultimate results of these matters cannot be predicted with certainty.

Refer to the Litigation section of Note 15 in the accompanying Notes to Consolidated Financial Statements contained in Item 8 for additional discussion.

Item 4. Mine Safety Disclosures

Not applicable.

PART II

Item 5. Market for the Registrant's Common Equity and Related Stockholder Matters

The Company's common stock is listed on the New York Stock Exchange ("NYSE") under the symbol "ACC." As of February 19, 2021, there were approximately 160 holders of record, 68,967 beneficial owners of the Company's common stock and 137,641,145 shares of common stock outstanding. The number of holders does not include individuals or entities who beneficially own shares that are held by a broker or clearing agency, but does include each such broker or clearing agency as one record holder.

We intend to continue to declare quarterly distributions on our common stock. The actual amount, timing and form of payment of distributions, however, will be at the discretion of our Board of Directors and will depend upon our financial condition in addition to the requirements of the Code, and no assurance can be given as to the amounts, timing or form of payment of future distributions.

See Part III, Item 12, for a description of securities authorized for issuance under equity compensation plans.

Item 6. Removed and Reserved

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

Our Company and Our Business

Overview

We are one of the largest owners, managers, and developers of high quality student housing properties in the United States. 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. Refer to Item 1 contained herein for additional information regarding our business objectives, investment strategies, and operating segments.

Property Portfolio

We believe that the ownership and operation of student housing communities in close proximity to selected colleges and universities presents an attractive long-term investment opportunity for our investors. We intend to continue to execute our strategy of identifying existing differentiated, typically highly amenitized, student housing communities or development opportunities in close proximity to university campuses with high barriers to entry which are projected to experience substantial increases in enrollment and/or are under-serviced in terms of existing on and/or off-campus student housing.

Below is a summary of our property portfolio as of December 31, 2020:

Property portfolio	Properties	Beds
Owned operating properties		
Off-campus properties	126	70,221
On-campus ACE [(1) (2)]	33	27,614
Subtotal – operating properties	159	97,835
Owned properties under development		
On-campus ACE [(2) (3)]	1	8,813
Subtotal – properties under development	1	8,813
Total owned properties	**160**	**106,648**
On-campus participating properties	6	5,230
Total owned property portfolio	**166**	**111,878**
Managed properties	40	29,221
Total property portfolio	**206**	**141,099**

(1) Includes two properties at Prairie View A&M University that we ultimately expect to be refinanced under the existing on-campus participating structure.

(2) Includes 33 properties operated under ground/facility leases with 16 university systems and one property operated under a ground/facility lease with *Walt Disney World*® Resort that consists of ten phases, two of which were delivered in May and August 2020, and the remaining phases to be delivered from 2021 to 2023.

(3) The *Walt Disney World*® Resort project will be delivered in multiple phases from 2020 to 2023; as such, only the beds for remaining phases to be completed are included in the beds for owned properties under development. Beds for any completed phases of this project are included in owned operating properties beds.

Leasing Results

Our financial results for the year ended December 31, 2020 are impacted by the results of our annual leasing process for the 2019/2020 and 2020/2021 academic years. As previously discussed, the COVID-19 pandemic has had an unprecedented effect on the student housing industry. As a result, students' housing decisions and preferences were affected by University policies and the general continued uncertainty associated with COVID-19, which resulted in our experiencing diminished leasing results for the 2020/2021 academic year. As of September 30, 2020, the beginning of the 2020/2021 academic year, occupancy at our 2021 same store properties was 90.3% with a rental rate increase of 1.1% compared to the prior academic year, and occupancy at our total owned property portfolio (including two development properties completed in Fall 2020) was 89.9%. As of September 30, 2019, the beginning of the 2019/2020 academic year, occupancy at our 2020 same store properties was 97.4% with a rental rate increase of 1.4% compared to the prior academic year, and occupancy at our total owned property portfolio (including development properties completed in Fall 2019) was 97.4%.

Development

Owned Development Projects Recently Completed

During the year ended December 31, 2020, the final stages of construction were completed for the ACE properties summarized in the table below:

Project	**Location**	**Primary University / Market Served**	**Beds**	**Total Project Cost**	**Construction Completed**
Disney College Program Phase I (1)	Orlando, FL	*Walt Disney World®* Resort	778	$ 61,600	May 2020
Currie Hall Phase II (2)	Los Angeles, CA	Univ. of Southern California	272	41,600	July 2020
Disney College Program Phase II (1)	Orlando, FL	*Walt Disney World®* Resort	849	46,900	August 2020
Manzanita Square (2)	San Francisco, CA	San Francisco State Univ.	584	129,300	August 2020
			2,483	**$ 279,400**	

(1) The first and second phases of the Disney College Program were delivered in May and August 2020, respectively, and the remaining phases are anticipated to be delivered from 2021-2023. The Disney College Program is temporarily suspended, and although we are marketing the community to a broader rental market, we are experiencing diminished financial performance for this project as compared to original expectations. The project's future financial results will be affected by the duration of the suspension of the Disney College Program, with potential offsets by any success we experience in leasing the community to a broader rental market until such time as the Disney College Program is reinstated and the project achieves normalized occupancy levels.

(2) Due to university operating policies related to COVID-19, initial occupancy levels for these new developments were below those initially anticipated, and at this time the Company expects to meet the targeted stabilized development yields upon a return to normalcy on the respective campuses.

Owned Development Project Under Construction

At December 31, 2020, we were in the process of constructing one ACE property at *Walt Disney World®* Resort housing college students participating in the Disney College Program, which will be delivered in multiple phases from 2021 to 2023 and is summarized in the table below:

Project	**Location**	**Primary University / Market Served**	**Beds**	**Estimated Project Cost**	**Total Costs Incurred**	**Scheduled Completion**
Disney College Program Phases III-V	Orlando, FL	*Walt Disney World®* Resort	3,369	$ 190,400	$ 180,096	Jan, May & Aug 2021
Disney College Program Phases VI - VIII	Orlando, FL	*Walt Disney World®* Resort	3,235	193,000	127,986	Jan, May & Aug 2022
Disney College Program Phases IX-X	Orlando, FL	*Walt Disney World®* Resort	2,209	122,700	55,522	Jan & May 2023
			8,813	**$ 506,100**	**$ 363,604**	

The Disney College Program, whose participants the project was designed to house, is temporarily suspended, and although we are marketing the community to a broader rental market, we are experiencing diminished financial performance for this project as compared to original expectations. The project's future financial results will be affected by the duration of the suspension of the Disney College Program, with potential offsets by any success we experience in leasing the community to a broader rental market until such time as the Disney College Program is reinstated and the project achieves normalized occupancy levels.

As it relates to the remaining phases of our project under development at *Walt Disney World®* Resort, if we are required to temporarily cease construction entirely, experience delays in obtaining governmental permits and authorizations, or experience disruption in the supply of materials or labor related to COVID-19, we may not be able to complete these remaining phases on schedule or within budgeted amounts.

Third-Party Development and Management Services

Through ACC's TRS entities, we provide development and construction management services for student housing properties owned by colleges and universities, charitable foundations, and others. During the year ended December 31, 2020, the final stages of construction were completed on the properties summarized in the following table:

Project	Location	Primary University / Market Served	Beds	Total Fees	Construction Completed
University View II	Prairie View, TX	Prairie View A&M University	540	$ 2,500	August 2020
Dundee Residence Hall and Glasgow Dining Hall	Riverside, CA	University of California, Riverside	820	5,000	August 2020
			1,360	**$ 7,500**	

As of December 31, 2020, we were under contract on two third-party development projects that are currently under construction and whose fees total $9.7 million. As of December 31, 2020, fees of approximately $3.1 million remained to be earned by the Company with respect to these projects, which have scheduled completion dates in 2021 and 2022.

As of December 31, 2020, we also provided third-party management and leasing services for 40 properties that represented approximately 29,200 beds.

Critical Accounting Policies and Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States ("GAAP") requires management to make estimates and assumptions in certain circumstances that affect amounts reported in our consolidated financial statements and related notes. In preparing these financial statements, management has utilized all available information, including its past history, industry standards, and the current economic environment, among other factors, in forming its estimates and judgments of certain amounts included in the consolidated financial statements, giving due consideration to materiality. It is possible that the ultimate outcome anticipated by management in formulating its estimates may not be realized. Application of the critical accounting policies below involves the exercise of judgment and use of assumptions as to future uncertainties and, as a result, actual results could differ from these estimates. In addition, other companies in similar businesses may utilize different estimation policies and methodologies, which may impact the comparability of our results of operations and financial condition to those companies.

Capital Expenditures

We capitalize costs during the development of assets. Capitalization begins when we determine that development of a future asset is probable and continues until the asset, or a portion of the asset, is delivered and is ready for its intended use. As such, our judgment of the date the project is substantially complete has a direct impact on our operating expenses for the period. We also capitalize pre-development costs incurred in pursuit of development of a property. These costs include legal fees, design fees, regulatory fees, and other related costs. Future development of these pursuits is dependent upon various factors, including zoning and regulatory approval, rental market conditions, construction costs and availability of capital. Pre-development costs incurred for pursuits for which future development is not yet considered probable are expensed as incurred. The determination of whether a project is probable requires judgment. If we determine that a project is probable, operating expenses could be materially different than if we determine the project is not probable. In addition, we capitalize non-recurring expenditures for additions and betterments to buildings and land improvements. In addition, we generally capitalize expenditures for exterior painting, roofing, and other major maintenance projects that substantially extend the useful life of the existing assets. The cost of ordinary repairs and maintenance that do not improve the value of an asset or extend its useful life are charged to expense when incurred. For all predevelopment and development projects, as well as additions and betterments, the Company uses its professional judgment in determining whether such costs meet the criteria for capitalization or must be expensed as incurred.

Impairment of Long-Lived Assets

Management assesses on a property-by-property basis whether there are any indicators that the value of our real estate assets held for use may be impaired. This analysis is performed at least annually or whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. A property's value is considered impaired if management's estimate of the aggregate future undiscounted cash flows to be generated by the property is less than the carrying value of the property. The estimation of expected future net cash flows uses estimates, including capitalization rates and growth rates, which are inherently uncertain and rely on assumptions regarding current and future economics and market conditions. While we believe our estimates of future cash flows are reasonable, and they incorporate any potential financial effects resulting from COVID-19, different assumptions regarding these factors could significantly affect these estimates. To the extent an impairment has occurred, the loss will be measured as the excess of the carrying amount of the property over the fair value of the property, thereby reducing our net income. Management also performs a periodic assessment to determine which of our properties are likely to be sold prior to the end of their estimated useful lives. For those probable sales, an impairment charge is recorded for any excess of the carrying amount of the property over the estimated fair value less estimated selling costs, thereby reducing our net income.

Operating Lease Liabilities and Right of Use Assets

We have ground and office operating lease agreements in which we are the lessee. In accordance with lease accounting guidance, we are required to recognize a liability to account for our future obligations under these operating leases, and a corresponding right-of-use asset. The lease liability is measured based on the present value of the future minimum lease payments. The right-of-use asset is measured based on the corresponding lease liability, adjusted for initial direct leasing costs and any other consideration exchanged with the lessor prior to the commencement of the lease. The right-of-use asset is included in the impairment of long-lived assets analysis discussed above.

The present value of the future minimum lease payments is calculated for each operating lease using the remaining lease term and a corresponding estimated incremental borrowing rate, which is the interest rate that we estimate we would have to pay to borrow on a collateralized basis over a similar term for an amount equal to the lease payments. Determining the appropriate incremental borrowing rate requires judgment. In determining this rate, we analyze company-specific factors, such as credit risk, lease-specific factors such as lease term, lease payments, and collateral, as well as overall economic conditions. If an inaccurate incremental borrowing rate is used, it could result in a misstatement of our lease liabilities and corresponding right-of-use assets.

Results of Operations

COVID-19, which was characterized on March 11, 2020 by the World Health Organization as a pandemic, affected our results of operations for year ended December 31, 2020, as more fully described below. However, for the reasons described previously, the Company is unable to predict the full magnitude of the pandemic and its effect on our results for future years. The most significant factors affecting the Company’s future results of operations include: (1) the level of lease terminations and rent refunds and/or abatements granted to student and commercial tenants; (2) economic hardship experienced by student and commercial tenants and its ultimate effect on rent collections and thus the provision for uncollectible accounts; (3) any reduction to revenues from our third-party development and management services segments due to canceled or delayed third-party development projects or reduced revenues at our third-party managed properties; (4) the amount of revenue earned from summer camps and conferences; (5) the impact of any stimulus payments that may be received by the Company, our tenants, and/or our University partners under the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”) and any future similar governmental actions; (6) any increase in, or reduction to, operating expenses as a result of the pandemic; and (7) the success of our leasing activities for the 2021/2022 academic year, which could be impacted by consumer sentiments as the COVID-19 pandemic continues to evolve.

Comparison of the Years Ended December 31, 2020 and 2019

The following table presents our results of operations for the years ended December 31, 2020 and 2019, including the amount and percentage change in these results between the two periods.

	Year Ended December 31, 2020	Year Ended December 31, 2019	Change ($)	Change (%)
Revenues				
Owned properties	$ 818,298	$ 877,565	$ (59,267)	(6.8) %
On-campus participating properties	29,906	36,346	(6,440)	(17.7) %
Third-party development services	7,543	13,051	(5,508)	(42.2) %
Third-party management services	12,436	12,936	(500)	(3.9) %
Resident services	2,401	3,144	(743)	(23.6) %
Total revenues	**870,584**	**943,042**	**(72,458)**	**(7.7)%**
Operating expenses (income)				
Owned properties	378,454	390,664	(12,210)	(3.1) %
On-campus participating properties	13,521	15,028	(1,507)	(10.0) %
Third-party development and management services	21,700	19,915	1,785	9.0 %
General and administrative	36,874	31,081	5,793	18.6 %
Depreciation and amortization	267,703	275,046	(7,343)	(2.7) %
Ground/facility leases	13,513	14,151	(638)	(4.5) %
(Gain) loss from disposition of real estate, net	(48,525)	53	(48,578)	(91,656.6) %
Provision for impairment	—	17,214	(17,214)	(100.0) %
Total operating expenses	**683,240**	**763,152**	**(79,912)**	**(10.5)%**
Operating income	**187,344**	**179,890**	**7,454**	**4.1 %**
Nonoperating income (expenses)				
Interest income	2,939	3,686	(747)	(20.3) %
Interest expense	(112,507)	(111,287)	(1,220)	1.1 %
Amortization of deferred financing costs	(5,259)	(5,012)	(247)	4.9 %
(Loss) gain from extinguishment of debt	(4,827)	20,992	(25,819)	(123.0) %
Other nonoperating income	3,507	—	3,507	100.0 %
Total nonoperating expenses	**(116,147)**	**(91,621)**	**(24,526)**	**26.8 %**
Income before income taxes	71,197	88,269	(17,072)	(19.3) %
Income tax provision	(1,349)	(1,507)	158	(10.5) %
Net income	**69,848**	**86,762**	**(16,914)**	**(19.5)%**
Net loss (income) attributable to noncontrolling interests	2,955	(1,793)	4,748	(264.8) %
Net income attributable to ACC, Inc. and Subsidiaries common stockholders	**$ 72,803**	**$ 84,969**	**$ (12,166)**	**(14.3)%**

Same Store and New Property Operations

We define our same store property portfolio as owned properties that were owned and operating for both of the full years ended December 31, 2020 and December 31, 2019, which are not conducting or planning to conduct substantial development, redevelopment, or repositioning activities, and are not classified as held for sale as of December 31, 2020. It also includes the full operating results of properties owned through joint ventures in which the company has a controlling financial interest and which are consolidated for financial reporting purposes.

Same store revenues are defined as revenues generated from our same store portfolio and consist of rental revenue earned from student leases as well as other income items such as utility income, damages, parking income, summer conference rent, application and administration fees, income from retail tenants, the provision for uncollectible accounts, and income earned by our taxable REIT subsidiaries ("TRS") from ancillary activities such as the provision of food services.

Same store operating expenses are defined as operating expenses generated from our same store portfolio and include usual and customary expenses incurred to operate a property such as payroll, maintenance, utilities, marketing, general and administrative costs, insurance, and property taxes. Same store operating expenses also include an allocation of payroll and other administrative costs related to corporate management and oversight.

A reconciliation of our same store, new property, and sold/other property operations to our consolidated statements of comprehensive income is set forth below:

	Same Store Properties		New Properties		Sold/Other Properties [1]		Total - All Properties	
	Year Ended December 31,		Year Ended December 31,		Year Ended December 31,		Year Ended December 31,	
	2020	2019	2020	2019	2020	2019	2020	2019
Number of properties [2]	152	152	7 [3]	5	1	5 [4]	160	162
Number of beds [2]	92,193	92,193	5,642	3,159	901	2,911	98,736	98,263
Revenues [5]	$ 775,929	$ 841,523	$ 42,069	$ 15,693	$ 2,701	$ 23,493	$ 820,699	$ 880,709
Operating expenses	$ 359,553	$ 371,926	$ 17,520	$ 7,400	$ 1,381	$ 11,338	$ 378,454	$ 390,664

(1) Does not include the allocation of payroll and other administrative costs related to corporate management and oversight. Includes professional fees related to the operation of consolidated joint ventures that are included in owned properties operating expenses in the accompanying consolidated statements of comprehensive income.

(2) Does not include properties under construction or undergoing redevelopment.

(3) Does not include the *Walt Disney World*® Resort project which is counted as one property under development and consists of ten phases, two of which were delivered in 2020, with the remaining to be delivered from 2021 to 2023.

(4) Includes properties sold in 2019 and 2020 and one property transferred to the lender in July 2019 in settlement of its mortgage loan.

(5) Includes revenues which are reflected as resident services revenue on the accompanying consolidated statements of comprehensive income.

Same Store Properties: The decrease in revenue from our same store properties was primarily due to the following impacts of COVID-19: (i) approximately $18.7 million in rent refunds and/or early lease terminations was provided to tenants at our on-campus ACE properties and certain off-campus residence halls; (ii) approximately $13.6 million in rent that was forgiven as part of our Resident Hardship Program for residents and families who experienced financial hardship due to COVID-19; (iii) approximately $19.5 million as a result of lost summer camp and conference revenue, waived fees, an increase in the provision for uncollectible accounts resulting from rent delinquencies, and other items related to COVID-19; and (iv) the reduced level of occupancy achieved from the 2020/2021 academic year lease-up, which resulted in a decrease of 3.7% in weighted average occupancy from 93.0% during the year ended December 31, 2019, to 89.3% for the year ended December 31, 2020.

The decrease in operating expenses for our same store properties was primarily due to the following factors which resulted from COVID-19: (i) a decrease in general and administrative expenses due to the cancellation of non-essential travel as well as reduced payments made to university partners due to lower COVID-19 driven occupancies; (ii) a decrease in marketing expenses due to the reduction of in-person marketing activities during the pandemic; and (iii) lower utilities expense resulting from decreased occupancy-based usage.

New Property Operations: Our new properties for the year ended December 31, 2020 include development properties that completed construction and opened for operations in Fall 2019 and 2020, as well as two phases at our Disney College Program project which completed construction in 2020. These properties are summarized in the table below:

Property	Location	Primary University / Market Served	Beds	Opening Date / Construction Completed
191 College	Auburn, AL	Auburn University	495	August 2019
LightView (ACE)	Boston, MA	Northeastern University	825	August 2019
University of Arizona Honors College (ACE)	Tucson, AZ	University of Arizona	1,056	August 2019
The Flex at Stadium Centre	Tallahassee, FL	Florida State University	340	August 2019
959 Franklin	Eugene, OR	University of Oregon	443	September 2019
Disney College Program Phase I (ACE)	Orlando, FL	*Walt Disney World®* Resort	778	May 2020
Currie Hall Phase II	Los Angeles, CA	Univ. of Southern California	272	July 2020
Disney College Program Phase II (ACE)	Orlando, FL	*Walt Disney World®* Resort	849	August 2020
Manzanita Square	San Francisco, CA	San Francisco State Univ.	584	August 2020
		Total - New Properties	**5,642**	

On-Campus Participating Properties ("OCPP") Operations

As of December 31, 2020, we had six on-campus participating properties containing 5,230 beds. Revenues from these properties decreased by $6.4 million, from $36.3 million for the year ended December 31, 2019, to $29.9 million for the year ended December 31, 2020. This decrease was primarily due to an 8.5% decrease in average occupancy as a result of COVID-19, from 76.3% for the year ended December 31, 2019, to 67.8% for the year ended December 31, 2020 as well as the universities' decisions to provide rent abatements to tenants during the latter part of the 2019/2020 academic year.

Operating expenses at these properties decreased by $1.5 million, from $15.0 million for the year ended December 31, 2019, to $13.5 million for the year ended December 31, 2020. This decrease was primarily due to decreases in payroll, maintenance, and utilities as a result of decreased occupancy at the properties due to COVID-19.

Third-Party Development Services Revenue

Third-party development services revenue decreased by approximately $5.6 million, from $13.1 million during the year ended December 31, 2019, to $7.5 million for the year ended December 31, 2020. The decrease was primarily due to fewer third-party development projects under construction during the year ended December 31, 2020, as compared to the year ended December 31, 2019. During the year ended December 31, 2020 we had four projects under construction with an average contractual fee of $4.3 million, as compared to eight projects under construction during the year ended December 31, 2019 with an average contractual fee of $4.1 million. The decrease was also due to the closing of bond financing and commencement of construction of the first phase of the North District at University of California, Riverside and the closing and commencement of construction of our ninth phase at Prairie View A&M University during the prior year, which contributed approximately $5.6 million in revenue for the year ended December 31, 2019, as compared to the commencement of construction of the Capitol Campus Housing project at Georgetown University during the current year, which contributed approximately $1.8 million in revenue.

Development services revenues are dependent on our ability to successfully be awarded such projects, the amount of the contractual fee related to the project, and the timing and completion of the development and construction of the project. In addition, to the extent projects are completed under budget, we may be entitled to a portion of such savings, which are recognized as revenue when performance has been agreed upon by all parties, or when performance has been verified by an independent third-party. It is possible that projects for which we have deferred pre-development costs will not close and that we will not be reimbursed for such costs. The pre-development costs associated therewith will ordinarily be charged against income for the then-current period.

Third-Party Management Services Revenue

Third-party management services revenue decreased by approximately $0.5 million, from $12.9 million during the year ended December 31, 2019, to $12.4 million for the year ended December 31, 2020. The decrease is primarily due to decreased revenue at our managed properties resulting from COVID-19, upon which our management fees are based. This decrease was offset by additional revenue associated with the Disney College Program management contract which began in April 2019. As the project's facilities manager, the Company is responsible for the operations and maintenance of the project. Because of the Company’s role in funding payroll costs for on-site personnel and certain other operating costs at the properties, accounting guidance requires the management fee for this project to be recorded on a gross basis in the Company’s consolidated financial statements. Revenues from this management contract totaled $3.9 million for the year ended December 31, 2020 as compared to $3.3 million for the year ended December 31, 2019.

Third-Party Development and Management Services Expenses

Third-party development and management services expenses increased by approximately $1.8 million, from $19.9 million during the year ended December 31, 2019, to $21.7 million for the year ended December 31, 2020. The increase was primarily due to a $0.7 million write-off of a receivable from a previously completed development project that was deemed uncollectible, a $0.7 a million increase in reimbursed payroll and other costs from the Disney College Program management contract which began in April 2019, and a $0.4 million increase in the provision for uncollectible accounts related to accounts receivable from third-party development and management projects.

General and Administrative

General and administrative expenses increased by approximately $5.8 million, from $31.1 million during the year ended December 31, 2019, to $36.9 million for the year ended December 31, 2020. The increase was primarily due to $1.1 million in litigation settlement expenses incurred during the year ended December 31, 2020, additional expenses incurred in connection with enhancements to our operating systems platform, increased healthcare costs, and other general inflationary factors. These increases were offset by COVID-19 related decreases in travel expenses and payroll due to unfilled positions and lower incentive compensation.

Depreciation and Amortization

Depreciation and amortization decreased by approximately $7.3 million, from $275.0 million during the year ended December 31, 2019, to $267.7 million for the year ended December 31, 2020. This decrease was primarily due to the following: (i) a $13.2 million decrease in depreciation and amortization expense at our same store properties due to assets that became fully amortized or depreciated during the year ended December 31, 2020; (ii) a $6.2 million decrease related to properties sold in 2019 and 2020; (iii) a $1.3 million decrease in depreciation of corporate assets; and (iv) a $0.4 million decrease in depreciation expense at our OCPPs. These decreases were partially offset by an increase of $13.7 million related to the completion of construction and opening of owned development properties in 2019 and 2020.

Ground/Facility Leases

Ground/facility leases expense decreased by approximately $0.7 million from $14.2 million during the year ended December 31, 2019, to $13.5 million for the year ended December 31, 2020. The decrease in ground/facility leases expense is primarily due to a reduction in variable rent at our OCPPs of $1.0 million and same store properties of $0.4 million as a result of decreased operating performance at the properties due to COVID-19. This decrease was partially offset by a $0.8 million increase in ground rent expense due to ACE development projects that completed construction and opened for operations in Fall 2019 and Fall 2020.

(Gain) Loss from Disposition of Real Estate, Net

During the year ended December 31, 2020, we sold one owned property containing 901 beds, resulting in a net gain from disposition of real estate of approximately $48.5 million. During the year ended December 31, 2019, we sold two owned properties containing 1,150 beds, resulting in a net loss from disposition of real estate of approximately $0.1 million. Refer to Note 6 in the accompanying Notes to Consolidated Financial Statements contained in Item 8 for additional details regarding our recent disposition transactions.

Provision for Impairment

During the year ended December 31, 2019, we recorded an impairment charge of approximately $3.2 million for one owned property serving students attending Florida A&M University, which was classified as held for sale as of March 31, 2019 and was sold in May 2019. During the same period, we also recorded a $14.0 million impairment charge associated with a tax incentive arrangement that was recorded upon the acquisition of one owned property in 2015 due to facts and circumstances indicating that the originally assumed property tax savings would not materialize.

Interest Income

Interest income decreased by approximately $0.8 million, from $3.7 million during the year ended December 31, 2019, to $2.9 million for the year ended December 31, 2020. The decrease was primarily due to the early repayment of a note receivable in October 2020. Refer to Note 2 in the accompanying Notes to Consolidated Financial Statements for additional details regarding the early repayment of the note receivable.

Interest Expense

Interest expense increased by approximately $1.2 million, from $111.3 million during the year ended December 31, 2019, to $112.5 million for the year ended December 31, 2020. The increase was primarily due to $13.7 million of additional interest incurred related to our offerings of unsecured notes in June 2019, January 2020 and June 2020, net of unsecured notes repaid in January 2020 that were originally scheduled to mature in October 2020. This increase was offset by the following: (i) a $5.7 million decrease in interest expense on our revolving credit facility due to a reduction in LIBOR rates for 2020 compared to 2019; (ii) a $2.9 million decrease due to the pay-off of mortgage and construction debt in 2019 and 2020; (iii) a $1.8 million decrease related to accrued default interest at one of our properties that was transferred to the lender in settlement of the property's mortgage loan in July 2019; (iv) a $1.6 million decrease in interest on our term loan facility due to interest rate swaps executed in November and December 2019; and (v) a $0.6 million decrease due to scheduled principal payments.

(Loss) Gain from Extinguishment of Debt

During the year ended December 31, 2020, we recognized a $4.8 million loss on the extinguishment of debt related to the early redemption of our $400 million 3.35% Senior Notes due October 2020. The redemption was funded using net proceeds from the Operating Partnership's closing of a $400 million offering of senior unsecured notes under its existing shelf registration in January 2020. During the year ended December 31, 2019, we recognized a $21.0 million gain on the extinguishment of debt associated with a property that was transferred to the lender in settlement of the property's mortgage loan in July 2019. Refer to Note 9 in the accompanying Notes to Consolidated Financial Statements for additional details.

Other Nonoperating Income

During the year ended December 31, 2020, we recorded a $2.1 million gain due to the write-off of the unamortized discount associated with the early repayment of a note receivable in October 2020 and a $1.1 million gain related to the settlement of a litigation matter. Refer to Note 2 in the accompanying Notes to Consolidated Financial Statements for additional details regarding the early repayment of the note receivable.

Net Loss (Income) Attributable to Noncontrolling Interests

Net loss (income) attributable to noncontrolling interests represents consolidated joint venture partners' share of net loss (income), as well as net loss (income) allocable to OP unitholders. Net loss (income) attributable to noncontrolling interests decreased by $4.8 million, from net income of $1.8 million for the year ended December 31, 2019, to a net loss of $3.0 million for the year ended December 31, 2020. This decrease is primarily due to decreased operating performance at certain properties held through joint ventures due to COVID-19 as well as the purchase of the remaining ownership interests in properties held in a joint venture in the third and fourth quarter of 2019 and the first quarter of 2020. Refer to Note 8 in the accompanying Notes to Consolidated Financial Statements contained in Item 8 for additional details.

Comparison of the Years Ended December 31, 2019 and 2018

Management's Discussion and Analysis of Financial Condition and Results of Operations on pages 32 through 37 of the Form 10-K for the fiscal year ended December 31, 2019 is incorporated herein by reference.

Liquidity and Capital Resources

Cash Balances and Cash Flows

As of December 31, 2020, we had $74.0 million in cash, cash equivalents, and restricted cash as compared to $81.3 million in cash, cash equivalents, and restricted cash as of December 31, 2019. Restricted cash primarily consists of escrow accounts held by lenders and resident security deposits, as required by law in certain states, and funds held in escrow in connection with potential acquisition and development opportunities. The following discussion relates to changes in cash due to operating, investing and financing activities, which are presented in our accompanying consolidated statements of cash flows included in Item 8 herein.

Operating Activities: For the year ended December 31, 2020, net cash provided by operating activities was approximately $351.1 million, as compared to approximately $370.4 million for the year ended December 31, 2019, a decrease of approximately $19.3 million. This decrease was primarily due to rent abatements, early lease terminations, and other financial relief provided by the Company to student and commercial tenants due to COVID-19, diminished leasing results for the 2020/2021 academic year due to COVID-19, and the sale of properties in 2019 and 2020. This decrease was partially offset by operating cash flows from the commencement of occupancy at owned and presale development properties completed in 2019 and 2020.

Investing Activities: Investing activities utilized approximately $207.4 million and $416.1 million for the years ended December 31, 2020 and 2019, respectively. The $208.7 million decrease in cash utilized in investing activities was a result of the following: (i) a $128.8 million decrease in cash used to fund the construction of our owned development properties; (ii) $45.4 million in cash proceeds from the early repayment of a note receivable in October 2020 as discussed in Note 2 in the accompanying Notes to Consolidated Financial Statements contained in Item 8, as compared to $5.3 million in cash proceeds from loans receivable during the year ended December 31, 2019; (iii) a $37.6 million increase in proceeds from the disposition of properties; (iv) a $13.3 million decrease in cash used for capital expenditures at our owned and on-campus participating properties; and (v) $7.7 million in proceeds from legal and insurance settlements during the year ended December 31, 2020 included in other investing activities. These decreases were partially offset by a $13.5 million increase in cash paid to acquire land parcels and $5.4 million of financing that the Company provided to a joint venture partner in 2020 which is included in other investing activities and further discussed in Note 5 in the accompanying Notes to Consolidated Financial Statements contained in Item 8.

Financing Activities: For the year ended December 31, 2020, net cash utilized by financing activities totaled approximately $151.1 million, as compared to net cash provided by financing activities of $20.6 million for the year ended December 31, 2019. The $171.7 million increase in cash utilized by financing activities was a result of the following: (i) a $404.2 million pay-off of unsecured notes in 2020 including costs associated with the early extinguishment of the notes; (ii) a $102.4 million increase in net pay-offs of mortgage and construction debt; (iii) a $93.0 million increase in net paydowns on our revolving credit facility; and (iv) a $2.2 million increase in distributions paid to common and restricted stockholders. These increases were partially offset by the following: (i) a $393.8 million increase in proceeds from the issuance of unsecured notes, net of issuance costs; (ii) a $27.9 million decrease in funds paid to increase our ownership of consolidated subsidiaries due to the purchase of the remaining ownership interests in two properties held in a joint venture during the year ended December 31, 2020, as compared to the purchase of the remaining ownership interests in two pre-sale development properties and three properties held in a joint venture during the year ended December 31, 2019; (iii) a $4.2 million increase in contributions from noncontrolling partners; and (iv) a $4.1 million decrease in distributions made to noncontrolling partners.

Liquidity Needs, Sources, and Uses of Capital

As previously discussed, the ultimate effect of the COVID-19 pandemic on the student housing industry generally, and the Company specifically, is uncertain at this time. As such, the Company is unable to predict the full magnitude of the pandemic and its effect on our future cash flows and liquidity needs. The most significant factors affecting our future results are outlined above under Results of Operations.

As of December 31, 2020, the Company has met its financial obligations and believes it has sufficient liquidity to withstand future disruption. As of December 31, 2020, our short-term liquidity needs included, but were not limited to, the following: (i) potential distribution payments to our common and restricted stockholders totaling approximately $260.8 million based on an assumed annual cash distribution of $1.88 per share and based on the number of our shares outstanding as of December 31, 2020; (ii) potential distribution payments to our Operating Partnership unitholders totaling approximately $0.9 million based on an assumed annual distribution of $1.88 per common unit and a cumulative preferential per annum cash distribution rate of 5.99% on our Preferred OP Units based on the number of units outstanding as of December 31, 2020; (iii) estimated development costs over the next 12 months totaling approximately $132.3 million for our owned property currently under construction; (iv) the pay-off of approximately $75.5 million of outstanding fixed rate mortgage debt and $24.1 million of mortgage debt related to our OCPPs scheduled to mature during the next 12 months as well as approximately $9.0 million of scheduled debt principal payments; (v) funds for other owned development projects that could potentially commence construction during the next 12 months; (vi) potential future property or land acquisitions; and (vii) recurring capital expenditures.

We expect to meet our short-term liquidity requirements by: (i) utilizing current cash on hand and net cash provided by operations; (ii) borrowing under our existing revolving credit facility, which had availability of $628.9 million as of December 31, 2020; (iii) accessing the unsecured bond market; (iv) exercising debt extension options to the extent they are available; (v) issuing securities, including common stock, under our ATM Equity Program discussed more fully in Note 10 in the accompanying Notes to Consolidated Financial Statements contained in Item 8, or otherwise; and (vi) potentially disposing of properties and/or entering into joint venture arrangements, depending on market conditions. Our ability to obtain additional financing will depend on a variety of factors such as market conditions, the general availability of credit, the overall availability of credit to the real estate industry, our credit ratings and credit capacity, and the perception of lenders regarding our long or short-term financial prospects.

We may seek additional funds to undertake initiatives not contemplated by our business plan or obtain additional cushion against possible shortfalls. We also may pursue additional financing as opportunities arise. Future financings may include a range of different sizes or types of financing, including the incurrence of additional secured debt and the sale of additional debt or equity securities. These funds may not be available on favorable terms or at all. Our ability to obtain additional financing depends on several factors, including future market conditions, our success or lack of success in penetrating our markets, our future creditworthiness, and restrictions contained in agreements with our investors or lenders, including the restrictions contained in the agreements governing our unsecured credit facility and unsecured notes. These financings could increase our level of indebtedness or result in dilution to our equity holders.

Although the Company believes it has sufficient liquidity as of December 31, 2020 to withstand future disruption related to COVID-19, the impact of the pandemic on global capital markets has impacted our stock price and credit ratings and has introduced additional economic uncertainty, which could affect our ability to obtain additional financing to meet short-term and/or long-term liquidity needs.

Indebtedness

A summary of our consolidated indebtedness as of December 31, 2020 is as follows. Refer to Note 9 in the accompanying Notes to Consolidated Financial Statements contained in Item 8 for a detailed discussion of our indebtedness.

	Amount	% of Total	Weighted Average Rates [(1)]	Weighted Average Maturities
Secured	$ 646,330	17.9 %	4.3 %	6.2 Years
Unsecured	2,971,100	82.1 %	3.2 %	5.3 Years
Total consolidated debt	**$ 3,617,430**	**100.0 %**	**3.4 %**	**5.5 Years**
Fixed rate debt				
Secured				
Project-based taxable bonds	$ 19,110	0.5 %	7.5 %	4.0 Years
Mortgage	625,136	17.3 %	4.2 %	6.3 Years
Unsecured				
April 2013 Notes	400,000	11.1 %	3.8 %	2.3 Years
June 2014 Notes	400,000	11.1 %	4.1 %	3.5 Years
October 2017 Notes	400,000	11.1 %	3.6 %	6.9 Years
June 2019 Notes	400,000	11.1 %	3.3 %	5.5 Years
January 2020 Notes	400,000	11.1 %	2.9 %	9.1 Years
June 2020 Notes	400,000	11.1 %	3.9 %	10.1 Years
Term loans	200,000	5.3 %	2.5 %	1.5 Years
Total - fixed rate debt	3,244,246	89.7 %	3.7 %	5.9 Years
Variable rate debt				
Secured				
Mortgage	2,084	0.1 %	2.7 %	24.6 Years
Unsecured				
Unsecured revolving credit facility	371,100	10.2 %	1.4 %	1.2 Years
Total - variable rate debt	373,184	10.3 %	1.4 %	1.3 Years
Total consolidated debt	**$ 3,617,430**	**100.0 %**	**3.4 %**	**5.5 Years**

(1) Represents stated interest rate and does not include the effect of the amortization of deferred financing costs, debt premiums and discounts, OIDs, and interest rate swap terminations.

As discussed previously, as of December 31, 2020, the Company has met its financial obligations including servicing its debt and believes it has sufficient liquidity to withstand future disruption. However, the ultimate magnitude of the pandemic on our future cash flows and liquidity position is uncertain at this time. While the Company was in compliance with all debt covenants for both secured and unsecured indebtedness as of December 31, 2020, the economic disruption caused by the COVID-19 pandemic could adversely affect our future ability to remain in compliance with our debt covenants, depending on the ultimate impact on the valuation of collateral and the incurrence of any additional financing to meet our liquidity needs. The specific covenants that management is closely monitoring as the situation evolves include the debt-to-total asset value and fixed charge coverage requirements under the Company's unsecured revolving credit facility. As it relates to the debt-to-total asset value covenant, which is highly dependent on net operating income levels of the Company's operating properties, management believes that net operating income at such properties could decrease in the next 12 months by up to approximately $116 million before the Company is at risk of potentially violating the covenant. As it relates to the fixed charge coverage covenant, which is highly dependent upon a specific measure of Earnings Before Interest, Taxes, Depreciation, and Amortization ("EBITDA"), as defined in the related agreement, management believes that the EBITDA measure for the next 12 months could decrease by up to approximately $221 million before the Company is at risk of potentially violating the covenant. In addition, our credit ratings given by Moody's and Standard & Poor's are based on a number of factors, which include their assessment of our financial strength, liquidity, capital structure, asset quality, and sustainability of cash flow and earnings. If we are unable to maintain our current credit ratings due to the COVID-19 pandemic or any other matter, the cost of funds under our credit facilities and our liquidity and access to capital markets would be adversely affected. The Company has a BBB credit rating with a stable outlook from Moody's Investors Services, Inc. and a Baa2 credit rating with a negative outlook from Standard & Poor's Rating Group.

Distributions

We are required to distribute 90% of our REIT taxable income (excluding capital gains) on an annual basis in order to qualify as a REIT for federal income tax purposes. Distributions to common stockholders are at the discretion of the Board of Directors. We may use borrowings under our unsecured revolving credit facility to fund distributions. The Board of Directors considers a number of factors when determining distribution levels, including market factors and our Company's performance in addition to REIT requirements.

On January 18, 2021, our Board of Directors declared a distribution of $0.47 per share, which was paid on February 19, 2021, to all common stockholders of record as of January 28, 2021. At the same time, the Operating Partnership paid an equivalent amount per unit to holders of Common Units, as well as the quarterly cumulative preferential distribution to holders of Series A Preferred Units.

Although the ultimate magnitude of the impact of COVID-19 on the Company's cash flows is uncertain, any additional curtailed or deferred tenant demand, lease terminations, rent refunds and abatements, and increased uncollectible accounts we experience could materially adversely affect our cash flows from operations, and thus our ability to make distributions to stockholders.

Capital Expenditures

We distinguish between the following five categories of capital expenditures:

Recurring capital expenditures represent additions that are recurring in nature to maintain a property's income, value, and competitive position within the market. Recurring capital expenditures typically include, but are not limited to, appliances, furnishings, carpeting and flooring, HVAC equipment, and kitchen/bath cabinets. Maintenance and repair costs incurred throughout the year, including those incurred during our annual turn process due to normal wear and tear by residents, are expensed as incurred.

Acquisition-related capital expenditures represent additions identified upon acquiring a property and are considered part of the initial investment. These expenditures are intended to position the property to be consistent with our physical standards and are usually incurred within the first two and occasionally the third year after acquisition.

Renovations and strategic repositioning capital expenditures are incurred to enhance the economic value and return of the property and undergo an investment return underwrite prior to being incurred.

Non-recurring and other capital expenditures represent the addition of features or amenities that did not exist at the property but were deemed necessary to remain competitive within a specific market. This category also includes items considered infrequent or extraordinary in nature.

Disposition-related capital expenditures represent capital improvements at properties disposed of during all years presented.

Additionally, we are required by certain of our lenders to contribute amounts to reserves for capital repairs and improvements at our mortgaged properties, which may exceed the amount of capital expenditures actually incurred by us during those periods.

Capital expenditures at our owned properties are set forth below:

	As of and for the Year Ended December 31,		
	2020	2019	2018
Recurring	$ 20,799	$ 21,321	$ 19,696
Non-recurring and other	23,708	22,411	17,360
Renovations and strategic repositioning	13,009	20,029	24,662
Acquisition-related	750	5,543	8,095
Disposition-related [1]	46	1,542	996
Total	**$ 58,312**	**$ 70,846**	**$ 70,809**
Average beds [2]	96,568	93,343	87,084
Average recurring capital expenditures per bed	$ 215	$ 228	$ 226

(1) Includes properties sold during 2020, 2019, and 2018, as well as one property that converted to the on-campus participating property ("OCPP") structure in January 2019. Also includes one property that was in receivership until July 2019 when it was transferred to the lender in settlement of the property's mortgage loan that matured in August 2017. Historical capital expenditures for these properties have been reclassified for all periods presented.

(2) Does not include beds related to the disposed properties discussed above.

Contractual Obligations

The following table summarizes our contractual obligations for the next five years and thereafter as of December 31, 2020:

	Total	Less than 1 Year	1 - 3 Years	3 - 5 Years	More than 5 Years
Long-term debt [1] [2] [3]	$ 3,617,430	$ 107,127	$ 1,013,264	$ 532,642	$ 1,964,397
Interest on long-term debt	685,156	124,689	207,567	149,493	203,407
Development projects [4]	167,107	132,325	34,782	—	—
Lease obligations [5]	1,759,973	16,749	52,440	58,775	1,632,009
	$ 6,229,666	**$ 380,890**	**$ 1,308,053**	**$ 740,910**	**$ 3,799,813**

(1) Amounts include aggregate principal payments only and assumes we do not exercise extension options available to us on our unsecured credit facility or our unsecured term loans (see Note 9 in the accompanying Notes to Consolidated Financial Statements contained in Item 8).

(2) Amounts include the current balance of the unsecured revolving credit facility which is subject to change based on future borrowings and repayments.

(3) In February 2021, the Company refinanced $24.0 million of on-campus participating property mortgage debt that was scheduled to mature in 2021, which extended the maturity to February 2028. Additionally, in February 2021, the Company entered into an interest rate swap agreement to convert the refinanced mortgage loan to a fixed rate. This refinancing of the loan is not reflected in the table above as it occurred subsequent to December 31, 2020.

(4) Consists of anticipated cash payments, including amounts accrued as of December 31, 2020, related to one owned development project under construction as of December 31, 2020, which will be funded entirely by the Company and is scheduled to be completed in phases from 2021-2023. We have entered into contracts with general contractors for certain phases of the construction of these projects. However, these contracts do not generally cover all of the costs that are necessary to place these properties into service, including the cost of furniture and marketing and leasing costs. The unfunded commitments presented include all such costs, not only those costs that we are obligated to fund under the construction contracts.

(5) Includes operating leases related to corporate office space and equipment and minimum annual lease payments under ground/facility lease agreements entered into with university systems and other third parties. Refer to Note 14 in the accompanying Notes to Consolidated Financial Statements contained in Item 8 for a more detailed discussion of our leases.

Funds From Operations ("FFO")

The National Association of Real Estate Investment Trusts ("NAREIT") currently defines FFO as net income or loss attributable to common shares computed in accordance with generally accepted accounting principles ("GAAP"), excluding gains or losses from depreciable operating property sales, impairment charges and real estate depreciation and amortization, and after adjustments for unconsolidated partnerships and joint ventures. We present FFO because we consider it an important supplemental measure of our operating performance and believe it is frequently used by securities analysts, investors and other interested parties in the evaluation of REITs, many of which present FFO when reporting their results. FFO excludes GAAP historical cost depreciation and amortization of real estate and related assets, which assumes that the value of real estate diminishes ratably over time. Historically, however, real estate values have risen or fallen with market conditions. We therefore believe that FFO provides a performance measure that, when compared year over year, reflects the impact to operations from trends in occupancy rates, rental rates, operating costs, and interest costs, among other items, providing perspective not immediately apparent from net income. We compute FFO in accordance with standards established by the

Board of Governors of NAREIT in its December 2018 White Paper, which may differ from the methodology for calculating FFO utilized by other equity REITs and, accordingly, may not be comparable to such other REITs.

We also believe it is meaningful to present a measure we refer to as FFO-Modified, or FFOM, which reflects certain adjustments related to the economic performance of our on-campus participating properties, the elimination of transaction costs, and other items, as we determine in good faith. Under our participating ground leases, we and the participating university systems each receive 50% of the properties' net cash available for distribution after payment of operating expenses, debt service (which includes significant amounts towards repayment of principal), and capital expenditures. A substantial portion of our revenues attributable to these properties is reflective of cash that is required to be used for capital expenditures and for the amortization of applicable property indebtedness. These amounts do not increase our economic interest in these properties or otherwise benefit us since our interest in the properties terminates upon the repayment of the applicable property indebtedness. Therefore, unlike the ownership of our owned properties, the unique features of our ownership interest in our on-campus participating properties cause the value of these properties to diminish over time. For example, since the ground/facility leases under which we operate the participating properties require the reinvestment from operations of specified amounts for capital expenditures and for the repayment of debt while our interest in these properties terminates upon the repayment of the debt, such capital expenditures do not increase the value of the property to us and mortgage debt amortization only increases the equity of the ground lessor. Accordingly, we believe it is meaningful to modify FFO to exclude the operations of our on-campus participating properties and to consider their impact on our performance by including only that portion of our revenues from those properties that are reflective of our share of net cash flow and the management fees that we receive, both of which increase and decrease with the operating performance of the properties. This narrower measure of performance measures our profitability for these properties in a manner that is similar to the measure of our profitability from our third-party services business where we similarly incur no initial or ongoing capital investment in a property and derive only consequential benefits from capital expenditures and debt amortization. We believe, however, that this narrower measure of performance is inappropriate in traditional real estate ownership structures where debt amortization and capital expenditures enhance the property owner's long-term profitability from its investment.

Our FFOM may have limitations as an analytical tool because it reflects the contractual calculation of net cash flow from our on-campus participating properties, which is unique to us and is different from that of our owned off-campus properties. Companies that are considered to be in our industry may not have similar ownership structures; and therefore those companies may not calculate FFOM in the same manner that we do, or at all, limiting its usefulness as a comparative measure. We compensate for these limitations by relying primarily on our GAAP and FFO results and using FFOM only supplementally. Further, FFO and FFOM do not represent amounts available for management's discretionary use because of needed capital replacement or expansion, debt service obligations or other commitments and uncertainties. FFO and FFOM should not be considered as alternatives to net income or loss computed in accordance with GAAP as an indicator of our financial performance, or to cash flow from operating activities computed in accordance with GAAP as an indicator of our liquidity, nor are these measures indicative of funds available to fund our cash needs, including our ability to pay dividends or make distributions.

During the year ended December 31, 2019, the Company updated the presentation of the calculation of FFO, as it relates to the presentation of consolidated joint venture partners' share of FFO and the presentation of corporate depreciation. Prior period amounts have been updated to conform to the current presentation. There were no changes to the FFO calculated or the underlying financial information used in the calculation.

The following table presents a reconciliation of our net income attributable to common shareholders to FFO and FFOM:

	Year Ended December 31,		
	2020	**2019**	**2018**
Net income attributable to ACC, Inc. and Subsidiaries common stockholders	$ 72,803	$ 84,969	$ 117,095
Noncontrolling interests' share of net (loss) income	(2,955)	1,793	2,029
Joint Venture ("JV") partners' share of FFO			
JV partners' share of net loss (income)	3,259	(1,398)	(773)
JV partners' share of depreciation and amortization	(7,747)	(8,644)	(5,135)
	(4,488)	(10,042)	(5,908)
(Gain) loss from disposition of real estate	(48,525)	53	(42,314)
Elimination of provision for real estate impairment	—	3,201	—
Total depreciation and amortization	267,703	275,046	263,203
Corporate depreciation [(1)]	(3,450)	(4,728)	(4,669)
FFO attributable to common stockholders and OP unitholders	**281,088**	**350,292**	**329,436**
Elimination of operations of on-campus participating properties ("OCPPs")			
Net income from OCPPs	(3,716)	(6,587)	(5,516)
Amortization of investment in OCPPs	(8,015)	(8,380)	(7,819)
	269,357	335,325	316,101
Modifications to reflect operational performance of OCPPs			
Our share of net cash flow [(2)]	1,359	3,067	2,928
Management fees and other	1,873	2,249	1,564
Contribution from OCPPs	3,232	5,316	4,492
Transaction costs [(3)]	—	598	7,586
Elimination of loss (gain) from extinguishment of debt, net [(4)]	4,827	(20,992)	(7,867)
Elimination of provision for impairment of intangible asset [(5)]	—	14,013	—
Elimination of litigation settlements [(6)]	—	—	(3,323)
Elimination of gain from early repayment of loan receivable [(7)]	(2,136)	—	—
Elimination of FFO from property in receivership [(8)]	—	1,912	2,848
Stockholder engagement and other proxy advisory costs [(9)]	215	—	—
Funds from operations-modified ("FFOM") attributable to common stockholders and OP unitholders	**$ 275,495**	**$ 336,172**	**$ 319,837**
FFO per share – diluted	**$ 2.02**	**$ 2.52**	**$ 2.38**
FFOM per share – diluted	**$ 1.98**	**$ 2.42**	**$ 2.31**
Weighted-average common shares outstanding - diluted	**139,214,147**	**138,860,311**	**138,571,270**

(1) Represents depreciation on corporate assets not added back for purposes of calculating FFO.

(2) 50% of the properties' net cash available for distribution after payment of operating expenses, debt service (including repayment of principal) and capital expenditures which is included in ground/facility leases expense in the accompanying consolidated statements of comprehensive income. During the twelve months ended December 31, 2020, the Company waived its right to one property's 50% share of the net cash flow for the 2019/2020 academic year, which resulted in a $0.6 million reversal of contribution from OCPPs.

(3) The year ended December 31, 2019 amount represents transaction costs incurred in connection with the closing of presale development transactions. The year ended December 31, 2018 amount represents transaction costs incurred in connection with the closing of presale development transactions and transaction costs incurred in connection with the closing of the ACC / Allianz real estate joint venture transaction in May 2018, including estimated state income tax related to a tax gain resulting from the ACC / Allianz joint venture transaction.

(4) The year ended December 31, 2020 amount represents the loss associated with the January 2020 redemption of the Company's $400 million 3.35% Senior Notes originally scheduled to mature in October 2020. The year ended December 31, 2019 amount represents the gain on the extinguishment of debt associated with a property that was transferred to the lender in settlement of the property's mortgage loan in July 2019. The year ended December 31, 2018 amount represents a gain related to the planned extinguishment of debt resulting from the unwinding of a New Market Tax Credit ("NMTC") structure at one of the Company's owned properties, which was offset by losses associated with the early extinguishment of mortgage loans due to real estate disposition transactions, including the sale of partial ownership interests in properties.

(5) Represents a non-cash impairment charge for an intangible asset related to a property tax incentive arrangement at one owned property.

(6) The year ended December 31, 2020 amount represents a $1.1 million gain associated with the settlement of a litigation matter recorded during the fourth quarter 2020, which is included in other nonoperating income on the accompanying consolidated statements of comprehensive income, offset by litigation settlement expense of $1.1 million recorded in the first quarter 2020 for another matter which is included in general and administrative expenses in the accompanying consolidated statements of comprehensive income. For purposes of calculating FFOM for the twelve months ended December 31, 2020,

the two amounts offset each other for a net effect of $0. The year ended December 31, 2018 amount represents a gain related to cash proceeds received from a litigation settlement.

(7) In October 2020, the Company received full repayment of the outstanding balance of a loan receivable, including accrued interest, totaling $55.0 million. As a result of the early repayment of the note, the Company recorded a gain totaling $2.1 million which is included in other nonoperating income on the accompanying consolidated statements of comprehensive income. The loan was acquired in 2013 and generated annual interest income of approximately $2.9 million prior to its repayment.

(8) Represents FFO for an owned property that was transferred to the lender in July 2019 in settlement of the property's mortgage loan.

(9) Represents consulting, legal, and other related costs incurred in relation to stockholder engagement activities in preparation for the Company's 2021 annual stockholders' meeting.

Inflation

Our student leases do not typically provide for rent escalations. However, they typically do not have terms that extend beyond 12 months. Accordingly, although on a short term basis we would be required to bear the impact of rising costs resulting from inflation, we have the opportunity to raise rental rates at least annually to offset such rising costs. However, a weak economic environment or declining student enrollment at our principal universities may limit our ability to raise rental rates.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

We are exposed to certain market risks inherent in our operations. These risks generally arise from transactions entered into in the normal course of business. Market risk includes risks that arise from changes in interest rates, foreign currency exchange rates, commodity prices, equity prices and other market changes that affect market sensitive instruments. Our primary market risk exposure is to changes in interest rates on our borrowings. As of December 31, 2020, 37.8% of our total market capitalization consisted of debt borrowings. Our interest rate risk objective is to limit the impact of interest rate fluctuations on earnings and cash flows and to lower our overall borrowing costs. To achieve this objective, we manage our exposure to fluctuations in market interest rates for borrowings through the use of fixed rate debt instruments and interest rate swaps, which mitigate our interest rate risk on a related financial instrument and effectively fix the interest rate on a portion of our variable debt or on future refinancings. We use our best efforts to have our debt instruments mature across multiple years, which we believe limits our exposure to interest rate changes in any one year. We do not enter into derivative instruments or other financial instruments for trading or other speculative purposes. As of December 31, 2020, 89.7% of our outstanding debt was subject to fixed rates after considering related derivative instruments. We regularly review interest rate exposure on outstanding borrowings in an effort to minimize the risk of interest rate fluctuations. Refer to Notes 9 and 12 in the accompanying Notes to Consolidated Financial Statements contained in Item 8 for further discussion related to our debt and derivative instruments and hedging activities.

The table below provides information about our financial instruments that are sensitive to changes in interest rates. For debt obligations, the table presents principal cash flows and related weighted average interest rates by contractual maturity dates. Weighted average variable rates are based on rates in effect as of December 31, 2020.

	2021	2022	2023	2024	2025	Total Thereafter	Total / Weighted Average	Fair Value Liability
Long-term debt								
Fixed rate (1)	$99,583	$225,875	$409,380	$532,178	$7,660	$1,969,570	$3,244,246	$3,490,089 (2)
Average interest rate	4.7 %	2.7 %	3.8 %	4.2 %	7.6 %	3.6 %	3.7 %	
Variable rate (3)	—	$371,100	—	—	—	$2,084	$373,184	$373,184 (4)
Average interest rate	— %	1.4 %	— %	— %	— %	2.7 %	1.4 %	

(1) Includes variable rate debt that has been swapped to a fixed rate as of December 31, 2020. Also includes one $37.5 million variable rate mortgage loan with a stated interest rate of 2.65% (0.15% + 2.50% spread) that was swapped to a fixed rate until October 2022.

(2) For information on the methodology used to determine the fair value, refer to Note 13 in the accompanying Notes to Consolidated Financial Statements contained in Item 8 herein.

(3) The balance at December 31, 2020 includes the Company's unsecured revolving credit facility and $2.1 million of mortgage debt at one of our on-campus participating properties.

(4) The carrying value of variable rate debt approximates fair value due to the variable rate interest feature of the instruments.

Item 8. Financial Statements and Supplementary Data

The information required herein is included as set forth in Item 15 (a) – Financial Statements.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

American Campus Communities, Inc.

(a) Evaluation of Disclosure Controls and Procedures

We have adopted and maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our Exchange Act reports is recorded, processed, summarized, and reported within the time periods specified in the Securities and Exchange Commission's rules and forms and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow for timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

As required by SEC Rule 13a-15(b), we have carried out an evaluation, under the supervision of and with the participation of management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the period covered by this report. Based on the foregoing, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures for the period covered by this report were effective.

There has been no change in our internal control over financial reporting during our most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting. We have not experienced any material impacts to our internal control over financial reporting to date as a result of a majority of our corporate office employees working remotely due to the COVID-19 pandemic. We are continually monitoring and assessing our internal control environment to ensure that our controls continue to be designed effectively and continue to operate effectively throughout the duration of the pandemic.

(b) Management's Annual Report on Internal Control over Financial Reporting

The management of American Campus Communities, Inc. is responsible for establishing and maintaining adequate internal control over financial reporting. We have designed our internal control over financial reporting to provide reasonable assurance that our published financial statements are fairly presented, in all material respects, in conformity with generally accepted accounting principles.

Our management is required by paragraph (c) of Rule 13a-15 of the Securities Exchange Act of 1934, as amended, to assess the effectiveness of our internal control over financial reporting as of the end of each fiscal year. In making this assessment, our management used the *Internal Control — Integrated Framework* (2013 framework) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO").

Our management conducted the required assessment of the effectiveness of our internal control over financial reporting as of December 31, 2020. Based upon this assessment, our management believes that our internal control over financial reporting is effective as of December 31, 2020. Ernst & Young LLP, an independent registered public accounting firm, has issued an attestation report regarding the effectiveness of our internal control over financial reporting, which is included herein.

American Campus Communities Operating Partnership LP

(a) Evaluation of Disclosure Controls and Procedures

The Operating Partnership has adopted and maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed by the Operating Partnership in its Exchange Act filings is recorded, processed, summarized, and reported within the time periods specified in the Securities and Exchange Commission's rules and forms and that such information is accumulated and communicated to our management, including the Chief Executive Officer and Chief Financial Officer of ACC, as appropriate, to allow for timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

As required by SEC Rule 13a-15(b), the Operating Partnership has carried out an evaluation, under the supervision of and with the participation of the Operating Partnership's management, including the Chief Executive Officer and Chief Financial Officer of ACC, of the effectiveness of the design and operation of the Operating Partnership's disclosure controls and procedures as of the end of the period covered by this report. Based on the foregoing, the Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures for the period covered by this report were effective.

There has been no change in the Operating Partnership's internal control over financial reporting during the most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Operating Partnership's internal control over financial reporting. We have not experienced any material impacts to our internal control over financial reporting to date as a result of a majority of our corporate office employees working remotely due to the COVID-19 pandemic. We are continually monitoring and assessing our internal control environment to ensure that our controls continue to be designed effectively and continue to operate effectively throughout the duration of the pandemic.

(b) Management's Annual Report on Internal Control over Financial Reporting

The management of American Campus Communities Operating Partnership LP is responsible for establishing and maintaining adequate internal control over financial reporting. We have designed our internal control over financial reporting to provide reasonable assurance that our published financial statements are fairly presented, in all material respects, in conformity with generally accepted accounting principles.

Our management is required by paragraph (c) of Rule 13a-15 of the Securities Exchange Act of 1934, as amended, to assess the effectiveness of our internal control over financial reporting as of the end of each fiscal year. In making this assessment, our management used the *Internal Control — Integrated Framework* (2013 framework) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO").

The Operating Partnership conducted the required assessment of the effectiveness of its internal control over financial reporting as of December 31, 2020. Based upon this assessment, our management believes that our internal control over financial reporting is effective as of December 31, 2020. Ernst & Young LLP, an independent registered public accounting firm, has issued an attestation report regarding the effectiveness of the Operating Partnership's internal control over financial reporting, which is included herein.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

Information with respect to this Item 10 is incorporated by reference from our Proxy Statement, which we intend to file on or before March 31, 2021 in connection with the Annual Meeting of Stockholders to be held April 28, 2021.

Item 11. Executive Compensation

Information with respect to this Item 11 is incorporated by reference from our Proxy Statement, which we intend to file on or before March 31, 2021 in connection with the Annual Meeting of Stockholders to be held April 28, 2021.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

Information pertaining to security ownership of management and certain beneficial owners of the Company's common stock with respect to this Item 12 is incorporated by reference from our Proxy Statement, which we intend to file on or before March 31, 2021 in connection with the Annual Meeting of Stockholders to be held April 28, 2021, to the extent not set forth below.

The Company maintains the American Campus Communities, Inc. Incentive Award Plan (the "Plan"), as discussed in more detail in Note 11 in the accompanying Notes to Consolidated Financial Statements in Item 8.

As of December 31, 2020, the total units and shares issued under the Plan were as follows:

	# of Securities to be Issued Upon Exercise of Outstanding Options, Warrants, and Rights	Weighted-Average Exercise Price of Outstanding Options, Warrants, and Rights	# of Securities Remaining Available for Future Issuance Under Equity Compensation Plans
Equity Compensation Plans Approved by Security Holders	1,192,374 [(1)]	n/a	2,670,759
Equity Compensation Plans Not Approved by Security Holders	n/a	n/a	n/a

[(1)] Consists of restricted stock awards granted to executive officers and certain employees and common units of limited partnership interest in the Operating Partnership.

Item 13. Certain Relationships, Related Transactions and Director Independence

Information with respect to this Item 13 is incorporated by reference from our Proxy Statement, which we intend to file on or before March 31, 2021 in connection with the Annual Meeting of Stockholders to be held April 28, 2021.

Item 14. Principal Accountant Fees and Services

Information with respect to this Item 14 is incorporated by reference from our Proxy Statement, which we intend to file on or before March 31, 2021 in connection with the Annual Meeting of Stockholders to be held April 28, 2021.

PART IV

Item 15. Exhibits and Financial Statement Schedules

(a) Financial Statements

The following consolidated financial information is included as a separate section of this Annual Report on Form 10-K:

(b) Exhibits

Exhibit Number	Description of Document
3.1	Articles of Amendment and Restatement of American Campus Communities, Inc. Incorporated by reference to Exhibit 3.1 to the Registration Statement on Form S-11 (Registration No. 333-114813) of American Campus Communities, Inc.
3.2	American Campus Communities, Inc. Articles Supplementary. Incorporated by reference to Exhibit 3.1 to Current Report on Form 8-K of American Campus Communities, Inc. (File No. 001-32265) and American Campus Communities Operating Partnership LP (File No. 333-181102-01) filed on March 6, 2017.
3.3	Bylaws of American Campus Communities, Inc. Incorporated by reference to Exhibit 3.2 to the Registration Statement on Form S-11 (Registration No. 333-114813) of American Campus Communities, Inc.
3.4	Amendment to Bylaws of American Campus Communities, Inc. Incorporated by reference to Exhibit 3.1 to Current Report on Form 8-K of American Campus Communities, Inc. (File No. 001-32265) and American Campus Communities Operating Partnership LP (File No. 333-181102-01) filed on February 24, 2014.
3.5	Second Amendment to the Bylaws of American Campus Communities, Inc. Incorporated by reference to Exhibit 3.2 to Current Report on Form 8-K of American Campus Communities, Inc. (File No. 001-32265) and American Campus Communities Operating Partnership LP (File No. 333-181102-01) filed on March 6, 2017.
3.6	Third Amendment to the Bylaws of American Campus Communities, Inc. Incorporated by reference to Exhibit 3.1 to Current Report on Form 8-K of American Campus Communities, Inc. (File No. 001-32265) and American Campus Communities Operating Partnership LP (File No. 333-181102-01) filed on April 21, 2017.

4.1	Form of Certificate for Common Stock of American Campus Communities, Inc. Incorporated by reference to Exhibit 4.1 to the Registration Statement on Form S-11 (Registration No. 333-114813) of American Campus Communities, Inc.
4.2	Indenture, dated as of April 2, 2013, among American Campus Communities Operating Partnership LP, as issuer, American Campus Communities, Inc., as guarantor, and U.S. Bank National Association, as trustee. Incorporated by reference to Exhibit 4.1 to Current Report on Form 8-K of American Campus Communities, Inc. (File No. 001-32265) and American Campus Communities Operating Partnership LP (File No. 333-181102-01) filed on April 3, 2013.
4.3	First Supplemental Indenture, dated as of April 2, 2013, among American Campus Communities Operating Partnership LP, as issuer, American Campus Communities, Inc., as guarantor, and U.S. Bank National Association, as trustee. Incorporated by reference to Exhibit 4.2 to Current Report on Form 8-K of American Campus Communities, Inc. (File No. 001-32265) and American Campus Communities Operating Partnership LP (File No. 333-181102-01) filed on April 3, 2013.
4.4	Second Supplemental Indenture, dated as of June 21, 2019, among American Campus Communities Operating Partnership LP, as issuer, American Campus Communities, Inc., as guarantor, and U.S. Bank National Association, as trustee. Incorporated by reference to Exhibit 4.3 to Current Report on Form 8-K of American Campus Communities, Inc. (File No. 001-32265) and American Campus Communities Operating Partnership LP (File No. 333-181102-01) filed on June 21, 2019.
4.5	American Campus Communities Operating Partnership LP 3.750% Senior Notes due 2023. Incorporated by reference to Exhibit 4.3 to Current Report on Form 8-K of American Campus Communities, Inc. (File No. 001-32265) and American Campus Communities Operating Partnership LP (File No. 333-181102-01) filed on April 3, 2013.
4.6	American Campus Communities Operating Partnership LP 4.125% Senior Notes due 2024. Incorporated by reference to Exhibit 4.3 to Current Report on Form 8-K of American Campus Communities, Inc. (File No. 001-32265) and American Campus Communities Operating Partnership LP (File No. 333-181102-01) filed on June 25, 2014.
4.7	American Campus Communities Operating Partnership LP 3.625% Senior Notes due 2027. Incorporated by reference to Exhibit 4.3 to Current Report on Form 8-K of American Campus Communities, Inc. (File No. 001-32265) and American Campus Communities Operating Partnership LP (File No. 333-181102-01) filed on October 11, 2017.
4.8	American Campus Communities Operating Partnership LP 3.300% Senior Note due 2026. Incorporated by reference to Exhibit 4.4 to Current Report on Form 8-K of American Campus Communities, Inc. (File No. 001-32265) and American Campus Communities Operating Partnership LP (File No. 333-181102-01) filed on June 21, 2019.
4.9	American Campus Communities Operating Partnership LP 2.850% Senior Note due 2030. Incorporated by reference to Exhibit 4.4 to Current Report on Form 8-K of American Campus Communities, Inc. (File No. 001-32265) and American Campus Communities Operating Partnership LP (File No. 333-181102-01) filed on January 30, 2020.
4.10	American Campus Communities Operating Partnership LP 3.875% Senior Note due 2031. Incorporated by reference to Exhibit 4.4 to Current Report on Form 8-K of American Campus Communities, Inc. (File No. 001-32265) and American Campus Communities Operating Partnership LP (File No. 333-181102-01) filed on June 11, 2020.
4.11	Form of Guarantee of American Campus Communities, Inc. of Senior Debt Securities. Incorporated by reference to Exhibit 4.4 to Current Report on Form 8-K of American Campus Communities, Inc. (File No. 001-32265) and American Campus Communities Operating Partnership LP (File No. 333-181102-01) filed on April 3, 2013.
4.12	Form of Registration Rights and Lock-Up Agreement, dated as of March 1, 2006, between American Campus Communities, Inc. and each of the persons who are signatory thereto. Incorporated by reference to Exhibit 99.3 to Current Report on Form 8-K of American Campus Communities, Inc. (File No. 001-32265) filed on March 7, 2006.
4.13	Form of Registration Rights and Lock-Up Agreement, dated as of September 14, 2012, between American Campus Communities, Inc., American Campus Communities Operating Partnership, L.P. and each of the persons who are signatories thereto. Incorporated by reference to Exhibit 10.1 to Quarterly Report on Form 10-Q of American Campus Communities, Inc. (File No. 001-32265) and American Campus Communities Operating Partnership LP (File No. 333-181102-01) for the quarter ended September 30, 2012.
4.14	Letter Agreement Regarding Issuance of OP Units, dated September 26, 2013, between Hallmark Student Housing Lexington, LLC, on one hand, and ACC OP (Lexington) LLC and American Campus Communities Operating Partnership, L.P., on the other hand. Incorporated by reference to Exhibit 4.1 to Quarterly Report on Form 10-Q of American Campus Communities, Inc. (File No. 001-32265) and American Campus Communities Operating Partnership LP (File No. 333-181102-01) for the quarter ended September 30, 2013.

4.15	Description of American Campus Communities, Inc. Common Stock Registered Under Section 12 of the Securities Exchange Act of 1934.
10.1	Form of Amended and Restated Partnership Agreement of American Campus Communities Operating Partnership LP. Incorporated by reference to Exhibit 10.1 to the Registration Statement on Form S-11 (Registration No. 333-114813) of American Campus Communities, Inc.
10.2	Form of First Amendment to Amended and Restated Agreement of Limited Partnership of American Campus Communities Operating Partnership LP, dated as of March 1, 2006, between American Campus Communities Holdings LLC and those persons who have executed such amendment as limited partners. Incorporated by reference to Exhibit 99.2 to Current Report on Form 8-K of American Campus Communities, Inc. (File No. 001-32265) filed on March 7, 2006.
10.3*	American Campus Communities, Inc. 2004 Incentive Award Plan. Incorporated by reference to Exhibit 10.2 to the Registration Statement on Form S-11 (Registration No. 333-114813) of American Campus Communities, Inc.
10.4*	Amendment No. 1 to American Campus Communities, Inc. 2004 Incentive Award Plan. Incorporated by reference to Exhibit 99.7 to Current Report on Form 8-K of American Campus Communities, Inc. (File No. 001-32265) filed on November 5, 2007.
10.5*	Amendment No. 2 to American Campus Communities, Inc. 2004 Incentive Award Plan. Incorporated by reference to Exhibit 99.1 to Current Report on Form 8-K of American Campus Communities, Inc. (File No. 001-32265) filed on March 11, 2008.
10.6*	American Campus Communities, Inc. 2010 Incentive Award Plan. Incorporated by reference to Exhibit 99.1 to Current Report on Form 8-K of American Campus Communities, Inc. (File No. 001-32265) filed on May 7, 2010.
10.7*	American Campus Communities, Inc. 2018 Incentive Award Plan. Incorporated by reference to Exhibit 10.1 to Registration Statement on Form S-8 (Registration No. 333-224656) of American Campus Communities, Inc.
10.8*	American Campus Communities Services, Inc. Deferred Compensation Plan, as amended and restated, effective January 1, 2020. Incorporated by reference to Exhibit 99.1 to Current Report on Form 8-K of American Campus Communities, Inc. (File No. 001-32265) and American Campus Communities Operating Partnership LP (File No. 333-181102-01) filed on November 22, 2019.
10.9	Form of PIU Grant Notice (including Registration Rights). Incorporated by reference to Exhibit 10.4 to the Registration Statement on Form S-11 (Registration No. 333-114813) of American Campus Communities, Inc.
10.10	Form of PIU Grant Notice (including Registration Rights), dated as of August 20, 2007. Incorporated by reference to Exhibit 99.1 to Current Report on Form 8-K of American Campus Communities, Inc. (File No. 001-32265) filed on August 23, 2007.
10.11	Form of Indemnification Agreement between American Campus Communities, Inc. and certain of its directors and officers. Incorporated by reference to Exhibit 10.5 to the Registration Statement on Form S-11 (Registration No. 333-114813) of American Campus Communities, Inc.
10.12	Form of Employment Agreement between American Campus Communities, Inc. and William C. Bayless, Jr. Incorporated by reference to Exhibit 10.6 to the Registration Statement on Form S-11 (Registration No. 333-114813) of American Campus Communities, Inc.
10.13	Amendment No. 1 to Employment Agreement, dated as of April 28, 2005, between American Campus Communities, Inc. and William C. Bayless, Jr. Incorporated by reference to Exhibit 99.6 to Current Report on Form 8-K of American Campus Communities, Inc. (File No. 001-32265) filed on May 3, 2005.
10.14	Amendment No. 2 to Employment Agreement, dated as of November 1, 2007, between American Campus Communities, Inc. and William C. Bayless, Jr. Incorporated by reference to Exhibit 99.3 to Current Report on Form 8-K of American Campus Communities, Inc. (File No. 001-32265) filed on November 5, 2007.
10.15	Third Amendment to Employment Agreement, dated as of March 23, 2010, between William C. Bayless, Jr. and American Campus Communities, Inc. Incorporated by reference to Exhibit 99.1 to Current Report on Form 8-K of American Campus Communities, Inc. (File No. 001-32265) filed on March 24, 2010.
10.16	Fourth Amendment to Employment Agreement, dated as of January 10, 2017, between American Campus Communities, Inc. and William C. Bayless, Jr. Incorporated by reference to Exhibit 99.2 to Current Report on Form 8-K of American Campus Communities, Inc. (File No. 001-32265) and American Campus Communities Operating Partnership LP (File No. 333-181102-01) filed on January 10, 2017.
10.17	Fifth Amendment to Employment Agreement, dated as of February 24, 2021, between American Campus Communities, Inc. and William C. Bayless, Jr. Incorporated by reference to Exhibit 99.7 to Current Report on Form 8-K of American Campus Communities, Inc. (File No. 001-32265) and American Campus Communities Operating Partnership LP (File No. 333-181102-01) filed on February 26, 2021.

10.18 Employment Agreement, dated as of April 18, 2005, between American Campus Communities, Inc. and James C. Hopke. Incorporated by reference to Exhibit 99.1 to Current Report on Form 8-K of American Campus Communities, Inc. (File No. 001-32265) filed on May 3, 2005.

10.19 Amendment No. 1 to Employment Agreement, dated as of November 1, 2007, between American Campus Communities, Inc. and James C. Hopke. Incorporated by reference to Exhibit 99.6 to Current Report on Form 8-K of American Campus Communities, Inc. (File No. 001-32265) filed on November 5, 2007.

10.20 Second Amendment to Employment Agreement, dated as of March 23, 2010, between James C. Hopke, Jr. and American Campus Communities, Inc. Incorporated by reference to Exhibit 99.4 to Current Report on Form 8-K of American Campus Communities, Inc. (File No. 001-32265) filed on March 24, 2010.

10.21 Third Amendment to Employment Agreement, dated as of December 2, 2013, between James C. Hopke, Jr. and American Campus Communities, Inc. Incorporated by reference to Exhibit 99.1 to Current Report on Form 8-K of American Campus Communities, Inc. (File No. 001-32265) and American Campus Communities Operating Partnership LP (File No. 333-181102-01) filed on December 5, 2013.

10.22 Fourth Amendment to Employment Agreement, dated as of May 20, 2014, between American Campus Communities, Inc. and James C. Hopke, Jr. Incorporated by reference to Exhibit 99.3 to Current Report on Form 8-K of American Campus Communities, Inc. (File No. 001-32265) and American Campus Communities Operating Partnership LP (File No. 333-181102-01) filed on May 23, 2014.

10.23 Fifth Amendment to Employment Agreement, dated as of January 10, 2017, between American Campus Communities, Inc. and James C. Hopke, Jr. Incorporated by reference to Exhibit 99.3 to Current Report on Form 8-K of American Campus Communities, Inc. (File No. 001-32265) and American Campus Communities Operating Partnership LP (File No. 333-181102-01) filed on January 10, 2017.

10.24 Employment Agreement, dated as of May 4, 2011, between William W. Talbot and American Campus Communities, Inc. Incorporated by reference to Exhibit 99.1 to Current Report on Form 8-K of American Campus Communities, Inc. (File No. 001-32265) and American Campus Communities Operating Partnership LP (File No. 333-181102-01) filed on March 21, 2013.

10.25 First Amendment to Employment Agreement, dated as of November 2, 2012, between William W. Talbot and American Campus Communities, Inc. Incorporated by reference to Exhibit 99.2 to Current Report on Form 8-K of American Campus Communities, Inc. (File No. 001-32265) and American Campus Communities Operating Partnership LP (File No. 333-181102-01) filed on March 21, 2013.

10.26 Employment Agreement, dated as of May 4, 2011, between Daniel B. Perry and American Campus Communities, Inc. Incorporated by reference to Exhibit 10.24 to Annual Report on Form 10-K of American Campus Communities, Inc. (File No. 001-32265) and American Campus Communities Operating Partnership LP (File No. (File No. 333-181102-01) for the year ended December 31, 2014.

10.27 First Amendment to Employment Agreement, dated as of November 2, 2012, between Daniel B. Perry and American Campus Communities, Inc. Incorporated by reference to Exhibit 10.25 to Annual Report on Form 10-K of American Campus Communities, Inc. (File No. 001-32265) and American Campus Communities Operating Partnership LP (File No. (File No. 333-181102-01) for the year ended December 31, 2014.

10.28 Second Amendment to Employment Agreement, dated as of January 10, 2017, between American Campus Communities, Inc. and Daniel B. Perry. Incorporated by reference to Exhibit 99.4 to Current Report on Form 8-K of American Campus Communities, Inc. (File No. 001-32265) and American Campus Communities Operating Partnership LP (File No. 333-181102-01) filed on January 10, 2017.

10.29 Employment Agreement, dated as of October 16, 2013, between American Campus Communities, Inc. and Jennifer Beese. Incorporated by reference to Exhibit 10.27 to Annual Report on Form 10-K of American Campus Communities, Inc. (File No. 001-32265) and American Campus Communities Operating Partnership LP (File No. 333-181102-01) for the year ended December 31, 2017.

10.30 First Amendment to Employment Agreement, dated as of January 10, 2017, between American Campus Communities, Inc. and Jennifer Beese. Incorporated by reference to Exhibit 10.28 to Annual Report on Form 10-K of American Campus Communities, Inc. (File No. 001-32265) and American Campus Communities Operating Partnership LP (File No. 333-181102-01) for the year ended December 31, 2017.

10.31 Form of Confidentiality and Noncompetition Agreement. Incorporated by reference to Exhibit 10.9 to the Registration Statement on Form S-11 (Registration No. 333-114813) of American Campus Communities, Inc.

10.32 Fifth Amended and Restated Credit Agreement, dated as of January 11, 2017, among American Campus Communities Operating Partnership LP, as Borrower; American Campus Communities, Inc., as Parent Guarantor; any Additional Guarantors (as defined therein) acceding thereto pursuant to Section 7.05 thereof; the banks, financial institutions and other lenders listed on the signature pages thereof as the Initial Lenders, Initial Issuing Bank and Swing Line Bank; KeyBank National Association, as Administrative Agent; KeyBanc Capital Markets Inc., J.P. Morgan Securities LLC and Capital One National Association, as Joint Lead Arrangers; JPMorgan Chase Bank, N.A. and Capital One National Association, as Co-Syndication Agents; and Bank of America, N.A., U.S. Bank National Association and Compass Bank, as Co-Documentation Agents. Incorporated by reference to Exhibit 99.1 to Current Report on Form 8-K of American Campus Communities, Inc. (File No. 001-32265) and American Campus Communities Operating Partnership LP (File No. 333-181102-01) filed on January 11, 2017.

10.33 First Amendment to Fifth Amended and Restated Credit Agreement, dated as of February 13, 2019, among American Campus Communities Operating Partnership LP, as Borrower; American Campus Communities, Inc., as Parent Guarantor; any Additional Guarantors (as defined therein) acceding thereto pursuant to Section 7.05 thereof; the banks, financial institutions and other lenders listed on the signature pages thereof as the Initial Lenders, Initial Issuing Bank and Swing Line Bank; KeyBank National Association, as Administrative Agent; KeyBanc Capital Markets Inc., J.P. Morgan Securities LLC and Capital One National Association, as Joint Lead Arrangers; JPMorgan Chase Bank, N.A. and Capital One National Association, as Co-Syndication Agents; and Bank of America, N.A., U.S. Bank National Association and Compass Bank, as Co-Documentation Agents. Incorporated by reference to Exhibit 99.1 to Current Report on Form 8-K of American Campus Communities, Inc. (File No. 001-32265) and American Campus Communities Operating Partnership LP (File No. 333-181102-01) filed on February 20, 2019.

10.34 Form of Tax Matters Agreement, dated as of March 1, 2006, among American Campus Communities Operating Partnership LP, American Campus Communities, Inc., American Campus Communities Holdings LLC and each of the limited partners of American Campus Communities Operating Partnership LP who have executed a signature page thereto. Incorporated by reference to Exhibit 99.4 to Current Report on Form 8-K of American Campus Communities, Inc. (File No. 001-32265) filed on March 7, 2006.

10.35 Equity Distribution Agreement, dated May 16, 2018, between American Campus Communities, Inc., American Campus Communities Operating Partnership LP and American Campus Communities Holdings LLC, on one hand, and Merrill Lynch, Pierce, Fenner & Smith Incorporated, on the other hand. Incorporated by reference to Exhibit 1.1 to Current Report on Form 8-K of American Campus Communities, Inc. (File No. 001-32265) and American Campus Communities Operating Partnership LP (File No. 333-181102-01) filed on May 17, 2018.

10.36 Equity Distribution Agreement, dated May 16, 2018, between American Campus Communities, Inc., American Campus Communities Operating Partnership LP and American Campus Communities Holdings LLC, on one hand, and Deutsche Bank Securities Inc., on the other hand. Incorporated by reference to Exhibit 1.2 to Current Report on Form 8-K of American Campus Communities, Inc. (File No. 001-32265) and American Campus Communities Operating Partnership LP (File No. 333-181102-01) filed on May 17, 2018.

10.37 Equity Distribution Agreement, dated May 16, 2018, between American Campus Communities, Inc., American Campus Communities Operating Partnership LP and American Campus Communities Holdings LLC, on one hand, and J.P. Morgan Securities LLC, on the other hand. Incorporated by reference to Exhibit 1.3 to Current Report on Form 8-K of American Campus Communities, Inc. (File No. 001-32265) and American Campus Communities Operating Partnership LP (File No. 333-181102-01) filed on May 17, 2018.

10.38 Equity Distribution Agreement, dated May 16, 2018, between American Campus Communities, Inc., American Campus Communities Operating Partnership LP and American Campus Communities Holdings LLC, on one hand, and KeyBanc Capital Markets Inc., on the other hand. Incorporated by reference to Exhibit 1.4 to Current Report on Form 8-K of American Campus Communities, Inc. (File No. 001-32265) and American Campus Communities Operating Partnership LP (File No. 333-181102-01) filed on May 17, 2018.

10.39 Cooperation Agreement, date as of January 27, 2021, between American Campus Communities, Inc., on one hand, and Land & Buildings Capital Growth Fund, LP, L & B Real Estate Opportunity Fund, LP, Land & Buildings GP LP, L&B Opportunity Fund, LLC, Land & Buildings Investment Management, LLC and Jonathan Litt, on the other hand. Incorporated by reference to Exhibit 99.1 to Current Report on Form 8-K of American Campus Communities, Inc. (File No. 001-32265) and American Campus Communities Operating Partnership LP (File No. 333-181102-01) filed on January 28, 2021.

21.1 List of Subsidiaries of the Registrant.

23.1 Consent of Ernst & Young LLP - American Campus Communities, Inc.

23.2 Consent of Ernst & Young LLP - American Campus Communities Operating Partnership LP

31.1 American Campus Communities, Inc. - Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

31.2 American Campus Communities, Inc. - Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

31.3	American Campus Communities Operating Partnership LP - Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.4	American Campus Communities Operating Partnership LP - Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	American Campus Communities, Inc. - Certification of Chief Executive Officer Pursuant to 18 U. S. C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	American Campus Communities, Inc. - Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.3	American Campus Communities Operating Partnership LP - Certification of Chief Executive Officer Pursuant to 18 U. S. C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.4	American Campus Communities Operating Partnership LP - Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)
*	Indicates management compensation plan.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Dated: February 26, 2021

AMERICAN CAMPUS COMMUNITIES, INC.

By: /s/ William C. Bayless, Jr.

William C. Bayless, Jr.
Chief Executive Officer

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Dated: February 26, 2021

AMERICAN CAMPUS COMMUNITIES OPERATING PARTNERSHIP LP

By: American Campus Communities Holdings, LLC, its general partner

By: American Campus Communities, Inc., its sole member

By: /s/ William C. Bayless, Jr.

William C. Bayless, Jr.
Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Name	Title	Date
/s/ William C. Bayless, Jr. William C. Bayless, Jr.	Chief Executive Officer and Director (Principal Executive Officer)	February 26, 2021
/s/ Daniel B. Perry Daniel B. Perry	Executive Vice President, Chief Financial Officer, Treasurer and Secretary (Principal Financial Officer)	February 26, 2021
/s/ Kim K. Voss Kim K. Voss	Executive Vice President and Chief Accounting Officer (Principal Accounting Officer)	February 26, 2021
/s/ Edward Lowenthal Edward Lowenthal	Chairman of the Board of Directors	February 26, 2021
/s/ Herman Bulls Herman Bulls	Director	February 26, 2021
/s/ Mary C. Egan Mary C. Egan	Director	February 26, 2021
/s/ G. Steven Dawson G. Steven Dawson	Director	February 26, 2021
/s/ Cydney C. Donnell Cydney Donnell	Director	February 26, 2021
/s/ Alison Hill Alison Hill	Director	February 26, 2021
/s/ Craig Leupold Craig Leupold	Director	February 26, 2021
/s/ Oliver Luck Oliver Luck	Director	February 26, 2021
/s/ C. Patrick Oles, Jr. C. Patrick Oles, Jr.	Director	February 26, 2021
/s/ John T. Rippel John T. Rippel	Director	February 26, 2021

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of American Campus Communities, Inc. and Subsidiaries

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of American Campus Communities, Inc. and Subsidiaries (the Company) as of December 31, 2020 and 2019, the related consolidated statements of comprehensive income, changes in equity, and cash flows for each of the three years in the period ended December 31, 2020, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2020 and 2019, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2020, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2020, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated February 26, 2021 expressed an unqualified opinion thereon.

Adoption of ASU No. 2016-02

As discussed in Note 2 to the consolidated financial statements, the Company changed its method for accounting for leases in 2019 due to the adoption of ASU No. 2016-02, *Leases (Topic 842)*.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

	Impairment of Long-Lived Assets
Description of the Matter	As more fully described in Note 2 to the consolidated financial statements, on a periodic basis, management assessed whether there were any indicators that the value of the Company's investments in real estate were impaired. Management evaluated whether there was an impairment in the value of the Company's investments in real estate when events or changes in circumstances indicated that the carrying amount of an asset may not be recoverable. The Company identified indicators of impairment for certain long-lived assets and thus, further analyzed such for impairment using an undiscounted cash flow model. Upon assessment, the Company concluded that aggregate future undiscounted cash flows to be generated by each property were greater than the respective carrying values. For the year ended December 31, 2020, the Company determined that there were no impairments of the carrying values of its investments in real estate held for use. Auditing the Company's assessment of impairment indicators relating to its investments in real estate involved significant judgment in evaluating management's identification of impairment indicators. Further, auditing the Company's undiscounted cash flow model was especially challenging as estimates underlying the calculation, including capitalization rates and growth rates, were based on assumptions affected by expected future market and economic conditions.

How We Addressed the Matter in Our Audit	We tested the design and operating effectiveness of controls over the Company’s process of identifying potential indicators of impairment of its real estate assets and of determining the recoverability of the carrying value of identified assets using the undiscounted cash flow model. For example, we tested controls over management’s identification of impairment indicators and review of the significant assumptions used in estimating the undiscounted cash flows, including qualitative and quantitative considerations such as economic and market factors and asset performance. To test whether any indicators of impairment were present, our audit procedures included evaluating management’s analysis, including testing the completeness and accuracy of the underlying data. In addition, we performed an independent assessment using both internally and externally available information to identify evidence that was either corroborative or contrary to management’s analysis. For example, we considered historical trends and current year property level performance such as net operating income, rental rate variances, and cost overruns for development properties and challenged management’s estimates by comparing to industry and market data. For the Company’s investments in real estate that were assessed by management using an undiscounted cash flow model, we inspected relevant industry and market outlook data to consider market conditions. Further, we also involved our valuation specialists to assist in testing that the significant assumptions utilized in estimating property level fair values, such as capitalization rates and growth rates, were within an observable market range, as well as performed sensitivity analyses on such assumptions.

/s/ Ernst & Young LLP

We have served as the Company’s auditor since 2004.
Austin, Texas
February 26, 2021

Report of Independent Registered Public Accounting Firm

To the Partners of American Campus Communities Operating Partnership LP and Subsidiaries

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of American Campus Communities Operating Partnership LP and Subsidiaries (the Company) as of December 31, 2020 and 2019, the related consolidated statements of comprehensive income, changes in capital, and cash flows for each of the three years in the period ended December 31, 2020, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2020 and 2019, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2020, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2020, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) and our report dated February 26, 2021 expressed an unqualified opinion thereon.

Adoption of ASU No. 2016-02

As discussed in Note 2 to the consolidated financial statements, the Company changed its method for accounting for leases in 2019 due to the adoption of ASU No. 2016-02, *Leases (Topic 842)*.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

	Impairment of Long-Lived Assets
Description of the Matter	As more fully described in Note 2 to the consolidated financial statements, on a periodic basis, management assessed whether there were any indicators that the value of the Company's investments in real estate were impaired. Management evaluated whether there was an impairment in the value of the Company's investments in real estate when events or changes in circumstances indicated that the carrying amount of an asset may not be recoverable. The Company identified indicators of impairment for certain long-lived assets and thus, further analyzed such for impairment using an undiscounted cash flow model. Upon assessment, the Company concluded that aggregate future undiscounted cash flows to be generated by each property were greater than the respective carrying values. For the year ended December 31, 2020, the Company determined that there were no impairments of the carrying values of its investments in real estate held for use. Auditing the Company's assessment of impairment indicators relating to its investments in real estate involved significant judgment in evaluating management's identification of impairment indicators. Further, auditing the Company's undiscounted cash flow model was especially challenging as estimates underlying the calculation, including capitalization rates and growth rates, were based on assumptions affected by expected future market and economic conditions.

How We Addressed the Matter in Our Audit	We tested the design and operating effectiveness of controls over the Company’s process of identifying potential indicators of impairment of its real estate assets and of determining the recoverability of the carrying value of identified assets using the undiscounted cash flow model. For example, we tested controls over management’s identification of impairment indicators and review of the significant assumptions used in estimating the undiscounted cash flows, including qualitative and quantitative considerations such as economic and market factors and asset performance. To test whether any indicators of impairment were present, our audit procedures included evaluating management’s analysis, including testing the completeness and accuracy of the underlying data. In addition, we performed an independent assessment using both internally and externally available information to identify evidence that was either corroborative or contrary to management’s analysis. For example, we considered historical trends and current year property level performance such as net operating income, rental rate variances, and cost overruns for development properties and challenged management’s estimates by comparing to industry and market data. For the Company’s investments in real estate that were assessed by management using an undiscounted cash flow model, we inspected relevant industry and market outlook data to consider market conditions. Further, we also involved our valuation specialists to assist in testing that the significant assumptions utilized in estimating property level fair values, such as capitalization rates and growth rates, were within an observable market range, as well as performed sensitivity analyses on such assumptions.

/s/ Ernst & Young LLP

We have served as the Company’s auditor since 2012.
Austin, Texas
February 26, 2021

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of American Campus Communities, Inc. and Subsidiaries

Opinion on Internal Control over Financial Reporting

We have audited American Campus Communities, Inc. and Subsidiaries' internal control over financial reporting as of December 31, 2020, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, American Campus Communities, Inc. and Subsidiaries (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2020, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2020 and 2019, the related consolidated statements of comprehensive income, changes in equity, and cash flows for each of the three years in the period ended December 31, 2020, and the related notes and our report dated February 26, 2021 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP

Austin, Texas
February 26, 2021

Report of Independent Registered Public Accounting Firm

To the Partners of American Campus Communities Operating Partnership LP and Subsidiaries

Opinion on Internal Control over Financial Reporting

We have audited American Campus Communities Operating Partnership LP and Subsidiaries' internal control over financial reporting as of December 31, 2020, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). In our opinion, American Campus Communities Operating Partnership LP and Subsidiaries (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2020, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2020 and 2019, the related consolidated statements of comprehensive income, changes in capital, and cash flows for each of the three years in the period ended December 31, 2020, and the related notes and our report dated February 26, 2021 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

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Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP

Austin, Texas
February 26, 2021

AMERICAN CAMPUS COMMUNITIES, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(in thousands, except share data)

	December 31, 2020	December 31, 2019
Assets		
Investments in real estate		
Owned properties, net	$ 6,721,744	$ 6,694,715
On-campus participating properties, net	69,281	75,188
Investments in real estate, net	6,791,025	6,769,903
Cash and cash equivalents	54,017	54,650
Restricted cash	19,955	26,698
Student contracts receivable, net	11,090	13,470
Operating lease right of use assets	457,573	460,857
Other assets	197,500	234,176
Total assets	**$ 7,531,160**	**$ 7,559,754**
Liabilities and equity		
Liabilities		
Secured mortgage and bond debt, net	$ 646,827	$ 787,426
Unsecured notes, net	2,375,603	1,985,603
Unsecured term loans, net	199,473	199,121
Unsecured revolving credit facility	371,100	425,700
Accounts payable and accrued expenses	85,070	88,411
Operating lease liabilities	486,631	473,070
Other liabilities	185,352	157,368
Total liabilities	**4,350,056**	**4,116,699**
Commitments and contingencies (Note 15)		
Redeemable noncontrolling interests	**24,567**	**104,381**
Equity		
American Campus Communities, Inc. and Subsidiaries stockholders' equity		
Common stock, $0.01 par value, 800,000,000 shares authorized, 137,540,345 and 137,326,824 shares issued and outstanding at December 31, 2020 and December 31, 2019, respectively	1,375	1,373
Additional paid in capital	4,472,170	4,458,456
Common stock held in rabbi trust, 91,746 and 77,928 shares at December 31, 2020 and December 31, 2019, respectively	(3,951)	(3,486)
Accumulated earnings and dividends	(1,332,689)	(1,144,721)
Accumulated other comprehensive loss	(22,777)	(16,946)
Total American Campus Communities, Inc. and Subsidiaries stockholders' equity	3,114,128	3,294,676
Noncontrolling interests – partially owned properties	42,409	43,998
Total equity	**3,156,537**	**3,338,674**
Total liabilities and equity	**$ 7,531,160**	**$ 7,559,754**
Consolidated variable interest entities' assets and debt included in the above balances		
Investments in real estate, net	592,787	$ 788,393
Cash, cash equivalents, and restricted cash	41,248	$ 59,908
Other assets	13,078	$ 18,387
Secured mortgage debt, net	410,837	$ 418,241
Accounts payable, accrued expenses and other liabilities	46,645	$ 56,976

See accompanying notes to consolidated financial statements.

AMERICAN CAMPUS COMMUNITIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(in thousands, except share and per share data)

	Year Ended December 31,		
	2020	**2019**	**2018**
Revenues			
Owned properties	$ 818,298	$ 877,565	$ 825,959
On-campus participating properties	29,906	36,346	34,596
Third-party development services	7,543	13,051	7,281
Third-party management services	12,436	12,936	9,814
Resident services	2,401	3,144	3,160
Total revenues	**870,584**	**943,042**	**880,810**
Operating expenses (income)			
Owned properties	378,454	390,664	373,521
On-campus participating properties	13,521	15,028	14,602
Third-party development and management services	21,700	19,915	15,459
General and administrative	36,874	31,081	34,537
Depreciation and amortization	267,703	275,046	263,203
Ground/facility leases	13,513	14,151	11,855
(Gain) loss from disposition of real estate, net	(48,525)	53	(42,314)
Provision for impairment	—	17,214	—
Other operating income	—	—	(2,648)
Total operating expenses	**683,240**	**763,152**	**668,215**
Operating income	**187,344**	**179,890**	**212,595**
Nonoperating income (expenses)			
Interest income	2,939	3,686	4,834
Interest expense	(112,507)	(111,287)	(99,228)
Amortization of deferred financing costs	(5,259)	(5,012)	(5,816)
(Loss) gain from extinguishment of debt, net	(4,827)	20,992	7,867
Other nonoperating income	3,507	—	1,301
Total nonoperating expenses	**(116,147)**	**(91,621)**	**(91,042)**
Income before income taxes	71,197	88,269	121,553
Income tax provision	(1,349)	(1,507)	(2,429)
Net income	**69,848**	**86,762**	**119,124**
Net loss (income) attributable to noncontrolling interests	2,955	(1,793)	(2,029)
Net income attributable to ACC, Inc. and Subsidiaries common stockholders	**$ 72,803**	**$ 84,969**	**$ 117,095**
Other comprehensive loss			
Change in fair value of interest rate swaps and other	(5,831)	(12,549)	(1,696)
Comprehensive income	**$ 66,972**	**$ 72,420**	**$ 115,399**
Net income per share attributable to ACC, Inc. and Subsidiaries common stockholders			
Basic	**$ 0.51**	**$ 0.61**	**$ 0.84**
Diluted	**$ 0.51**	**$ 0.60**	**$ 0.84**
Weighted-average common shares outstanding			
Basic	**137,588,964**	**137,295,837**	**136,815,051**
Diluted	**138,710,430**	**138,286,778**	**137,722,049**

See accompanying notes to consolidated financial statements.

AMERICAN CAMPUS COMMUNITIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(in thousands, except share data)

	Common Shares	Par Value of Common Shares	Additional Paid in Capital	Common Shares Held in Rabbi Trust	Common Shares Held in Rabbi Trust at Cost	Accumulated Earnings and Dividends	Accumulated Other Comprehensive (Loss) Income	Noncontrolling Interests - Partially Owned Properties	Total
Equity, December 31, 2017	**136,362,728**	**$ 1,364**	**$ 4,326,910**	**63,778**	**$ (2,944)**	**$ (837,644)**	**$ (2,701)**	**$ 13,973**	**$ 3,498,958**
Adjustments to reflect redeemable noncontrolling interests at fair value	—	—	(66,079)	—	—	—	—	—	(66,079)
Amortization of restricted stock awards and vesting of restricted stock units	27,376	—	12,176	—	—	—	—	—	12,176
Vesting of restricted stock awards	170,664	2	(2,758)	—	—	—	—	—	(2,756)
Distributions to common and restricted stockholders and other ($1.82 per common share)	—	—	—	—	—	(250,521)	—	—	(250,521)
Contributions by noncontrolling interests - partially owned properties	—	—	—	—	—	—	—	212,481	212,481
Distributions to noncontrolling interests - partially owned properties	—	—	—	—	—	—	—	(152,325)	(152,325)
Change in ownership of consolidated subsidiary	—	—	174,515	—	—	—	—	(9,472)	165,043
Conversion of common and preferred operating partnership units to common stock	412,343	4	13,328	—	—	—	—	—	13,332
Change in fair value of interest rate swaps and other	—	—	—	—	—	—	(1,696)	—	(1,696)
Deposits to deferred compensation plan, net of withdrawals	(5,825)	—	148	5,825	(148)	—	—	—	—
Net income	—	—	—	—	—	117,095	—	1,093	118,188
Equity, December 31, 2018	**136,967,286**	**$ 1,370**	**$ 4,458,240**	**69,603**	**$ (3,092)**	**$ (971,070)**	**$ (4,397)**	**$ 65,750**	**$ 3,546,801**
Adjustments to reflect redeemable noncontrolling interests at fair value	—	—	(14,350)	—	—	—	—	—	(14,350)
Amortization of restricted stock awards and vesting of restricted stock units	18,318	—	13,617	—	—	—	—	—	13,617
Vesting of restricted stock awards	180,961	2	(3,977)	—	—	—	—	—	(3,975)
Distributions to common and restricted stockholders and other ($1.87 per common share)	—	—	—	—	—	(258,620)	—	—	(258,620)
Contributions by noncontrolling interests - partially owned properties	—	—	—	—	—	—	—	924	924
Distributions to noncontrolling interests - partially owned properties	—	—	—	—	—	—	—	(8,425)	(8,425)
Change in ownership of consolidated subsidiary	—	—	(1,544)	—	—	—	—	(15,261)	(16,805)
Conversion of common and preferred operating partnership units to common stock	168,584	1	6,076	—	—	—	—	—	6,077
Change in fair value of interest rate swaps and other	—	—	—	—	—	—	610	—	610
Termination of interest rate swaps	—	—	—	—	—	—	(13,159)	—	(13,159)
Deposits to deferred compensation plan, net of withdrawals	(8,325)	—	394	8,325	(394)	—	—	—	—
Net income	—	—	—	—	—	84,969	—	1,010	85,979
Equity, December 31, 2019	**137,326,824**	**$ 1,373**	**$ 4,458,456**	**77,928**	**$ (3,486)**	**$ (1,144,721)**	**$ (16,946)**	**$ 43,998**	**$ 3,338,674**
Adjustments to reflect redeemable noncontrolling interests at fair value	—	—	2,002	—	—	—	—	—	2,002
Amortization of restricted stock awards and vesting of restricted stock units	27,644	—	15,424	—	—	—	—	—	15,424
Vesting of restricted stock awards	199,695	2	(4,177)	—	—	—	—	—	(4,175)
Distributions to common and restricted stockholders and other ($1.88 per common share)	—	—	—	—	—	(260,771)	—	—	(260,771)
Contributions by noncontrolling interests - partially owned properties	—	—	—	—	—	—	—	6,110	6,110
Distributions to noncontrolling interests - partially owned properties	—	—	—	—	—	—	—	(4,419)	(4,419)
Change in fair value of interest rate swaps and other	—	—	—	—	—	—	(5,831)	—	(5,831)
Deposits to deferred compensation plan, net of withdrawals	(13,818)	—	465	13,818	(465)	—	—	—	—
Net income (loss)	—	—	—	—	—	72,803	—	(3,280)	69,523
Equity, December 31, 2020	**137,540,345**	**$ 1,375**	**$ 4,472,170**	**91,746**	**(3,951)**	**(1,332,689)**	**(22,777)**	**42,409**	**3,156,537**

See accompanying notes to consolidated financial statements.

AMERICAN CAMPUS COMMUNITIES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Year Ended December 31,		
	2020	2019	2018
Operating activities			
Net income	$ 69,848	$ 86,762	$ 119,124
Adjustments to reconcile net income to net cash provided by operating activities:			
(Gain) loss from disposition of real estate	(48,525)	53	(42,314)
Gain from insurance and litigation settlements	(1,100)	—	(1,245)
Loss (gain) from extinguishment of debt	4,827	(20,992)	(7,867)
Gain from early repayment of notes receivable	(2,136)	—	—
Provision for impairment	—	17,214	—
Depreciation and amortization	267,703	275,046	263,203
Amortization of deferred financing costs and debt premiums/discounts	1,140	538	885
Share-based compensation	15,424	13,617	12,176
Income tax provision	1,349	1,507	2,429
Amortization of interest rate swap terminations	1,705	1,133	412
Termination of interest rate swaps	—	(13,159)	—
Changes in operating assets and liabilities:			
Student contracts receivable, net	2,340	(5,407)	148
Other assets	10,757	(4,445)	(9,570)
Accounts payable and accrued expenses	(5,308)	(1,532)	31,299
Other liabilities	33,093	20,044	7,941
Net cash provided by operating activities	**351,117**	**370,379**	**376,621**
Investing activities			
Proceeds from disposition of properties	146,144	108,562	242,284
Cash paid for land acquisitions	(22,032)	(8,559)	(26,626)
Capital expenditures for owned properties	(58,312)	(70,846)	(70,809)
Investments in owned properties under development	(315,586)	(444,362)	(475,338)
Capital expenditures for on-campus participating properties	(2,098)	(2,898)	(3,654)
Proceeds from notes receivable	45,432	5,333	—
Other investing activities	(980)	(3,370)	(1,669)
Net cash used in investing activities	**(207,432)**	**(416,140)**	**(335,812)**
Financing activities			
Proceeds from unsecured notes	795,808	398,816	—
Pay-off of unsecured notes	(400,000)	—	—
Pay-off of mortgage and construction loans	(124,559)	(53,818)	(186,347)
Defeasance costs related to early extinguishment of debt	(4,156)	—	(2,726)
Pay-off of unsecured term loans	—	—	(450,000)
Proceeds from revolving credit facility	1,902,600	949,000	1,095,500
Paydowns of revolving credit facility	(1,957,200)	(910,600)	(835,800)
Proceeds from construction loans	—	31,611	100,882
Proceeds from mortgage loans	—	—	330,000
Scheduled principal payments on debt	(11,852)	(11,938)	(11,704)
Debt issuance costs	(9,614)	(6,462)	(656)
Increase in ownership of consolidated subsidiary	(77,200)	(105,109)	(10,486)
Contribution by noncontrolling interests	5,414	1,174	379,391
Taxes paid on net-share settlements	(4,175)	(3,975)	(2,756)
Distributions paid to common and restricted stockholders	(260,771)	(258,620)	(250,521)
Distributions paid to noncontrolling interests	(5,356)	(9,487)	(153,841)
Net cash (used) provided by financing activities	**(151,061)**	**20,592**	**936**
Net change in cash, cash equivalents, and restricted cash	(7,376)	(25,169)	41,745
Cash, cash equivalents, and restricted cash at beginning of period	81,348	106,517	64,772
Cash, cash equivalents, and restricted cash at end of period	**$ 73,972**	**$ 81,348**	**$ 106,517**
Reconciliation of cash, cash equivalents, and restricted cash to the consolidated balance sheets			
Cash and cash equivalents	$ 54,017	$ 54,650	$ 71,238
Restricted cash	19,955	26,698	35,279
Total cash, cash equivalents, and restricted cash at end of period	$ 73,972	$ 81,348	$ 106,517

	Year Ended December 31,		
	2020	2019	2018
Supplemental disclosure of non-cash investing and financing activities			
Conversion of common and preferred operating partnership units to common stock	$ —	$ 6,077	$ 13,332
Non-cash contribution from noncontrolling interest	$ 696	$ —	$ 8,729
Accrued development costs and capital expenditures	$ 28,994	$ 37,260	$ 54,975
Change in fair value of redeemable noncontrolling interest	$ 2,002	$ (14,350)	$ (66,079)
Change in ownership of consolidated subsidiary	$ —	$ —	$ (175,529)
Initial recognition of operating lease right of use assets	$ —	$ 463,445	$ —
Initial recognition of operating lease liabilities	$ —	$ 462,495	$ —
Non-cash extinguishment of debt, including accrued interest	$ —	$ (34,570)	$ —
Net assets surrendered in conjunction with extinguishment of debt	$ —	$ 13,578	$ —
Supplemental disclosure of cash flow information			
Interest paid, net of amounts capitalized	$ 108,791	$ 114,450	$ 101,841
Income taxes paid	$ 1,455	$ 3,041	$ 1,060

See accompanying notes to consolidated financial statements.

AMERICAN CAMPUS COMMUNITIES OPERATING PARTNERSHIP LP AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(in thousands, except unit data)

	December 31, 2020	December 31, 2019
Assets		
Investments in real estate		
Owned properties, net	$ 6,721,744	$ 6,694,715
On-campus participating properties, net	69,281	75,188
Investments in real estate, net	6,791,025	6,769,903
Cash and cash equivalents	54,017	54,650
Restricted cash	19,955	26,698
Student contracts receivable, net	11,090	13,470
Operating lease right of use assets	457,573	460,857
Other assets	197,500	234,176
Total assets	**$ 7,531,160**	**$ 7,559,754**
Liabilities and capital		
Liabilities		
Secured mortgage and bond debt, net	$ 646,827	$ 787,426
Unsecured notes, net	2,375,603	1,985,603
Unsecured term loans, net	199,473	199,121
Unsecured revolving credit facility	371,100	425,700
Accounts payable and accrued expenses	85,070	88,411
Operating lease liabilities	486,631	473,070
Other liabilities	185,352	157,368
Total liabilities	**4,350,056**	**4,116,699**
Commitments and contingencies (Note 15)		
Redeemable limited partners	**24,567**	**104,381**
Capital		
Partners' capital		
General partner - 12,222 OP units outstanding at both December 31, 2020 and December 31, 2019	23	40
Limited partner - 137,619,869 and 137,392,530 OP units outstanding at December 31, 2020 and December 31, 2019, respectively	3,136,882	3,311,582
Accumulated other comprehensive loss	(22,777)	(16,946)
Total partners' capital	3,114,128	3,294,676
Noncontrolling interests – partially owned properties	42,409	43,998
Total capital	**3,156,537**	**3,338,674**
Total liabilities and capital	**$ 7,531,160**	**$ 7,559,754**

Consolidated variable interest entities' assets and debt included in the above balances		
Investments in real estate, net	$ 592,787	$ 788,393
Cash, cash equivalents, and restricted cash	$ 41,248	$ 59,908
Other assets	$ 13,078	$ 18,387
Secured mortgage debt, net	$ 410,837	$ 418,241
Accounts payable, accrued expenses and other liabilities	$ 46,645	$ 56,976

See accompanying notes to consolidated financial statements.

AMERICAN CAMPUS COMMUNITIES OPERATING PARTNERSHIP LP AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(in thousands, except unit and per unit data)

	Year Ended December 31, 2020	2019	2018
Revenues			
Owned properties	$ 818,298	$ 877,565	$ 825,959
On-campus participating properties	29,906	36,346	34,596
Third-party development services	7,543	13,051	7,281
Third-party management services	12,436	12,936	9,814
Resident services	2,401	3,144	3,160
Total revenues	**870,584**	**943,042**	**880,810**
Operating expenses (income)			
Owned properties	378,454	390,664	373,521
On-campus participating properties	13,521	15,028	14,602
Third-party development and management services	21,700	19,915	15,459
General and administrative	36,874	31,081	34,537
Depreciation and amortization	267,703	275,046	263,203
Ground/facility leases	13,513	14,151	11,855
(Gain) loss from disposition of real estate, net	(48,525)	53	(42,314)
Provision for impairment	—	17,214	—
Other operating income	—	—	(2,648)
Total operating expenses	**683,240**	**763,152**	**668,215**
Operating income	**187,344**	**179,890**	**212,595**
Nonoperating income (expenses)			
Interest income	2,939	3,686	4,834
Interest expense	(112,507)	(111,287)	(99,228)
Amortization of deferred financing costs	(5,259)	(5,012)	(5,816)
(Loss) gain from extinguishment of debt, net	(4,827)	20,992	7,867
Other nonoperating income	3,507	—	1,301
Total nonoperating expenses	**(116,147)**	**(91,621)**	**(91,042)**
Income before income taxes	71,197	88,269	121,553
Income tax provision	(1,349)	(1,507)	(2,429)
Net income	**69,848**	**86,762**	**119,124**
Net loss (income) attributable to noncontrolling interests – partially owned properties	3,259	(1,398)	(1,215)
Net income attributable to American Campus Communities Operating Partnership LP	**73,107**	**85,364**	**117,909**
Series A preferred units distributions	(56)	(68)	(124)
Net income attributable to common unitholders	**$ 73,051**	**$ 85,296**	**$ 117,785**
Other comprehensive loss			
Change in fair value of interest rate swaps and other	(5,831)	(12,549)	(1,696)
Comprehensive income	**$ 67,220**	**$ 72,747**	**$ 116,089**
Net income per unit attributable to common unitholders			
Basic	**$ 0.51**	**$ 0.61**	**$ 0.85**
Diluted	**$ 0.51**	**$ 0.60**	**$ 0.84**
Weighted-average common units outstanding			
Basic	**138,057,439**	**137,826,949**	**137,586,759**
Diluted	**139,178,905**	**138,817,890**	**138,493,757**

See accompanying notes to consolidated financial statements.

AMERICAN CAMPUS COMMUNITIES OPERATING PARTNERSHIP LP AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN CAPITAL
(in thousands, except unit data)

	General Partner		Limited Partner		Accumulated Other Comprehensive (Loss) Income	Noncontrolling Interests – Partially Owned Properties	Total
	Units	Amount	Units	Amount			
Capital, December 31, 2017	**12,222**	**$ 67**	**136,414,284**	**$ 3,487,619**	**$ (2,701)**	**$ 13,973**	3,498,958
Adjustments to reflect redeemable limited partners' interest at fair value	—	—	—	(66,079)	—	—	(66,079)
Amortization of restricted stock awards and vesting of restricted stock units	—	—	27,376	12,176	—	—	12,176
Vesting of restricted stock awards	—	—	170,664	(2,756)	—	—	(2,756)
Distributions to common and restricted unitholders and other ($1.82 per common unit)	—	(22)	—	(250,499)	—	—	(250,521)
Contribution by noncontrolling interests - partially owned properties	—	—	—	—	—	212,481	212,481
Distributions to noncontrolling joint venture partners	—	—	—	—	—	(152,325)	(152,325)
Change in ownership of consolidated subsidiary	—	—	—	174,515	—	(9,472)	165,043
Conversion of common and preferred operating partnership units to common stock	—	—	412,343	13,332	—	—	13,332
Change in fair value of interest rate swaps and other	—	—	—	—	(1,696)	—	(1,696)
Net income	—	10	—	117,085	—	1,093	118,188
Capital, December 31, 2018	**12,222**	**$ 55**	**137,024,667**	**$ 3,485,393**	**$ (4,397)**	**$ 65,750**	**$ 3,546,801**
Adjustments to reflect redeemable limited partners' interest at fair value	—	—	—	(14,350)	—	—	(14,350)
Amortization of restricted stock awards and vesting of restricted stock units	—	—	18,318	13,617	—	—	13,617
Vesting of restricted stock awards	—	—	180,961	(3,975)	—	—	(3,975)
Distributions to common and restricted unitholders and other ($1.87 per common unit)	—	(23)	—	(258,597)	—	—	(258,620)
Contribution by noncontrolling interests - partially owned properties	—	—	—	—	—	924	924
Distributions to noncontrolling interests - partially owned properties	—	—	—	—	—	(8,425)	(8,425)
Change in ownership of consolidated subsidiary	—	—	—	(1,544)	—	(15,261)	(16,805)
Conversion of common and preferred operating partnership units to common stock	—	—	168,584	6,077	—	—	6,077
Change in fair value of interest rate swaps and other	—	—	—	—	610	—	610
Termination of interest rate swaps	—	—	—	—	(13,159)	—	(13,159)
Net income	—	8	—	84,961	—	1,010	85,979
Capital, December 31, 2019	**12,222**	**$ 40**	**137,392,530**	**$ 3,311,582**	**$ (16,946)**	**$ 43,998**	**$ 3,338,674**
Adjustments to reflect redeemable limited partners' interest at fair value	—	—	—	2,002	—	—	2,002
Amortization of restricted stock awards and vesting of restricted stock units	—	—	27,644	15,424	—	—	15,424
Vesting of restricted stock awards	—	—	199,695	(4,175)	—	—	(4,175)
Distributions to common and restricted unitholders and other ($1.88 per common unit)	—	(23)	—	(260,748)	—	—	(260,771)
Contributions by noncontrolling interests - partially owned properties	—	—	—	—	—	6,110	6,110
Distributions to noncontrolling interests - partially owned properties	—	—	—	—	—	(4,419)	(4,419)
Change in fair value of interest rate swaps and other	—	—	—	—	(5,831)	—	(5,831)
Net income (loss)	—	6	—	72,797	—	(3,280)	69,523
Capital, December 31, 2020	**12,222**	**$ 23**	**137,619,869**	**$ 3,136,882**	**$ (22,777)**	**$ 42,409**	**$ 3,156,537**

See accompanying notes to consolidated financial statements.

AMERICAN CAMPUS COMMUNITIES OPERATING PARTNERSHIP LP AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Year Ended December 31,		
	2020	2019	2018
Operating activities			
Net income	$ 69,848	$ 86,762	$ 119,124
Adjustments to reconcile net income to net cash provided by operating activities:			
(Gain) loss from disposition of real estate	(48,525)	53	(42,314)
Gain from insurance and litigation settlements	(1,100)	—	(1,245)
Loss (gain) from extinguishment of debt	4,827	(20,992)	(7,867)
Gain from early repayment of notes receivable	(2,136)	—	—
Provision for impairment	—	17,214	—
Depreciation and amortization	267,703	275,046	263,203
Amortization of deferred financing costs and debt premiums/discounts	1,140	538	885
Share-based compensation	15,424	13,617	12,176
Income tax provision	1,349	1,507	2,429
Amortization of interest rate swap terminations	1,705	1,133	412
Termination of interest rate swaps	—	(13,159)	—
Changes in operating assets and liabilities:			
Student contracts receivable, net	2,340	(5,407)	148
Other assets	10,757	(4,445)	(9,570)
Accounts payable and accrued expenses	(5,308)	(1,532)	31,299
Other liabilities	33,093	20,044	7,941
Net cash provided by operating activities	**351,117**	**370,379**	**376,621**
Investing activities			
Proceeds from disposition of properties	146,144	108,562	242,284
Cash paid for land acquisitions	(22,032)	(8,559)	(26,626)
Capital expenditures for owned properties	(58,312)	(70,846)	(70,809)
Investments in owned properties under development	(315,586)	(444,362)	(475,338)
Capital expenditures for on-campus participating properties	(2,098)	(2,898)	(3,654)
Proceeds from notes receivable	45,432	5,333	—
Other investing activities	(980)	(3,370)	(1,669)
Net cash used in investing activities	**(207,432)**	**(416,140)**	**(335,812)**
Financing activities			
Proceeds from unsecured notes	795,808	398,816	—
Pay-off of unsecured notes	(400,000)	—	—
Pay-off of mortgage and construction loans	(124,559)	(53,818)	(186,347)
Defeasance costs related to early extinguishment of debt	(4,156)	—	(2,726)
Pay-off of unsecured term loans	—	—	(450,000)
Proceeds from revolving credit facility	1,902,600	949,000	1,095,500
Paydowns of revolving credit facility	(1,957,200)	(910,600)	(835,800)
Proceeds from construction loans	—	31,611	100,882
Proceeds from mortgage loans	—	—	330,000
Scheduled principal payments on debt	(11,852)	(11,938)	(11,704)
Debt issuance costs	(9,614)	(6,462)	(656)
Increase in ownership of consolidated subsidiary	(77,200)	(105,109)	(10,486)
Contribution by noncontrolling interests	5,414	1,174	379,391
Taxes paid on net-share settlements	(4,175)	(3,975)	(2,756)
Distributions paid to common and preferred unitholders	(259,566)	(257,780)	(250,515)
Distributions paid on unvested restricted stock awards	(2,142)	(1,902)	(1,522)
Distributions paid to noncontrolling interests - partially owned properties	(4,419)	(8,425)	(152,325)
Net cash (used) provided by financing activities	**(151,061)**	**20,592**	**936**
Net change in cash, cash equivalents, and restricted cash	(7,376)	(25,169)	41,745
Cash, cash equivalents, and restricted cash at beginning of period	81,348	106,517	64,772
Cash, cash equivalents, and restricted cash at end of period	**$ 73,972**	**$ 81,348**	**$ 106,517**
Reconciliation of cash, cash equivalents, and restricted cash to the consolidated balance sheets			
Cash and cash equivalents	$ 54,017	$ 54,650	$ 71,238
Restricted cash	19,955	26,698	35,279
Total cash, cash equivalents, and restricted cash at end of period	$ 73,972	$ 81,348	$ 106,517

	Year Ended December 31,		
	2020	2019	2018
Supplemental disclosure of non-cash investing and financing activities			
Conversion of common and preferred operating partnership units to common stock	$ —	$ 6,077	$ 13,332
Non-cash contribution from noncontrolling interest	$ 696	$ —	$ 8,729
Accrued development costs and capital expenditures	$ 28,994	$ 37,260	$ 54,975
Change in fair value of redeemable noncontrolling interest	$ 2,002	$ (14,350)	$ (66,079)
Change in ownership of consolidated subsidiary	$ —	$ —	$ (175,529)
Initial recognition of operating lease right of use assets	$ —	$ 463,445	$ —
Initial recognition of operating lease liabilities	$ —	$ 462,495	$ —
Non-cash extinguishment of debt, including accrued interest	$ —	$ (34,570)	$ —
Net assets surrendered in conjunction with extinguishment of debt	$ —	$ 13,578	$ —
Supplemental disclosure of cash flow information			
Interest paid, net of amounts capitalized	$ 108,791	$ 114,450	$ 101,841
Income taxes paid	$ 1,455	$ 3,041	$ 1,060

See accompanying notes to consolidated financial statements.

1. Organization and Description of Business

American Campus Communities, Inc. ("ACC") is a real estate investment trust ("REIT") that commenced operations effective with the completion of an initial public offering ("IPO") on August 17, 2004. Through ACC's controlling interest in American Campus Communities Operating Partnership LP ("ACCOP"), ACC is one of the largest owners, managers, and developers of high quality student housing properties in the United States in terms of beds owned and under management. ACC is 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.

The general partner of ACCOP is American Campus Communities Holdings, LLC ("ACC Holdings"), an entity that is wholly-owned by ACC. As of December 31, 2020, ACC Holdings held an ownership interest in ACCOP of less than 1%. The limited partners of ACCOP are ACC and other limited partners consisting of current and former members of management and nonaffiliated third parties. As of December 31, 2020, ACC owned an approximate 99.6% limited partnership interest in ACCOP. As the sole member of the general partner of ACCOP, ACC has exclusive control of ACCOP's day-to-day management. Management operates ACC and ACCOP as one business. The management of ACC consists of the same members as the management of ACCOP. ACC consolidates ACCOP for financial reporting purposes, and ACC does not have significant assets other than its investment in ACCOP. Therefore, the assets and liabilities of ACC and ACCOP are the same on their respective financial statements. References to the "Company" mean collectively ACC, ACCOP, and those entities/subsidiaries owned or controlled by ACC and/or ACCOP. References to the "Operating Partnership" mean collectively ACCOP and those entities/subsidiaries owned or controlled by ACCOP. Unless otherwise indicated, the accompanying Notes to the Consolidated Financial Statements apply to both the Company and the Operating Partnership.

As of December 31, 2020, the Company's property portfolio contained 166 properties with approximately 111,900 beds. The Company's property portfolio consisted of 126 owned off-campus student housing properties that are in close proximity to colleges and universities, 34 American Campus Equity ("ACE®") properties operated under ground/facility leases, and six on-campus participating properties operated under ground/facility leases with the related university systems. Of the 166 properties, eight of 10 phases at one property were under development as of December 31, 2020, and when completed will consist of a total of approximately 8,800 beds. The Company's communities contain modern housing units and are supported by a resident assistant system and other student-oriented programming, with many offering resort-style amenities.

Through one of ACC's taxable REIT subsidiaries ("TRSs"), the Company also provides construction management and development services, primarily for student housing properties owned by colleges and universities, charitable foundations, and others. As of December 31, 2020, also through one of ACC's TRSs, the Company provided third-party management and leasing services for 40 properties that represented approximately 29,200 beds. Third-party management and leasing services are typically provided pursuant to management contracts that have initial terms that range from one year to five years. As of December 31, 2020, the Company's total owned and third-party managed portfolio included 206 properties with approximately 141,100 beds.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying consolidated financial statements, presented in U.S. dollars, are prepared in accordance with U.S. generally accepted accounting principles ("GAAP"). GAAP requires the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities as of the date of the financial statements, and revenue and expenses during the reporting periods. The Company's actual results could differ from those estimates and assumptions. All material intercompany transactions among consolidated entities have been eliminated. All dollar amounts in the tables herein, except share, per share, unit and per unit amounts, are stated in thousands unless otherwise indicated.

Principles of Consolidation

The Company's consolidated financial statements include its accounts and the accounts of other subsidiaries and joint ventures (including partnerships and limited liability companies) over which it has control. Investments acquired or created are evaluated based on the accounting guidance relating to variable interest entities ("VIEs"), which requires the consolidation of VIEs in which the Company is considered to be the primary beneficiary. If the investment is determined not to be a VIE, then the investment is evaluated for consolidation using the voting interest model.

Recently Issued Accounting Pronouncements and Securities and Exchange Commission ("SEC") Rules

In March 2020, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2020-04, "Reference Rate Reform (Topic 848), Facilitation of the Effects of Reference Rate Reform on Financial Reporting." ASU 2020-04 contains practical expedients for reference rate reform related activities that impact debt, leases, derivatives, and other contracts. The guidance in ASU 2020-04 is optional and may be elected over time as reference rate reform activities occur. During the first quarter of 2020, the Company elected to apply the hedge accounting expedients related to probability and the assessments of effectiveness for future LIBOR-indexed cash flows to assume that the index upon which future hedged transactions will be based matches the index on the corresponding derivatives. Application of these expedients preserves the presentation of derivatives consistent with past presentation. The Company continues to evaluate the impact of the guidance and may apply other elections as applicable as additional changes in the market occur.

In March 2020, the SEC adopted rules that amended the financial disclosure requirements for subsidiary issuers and guarantors of registered debt securities in Rule 3-10 of Regulation S-X. Subsequently, in November 2020, the FASB issued ASU 2020-09 which revises SEC paragraphs of the codification to reflect, as appropriate, the amended disclosure requirements mentioned above. Under the amended rules, parent companies can provide alternative disclosures in lieu of separate audited financial statements of subsidiary issuers and guarantors that meet certain circumstances. Both rules are effective on January 4, 2021, but earlier compliance is permitted. The Company is in the process of evaluating the rules and their potential effect on the consolidated financial statements and related disclosures of ACCOP.

In August 2020, the FASB issued ASU 2020-06, "Accounting for Convertible Instruments and Contracts in an Entity's Own Equity" which simplifies the accounting for convertible instruments and accounting for contracts in an entity's own equity. Under the new guidance, entities will only analyze whether cash settlements are explicitly required when registered shares are unavailable. As a result, such contracts may be classified in permanent rather than mezzanine equity, which may affect the way American Campus Communities Operating Partnership Units ("OP Units") are presented on the Company's consolidated balance sheets. The update is effective for the Company beginning on January 1, 2022, but early adoption is allowed beginning January 1, 2021. The Company is in the process of evaluating the impact of adopting the new standard on its consolidated financial statements.

In addition, the Company does not expect the following accounting pronouncement issued by the FASB to have a material effect on its consolidated financial statements:

Accounting Standards Update	Effective Date
ASU 2019-12, "Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes"	January 1, 2021

Recently Adopted Accounting Pronouncements

In June 2016, the FASB issued ASU 2016-13, "Financial Instruments-Credit Losses (Topic 326), Measurement of Credit Losses on Financial Instruments." The standard requires entities to estimate a lifetime expected credit loss for most financial assets, including trade and other receivables, held-to-maturity debt securities, loans and other financial instruments, and to present the net amount of the financial instrument expected to be collected. In November 2018, the FASB issued ASU 2018-19, "Codification Improvements to Topic 326, Financial Instruments-Credit Losses," which amended the transition requirements and scope of ASU 2016-13 and clarified that receivables arising from operating leases are not within the scope of the credit losses standard, but rather, should be accounted for in accordance with Accounting Standards Codification 842, Leases. The Company adopted ASU 2016-13 on January 1, 2020. The Company notes that a majority of its financial instruments result from operating leasing transactions, which as mentioned above, are not within the scope of the new standard. However, the Company did perform both a quantitative and qualitative analysis on the financial assets that were covered under this guidance. Based on this analysis, the Company concluded the new standard did not have a material impact on the consolidated financial statements.

In addition, on January 1, 2020, the Company adopted the following accounting pronouncements which did not have a material effect on the Company's consolidated financial statements:

- ASU 2018-15, "Intangibles - Goodwill and Other - Internal-Use Software (Subtopic 350-40): Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement that is a Service Contract"

- ASU 2018-13, "Fair Value Measurement (Topic 820): Disclosure Framework - Changes to the Disclosure Requirements for Fair Value Measurement"

In April 2020, the FASB issued a Staff Question & Answer ("Q&A") which was intended to reduce the challenges of evaluating the enforceable rights and obligations of leases for concessions granted to lessees in response to the novel coronavirus disease ("COVID-19"), which was characterized on March 11, 2020 by the World Health Organization as a pandemic. Prior to this guidance, the Company was required to determine, on a lease by lease basis, if a lease concession should be accounted for as a lease modification, potentially resulting in any lease concessions granted being recorded as a reduction to revenue or ground lease expense, as applicable, on a straight-line basis over the remaining term of the lease. The Q&A allows both lessors and lessees to bypass this analysis and elect not to evaluate whether concessions provided in response to the COVID-19 pandemic are lease modifications. This relief is subject to certain conditions being met, including ensuring the total remaining lease payments are substantially the same or less than the original lease payments prior to the concession being granted. The Company has elected to apply such relief and will therefore not evaluate if lease concessions that were granted in response to the COVID-19 pandemic meet the definition of a lease modification. Accordingly, the Company accounted for qualifying rent concessions as negative variable lease payments, which reduced revenue or ground lease expense from such leases in the period the concessions were granted. Refer to Note 14 for additional information.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Investments in Real Estate

Capitalization Policy and Useful Lives

Investments in real estate are recorded at historical cost. Major improvements that extend the life of an asset are capitalized and depreciated over the remaining useful life of the asset. The cost of ordinary repairs and maintenance are expensed as incurred. Depreciation and amortization are recorded on a straight-line basis over the estimated useful lives of the assets as follows:

Buildings and improvements	7 - 40 years
Leasehold interest - on-campus participating properties	25 - 34 years (shorter of useful life or respective lease term)
Furniture, fixtures and equipment	3 - 7 years

Project costs directly associated with the development and construction of an owned real estate project, which include interest, property taxes, and amortization of deferred financing costs, are capitalized as construction in progress. Upon completion of the project, costs are transferred into the applicable asset category and depreciation commences. Interest totaling approximately \$12.1 million, \$12.1 million, and \$11.7 million was capitalized during the years ended December 31, 2020, 2019, and 2018, respectively.

Impairment Assessment

Management assesses whether there has been an impairment in the value of the Company's investments in real estate whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Impairment is recognized when estimated expected future undiscounted cash flows are less than the carrying value of the property, or when a property meets the criteria to be classified as held for sale, at which time an impairment charge is recognized for any excess of the carrying value of the property over the expected net proceeds from the disposal. The estimation of expected future net cash flows uses estimates, including capitalization rates and growth rates, which are inherently uncertain and rely on assumptions regarding current and future economics and market conditions. If such conditions change, then an adjustment to the carrying value of the Company's long-lived assets could occur in the future period in which the conditions change. To the extent that a property is impaired, the excess of the carrying amount of the property over its estimated fair value is charged to earnings. In the case of any impairment, the valuation would be based on Level 3 inputs.

As of December 31, 2020, the Company concluded the global economic disruption caused by COVID-19, which was characterized on March 11, 2020 by the World Health Organization as a pandemic, was a potential impairment indicator. For investments in real estate in which the Company concluded an indicator of impairment existed, it performed a quantitative analysis and concluded that the carrying value of each investment in real estate was recoverable from the respective estimated undiscounted future cash flows. As a result, there were no impairments of the carrying values of the Company's investments in real estate as of December 31, 2020. During the year ended December 31, 2019, concurrent with the classification of one owned property as held for sale, the Company recorded a $3.2 million impairment charge which is included in provision for impairment within operating income on the accompanying consolidated statements of comprehensive income. Refer to Note 6 for additional information regarding the disposition. There were no impairment charges during the year ended December 31, 2018.

Land Acquisitions

Land acquisitions are accounted for as asset acquisitions, as substantially all of the fair value of the acquisition is concentrated in a single identifiable asset. In an asset acquisition, assets acquired are measured based on the cost of the acquisition, which is the consideration transferred to the seller and direct transaction costs related to the acquisition.

Assets Held for Sale

Long-lived assets to be disposed of are classified as held for sale in the period in which all of the following criteria are met:

a. Management, having the authority to approve the action, commits to a plan to sell the asset.
b. The asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets.
c. An active program to locate a buyer and other actions required to complete the plan to sell the asset have been initiated.
d. The sale of the asset is probable, and transfer of the asset is expected to qualify for recognition as a completed sale, within one year.
e. The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value.
f. Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Concurrent with this classification, the asset is recorded at the lower of cost or fair value less estimated selling costs, and depreciation ceases. The Company did not have any properties classified as held for sale as of December 31, 2020 and 2019.

Cash and Cash Equivalents

The Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. The Company maintains cash balances in various banks. At times, the Company's balances may exceed the amount insured by the FDIC. As the Company only uses money-centered financial institutions, the Company does not believe it is exposed to any significant credit risk related to its cash and cash equivalents.

Restricted Cash

Restricted cash consists of funds held in trusts that were established in connection with three bond issues for the Company's on-campus participating properties. The funds are invested in low risk investments, generally consisting of government backed securities, as permitted by the indentures of trusts. Additionally, restricted cash includes escrow accounts held by lenders and resident security deposits, as required by law in certain states. Restricted cash also consists of escrow deposits made in connection with potential property acquisitions and development opportunities. These escrow deposits are invested in interest-bearing accounts at federally-insured banks. Realized and unrealized gains and losses are not material for the periods presented.

Loans Receivable

In 2013, as part of the settlement of a litigation matter related to a third-party management contract assumed in connection with the Company's 2008 acquisition of GMH Communities Trust, the Company acquired a protective advance note and outstanding bond insurer claim (collectively, the "Loans Receivable") from National Public Finance Guarantee Corporation for an aggregate of approximately $52.8 million. The Loans Receivable carried an interest rate of 5.12% and were secured by a lien on, and the cash flows from, two student housing properties in close proximity to the University of Central Florida. In October 2020, the properties were recapitalized and, as a result, the Company received full repayment of the outstanding Loans Receivable balance plus accrued interest, totaling $55.0 million. Upon repayment of the Loans Receivable, the remaining unamortized discount associated with the Loans Receivable of $2.1 million was recorded as a gain in other nonoperating income on the accompanying consolidated statements of comprehensive income. As of December 31, 2019, the Loans Receivable carried a balance, net of unamortized discount of $2.3 million, of approximately $50.6 million.

Leases

When the Company enters into a contract or amends an existing contract, it evaluates whether the contract meets the definition of a lease under ASC Topic 842 - Leases ("ASC 842"). To meet the definition of a lease, the contract must meet all three of the following criteria:

- One party (lessor) must hold an identified asset;
- The counterparty (lessee) must have the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of the contract; and
- The counterparty (lessee) must have the right to direct the use of the identified asset throughout the period of the contract.

As Lessee

The Company classifies leases as either operating or finance leases based on the principle of whether or not the lease is effectively a financed purchase by the lessee. This classification determines whether lease expense is recognized on a straight-line basis over the term of the lease (operating lease) or under the effective interest method (finance lease). In addition, the authoritative guidance requires lessees to recognize right-of-use ("ROU") assets and related lease liabilities for leases with a term greater than 12 months regardless of their lease classification.

The Company, as lessee, has entered into 49 ground/facility and office space lease agreements, which qualify as operating leases under ASC 842. These leases include leases entered into under the ACE program with university systems and *Walt Disney World®* Resort, leases with local and regional land owners for owned off-campus properties, leases for corporate office space, and leases under the on-campus participating property ("OCPP") structure. Leases entered into under the ACE program are used for the purpose of financing, constructing, and managing student housing properties. These leases are transferable and financeable, and the lessor has title to the land and in some cases any improvements placed thereon. Leases entered into under the OCPP structure are used for the purpose of developing, constructing and operating student housing facilities on university campuses. Under the terms of these leases, title to the land and constructed facilities is held by the lessor and such lessor receives a de minimis base rent paid at inception and 50% of defined net cash flows on an annual basis through the term of the lease. Under ground/facility leases, the lessors receive annual minimum base rent, variable rent based upon the operating performance of the property, or a combination thereof. The leases have initial terms, excluding extension options, ranging from seven years to 102 years. The Company's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

The Company records base rent expense under the straight-line method over the term of the lease, and variable rent expense is recorded when the achievement of the target is considered probable. For properties under construction, straight-line rent is capitalized during the construction period and expensed upon the commencement of operations For purposes of calculating the ROU asset and lease liability for such leases, extension options are not included in the lease term unless it is reasonably certain that the Company will exercise the option, or the lessor has the sole ability to exercise the option. As most of the Company's leases do not contain an implicit rate, the Company uses its incremental borrowing rate to determine the present value of the lease payments, which is the interest rate that the Company estimates it would have to pay to borrow on a collateralized basis over a similar term for an amount equal to the lease payments. In determining this rate, we analyze company-specific factors, such as credit risk, lease-specific factors such as lease term, lease payments, and collateral, as well as overall economic conditions. The weighted average incremental borrowing rate was 5.36% as of December 31, 2020.

As Lessor

The Company classifies leases as either sales-type, direct financing, or operating leases. A lease will be treated as a sales-type lease if it is considered to transfer control of the underlying asset to the lessee. A lease will be classified as a direct-financing lease if risks and rewards are conveyed without the transfer of control. Otherwise, the lease is treated as an operating lease. The Company elected to adopt the practical expedient that allows lessors to not separate certain lease and non-lease components for common area maintenance and the related rental revenue, as it determined that the timing and pattern of transfer is the same.

Operating Leases

The Company's primary business involves leasing properties to students under agreements that are classified as operating leases and have terms of 12 months or less. These student leases do not provide for variable rent payments. The Company is also a lessor under commercial leases at certain owned properties, some of which provide for variable lease payments based upon tenant performance such as a percentage of sales.

The Company recognizes the base lease payments provided for under the leases on a straight-line basis over the lease term, and variable payments are recognized in the period in which the changes in facts and circumstances on which the variable payments are based occur. Refer to Note 7 for additional information on our owned real estate assets, which are the underlying assets under our operating leases. The Company expenses, on an as-incurred basis, certain initial direct costs that are not incremental in negotiating a lease. These costs include internal leasing payroll costs, as well as certain legal expenses incurred when negotiating commercial leases. Additionally, the Company evaluates collectability of all operating lease payments in a contract at lease commencement and thereafter. The Company concludes that operating lease payments are probable of collection at lease commencement. If the operating lease payments are subsequently deemed not probable of collection, adjustments are recognized as a reduction to lease income and, subsequently, any lease revenue is only recognized when cash receipts are received. The Company also maintains an allowance for uncollectible operating lease receivables. If, after lease commencement, the assessment of collectability on operating lease payments changes, the Company will determine whether the allowance adequately contemplated this change. Any changes to the provision for uncollectible accounts are presented as a reduction to revenue in the accompanying consolidated statements of comprehensive income. Determining the probability of collection is impacted by numerous factors including tenant creditworthiness, economic conditions, and the Company's historical experience with tenants.

Sales-type Leases

In certain instances at ACE properties, the ground lease agreement may require the Company to construct additional facilities desired by the ground lessor and subsequently lease those facilities to the ground lessor over a specified period. These facilities will ultimately be owned, managed, and funded by the ground lessors. Such spaces include but are not limited to dining, childcare, retail, academic, and office facilities. In this type of transaction, title to the facilities transfers to the ground lessor at the end of the lease term, and lease payments are structured to effectively reimburse the Company for the cost of constructing the additional facilities plus interest. As control of the underlying asset in these agreements transfers to the ground lessor at the end of the lease term, the leases are classified as sales-type leases. At lease inception, the Company records a net investment in the lease, which is equal to the sum of the lease receivable and the unguaranteed residual asset, discounted at the rate implicit in the lease. Any difference between the fair value of the asset and the net investment in the lease is considered selling profit or loss. Due to the nature of these transactions, the net investment in the lease is equal to the sum of the lease receivable, discounted at the rate implicit in the lease, and therefore no selling profit or loss is recorded. The cash rent the Company receives from tenants is not entirely recorded as rental revenue, but rather a portion is recorded as interest income and a portion is recorded as a reduction to the lease receivable, based on the effective interest method at a constant rate of return over the terms of the applicable leases. The Company's net investment in sales-type leases was $18.6 million and $6.3 million as of December 31, 2020 and 2019, respectively, which is included in other assets in the accompanying consolidated balance sheets. The weighted average remaining term of these leases was 21.2 years as of December 31, 2020. The Company recorded $0.4 million, $0.4 million, and $0.2 million of interest income related to these leases for the years ended December 31, 2020, 2019, and 2018.

Intangible Assets

A portion of the purchase price of acquired properties is allocated to the value of in-place leases for both student and commercial tenants, which is based on the difference between (i) the property valued with existing in-place leases adjusted to market rental rates and (ii) the property valued "as-if" vacant. As lease terms for student leases are typically one year or less, rates on in-place leases generally approximate market rental rates. Factors considered in the valuation of in-place leases include an estimate of the carrying costs during the expected lease-up period considering current market conditions, nature of the tenancy, and costs to execute similar leases. Carrying costs include estimates of lost rents at market rates during the expected lease-up period as well as marketing and other operating expenses. The value of in-place leases is amortized over the remaining initial term of the respective leases. The purchase price of property acquisitions is not allocated to student tenant relationships, considering the terms of the leases and the expected levels of renewals.

For acquired properties subject to an in-place property tax incentive arrangement, a portion of the purchase price is allocated to the present value of expected future property tax savings over the projected incentive arrangement period. There were no new acquisitions or investments in joint ventures during the years ended December 31, 2020 and 2019, that required an allocation to in-place property tax incentive arrangements assumed. Unamortized in-place property tax incentive arrangements as of December 31, 2020 and 2019 were approximately $34.5 million and $38.6 million, respectively, and are included in other assets on the accompanying consolidated balance sheets. Amortization expense was approximately $3.4 million, $3.5 million, and $3.7 million for the years ended December 31, 2020, 2019, and 2018, respectively, and is included in owned properties operating expense in the accompanying consolidated statements of comprehensive income. As of December 31, 2020, the remaining weighted average tax incentive arrangement period was 18.1 years. During the year ended December 31, 2019, the Company recorded a $14.0 million impairment charge associated with a tax incentive arrangement that was recorded upon acquisition of an owned property in 2015 due to current facts and circumstances indicating that the originally assumed property tax savings will not materialize. This impairment charge is based on Level 3 inputs and is included in provision for impairment on the accompanying consolidated statements of comprehensive income.

Deferred Financing Costs

The Company defers financing costs and amortizes the costs over the terms of the related debt using the effective interest method. Upon repayment of or in conjunction with a material change in the terms of the underlying debt agreement, any unamortized costs are charged to earnings. When debt modifications do not include material changes to the terms of the underlying debt agreement, unamortized costs of the original instrument are added to the costs of the modification and amortized over the life of the modified debt using the effective interest method. Deferred financing costs, net of amortization, for the Company’s revolving credit facility are included in other assets on the accompanying consolidated balance sheets. Net deferred financing costs for the Company’s revolving credit facility as of December 31, 2020, and 2019 were approximately $1.9 million and $3.5 million, respectively. Net deferred financing costs for the Company's secured mortgage and bond debt, unsecured notes, and unsecured term loans are presented as a reduction to the unpaid principal balance of the respective debt in the accompanying consolidated balance sheets. Refer to Note 9 for additional information regarding these balances.

Redeemable Noncontrolling Interests

The Company follows guidance issued by the FASB regarding the classification and measurement of redeemable securities. Under this guidance, securities that are redeemable for cash or other assets, at the option of the holder and not solely within the control of the issuer, must be classified outside of permanent equity as redeemable noncontrolling interests. The Company makes this determination based on terms in the applicable agreements, specifically in relation to redemption provisions. The Company initially records the redeemable noncontrolling interests at fair value. The carrying amount of the redeemable noncontrolling interest is subsequently adjusted to the redemption value (assuming the noncontrolling interest is redeemable at the balance sheet date), with the corresponding offset for changes in fair value recorded in additional paid in capital. Reductions in fair value are recorded only to the extent that the Company has previously recorded increases in fair value above the redeemable noncontrolling interests’ initial basis. As the changes in redemption value are based on fair value, there is no effect on the Company’s earnings per share. Redeemable noncontrolling interests on the accompanying consolidated balance sheets of ACC are referred to as redeemable limited partners on the accompanying consolidated balance sheets of the Operating Partnership. Refer to Note 8 for a more detailed discussion of redeemable noncontrolling interests for both ACC and the Operating Partnership.

Joint Ventures

The Company consolidates joint ventures when it exhibits financial or operational control, which is determined using accounting standards related to the consolidation of joint ventures and VIEs. For joint ventures that are defined as VIEs, the primary beneficiary consolidates the entity. The Company considers itself to be the primary beneficiary of a VIE when it has the power to direct the activities that most significantly impact the performance of the VIE, such as management of day-to-day operations, preparing and approving operating and capital budgets, and encumbering or selling the related properties. In instances where the Company is not the primary beneficiary, it does not consolidate the joint venture for financial reporting purposes.

For joint ventures that are not defined as VIEs, where the Company is the general partner, but does not control the joint venture due to the other partners holding substantive participating rights, the Company uses the equity method of accounting. For joint ventures where the Company is a limited partner, management evaluates whether the Company holds substantive participating rights. In instances where the Company holds substantive participating rights in the joint venture, the Company consolidates the joint venture; otherwise, it uses the equity method of accounting.

Consolidated VIEs

The Company has investments in various entities that qualify as VIEs for accounting purposes and for which the Company is the primary beneficiary and therefore includes the entities in its consolidated financial statements. These VIEs include the Operating Partnership, six joint ventures that own a total of 10 operating properties and two land parcels, and six properties owned under the on-campus participating property structure. The VIE assets and liabilities consolidated within the Company's assets and liabilities are disclosed at the bottom of the accompanying consolidated balance sheets.

Presale Development Projects

As part of its development strategy, the Company enters into presale agreements to purchase various properties. Under the terms of these agreements, the Company is obligated to purchase the property as long as certain construction completion deadlines and other closing conditions are met. As a part of the presale agreements, the Company has the option to elect not to purchase the asset, which would result in the Company paying a significant penalty. The Company is typically responsible for leasing, management, and initial operations of the project while the third-party developer retains development risk during the construction period. The entity that owns the property is deemed to be a VIE, and the Company is deemed to be the primary beneficiary of the VIE. As such, upon execution of the purchase and sale agreement, the Company records the assets, liabilities, and noncontrolling interest of the entity owning the property at fair value.

Mortgage Debt - Premiums and Discounts

Mortgage debt premiums and discounts represent fair value adjustments to account for the difference between the stated rates and market rates of mortgage debt assumed in connection with the Company’s property acquisitions. The mortgage debt premiums and discounts are included in secured mortgage and bond debt, net on the accompanying consolidated balance sheets and are amortized to interest expense over the term of the related mortgage loans using the effective-interest method. The amortization of mortgage debt premiums and discounts resulted in a net decrease to interest expense of approximately $4.7 million, $4.9 million, and $5.3 million for the years ended December 31, 2020, 2019, and 2018, respectively. As of December 31, 2020 and 2019, net unamortized mortgage debt premiums were approximately $1.7 million and $6.4 million, respectively.

Tenant Reimbursements

Reimbursements from tenants, consisting of amounts due from tenants for utilities, are recognized as revenue in the period the recoverable costs are incurred. Tenant reimbursements are recognized and recorded on a gross basis, as the Company is generally the primary obligor with respect to purchasing goods and services from third-party suppliers, has discretion in selecting the supplier, and has credit risk.

Third-Party Development Services Revenue

The Company recognizes development and construction revenues over the life of the contract using a time-based measure of progress. An entire development and construction contract represents a single performance obligation comprised of a series of distinct services to be satisfied over time, and a single transaction price to be recognized over the life of the contract using a time-based measure of progress. Any variable consideration included in the transaction price is estimated using the expected value approach and is only included to the extent that a significant revenue reversal is not likely to occur.

Third-Party Development Services and Owned Development Project Costs

Pre-development expenditures such as architectural fees, permits and deposits associated with the pursuit of third-party and owned development projects are expensed as incurred, until such time as management believes it is probable that the contract will be executed and/or construction will commence, at which time the Company capitalizes the costs. Because the Company frequently incurs these pre-development expenditures before a financing commitment and/or required permits and authorizations have been obtained, the Company bears the risk of loss of these pre-development expenditures if financing cannot ultimately be arranged on acceptable terms or the Company is unable to successfully obtain the required permits and authorizations. As such, management evaluates the status of third-party and owned projects that have not yet commenced construction on a periodic basis and expenses any deferred costs related to projects whose current status indicates the commencement of construction is unlikely and/or the costs may not provide future value to the Company in the form of revenues. Such write-offs are included in third-party development and management services expenses (in the case of third-party development projects) or general and administrative expenses (in the case of owned development projects) on the accompanying consolidated statements of comprehensive income. Refer to Note 15 for details of the amount the Company has deferred in pre-development costs related to third-party and owned development projects that have not yet commenced construction.

Third-Party Management Services Revenue

Management fees are recognized when earned in accordance with each management contract. Incentive management fees are estimated using the expected value approach and are included in the transaction price only to the extent that a significant revenue reversal is not likely to occur. The Company evaluates the collectability of revenue earned from third-party management contracts and reserves any amounts deemed to be uncollectible based on the individual facts and circumstances of the projects and associated contracts.

Advertising Costs

Advertising costs are expensed during the period incurred, or as the advertising takes place, depending on the nature and term of the specific advertising arrangements. Advertising expense approximated $12.9 million, $15.7 million, and $13.6 million for the years ended December 31, 2020, 2019, and 2018, respectively, and is included in owned properties operating expenses on the accompanying consolidated statements of comprehensive income

Derivative Instruments and Hedging Activities

The Company records all derivative financial instruments on the balance sheet at fair value. Changes in fair value are recognized either in earnings or as other comprehensive income, depending on whether the derivative has been designated as a fair value or cash flow hedge and whether it qualifies as part of a hedging relationship, the nature of the exposure being hedged, and how effective the derivative is at offsetting movements in underlying exposure. The Company discontinues hedge accounting when: (i) it determines that the derivative is no longer effective in offsetting changes in the fair value or cash flows of a hedged item; (ii) the derivative expires or is sold, terminated, or exercised; (iii) it is no longer probable that the forecasted transaction will occur; or (iv) management determines that designating the derivative as a hedging instrument is no longer appropriate. In all situations in which hedge accounting is discontinued and the derivative remains outstanding, the Company will carry the derivative at its fair value on the balance sheet, recognizing changes in the fair value in current-period earnings. The Company uses interest rate swaps to effectively convert a portion of its floating rate debt to fixed rate, thus reducing the impact of rising interest rates on interest payments. These instruments are designated as cash flow hedges and the interest differential to be paid or received is accrued as interest expense. The Company's counter-parties are major financial institutions. See Note 12 for an expanded discussion on derivative instruments and hedging activities.

Common Stock Issuances and Costs

Specific incremental costs directly attributable to the Company's equity offerings are deferred and charged against the gross proceeds of the offering. As such, underwriting commissions and other common stock issuance costs are reflected as a reduction of additional paid in capital. See Note 10 for an expanded discussion on common stock issuances and costs.

Share-Based Compensation

Compensation expense associated with share-based awards is recognized in the accompanying consolidated statements of comprehensive income based on the grant-date fair values and is adjusted as actual forfeitures occur. Compensation expense is recognized over the period during which the employee is required to provide service in exchange for the award, which is generally the vesting period. See Note 11 for an expanded discussion of the Company's share-based compensation awards.

Income Taxes

The Company has elected to be taxed as a REIT under the Internal Revenue Code of 1986, as amended (the "Code"). To qualify as a REIT, the Company must meet a number of organizational and operational requirements, including a requirement that it currently distribute at least 90% of its adjusted taxable income to its stockholders. As a REIT, the Company will generally not be subject to corporate level federal income tax on taxable income it currently distributes to its stockholders. If the Company fails to qualify as a REIT in any taxable year, it will be subject to federal income taxes at regular corporate rates (including any applicable alternative minimum tax for tax years ending on or prior to December 31, 2017) and may not be able to qualify as a REIT for the subsequent four taxable years. Even if the Company qualifies for taxation as a REIT, the Company may be subject to certain state and local income and excise taxes on its income and property, and to federal income and excise taxes on its undistributed income.

The Company owns various TRSs, one of which manages the Company's non-REIT activities and each of which is subject to federal, state and local income taxes.

3. Earnings Per Share

Earnings Per Share – Company

Basic earnings per share is computed using net income attributable to common shareholders and the weighted average number of shares of the Company's common stock outstanding during the period. Diluted earnings per share reflects common shares issuable from the assumed conversion of OP Units and common share awards granted. Only those items having a dilutive impact on basic earnings per share are included in diluted earnings per share.

The following potentially dilutive securities were outstanding for the years ended December 31, 2020, 2019, and 2018, but were not included in the computation of diluted earnings per share because the effects of their inclusion would be anti-dilutive.

	Year Ended December 31,		
	2020	2019	2018
Common OP Units (Note 8)	468,475	531,112	771,708
Preferred OP Units (Note 8)	35,242	42,421	77,513
Total potentially dilutive securities	503,717	573,533	849,221

The following is a summary of the elements used in calculating basic and diluted earnings per share:

	Year Ended December 31,		
	2020	2019	2018
Numerator - basic and diluted earnings per share			
Net income	$ 69,848	$ 86,762	$ 119,124
Net loss (income) attributable to noncontrolling interests	2,955	(1,793)	(2,029)
Net income attributable to ACC, Inc. and Subsidiaries common stockholders	72,803	84,969	117,095
Amount allocated to participating securities	(2,142)	(1,902)	(1,522)
Net income attributable to common stockholders	**$ 70,661**	**$ 83,067**	**$ 115,573**
Denominator			
Basic weighted average common shares outstanding	**137,588,964**	**137,295,837**	**136,815,051**
Unvested restricted stock awards (Note 11)	1,121,466	990,941	906,998
Diluted weighted average common shares outstanding	**138,710,430**	**138,286,778**	**137,722,049**
Earnings per share			
Net income attributable to common stockholders - basic	**$ 0.51**	**$ 0.61**	**$ 0.84**
Net income attributable to common stockholders - diluted	**$ 0.51**	**$ 0.60**	**$ 0.84**

Earnings Per Unit – Operating Partnership

Basic earnings per OP Unit is computed using net income attributable to common unitholders and the weighted average number of common units outstanding during the period. Diluted earnings per OP Unit reflects the potential dilution that could occur if securities or other contracts to issue OP Units were exercised or converted into OP Units or resulted in the issuance of OP Units and then shared in the earnings of the Operating Partnership.

The following is a summary of the elements used in calculating basic and diluted earnings per unit:

	Year Ended December 31,		
	2020	2019	2018
Numerator - basic and diluted earnings per unit			
Net income	$ 69,848	$ 86,762	$ 119,124
Net income attributable to noncontrolling interests – partially owned properties	3,259	(1,398)	(1,215)
Series A preferred unit distributions	(56)	(68)	(124)
Amount allocated to participating securities	(2,142)	(1,902)	(1,522)
Net income attributable to common unitholders	**$ 70,909**	**$ 83,394**	**$ 116,263**
Denominator			
Basic weighted average common units outstanding	**138,057,439**	**137,826,949**	**137,586,759**
Unvested restricted stock awards (Note 11)	1,121,466	990,941	906,998
Diluted weighted average common units outstanding	**139,178,905**	**138,817,890**	**138,493,757**
Earnings per unit			
Net income attributable to common unitholders - basic	**$ 0.51**	**$ 0.61**	**$ 0.85**
Net income attributable to common unitholders - diluted	**$ 0.51**	**$ 0.60**	**$ 0.84**

4. Income Taxes

As mentioned in Note 2, the Company qualifies as a REIT under the Code. As a REIT, the Company is not subject to federal income tax as long as it distributes at least 90% of its taxable income to its shareholders each year. If the Company's taxable income exceeds its distributions for the year, the REIT tax rules allow the Company to designate distributions from a subsequent tax year in order to avoid current taxation on undistributed income. No provision for federal income taxes for the REIT has been included in the accompanying consolidated financial statements as the Company expects to meet the 90% annual distribution requirement. If the Company fails to qualify as a REIT, the Company will be subject to federal income tax (including any applicable alternative minimum tax for tax years ending on or prior to December 31, 2017) on its taxable income and to federal income and excise taxes on its undistributed income. In addition, ACCOP is a flow-through entity and is not subject to federal income taxes at the entity level. Historically, the Company has incurred only state and local income, franchise, and margin taxes.

The Company's TRSs are subject to federal, state, and local income taxes. As such, deferred income taxes result from temporary differences between the carrying amounts of assets and liabilities of the TRSs for financial reporting purposes and the amounts used for income tax purposes. Deferred tax assets and liabilities are measured using enacted tax rates in effect in the years in which those temporary differences are expected to reverse. Significant components of the deferred tax assets and liabilities of the TRSs are as follows:

	December 31,	
	2020	2019
Deferred tax assets		
Fixed and intangible assets	$ 1,669	$ 1,488
Net operating loss carryforwards	8,207	7,290
Prepaid and deferred income	1,060	1,115
Bad debt reserves	675	528
Leases	3,314	3,480
Accrued expenses and other	3,795	4,049
Stock compensation	3,084	2,636
Total deferred tax assets	21,804	20,586
Valuation allowance for deferred tax assets	(18,578)	(17,121)
Deferred tax assets, net of valuation allowance	3,226	3,465
Deferred tax liability		
Leases	(3,189)	(3,413)
Deferred financing costs	(37)	(52)
Net deferred tax liabilities	**$ —**	**$ —**

Significant components of the Company's income tax provision are as follows:

	Year Ended December 31,		
	2020	2019	2018
Current			
Federal	$ (103)	$ (157)	$ —
State	(1,246)	(1,350)	(2,429)
Deferred			
Federal	—	—	—
State	—	—	—
Total provision	**$ (1,349)**	**$ (1,507)**	**$ (2,429)**

TRS earnings subject to tax consisted of a loss of approximately $5.4 million, income of approximately $10.0 million, and a loss of approximately $2.0 million for the years ended December 31, 2020, 2019, and 2018, respectively. The reconciliation of income tax for the TRSs computed at the U.S. statutory rate to income tax provision is as follows:

	Year Ended December 31,		
	2020	2019	2018
Tax benefit (provision) at U.S. statutory rates on TRS income subject to tax	$ 1,536	$ (789)	$ 327
State income tax, net of federal income tax benefit (provision)	278	(57)	13
Effect of permanent differences and other	(8)	5	(154)
(Increase) decrease in valuation allowance	(1,806)	841	(186)
TRS income tax provision	**$ —**	**$ —**	**$ —**

At December 31, 2020, the TRSs had net operating loss carryforwards ("NOLs") of approximately $33.7 million for income tax purposes that begin to expire in 2031. These NOLs may be used to offset future taxable income generated by each of the respective TRSs. Due to the various limitations to which the use of NOLs are subject, the Company has applied a valuation allowance to the NOLs given the likelihood that the NOLs will expire unused. The Company and its subsidiaries file income tax returns in the U.S. federal jurisdiction and various states' jurisdictions as required, and as of December 31, 2020, the 2019, 2018 and 2017 calendar tax years are subject to examination by the tax authorities.

The Company had no material unrecognized tax benefits for the years ended December 31, 2020, 2019, and 2018, and as of December 31, 2020, the Company does not expect to record any material unrecognized tax benefits. Because no material unrecognized tax benefits have been recorded, no related interest or penalties have been calculated.

A schedule of per share distributions the Company paid and reported to its shareholders, which is unaudited, is set forth in the following table:

	Year Ended December 31,		
Tax Treatment of Distributions	2020	2019	2018
Ordinary income	$ 1.1004	$ 0.6625	$ —
Long-term capital gain [(1)]	0.3560	1.2075	1.8200
Return of capital	0.4236	—	—
Total per common share outstanding	**$ 1.8800**	**$ 1.8700**	**$ 1.8200**

(1) Unrecaptured Section 1250 gains of $0.2052, $0.3827 and $0.4008 were reported for the years ended December 31, 2020, 2019 and 2018, respectively.

5. Acquisitions and Joint Venture Investments

Joint Venture Transaction

In August 2020, the Company executed an agreement to enter into a joint venture arrangement with a third-party partner to develop a property located in Nashville, TN (the "Nashville Joint Venture"). The Company's contribution consisted of cash and pre-development expenditures totaling $5.6 million in exchange for a 50% ownership interest in the Nashville Joint Venture. Additionally, as part of the transaction, the Company financed the third-party partner's contribution with a $5.4 million, two-year note receivable (the "Note") at a 6.5% annual interest rate. The third-party partner contributed the proceeds from the Note as well as pre-development and transaction costs of approximately $0.7 million in exchange for a 50% ownership interest in the Nashville Joint Venture. In September 2020, the Nashville Joint Venture purchased a land parcel for $11.3 million including transaction costs. The Nashville Joint Venture was determined to be a VIE with the Company being the primary beneficiary. As such, the Nashville Joint Venture is included in the Company's consolidated financial statements contained herein and the third-party partner's ownership interest is accounted for as noncontrolling interest - partially owned properties. Prior to the construction of the project, the Company and its current third-party partner intend to identify an additional third-party partner who will contribute additional equity to the project, at which time the Company and its current third-party partner will become noncontrolling partners.

Presale Development Projects

During the year ended December 31, 2019, two properties containing 783 beds and subject to presale agreements were completed and acquired by the Company for $110.2 million. The purchase price included $8.6 million related to the purchase of the land on which one of the properties is built. Additionally, upon acquisition, the third-party developer repaid an $18.5 million mezzanine loan, including accrued interest, that the Company provided to one of the projects during the construction period.

During the year ended December 31, 2018, The Edge - Stadium Centre, a 412-bed off-campus development property subject to a presale agreement, was completed and acquired by the Company for $42.6 million, including $10.0 million related to the purchase of the land on which the property is built.

As presale development properties are consolidated by the Company from time of execution of the presale agreements with the developers, the closing of the transactions was accounted for as an increase in ownership of a consolidated subsidiary.

Land Acquisitions

In October 2020, the Company acquired a property containing a commercial building near the University of Central Florida for approximately $11.6 million including transaction costs. The land was purchased for future development of a student housing facility. The commercial building is currently leased and managed by a third party. The Company will receive the operating cash flows of the property until development commences.

During the year ended December 31, 2018, the Company purchased a land parcel for a total purchase price of approximately $16.6 million.

6. Property Dispositions

Property Dispositions

In March 2020, the Company sold The Varsity, an owned property located near University of Maryland in College Park, Maryland, containing 901 beds for $148.0 million, resulting in net cash proceeds of approximately $146.1 million. The net gain on this disposition totaled approximately $48.5 million.

During the year ended December 31, 2019, the Company sold two owned properties containing 1,150 beds for approximately $109.5 million, resulting in net cash proceeds of approximately $108.6 million. Concurrent with the classification of one of the sold properties as held for sale, the Company reduced the property's carrying amount to its estimated fair value less estimated selling costs and recorded an impairment charge of $3.2 million. The combined net loss on the dispositions was not material.

During the year ended December 31, 2018, the Company sold a portfolio of three owned properties containing 1,338 beds for approximately $245.0 million, resulting in net cash proceeds of approximately $242.3 million. The combined net gain on the portfolio disposition totaled approximately $42.3 million.

Joint Venture Activities

During the year ended December 31, 2018, the Company executed an agreement to enter into a joint venture arrangement with Allianz Real Estate (the "ACC / Allianz Joint Venture Transaction"). The transaction included the sale of a partial ownership interest in a portfolio of seven owned properties, containing 4,611 beds, through a joint venture arrangement. The joint venture transaction involved the joint venture partner making a cash contribution of approximately $373.1 million in exchange for a 45% ownership interest. As part of the transaction, the joint venture issued $330.0 million of secured mortgage debt. The joint venture was determined to be a VIE. As the Company retained control of the properties after the joint venture transaction, it was deemed the primary beneficiary. As such, the Company's contribution of the properties to the joint venture was recorded at net book value, and the joint venture is included in the Company's consolidated financial statements contained herein. The joint venture partner's ownership interest in the joint venture is accounted for as noncontrolling interest.

7. Investments in Real Estate

Owned properties, both wholly-owned and those owned through investments in VIEs, consisted of the following:

	December 31, 2020	December 31, 2019
Land	$ 664,879	$ 654,985
Buildings and improvements	6,949,781	6,749,757
Furniture, fixtures and equipment	405,843	391,208
Construction in progress	361,893	341,554
	8,382,396	8,137,504
Less accumulated depreciation	(1,660,652)	(1,442,789)
Owned properties, net	**$ 6,721,744**	**$ 6,694,715**

Our On-Campus Participating Properties segment includes six on-campus properties that are operated under long-term ground/facility leases with three university systems. Under our ground/facility leases, we receive an annual distribution representing 50% of these properties' net cash flows, as defined in the ground/facility lease agreements. We also manage these properties under long-term management agreements and are paid management fees equal to a percentage of defined gross receipts.

On-campus participating properties consisted of the following:

	December 31, 2020	December 31, 2019
Buildings and improvements	$ 157,218	$ 155,941
Furniture, fixtures and equipment	14,389	13,552
Construction in progress	—	6
	171,607	169,499
Less accumulated depreciation	(102,326)	(94,311)
On-campus participating properties, net	**$ 69,281**	**$ 75,188**

8. Noncontrolling Interests

Interests in Consolidated Real Estate Joint Ventures

Noncontrolling interests - partially owned properties: As of December 31, 2020, the Operating Partnership consolidates five joint ventures that own and operate 10 owned off-campus properties and one land parcel. The portion of net assets attributable to the third-party partners in these arrangements is classified as "noncontrolling interests - partially owned properties" within equity and capital on the accompanying consolidated balance sheets of ACC and the Operating Partnership, respectively.

Redeemable noncontrolling interests (ACC) / redeemable limited partners (Operating Partnership): The noncontrolling interest holder in the Core Spaces / DRW Real Estate Investment joint ventures (the "Core Joint Ventures"), which were formed in 2017, had the option to redeem its noncontrolling interest in the entities through the exercise of put options. As the exercise of the options was outside of the Company's control, the portion of net assets attributable to the third-party partner was classified as "redeemable noncontrolling interests" and "redeemable limited partners" in the mezzanine section of the December 31, 2019 consolidated balance sheets of ACC and the Operating Partnership, respectively. The redemption price was based on the fair value of the properties at the time of option exercise. These redeemable noncontrolling interests were marked to their redemption value at each balance sheet date. As the change in redemption value was based on fair value, there was no effect on the Company's earnings per share. During the year ended December 31, 2020, the noncontrolling interest holder exercised its option to redeem its remaining ownership interest in the Core Joint Ventures, which reduced the redeemable noncontrolling interest by $77.2 million. As of December 31, 2020, the Company had 100% ownership interest in all five properties initially held by the Core Joint Ventures.

Operating Partnership Ownership

Also included in redeemable noncontrolling interests (ACC) / redeemable limited partners (Operating Partnership) are OP Units for which the Operating Partnership is required, either by contract or securities law, to deliver registered common shares of ACC to the exchanging OP unitholder, or for which the Operating Partnership has the intent or history of exchanging such units for cash. The units classified as such include Series A Preferred Units ("Preferred OP Units") and Common OP Units. The value of OP Units is reported at the greater of fair value, which is based on the closing market value of the Company's common stock at period end, or historical cost at the end of each reporting period. The OP Unitholders' share of the income or loss of the Company is included in "net income attributable to noncontrolling interests" on the accompanying consolidated statements of comprehensive income of ACC.

As of December 31, 2020 and 2019, respectively, approximately 0.4% of the equity interests of the Operating Partnership were held by owners of Common OP Units and Preferred OP Units not held by ACC or ACC Holdings. During the year ended December 31, 2020, there were no conversions of Common OP Units or Preferred OP Units to shares of ACC's common stock. During the year ended December 31, 2019, 126,313 Common OP Units and 42,271 Preferred OP Units were converted into an equal number of shares of ACC's common stock.

Below is a table summarizing the activity of redeemable noncontrolling interests (ACC) / redeemable limited partners (Operating Partnership) for the years ended December 31, 2020 and 2019, which includes both the redeemable joint venture partners and OP Units discussed above:

Balance, December 31, 2017	**$**	**132,169**
Net income		936
Distributions		(1,516)
Conversion of OP Units into shares of ACC common stock		(13,334)
Contributions from noncontrolling interests		112
Adjustments to reflect redeemable noncontrolling interests at fair value		66,079
Balance, December 31, 2018	**$**	**184,446**
Net income		783
Distributions		(1,062)
Conversion of OP Units into shares of ACC common stock		(6,082)
Contributions from noncontrolling interests		250
Purchase of noncontrolling interests		(88,304)
Adjustments to reflect redeemable noncontrolling interests at fair value		14,350
Balance, December 31, 2019	**$**	**104,381**
Net income		325
Distributions		(937)
Purchase of noncontrolling interests		(77,200)
Adjustments to reflect redeemable noncontrolling interests at fair value		(2,002)
Balance, December 31, 2020	**$**	**24,567**

9. Debt

A summary of the Company's outstanding consolidated indebtedness, including unamortized debt premiums and discounts, is as follows:

	December 31, 2020	December 31, 2019
Debt secured by owned properties		
Mortgage loans payable		
Unpaid principal balance	$ 563,506	$ 693,584
Unamortized deferred financing costs	(848)	(1,294)
Unamortized debt premiums	1,819	6,596
Unamortized debt discounts	(151)	(199)
	564,326	698,687
Debt secured by on-campus participating properties		
Mortgage loans payable [1]	63,714	65,942
Bonds payable [1]	19,110	23,215
Unamortized deferred financing costs	(323)	(418)
	82,501	88,739
Total secured mortgage and bond debt	646,827	787,426
Unsecured notes, net of unamortized OID and deferred financing costs [2]	2,375,603	1,985,603
Unsecured term loans, net of unamortized deferred financing costs [3]	199,473	199,121
Unsecured revolving credit facility	371,100	425,700
Total debt, net	**$ 3,593,003**	**$ 3,397,850**

(1) The creditors of mortgage loans payable and bonds payable related to on-campus participating properties do not have recourse to the assets of the Company.

(2) Includes net unamortized original issue discount ("OID") of $5.8 million and $2.3 million at December 31, 2020 and 2019, respectively, and net unamortized deferred financing costs of $18.6 million and $12.1 million at December 31, 2020 and 2019, respectively.

(3) Includes net unamortized deferred financing costs of $0.5 million and $0.9 million at December 31, 2020 and 2019, respectively.

Mortgage Loans Payable

Mortgage loans payable generally feature either monthly interest and principal payments or monthly interest-only payments with balloon payments due at maturity. For purposes of classification in the following table, variable rate mortgage loans subject to interest rate swaps are deemed to be fixed rate, due to the Company having effectively fixed the interest rate for the underlying debt instrument.

Mortgage loans payable, excluding debt premiums and discounts, consisted of the following as of December 31, 2020:

	Principal Outstanding December 31, 2020	Principal Outstanding December 31, 2019	December 31, 2020 Weighted Average Interest Rate	December 31, 2020 Weighted Average Years to Maturity	December 31, 2020 Number of Properties Encumbered
Fixed Rate					
Mortgage loans payable [1]	$ 625,136	$ 756,397	4.18 %	6.3 Years	16
Variable Rate					
Mortgage loans payable [2]	2,084	3,129	2.65 %	24.6 Years	—
Total	**$ 627,220**	**$ 759,526**	**4.17 %**	**6.3 years**	**16**

(1) Fixed rate mortgage loans payable mature on various dates from 2021 through 2045 and carry interest rates ranging from 3.76% to 5.47% at December 31, 2020.

(2) Represents mortgage debt at one of our on-campus participating properties not subject to an interest rate swap contract. This property is included in the number of properties encumbered by mortgage loans above.

During the year ended December 31, 2020, the following transactions occurred:

	Mortgage Loans Payable (1)
Balance, December 31, 2019	**$ 759,526**
Pay-off of mortgage notes payable (2)	(124,559)
Scheduled repayments of principal	(7,747)
Balance, December 31, 2020	**$ 627,220**

(1) Balance excludes unamortized debt premiums and discounts.

(2) Represents pay-offs of mortgage notes payable secured by four properties.

In October 2019, the company entered into an interest rate swap contract on $37.5 million of variable rate debt on one on campus participating property, to hedge the variable rate cash flows associated with interest payments on the LIBOR-based mortgage loan, resulting in a fixed rate for that portion of 3.76%. Refer to Note 12 for additional information.

In May 2017, the lender of the non-recourse mortgage loan secured by Blanton Common, a property located near Valdosta State University containing 860 beds which was included as part of the GMH student housing transaction in 2008, sent a formal notice of default and initiated foreclosure proceedings. The property generated insufficient cash flow to cover the debt service on the mortgage, which had a balance of $27.4 million at default and a contractual maturity date of August 2017. In May 2017, the lender began receiving the net operating cash flows of the property each month in lieu of scheduled monthly mortgage payments. In June 2017, the Company recorded an impairment charge for this property of $15.3 million. In August 2017, the property transferred to receivership, and a third-party manager began managing the property on behalf of the lender. In July 2019, the Company completed the transfer of the property to the lender in settlement of the property's mortgage loan and recognized a net gain from the extinguishment of debt totaling $21.0 million.

In January 2019, the Company refinanced $70.0 million of variable rate debt on one wholly-owned property, extending the maturity to January 2024. The Company entered into an interest rate swap contract to hedge the variable rate cash flows associated with interest payments on this LIBOR-based mortgage loan, resulting in a fixed rate of 4.00%. Refer to Note 12 for information related to derivatives.

Bonds Payable

Three of the on-campus participating properties are 100% financed with outstanding project-based taxable bonds. Under the terms of these financings, one of the Company’s special purpose subsidiaries publicly issued three series of taxable bonds and loaned the proceeds to three special purpose subsidiaries that each hold a separate leasehold interest. The bonds encumbering the leasehold interests are non-recourse, subject to customary exceptions. Although a default in payment by these special purpose subsidiaries could result in a default under one or more series of bonds, indebtedness of any of these special purpose subsidiaries is not cross-defaulted or cross-collateralized with indebtedness of the Company, the Operating Partnership, or other special purpose subsidiaries. Repayment of principal and interest on these bonds is insured by MBIA, Inc. Interest and principal are paid semi-annually and annually, respectively, through maturity. Covenants include, among other items, budgeted and actual debt service coverage ratios. As of December 31, 2020, the Company was in compliance with all such covenants.

Bonds payable at December 31, 2020 consisted of the following:

Series	Mortgaged Facilities Subject to Leases	Original	Principal December 31, 2020	Weighted Average Rate	Maturity Date	Required Monthly Debt Service
1999	University Village-PVAMU/TAMIU	$ 39,270	$ 9,380	7.76 %	September 2023	$ 302
2001	University College–PVAMU	20,995	7,660	7.62 %	August 2025	158
2003	University College–PVAMU	4,325	2,070	6.21 %	August 2028	28
	Total/weighted average rate	**$ 64,590**	**$ 19,110**	**7.54 %**		**$ 488**

Unsecured Notes

In June 2020, the Operating Partnership closed a $400.0 million offering of senior unsecured notes under its existing shelf registration. These 10-year notes were issued at 99.142% of par value with a coupon of 3.875% and are fully and unconditionally guaranteed by the Company. Interest on the notes is payable semi-annually on January 30 and July 30, with the first payment due and payable on January 30, 2021. The notes will mature on January 30, 2031. Net proceeds from the sale of the senior unsecured notes totaled approximately $391.7 million, after deducting the underwriting discount and offering expenses which will be amortized over the term of the unsecured notes. The Company used the proceeds to repay borrowings under its revolving credit facility.

In January 2020, the Operating Partnership closed a $400.0 million offering of senior unsecured notes under its existing shelf registration. These 10-year notes were issued at 99.81% of par value with a coupon of 2.85% and are fully and unconditionally guaranteed by the Company. Interest on the notes is payable semi-annually on February 1 and August 1, with the first payment due and payable on August 1, 2020. The notes will mature on February 1, 2030. Net proceeds from the sale of the senior unsecured notes totaled approximately $394.5 million, after deducting the underwriting discount and offering expenses which will be amortized over the term of the unsecured notes. The Company used the proceeds to fund the early redemption of its $400 million 3.35% Senior Notes due October 2020. The prepayment resulted in approximately $4.8 million in debt extinguishment costs incurred during the first quarter of 2020, which is reflected in loss from extinguishment of debt on the accompanying consolidated statements of comprehensive income.

As of December 31, 2020, the Company has issued the following senior unsecured notes:

Date Issued	Amount	% of Par Value	Coupon	Yield	Original Issue Discount	Term (Years)
April 2013	$ 400,000	99.659	3.750%	3.791%	$ 1,364	10
June 2014	400,000	99.861	4.125%	4.269% [(1)]	556	10
October 2017	400,000	99.912	3.625%	3.635%	352	10
June 2019	400,000	99.704	3.300%	3.680% [(1)]	1,184	7
January 2020	400,000	99.810	2.850%	2.872%	760	10
June 2020	400,000	99.142	3.875%	3.974%	3,432	10
	$ 2,400,000				**$ 7,648**	

(1) The yield includes effect of the amortization of the interest rate swap terminations.

The notes are fully and unconditionally guaranteed by the Company. Interest on the notes is payable semi-annually. The terms of the unsecured notes include certain financial covenants that require the Operating Partnership to limit the amount of total debt and secured debt as a percentage of total asset value, as defined. In addition, the Operating Partnership must maintain a minimum ratio of unencumbered asset value to unsecured debt, as well as a minimum interest coverage level. As of December 31, 2020, the Company was in compliance with all such covenants.

Unsecured Revolving Credit Facility

In February 2019, the Company exercised the option under the existing credit agreement to increase the capacity of the unsecured revolving credit facility from $700 million to $1.0 billion. It may be expanded by up to an additional $200 million upon the satisfaction of certain conditions. The maturity date of the revolving credit facility is March 2022.

The unsecured revolving credit facility bears interest at a variable rate, at the Company’s option, based upon a base rate of one-, two-, three- or six-month LIBOR, plus, in each case, a spread based upon the Company’s investment grade rating from either Moody’s Investor Services, Inc. or Standard & Poor’s Rating Group. Additionally, the Company is required to pay a facility fee of 0.20% per annum on the $1.0 billion revolving credit facility. As of December 31, 2020, the revolving credit facility bore interest at a weighted average annual rate of 1.35% (0.15% + 1.00% spread + 0.20% facility fee), and availability under the revolving credit facility totaled $628.9 million.

The terms of the unsecured credit facility include certain restrictions and covenants, which limit, among other items, the incurrence of additional indebtedness and liens. The facility contains customary affirmative and negative covenants and also contains financial covenants that, among other things, require the Company to maintain certain maximum leverage ratios and minimum ratios of “EBITDA” (earnings before interest, taxes, depreciation and amortization) to fixed charges. The financial covenants also include a minimum asset value requirement, a maximum secured debt ratio, and a minimum unsecured debt service coverage ratio. As of December 31, 2020, the Company was in compliance with all such covenants.

Unsecured Term Loans

The Company is currently party to an Unsecured Term Loan Credit Agreement (the "Term Loan Facility") totaling $200 million which matures in June 2022. The agreement has an accordion feature that allows the Company to expand the amount by up to an additional $100 million, subject to the satisfaction of certain conditions. In 2019, the Company entered into two interest rate swap contracts to hedge the variable rate cash flows associated with the LIBOR-based interest payments on the Term Loan Facility. The weighted average annual rate on the Term Loan was 2.54% (1.44% + 1.10% spread) at December 31, 2020. Refer to Note 12 for more information related to cash flow hedges of interest rate risk. The Term Loan Facility includes certain restrictions and covenants consistent with those of the unsecured revolving credit facility discussed above. As of December 31, 2020, the Company was in compliance with all such covenants.

Debt Maturities

The following table summarizes the stated debt maturities and scheduled amortization payments, excluding debt premiums and discounts, for each of the five years subsequent to December 31, 2020 and thereafter:

2021	$	107,127
2022		604,464
2023		408,800
2024		529,329
2025		3,313
Thereafter		1,964,397
	$	**3,617,430**

The Company's payment of principal and interest were current at December 31, 2020. Certain of the mortgage notes and bonds payable are subject to prepayment penalties.

10. Stockholders' Equity / Partners' Capital

Stockholders' Equity – Company

The Company has an at-the-market share offering program (the "ATM Equity Program") through which the Company may issue and sell, from time to time, shares of common stock having an aggregate offering price of up to $500.0 million. Actual sales under the program will depend on a variety of factors, including, but not limited to, market conditions, the trading price of the Company's common stock, and determinations of the appropriate sources of funding for the Company.

There was no activity under the Company's ATM Equity Program during the years ended December 31, 2020 and 2019. As of December 31, 2020, the Company had $500.0 million available for issuance under its ATM Equity Program.

The Company has a Non-Qualified Deferred Compensation Plan ("Deferred Compensation Plan") maintained for the benefit of certain employees and members of the Company's Board of Directors, in which vested share awards (see Note 11), salary, and other cash amounts earned may be deposited. Deferred Compensation Plan assets are held in a rabbi trust, which is subject to the claims of the Company's creditors in the event of bankruptcy or insolvency. The shares held in the Deferred Compensation Plan are classified within stockholders' equity in a manner similar to the manner in which treasury stock is classified. Subsequent changes in the fair value of the shares are not recognized. During the year ended December 31, 2020, 21,537 shares and 7,719 shares of vested stock were deposited into and withdrawn from the Deferred Compensation Plan, respectively, bringing the total ACC shares held in the Deferred Compensation Plan to 91,746 as of December 31, 2020.

11. Incentive Award Plan

The Company has an Incentive Award Plan (the "Plan") that provides for the grant of various stock-based incentive awards to selected employees and directors of the Company and the Company's affiliates. The types of awards that may be granted under the Plan include incentive stock options, nonqualified stock options, restricted stock awards ("RSAs"), restricted stock units ("RSUs"), profits interest units ("PIUs"), and other stock-based awards. The Company has reserved a total 3.5 million shares of the Company's common stock for issuance pursuant to the Plan, subject to certain adjustments for changes in the Company's capital structure, as defined in the Plan. As of December 31, 2020, 2.7 million shares were available for issuance under the Plan.

Restricted Stock Awards

The Company awards RSAs to its executive officers and certain employees that vest in equal annual installments over a five year period. Unvested awards are forfeited upon the termination of an individual's employment with the Company under specified circumstances. Recipients of RSAs receive dividends, as declared by the Company's Board of Directors, on unvested shares, provided that the recipient continues to be employed by the Company. A summary of the Company's RSAs under the Plan for the years ended December 31, 2020 and 2019 is presented below:

	Number of RSAs	Weighted-Average Grant Date Fair Value Per RSA
Nonvested balance at December 31, 2018	**862,680**	**$ 42.46**
Granted	387,341	44.08
Vested	(266,556)	41.86
Forfeited	(16,124)	42.91
Nonvested balance at December 31, 2019	**967,341**	**$ 43.27**
Granted	444,522	47.13
Vested	(295,385)	43.40
Forfeited	(23,882)	44.56
Nonvested balance at December 31, 2020	**1,092,596**	**$ 44.78**

The fair value of RSAs is calculated based on the closing market value of the Company's common stock on the date of grant. The fair value of these awards is amortized to expense over the vesting periods, which amounted to approximately $14.4 million, $12.7 million, and $11.1 million for the years ended December 31, 2020, 2019, and 2018, respectively. The weighted-average grant date fair value for each RSA granted and forfeited during the year ended December 31, 2018 was $39.41 and $43.64, respectively.

The total fair value of RSAs vested during the year ended December 31, 2020 was approximately $12.8 million. Additionally, as of December 31, 2020, the Company had approximately $36.3 million of total unrecognized compensation cost related to granted RSAs, which is expected to be recognized over a remaining weighted-average period of 3.3 years.

Per the provisions of the Plan, an employee becomes retirement eligible when: (i) the sum of an employee's full years of service (a minimum of 120 contiguous full months) and the employee's age on the date of termination (a minimum of 50 years of age) equals or exceeds 70 years (hereinafter referred to as the "Rule of 70"); (ii) the employee gives at least six months prior written notice to the Company of his or her intention to retire; and (iii) the employee enters into a noncompetition agreement and a general release of all claims in a form that is reasonably satisfactory to the Company. As of December 31, 2020, 24 employees have met the Rule of 70, including the Company's Chief Executive Officer and President. A total of 414,665 unvested RSAs are held by such employees representing future amortization expense of $13.7 million. Once the first two conditions of retirement eligibility are met, the unvested shares held by these employees will be subject to accelerated vesting.

Restricted Stock Units

Upon initial appointment to the Board of Directors and reelection to the Board of Directors at each Annual Meeting of Stockholders, each independent member of the Board of Directors is granted RSUs. On the Settlement Date, the Company will deliver to the recipients a number of shares of common stock or cash, as determined by the Compensation Committee of the Board of Directors, equal to the number of RSUs granted to the recipients. In addition, recipients of RSUs are entitled to dividend equivalents equal to the cash distributions paid by the Company on one share of common stock for each RSU issued, payable currently, or on the Settlement Date, as determined by the Compensation Committee of the Board of Directors.

Upon reelection to the Board of Directors in June 2020, all members of the Company's Board of Directors were granted RSUs in accordance with the Plan. These RSUs were valued at $170,000 for the Chairman of the Board of Directors and at $122,500 for all other members. The number of RSUs was determined based on the fair market value of the Company's stock on the date of grant, as defined in the Plan. All awards vested and settled immediately on the date of grant, and the Company delivered shares of common stock and cash, as determined by the Compensation Committee of the Board of Directors.

A summary of ACC's RSUs under the Plan for the years ended December 31, 2020 and 2019 and activity during the years then ended is presented below:

	Number of RSUs	Weighted-Average Grant Date Fair Value Per RSU
Outstanding at December 31, 2018	—	$ —
Granted	20,812	47.34
Settled in common shares	(18,318)	47.37
Settled in cash	(2,494)	47.11
Outstanding at December 31, 2019	**—**	**$ —**
Granted	30,137	34.10
Settled in common shares	(27,644)	34.10
Settled in cash	(2,493)	34.10
Outstanding at December 31, 2020	**—**	**$ —**

The Company recognized expense of approximately $1.0 million, $0.9 million, and $1.1 million for the years ended December 31, 2020, 2019, and 2018, respectively, reflecting the fair value of the RSUs issued on the date of grant. The weighted-average grant-date fair value for each RSU granted during the year ended December 31, 2018 was $39.45.

12. Derivative Instruments and Hedging Activities

The Company is exposed to certain risks arising from both its business operations and economic conditions. The Company principally manages its exposures to a wide variety of business and operational risks through management of its core business activities. The Company manages economic risks, including interest rate, liquidity, and credit risk primarily by managing the amount, sources, and duration of its debt funding and the use of derivative financial instruments. Specifically, the Company enters into derivative financial instruments to manage exposures that arise from business activities that result in the receipt or payment of future known and uncertain cash amounts, the value of which are determined by interest rates. The Company's derivative financial instruments are used to manage differences in the amount, timing, and duration of the Company's known or expected cash receipts and its known or expected cash payments principally related to the Company's investments and borrowings.

Cash Flow Hedges of Interest Rate Risk

The Company's objectives in using interest rate derivatives are to add stability to interest expense and to manage its exposure to interest rate movements. To accomplish this objective, the Company primarily uses interest rate swaps and forward starting swaps as part of its interest rate risk management strategy. Interest rate swaps designated as cash flow hedges involve the receipt of variable-rate amounts from a counterparty in exchange for the Company making fixed-rate payments over the life of the agreements without exchange of the underlying notional amount. Forward starting swaps are used to protect the Company against adverse fluctuations in interest rates by reducing its exposure to variability in cash flows relating to interest payments on a forecasted issuance of debt. These agreements contain provisions such that if the Company defaults on any of its indebtedness, regardless of whether the repayment of the indebtedness has been accelerated by the lender or not, then the Company could also be declared in default on its derivative obligations. As of December 31, 2020, the Company was not in default on any of its indebtedness or derivative instruments.

The change in the fair value of derivatives designated and that qualify as cash flow hedges is recorded outside of earnings in other comprehensive income ("OCI") and subsequently reclassified into earnings in the period that the hedged forecasted transaction affects earnings within the same income statement line item as the earnings effect of the hedged transaction.

The following table summarizes the Company's outstanding interest rate swap contracts which are included in other assets and other liabilities on the accompanying consolidated balance sheets as of December 31, 2020:

Hedged Debt Instrument	Effective Date	Maturity Date	Pay Fixed Rate	Receive Floating Rate Index	Current Notional Amount	Fair Value
Cullen Oaks mortgage loan	Feb 18, 2014	Feb 15, 2021	2.2750%	LIBOR - 1 month	$ 12,003	$ (33)
Cullen Oaks mortgage loan	Feb 18, 2014	Feb 15, 2021	2.2750%	LIBOR - 1 month	12,127	(33)
Park Point mortgage loan	Feb 1, 2019	Jan 16, 2024	2.7475%	LIBOR - 1 month	70,000	(5,462)
College Park mortgage loan	Oct 16, 2019	Oct 16, 2022	1.2570%	LIBOR - 1 month, with 1 day lookback	37,500	(757)
Unsecured term loan	Nov 4, 2019	Jun 27, 2022	1.4685%	LIBOR - 1 month	100,000	(1,999)
Unsecured term loan	Dec 2, 2019	Jun 27, 2022	1.4203%	LIBOR - 1 month	100,000	(1,927)
				Total	**$ 331,630**	**$ (10,211)**

In December 2018, the Company entered into three forward starting interest rate swap contracts with notional amounts totaling $200.0 million designated to hedge the Company's exposure to increasing interest rates related to interest payments on an anticipated issuance of unsecured notes. In connection with the issuance of unsecured notes in June 2019, the Company terminated the swap contracts resulting in payments to counterparties totaling approximately $13.2 million, which were recorded in accumulated other comprehensive loss and which will be amortized to interest expense over the term of the swap contracts based on the June 2019 issuance and expected additional issuances.

The table below presents the fair value of the Company's derivative financial instruments and their classification on the accompanying consolidated balance sheets as of December 31, 2020 and 2019:

	Asset Derivatives			Liability Derivatives		
		Fair Value as of			Fair Value as of	
Description	Balance Sheet Location	12/31/2020	12/31/2019	Balance Sheet Location	12/31/2020	12/31/2019
Interest rate swap contracts	Other assets	$ —	$ 743	Other liabilities	$ 10,211	$ 3,436
Total derivatives designated as hedging instruments		**$ —**	**$ 743**		**$ 10,211**	**$ 3,436**

The table below presents the effect of the Company's derivative financial instruments on the accompanying consolidated statements of comprehensive income for the years ended December 31, 2020, 2019, and 2018:

	Year Ended December 31,		
Description	2020	2019	2018
Change in fair value of derivatives and other recognized in Other Comprehensive Income ("OCI")	$ (11,380)	$ (723)	$ (1,984)
Swap interest accruals reclassified to interest expense	3,844	200	(124)
Termination of interest rate swap payment recognized in OCI	—	(13,159)	—
Amortization of interest rate swap terminations [(1)]	1,705	1,133	412
Total change in OCI due to derivative financial instruments	**$ (5,831)**	**$ (12,549)**	**$ (1,696)**
Interest expense presented in the Consolidated Statements of Operations in which the effects of cash flow hedges are recorded	$ 112,507	$ 111,287	$ 99,228

(1) Represents amortization from OCI into interest expense.

As of December 31, 2020, the Company estimates that $6.7 million will be reclassified from other comprehensive income to interest expense over the next twelve months.

13. Fair Value Disclosures

Financial Instruments Carried at Fair Value

The Company follows the authoritative guidance for financial assets and liabilities, which establishes a framework for measuring fair value and requires enhanced disclosures about fair value measurements. The authoritative guidance requires disclosure about how fair value is determined for assets and liabilities and establishes a hierarchy by which these assets and liabilities must be categorized, based on the significance of inputs.

In general, fair values determined by Level 1 inputs utilize unadjusted, quoted prices in active markets for identical assets or liabilities the Company has the ability to access. Fair values determined by Level 2 inputs utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets and inputs other than quoted prices observable for the asset or liability, such as interest rates and yield curves observable at commonly quoted intervals. Level 3 inputs are unobservable inputs for the asset or liability and include situations where there is little, if any, market activity for the asset or liability.

In instances in which the inputs used to measure fair value may fall into different levels of the fair value hierarchy, the level in the fair value hierarchy within which the fair value measurement in its entirety has been determined is based on the lowest level input significant to the fair value measurement in its entirety. The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the asset or liability.

The following table presents information about the Company's financial instruments measured at fair value on a recurring basis as of December 31, 2020 and 2019 and indicates the fair value hierarchy of the valuation techniques utilized by the Company to determine such fair value. There were no Level 1 measurements for the periods presented, and the Company had no transfers between Levels 1, 2, or 3 during the periods presented. Refer to Note 8 for a discussion of the Level 3 activity during the period related to the redeemable noncontrolling interests in partially owned properties.

	Fair Value Measurements as of					
	December 31, 2020			December 31, 2019		
	Level 2	Level 3	Total	Level 2	Level 3	Total
Assets						
Derivative financial instruments	$ —	$ —	$ —	$ 743 [(1)]	$ —	$ 743
Liabilities						
Derivative financial instruments	$ 10,211 [(1)]	$ —	$ 10,211	$ 3,436 [(1)]	$ —	$ 3,436
Mezzanine						
Redeemable noncontrolling interests (Company)/Redeemable limited partners (Operating Partnership)	$ 21,567 [(2)]	$ 3,000	$ 24,567	$ 23,690 [(2)]	$ 80,691 [(3)]	$ 104,381

(1) Valued using discounted cash flow analyses with observable market-based inputs of interest rate curves and option volatility, as well as credit valuation adjustments to reflect nonperformance risk.

(2) Represents the OP Unit component of redeemable noncontrolling interests which is based on the greater of fair value of the Company's common stock or historical cost at the balance sheet date. Represents a quoted price for a similar asset in an active market. Refer to Note 8.

(3) Represents noncontrolling partners' equity in the Core Joint Ventures which is valued using primarily unobservable inputs, including the Company's analysis of comparable properties in the Company's portfolio, estimations of net operating results of the properties, capitalization rates, discount rates, and other market data. Refer to Note 8.

Financial Instruments Not Carried at Fair Value

As of December 31, 2020 and December 31, 2019, the carrying values for the following instruments represent fair values due to the short maturity of the instruments: Cash and Cash Equivalents, Restricted Cash, Student Contracts Receivable, certain items in Other Assets (including receivables, deposits, and prepaid expenses), Accounts Payable, Accrued Expenses, and Other Liabilities.

As of December 31, 2020 and December 31, 2019, the carrying values for the following instruments represent fair values due to the variable interest rate feature of the instruments: Unsecured Revolving Credit Facility and Mortgage Loans Payable (variable rate).

The table below contains the estimated fair value and related carrying amounts for the Company's financial instruments as of December 31, 2020 and 2019. There were no Level 1 measurements for the periods presented.

	December 31, 2020			December 31, 2019		
	Carrying Amount	Estimated Fair Value		Carrying Amount	Estimated Fair Value	
		Level 2	Level 3		Level 2	Level 3
Assets						
Loans receivable	$ —	$ —	$ — [1]	$ 50,553	$ —	$ 48,307 [1]
Liabilities [2]						
Unsecured notes	$ 2,375,603	$ 2,609,373 [3]	$ —	$ 1,985,603	$ 2,069,817 [3]	$ —
Mortgage loans payable (fixed rate)	$ 625,783 [4]	$ 656,648 [5]	$ —	$ 761,296 [4]	$ 766,821 [5]	$ —
Bonds payable	$ 18,960	$ 20,720 [6]	$ —	$ 23,001	$ 25,110 [6]	$ —
Unsecured term loan (fixed rate)	$ 199,473	$ 203,348 [7]	$ —	$ 199,121	$ 198,687	$ —

(1) As described in Note 2, the loans receivable were paid off during the year ended December 31, 2020. The fair value as of December 31, 2019 was based on a discounted cash flow analysis with inputs of scheduled cash flows and discount rates that a willing buyer and seller might use.

(2) Carrying amounts disclosed include any applicable net unamortized OID, net unamortized deferred financing costs, and net unamortized debt premiums and discounts (see Note 9).

(3) Valued using interest rate and spread assumptions that reflect current creditworthiness and market conditions available for the issuance of unsecured notes with similar terms and remaining maturities.

(4) Does not include one variable rate mortgage loan with a principal balance of $2.1 million and $3.1 million as of December 31, 2020 and 2019, respectively.

(5) Valued using the present value of the cash flows at current market interest rates through maturity that primarily fall within the Level 2 category.

(6) Valued using quoted prices in markets that are not active due to the unique characteristics of these financial instruments.

(7) In November and December 2019, the Company entered into two interest rate swap contracts to hedge the variable rate cash flows associated with the LIBOR-based interest payments on the Term Loan Facility (see Note 9). Valued using the present value of the cash flows at interpolated 1-month LIBOR swap rates through maturity that primarily fall within the Level 2 category.

14. Leases

As Lessee

As discussed in Note 2, the Company as lessee has entered into lease agreements with university systems and other third parties for the purpose of financing, constructing, and operating student housing properties. Under the terms of the ground/facility leases, the lessor may receive annual minimum rent, variable rent based upon the operating performance of the property, or a combination thereof.

In the accompanying consolidated statements of comprehensive income, rent expense for ACE properties and OCPPs is included in ground/facility lease expense, and rent expense for owned off-campus properties is included in owned properties operating expenses. Total straight-line rent expense, variable rent expense, and capitalized rent cost, were as follows:

	Year Ended December 31,		
Description	2020	2019	2018
Straight-line rent expense	$ 12,379	$ 10,009	$ 8,798
Variable rent expense [1]	$ 5,761	$ 8,996	$ 7,234
Capitalized rent cost	$ 15,772	$ 12,889	$ 2,296

(1) During the year ended December 31, 2020, the Company received rent concessions in the form of abatements of $1.5 million which were recorded as negative variable rent expense.

Future minimum commitments over the life of all leases, which exclude variable rent payments, are as follows:

	December 31, 2020
2021	$ 16,749
2022	23,664
2023	28,776
2024	29,371
2025	29,404
Thereafter	1,632,009
Total minimum lease payments	1,759,973
Less imputed interest	(1,273,342)
Total lease liabilities [1]	$ 486,631

[1] The weighted average remaining lease term of leases with a lease liability, excluding extension options, as of December 31, 2020 was 61.9 years.

As Lessor

As discussed in Note 2, the Company as lessor has entered into leases with both student and commercial tenants. Lease income under both student and commercial leases is included in owned property revenues in the accompanying consolidated statements of comprehensive income and is presented in the following table:

	Year Ended December 31,		
Description	2020	2019	2018
Student lease income	$ 809,112	$ 851,992	$ 794,689
Commercial lease income	$ 11,793	$ 13,211	$ 13,086

During the year ended December 31, 2020, through its Resident Hardship Program, the Company provided $14.2 million in rent abatements to its tenants experiencing financial hardship due to COVID-19 and an additional $18.7 million in rent abatements through its University Partnerships. In addition, during the year ended December 31, 2020, the Company provided $2.3 million in rent abatements to its commercial tenants experiencing financial hardship due to COVID-19. Both of these abatements were recorded as a reduction to owned property revenues. Also, during the year ended December 31, 2020, an additional $1.5 million in rent abatements were granted to tenants at the Company's on-campus participating properties, which are reflected as a reduction to OCPP revenues. The Company also waived all late fees and online payment fees and suspended financial related evictions during the spring and summer terms, and in certain cases continues to do so for the current academic year.

15. Commitments and Contingencies

Commitments

Construction Contract: As of December 31, 2020, the Company estimates additional costs to complete one owned development project under construction to be approximately $142.5 million.

Contingencies

Development-related Guarantees: For certain of its third-party development projects, the Company commonly provides alternate housing and project cost guarantees, subject to force majeure. These guarantees are typically limited, on an aggregate basis, to the amount of the projects' related development fees or a contractually agreed-upon maximum exposure amount. Alternate housing guarantees generally require the Company to provide substitute living quarters and transportation for students to and from the university if the project is not complete by an agreed-upon completion date. These guarantees typically expire at the later of five days after completion of the project or once the Company has moved all students from the substitute living quarters into the project.

Under project cost guarantees, the Company is responsible for the construction cost of a project in excess of an approved budget. The budget consists primarily of costs included in the general contractors' guaranteed maximum price contract ("GMP"). In most cases, the GMP obligates the general contractor, subject to force majeure and approved change orders, to provide completion date guarantees and to cover cost overruns and liquidated damages. In order to mitigate risk due to change orders, all final development budgets also include a contingency line item. In addition, the GMP is in certain cases secured with payment and performance bonds. Project cost guarantees expire upon completion of certain developer obligations, which are normally satisfied within one year after completion of the project. The Company's estimated maximum exposure amount under the above guarantees is approximately $8.0 million as of December 31, 2020.

As of December 31, 2020, management does not anticipate any material deviations from schedule or budget related to third-party development projects currently in progress. Although the company currently anticipates completing projects currently under development by the scheduled date and within budget, the project locations could be subject to restrictions on physical movement imposed by governmental entities in response to the COVID-19 pandemic. Some of these orders may adversely affect the timely completion and final project costs of some or all of our projects under development if, for example, we are required to temporarily cease construction entirely, experience delays in obtaining governmental permits and authorizations, or experience disruption in the supply of materials or labor; however, the Company anticipates that deviations from schedule or budget related to the effects of the COVID-19 pandemic will qualify as force majeure events.

As a part of the development agreement with *Walt Disney World*® Resort, the Company has guaranteed the completion of construction of approximately $614.6 million to be delivered in phases from 2020 to 2023. In May and August 2020, the Company substantially completed construction on Phases I and II, respectively, of the project within the targeted delivery timeline. In addition, the Company is subject to a development guarantee in the event that the substantial completion of a project phase is delayed beyond its respective targeted delivery date, except in circumstances resulting in unavoidable delays. The agreement dictates that the Company shall pay damages of $20 per bed for each day of delay for any Disney College Internship Program participant who was either scheduled to live in the delayed phase as well as any participant who was not able to participate in the program due to the lack of available housing and would have otherwise been housed in the delayed phase. Under the agreement, the maximum exposure related to the Disney project assuming all remaining beds are not delivered on their respective delivery dates is approximately $0.2 million per day. As of December 31, 2020, management did not anticipate any material deviations from schedule or budget related to the Disney project.

Conveyance to University: In August 2013, the Company entered into an agreement to convey fee interest in a parcel of land, on which one of the Company's student housing properties resides (University Crossings), to Drexel University (the "University"). Concurrent with the land conveyance, the Company as lessee entered into a ground lease agreement with the University as lessor for an initial term of 40 years, with three 10-year extensions, at the Company's option. The Company also agreed to convey the building and improvements to the University at an undetermined date in the future and to pay real estate transfer taxes not to exceed $2.4 million. The Company paid approximately $0.6 million in real estate transfer taxes upon the conveyance of land to the University, leaving approximately $1.8 million to be paid by the Company upon the transfer of the building and improvements.

Other: In June 2019, the Company entered into a purchase and sale agreement to buy a land parcel initially scheduled to close on or before June 30, 2021, with potential extensions at the Company's option to June 1, 2022 or June 1, 2023. In connection with the execution of the agreement, the Company made an earnest money deposit of $2.1 million which is included in restricted cash on the accompanying consolidated balance sheets. As a part of the agreement, within 60 days of certain conditions not being met, the seller of the property can either terminate the agreement or exercise an option to require the Company to purchase the undeveloped land, with the Company retaining all rights to fully own, develop, and utilize the land. If the option is exercised, the Company must pay the agreed upon purchase price of $28.7 million and a commission calculated as a percentage of the sales price, and also reimburse the seller for demolition costs.

Pre-development expenditures: As discussed in the section Third-Party Development Services and Owned Development Project Costs in Note 2, the Company incurs pre-development expenditures with the pursuit of third-party and owned development projects. The Company bears the risk of loss of these pre-development expenditures if financing cannot be arranged or the Company is unable to obtain the required permits and authorizations for the project. As of December 31, 2020, the Company has deferred approximately $19.4 million in pre-development costs related to third-party and owned development projects that have not yet commenced construction. Such costs are net of any contractual arrangements through which the Company could be reimbursed by another party. Such costs are included in other assets on the accompanying consolidated balance sheets.

Litigation: The Company is subject to various claims, lawsuits, legal proceedings, and other matters that have not been fully resolved and that have arisen in the ordinary course of business. While it is not possible to ascertain the ultimate outcome of such matters, management believes that the aggregate amount of such liabilities, if any, in excess of amounts provided or covered by insurance, will not have a material adverse effect on the consolidated financial position or results of operations of the Company. However, the outcome of claims, lawsuits and legal proceedings brought against the Company is subject to significant uncertainty. Therefore, although management considers the likelihood of such an outcome to be remote, the ultimate results of these matters cannot be predicted with certainty.

In August 2020, a former employee of the Company filed a lawsuit alleging that the Company violated certain sections of the California Labor Code and related California labor laws and regulations. The employee is currently seeking recourse on his own behalf as well as other current and former employees of the Company. The Company disputes these claims and intends to defend the matter vigorously. Management, in consultation with its internal and external legal counsel, deems it reasonably possible that a material loss exposure exists. Given the uncertainty of litigation, the preliminary stage of the case, and the legal standards that must be met for, among other things, success on the merits, the Company cannot currently estimate the potential loss or range of loss that may result from this action.

16. Segments

The Company defines business segments by their distinct customer base and service provided. The Company has identified four reportable segments: Owned Properties, On-Campus Participating Properties, Development Services, and Property Management Services. Management evaluates each segment's performance based on income before depreciation, amortization and noncontrolling interests.

During the year ended December 31, 2019, the Company updated the presentation of certain items in the reconciliations section in the segment disclosures below by including additional detail in the reconciliation of segment income before depreciation and amortization to consolidated net income.

	Year Ended December 31, 2020	2019	2018
Owned Properties			
Rental revenues and other income	$ 820,699	$ 880,709	$ 829,119
Interest income	459	473	1,436
Total revenues from external customers	821,158	881,182	830,555
Operating expenses before depreciation, amortization, and ground/facility lease expense	(378,454)	(390,664)	(373,521)
Ground/facility lease expense	(11,505)	(11,084)	(8,927)
Interest expense, net [(1)]	(12,413)	(16,859)	(14,742)
Income before depreciation and amortization	$ 418,786	$ 462,575	$ 433,365
Depreciation and amortization	$ (256,238)	$ (261,938)	$ (250,715)
Capital expenditures	$ 373,898	$ 515,208	$ 546,147
Total segment assets at December 31,	$ 7,368,883	$ 7,346,625	$ 6,841,222
On-Campus Participating Properties			
Rental revenues and other income	$ 29,906	$ 36,346	$ 34,596
Interest income	31	167	133
Total revenues from external customers	29,937	36,513	34,729
Operating expenses before depreciation, amortization, and ground/facility lease expense	(13,521)	(15,028)	(14,602)
Ground/facility lease expense	(2,008)	(3,067)	(2,928)
Interest expense, net [(1)]	(4,146)	(4,934)	(5,098)
Income before depreciation and amortization	$ 10,262	$ 13,484	$ 12,101
Depreciation and amortization	$ (8,015)	$ (8,380)	$ (7,819)
Capital expenditures	$ 2,098	$ 2,898	$ 3,654
Total segment assets at December 31,	$ 86,523	$ 97,561	$ 93,917
Development Services			
Development and construction management fees	$ 7,543	$ 13,051	$ 7,281
Operating expenses	(9,431)	(8,658)	(8,031)
(Loss) income before depreciation and amortization	$ (1,888)	$ 4,393	$ (750)
Total segment assets at December 31,	$ 13,887	$ 13,539	$ 10,087
Property Management Services			
Property management fees from external customers	$ 12,436	$ 12,936	$ 9,814
Operating expenses	(12,269)	(11,257)	(7,428)
Income before depreciation and amortization	$ 167	$ 1,679	$ 2,386
Total segment assets at December 31,	$ 8,390	$ 8,888	$ 6,426
Reconciliations			
Total segment revenues and other income	$ 871,074	$ 943,682	$ 882,379
Unallocated interest income earned on investments and corporate cash	2,449	3,046	3,265
Total consolidated revenues, including interest income	$ 873,523	$ 946,728	$ 885,644
Segment income before depreciation and amortization	$ 427,327	$ 482,131	$ 447,102
Segment depreciation and amortization	(264,253)	(270,318)	(258,534)
Corporate depreciation	(3,450)	(4,728)	(4,669)
Net unallocated expenses relating to corporate interest and overhead	(130,373)	(117,529)	(110,660)
Gain (loss) from disposition of real estate, net	48,525	(53)	42,314
Other operating and nonoperating income	3,507	—	3,949
Amortization of deferred financing costs	(5,259)	(5,012)	(5,816)
Provision for impairment	—	(17,214)	—
(Loss) gain from extinguishment of debt, net	(4,827)	20,992	7,867
Income tax provision	(1,349)	(1,507)	(2,429)
Net income	**$ 69,848**	**$ 86,762**	**$ 119,124**
Total segment assets	$ 7,477,683	$ 7,466,613	$ 6,951,652
Unallocated corporate assets	53,477	93,141	87,194
Total assets at December 31,	$ 7,531,160	$ 7,559,754	$ 7,038,846

(1) Net of capitalized interest and amortization of debt premiums.

17. Subsequent Events

Distributions: On January 18, 2021, the Company's Board of Directors declared a distribution per share of $0.47 which was paid on February 19, 2021 to all common stockholders of record as of January 28, 2021. At the same time, the Operating Partnership paid an equivalent amount per unit to holders of Common Units, as well as the quarterly cumulative preferential distribution to holders of Series A Preferred Units (see Note 8).

Change in Debt Agreement: In February 2021, the Company refinanced $24.0 million of on-campus participating property mortgage debt that was scheduled to mature in 2021, which extended the maturity to February 2028. Additionally, in February 2021, the Company entered into an interest rate swap agreement to convert the refinanced mortgage loan to a fixed rate.

Executive Officer Retirement: In February 2021, the Company announced the retirement of the Company's President, effective August 24, 2021. As a result, $2.6 million of accelerated restricted stock award amortization expense will be recorded during the year ended December 31, 2021, representing the accelerated vesting of 80,887 unvested restricted stock awards.

COVID-19 Pandemic: Given the daily evolution of the COVID-19 pandemic and the global responses to curb its spread, the Company continues to closely monitor the magnitude and duration of the economic disruption associated with the COVID-19 pandemic, especially as it relates to whether the disruption results in any potential impairments to the Company's investments in real estate.

18. Schedule of Real Estate and Accumulated Depreciation

			Initial Cost			Total Costs					
	Units	Beds	Land	Buildings and Improvements and Furniture, Fixtures and Equipment	Costs Capitalized Subsequent to Acquisition / Initial Development [1]	Land	Buildings and Improvements and Furniture, Fixtures and Equipment	Total [2]	Accumulated Depreciation	Encumbrances [3]	Year Built [4]
Owned Properties [5]											
The Callaway House College Station	173	538	$ 5,081	$ 20,499	$ 8,355	$ 5,002	$ 28,933	$ 33,935	$ 15,305	$ —	1999
The Village at Science Drive	192	732	4,673	19,021	7,987	4,673	27,008	31,681	12,486	—	2000
University Village at Boulder Creek	82	309	1,035	16,393	1,196	1,035	17,589	18,624	8,285	—	2002
University Village	105	406	929	15,168	859	929	16,027	16,956	6,746	—	2004
University Village	220	749	—	41,119	2,310	—	43,429	43,429	18,408	—	2004
University Club Apartments	94	376	1,416	11,848	1,220	1,416	13,068	14,484	5,559	—	1999
City Parc at Fry Street	136	418	1,902	17,678	4,354	1,902	22,032	23,934	9,068	—	2004
Entrada Real	98	363	1,475	15,859	2,256	1,475	18,115	19,590	7,715	—	2000
University Village at Sweethome	269	828	2,473	34,448	2,685	2,473	37,133	39,606	14,666	—	2005
University Village	217	716	4,322	26,225	5,053	4,322	31,278	35,600	12,867	—	1991
Royal Village	118	448	2,386	15,153	6,168	2,363	21,344	23,707	8,242	—	1996
Royal Lexington	94	364	2,848	12,783	4,414	2,848	17,197	20,045	6,994	—	1994
Raiders Pass	264	828	3,877	32,445	5,344	3,877	37,789	41,666	14,973	—	2001
Aggie Station	156	450	1,634	18,821	3,632	1,634	22,453	24,087	8,916	—	2003
The Outpost	276	828	3,262	36,252	10,484	3,262	46,736	49,998	17,227	—	2005
Callaway Villas	236	704	3,903	31,953	643	3,903	32,596	36,499	12,064	—	2006
The Village on Sixth Avenue	248	752	2,763	22,480	9,120	2,763	31,600	34,363	12,205	—	1999
Newtown Crossing	356	942	7,013	53,597	1,228	7,013	54,825	61,838	19,068	—	2005
Olde Towne University Square	224	550	2,277	24,614	(322)	2,277	24,292	26,569	8,758	—	2005
Peninsular Place	183	478	2,306	16,559	1,263	2,306	17,822	20,128	6,406	—	2005
University Centre	234	838	—	77,378	577	—	77,955	77,955	26,861	—	2007
The Summit & Jacob Heights	258	930	2,318	36,464	2,256	2,318	38,720	41,038	12,604	—	2004
GrandMarc Seven Corners	186	440	4,491	28,807	1,379	4,491	30,186	34,677	10,037	—	2000
Aztec Corner	180	606	17,460	32,209	6,263	17,460	38,472	55,932	11,540	—	2001
The Tower at Third	188	375	1,145	19,128	12,795	1,267	31,801	33,068	12,042	—	1973
Willowtree Apartments and Tower	473	851	9,807	21,880	4,218	9,806	26,099	35,905	9,590	—	1970
University Pointe	204	682	989	27,576	3,835	989	31,411	32,400	11,259	—	2004
University Trails	240	684	1,183	25,173	3,583	1,183	28,756	29,939	10,350	—	2003
Campus Trails	156	480	1,358	11,291	7,830	1,225	19,254	20,479	5,821	—	1991
University Crossings (ACE)	260	1,016	—	50,668	41,376	—	92,044	92,044	34,047	—	2003
Vista del Sol (ACE)	613	1,866	—	135,939	6,915	—	142,854	142,854	49,195	—	2008
Villas at Chestnut Ridge	196	552	2,756	33,510	1,275	2,756	34,785	37,541	11,222	—	2008
Barrett Honors College (ACE)	604	1,721	—	131,302	22,951	—	154,253	154,253	51,879	—	2009
Sanctuary Lofts	201	485	2,960	18,180	4,923	2,959	23,104	26,063	8,560	—	2006

			Initial Cost			Total Costs					
	Units	Beds	Land	Buildings and Improvements and Furniture, Fixtures and Equipment	Costs Capitalized Subsequent to Acquisition / Initial Development [1]	Land	Buildings and Improvements and Furniture, Fixtures and Equipment	Total [2]	Accumulated Depreciation	Encumbrances [3]	Year Built [4]
The Edge - Charlotte	180	720	$ 3,076	$ 23,395	$ 10,187	$ 3,076	$ 33,582	$ 36,658	$ 13,116	$ —	1999
University Walk	120	480	2,016	14,599	3,805	2,016	18,404	20,420	6,710	—	2002
Uptown	180	528	3,031	21,685	4,520	3,031	26,205	29,236	8,196	—	2004
2nd Avenue Centre	274	868	4,434	27,236	4,558	4,434	31,794	36,228	11,075	—	2008
Villas at Babcock	204	792	4,642	30,901	723	4,642	31,624	36,266	12,224	—	2011
Lobo Village (ACE)	216	864	—	42,490	1,446	—	43,936	43,936	12,846	—	2011
Villas on Sycamore	170	680	3,000	24,640	975	3,000	25,615	28,615	10,335	—	2011
26 West	367	1,026	21,396	63,994	8,773	21,396	72,767	94,163	20,973	66,938	2008
Avalon Heights	210	754	4,968	24,345	15,625	4,968	39,970	44,938	12,679	—	2002
University Commons	164	480	12,559	19,010	3,510	12,559	22,520	35,079	6,641	—	2003
Casas del Rio (ACE)	283	1,028	—	40,639	3,080	—	43,719	43,719	18,268	—	2012
The Suites (ACE)	439	878	—	45,296	1,322	—	46,618	46,618	14,805	—	2013
Hilltop Townhomes (ACE)	144	576	—	31,507	935	—	32,442	32,442	11,528	—	2012
U Club on Frey	216	864	8,703	36,873	2,073	8,703	38,946	47,649	12,413	—	2013
Campus Edge on UTA Boulevard	128	488	2,661	21,233	1,554	2,663	22,785	25,448	8,145	—	2012
U Club Townhomes on Marion Pugh	160	640	6,722	26,546	2,286	6,722	28,832	35,554	10,635	—	2012
Villas on Rensch	153	610	10,231	33,852	1,701	10,231	35,553	45,784	11,876	—	2012
The Village at Overton Park	163	612	5,262	29,374	1,610	5,262	30,984	36,246	11,310	—	2012
Casa de Oro (ACE)	109	365	—	12,362	407	—	12,769	12,769	4,881	—	2012
The Villas at Vista del Sol (ACE)	104	400	—	20,421	639	—	21,060	21,060	8,145	—	2012
The Block	669	1,555	22,270	141,430	18,815	22,572	159,943	182,515	37,749	94,117	2008
University Pointe at College Station (ACE)	282	978	—	84,657	2,745	—	87,402	87,402	32,302	—	2012
309 Green	110	416	5,351	49,987	4,629	5,351	54,616	59,967	13,759	—	2008
The Retreat	187	780	5,265	46,236	4,393	5,265	50,629	55,894	13,257	—	2012
Lofts54	43	172	430	14,741	4,579	430	19,320	19,750	5,098	—	2008
Campustown Rentals	264	746	2,382	40,190	5,446	2,382	45,636	48,018	13,499	—	1982
Chauncey Square	158	386	2,522	40,013	2,189	2,522	42,202	44,724	10,822	—	2011
Texan & Vintage	124	311	5,937	11,906	16,348	5,962	28,229	34,191	6,988	18,796	2008
The Castilian	371	623	3,663	59,772	37,892	3,663	97,664	101,327	28,209	46,052	1967
Bishops Square	134	315	1,206	17,878	2,769	1,206	20,647	21,853	6,027	10,363	2002
Union	54	120	169	6,348	1,235	169	7,583	7,752	2,182	3,251	2006
922 Place	132	468	3,363	34,947	4,025	3,363	38,972	42,335	11,040	—	2009
Campustown	452	1,217	1,818	77,894	12,115	1,818	90,009	91,827	22,466	—	1997
River Mill	243	461	1,741	22,806	5,988	1,741	28,794	30,535	7,956	—	1972
The Province	219	696	2,226	48,567	2,397	2,226	50,964	53,190	13,333	25,875	2011
RAMZ Apartments on Broad	88	172	785	12,303	974	785	13,277	14,062	3,445	—	2004
The Lofts at Capital Garage	36	144	313	3,581	1,020	313	4,601	4,914	1,388	—	2000

			Initial Cost			Total Costs					
	Units	Beds	Land	Buildings and Improvements and Furniture, Fixtures and Equipment	Costs Capitalized Subsequent to Acquisition / Initial Development [1]	Land	Buildings and Improvements and Furniture, Fixtures and Equipment	Total [2]	Accumulated Depreciation	Encumbrances [3]	Year Built [4]
25Twenty	249	562	$ 2,226	$ 33,429	$ 1,690	$ 2,226	$ 35,119	$ 37,345	$ 10,281	$ 24,204	2011
The Province	366	858	4,392	63,068	2,920	4,392	65,988	70,380	17,723	—	2009
The Province	336	816	3,798	70,955	3,913	3,798	74,868	78,666	20,091	—	2010
5 Twenty Four and 5 Twenty Five Angliana	376	1,060	—	60,448	7,945	5,214	63,179	68,393	17,198	—	2010
The Province	287	947	—	52,943	6,095	—	59,038	59,038	15,649	—	2009
U Pointe Kennesaw	216	795	1,482	61,654	6,974	1,482	68,628	70,110	19,533	—	2012
The Cottages of Durham	141	619	3,955	41,421	2,996	3,955	44,417	48,372	14,316	—	2012
University Edge	201	608	4,500	26,385	2,124	4,500	28,509	33,009	7,142	—	2012
The Lodges of East Lansing	364	1,049	6,472	89,231	4,544	6,472	93,775	100,247	23,553	27,297	2012
7th Street Station	82	309	9,792	16,472	660	9,792	17,132	26,924	4,778	—	2012
The Callaway House - Austin	219	753	—	61,550	1,690	—	63,240	63,240	18,635	80,726	2013
Manzanita Hall (ACE)	241	816	—	48,781	1,583	—	50,364	50,364	16,201	—	2013
University View (ACE)	96	336	—	14,683	318	—	15,001	15,001	4,717	—	2013
U Club Townhomes at Overton Park	112	448	7,775	21,483	1,054	7,775	22,537	30,312	7,111	—	2013
601 Copeland	81	283	1,457	26,699	706	1,457	27,405	28,862	7,304	—	2013
The Townhomes at Newtown Crossing	152	608	7,745	32,074	836	7,745	32,910	40,655	8,934	—	2013
Chestnut Square (ACE)	220	861	—	98,369	3,273	—	101,642	101,642	28,471	—	2013
Park Point	300	924	7,827	73,495	5,536	7,827	79,031	86,858	21,043	70,000	2008
U Centre at Fry Street	194	614	2,902	47,700	3,210	2,902	50,910	53,812	11,902	—	2012
Cardinal Towne	255	545	6,547	53,809	4,403	6,547	58,212	64,759	13,527	—	2010
Merwick Stanworth (ACE)	325	595	—	79,598	(613)	—	78,985	78,985	13,492	—	2014
Plaza on University	364	1,313	23,987	85,584	5,293	23,987	90,877	114,864	23,116	—	2014
U Centre at Northgate (ACE)	196	784	—	35,663	670	—	36,333	36,333	9,629	—	2014
University Walk	177	526	4,341	29,073	1,824	4,341	30,897	35,238	6,272	—	2014
U Club on Woodward	236	944	16,350	46,982	1,093	16,349	48,076	64,425	12,957	—	2014
Park Point	66	226	—	25,725	3,864	—	29,589	29,589	5,772	10,337	2010
1200 West Marshall	136	406	4,397	33,908	2,146	4,397	36,054	40,451	7,445	—	2013
8 1/2 Canal Street	160	540	2,797	45,394	2,583	2,797	47,977	50,774	8,973	—	2011
Vistas San Marcos	255	600	586	45,761	7,725	586	53,486	54,072	13,386	—	2013
Crest at Pearl	141	343	4,395	36,268	2,094	4,491	38,266	42,757	7,574	23,372	2014
U Club Binghamton	326	1,272	15,858	92,372	3,622	15,858	95,994	111,852	14,458	—	2005
160 Ross	182	642	2,962	38,478	1,206	2,962	39,684	42,646	8,714	—	2015
The Summit at University City (ACE)	351	1,315	—	154,770	2,264	—	157,034	157,034	27,482	—	2015
2125 Franklin	192	734	8,299	55,716	729	8,299	56,445	64,744	10,833	—	2015
University Crossings	187	546	645	36,838	6,067	645	42,905	43,550	6,482	—	2014
U Club on 28th	100	398	9,725	45,788	556	9,725	46,344	56,069	7,163	—	2016
Currie Hall (ACE)	178	456	—	49,987	443	—	50,430	50,430	8,283	—	2016

			Initial Cost			Total Costs					
	Units	Beds	Land	Buildings and Improvements and Furniture, Fixtures and Equipment	Costs Capitalized Subsequent to Acquisition / Initial Development [1]	Land	Buildings and Improvements and Furniture, Fixtures and Equipment	Total [2]	Accumulated Depreciation	Encumbrances [3]	Year Built [4]
University Pointe (ACE)	134	531	$ —	$ 44,035	$ 326	$ —	$ 44,361	$ 44,361	$ 6,986	$ —	2016
Fairview House (ACE)	107	633	—	38,144	243	—	38,387	38,387	7,188	—	2016
U Club Sunnyside	134	534	7,423	41,582	698	7,423	42,280	49,703	6,682	—	2016
Stadium Centre	558	1,383	19,249	131,739	8,747	19,249	140,486	159,735	21,873	62,178	2016
U Point	54	163	1,425	17,325	2,523	1,425	19,848	21,273	3,050	—	2016
The Arlie	169	598	1,350	43,352	2,095	1,350	45,447	46,797	6,959	—	2016
TWELVE at U District	283	384	13,013	98,115	3,652	13,013	101,767	114,780	10,242	—	2014
The 515	183	513	1,611	68,953	2,326	1,611	71,279	72,890	6,993	—	2015
State	220	665	3,448	66,774	2,662	3,448	69,436	72,884	8,074	—	2013
Tooker House (ACE)	429	1,594	—	103,897	50	—	103,947	103,947	13,508	—	2017
SkyView (ACE)	163	626	—	57,578	371	—	57,949	57,949	6,763	—	2017
University Square (ACE)	143	466	—	25,635	77	—	25,712	25,712	3,375	—	2017
U Centre on Turner	182	718	14,000	55,456	168	14,001	55,623	69,624	6,789	—	2017
U Pointe on Speight	180	700	4,705	46,160	514	4,705	46,674	51,379	5,557	—	2017
21Hundred at Overton Park	296	1,204	16,767	64,057	1,047	16,767	65,104	81,871	8,195	—	2017
The Suites at Third	63	251	831	22,384	(6)	831	22,378	23,209	2,723	—	2017
Callaway House Apartments	386	915	12,651	78,220	783	12,651	79,003	91,654	9,804	—	2017
U Centre on College	127	418	—	41,607	(88)	—	41,519	41,519	4,724	—	2017
The James	366	850	18,871	118,096	2,558	18,871	120,654	139,525	13,496	—	2017
Bridges @ 11th	184	258	—	58,825	1,632	—	60,457	60,457	5,421	—	2015
Hub U District Seattle	111	248	5,700	56,355	1,427	5,700	57,782	63,482	6,314	—	2017
David Blackwell Hall (ACE)	412	780	—	96,891	238	—	97,129	97,129	7,575	—	2018
Gladding Residence Center (ACE)	592	1,524	—	94,368	254	—	94,622	94,622	8,068	—	2018
Irvington House (ACE)	197	648	—	36,187	16	—	36,203	36,203	3,158	—	2018
Greek Leadership Village (ACE)	498	957	—	69,351	180	—	69,531	69,531	5,952	—	2018
NAU Honors College (ACE)	318	636	—	41,222	351	—	41,573	41,573	3,727	—	2018
U Club Townhomes at Oxford	132	528	5,115	39,239	35	5,115	39,274	44,389	3,480	—	2018
Hub Ann Arbor	124	310	7,050	42,865	1,594	7,050	44,459	51,509	3,677	—	2018
The Jack	198	591	5,397	56,626	768	5,397	57,394	62,791	4,757	—	2018
Campus Edge on Pierce	289	598	6,881	55,818	1,143	6,881	56,961	63,842	5,039	—	2018
191 College	127	495	5,434	55,866	—	5,434	55,866	61,300	2,623	—	2019
LightView (ACE)	214	825	—	148,922	—	—	148,922	148,922	7,032	—	2019
University of Arizona Honors College (ACE)	319	1,056	—	76,214	—	—	76,214	76,214	4,001	—	2019
The Flex at Stadium Centre	78	340	8,559	26,450	—	8,559	26,450	35,009	1,276	—	2019
959 Franklin	230	443	5,026	63,014	—	5,026	63,014	68,040	2,568	—	2019
Currie Hall Phase II (ACE)	95	272	—	41,829	—	—	41,829	41,829	603	—	2020
Manzanita Square (ACE)	169	584	—	127,977	—	—	127,977	127,977	1,680	—	2020

			Initial Cost			Total Costs					
	Units	Beds	Land	Buildings and Improvements and Furniture, Fixtures and Equipment	Costs Capitalized Subsequent to Acquisition / Initial Development (1)	Land	Buildings and Improvements and Furniture, Fixtures and Equipment	Total (2)	Accumulated Depreciation	Encumbrances (3)	Year Built (4)
Disney College Program Phases I-II (ACE)	408	1,627	$ —	$ 105,633	$ —	$ —	$ 105,633	$ 105,633	$ 2,506	$ —	2020
Properties Under Development (6)											
Disney College Program Phases III-X (ACE)	2,206	8,813	$ —	$ 359,462	$ —	$ —	$ 359,462	$ 359,462	$ —	$ —	2021-23
Undeveloped land parcels (7)	—	—	77,453	2,057	—	77,453	2,057	79,510	788	—	N/A
Subtotal	**34,422**	**106,648**	**$ 659,355**	**$ 7,186,908**	**$ 536,133**	**$ 664,879**	**$ 7,717,517**	**$ 8,382,396**	**$ 1,660,652**	**$ 563,506**	
On-Campus Participating Properties											
University Village & University Village Northwest at Prairie View	648	2,064	$ —	$ 40,734	$ 10,510	$ —	$ 51,244	$ 51,244	$ 41,285	$ 8,135	1998
University Village at Laredo	84	250	—	5,844	1,511	—	7,355	7,355	6,244	1,245	1997
University College at Prairie View	756	1,470	—	22,650	7,196	—	29,846	29,846	22,536	9,730	2001
Cullen Oaks	411	879	—	33,910	3,666	—	37,576	37,576	20,565	24,130	2003
College Park	224	567	—	43,634	1,952	—	45,586	45,586	11,696	39,584	2014
Subtotal	**2,123**	**5,230**	**$ —**	**$ 146,772**	**$ 24,835**	**$ —**	**$ 171,607**	**$ 171,607**	**$ 102,326**	**$ 82,824**	
Total	**36,545**	**111,878**	**$ 659,355**	**$ 7,333,680**	**$ 560,968**	**$ 664,879**	**$ 7,889,124**	**$ 8,554,003**	**$ 1,762,978**	**$ 646,330**	

(1) Includes write-offs of fully depreciated assets.

(2) Total aggregate costs for federal income tax purposes is approximately $9.0 billion.

(3) Total encumbrances exclude net unamortized debt premiums and deferred financing costs of approximately $1.7 million and $1.2 million, respectively, as of December 31, 2020.

(4) For properties with multiple phases, the year built represents the weighted average year based on the number of beds delivered each year.

(5) A number of our properties consist of two or more phases that are counted separately in the property portfolio numbers disclosed in Note 1.

(6) Initial costs represent construction costs incurred to date associated with the development of these properties. Year built represents the scheduled completion date.

(7) Buildings and improvements and furniture, fixtures and equipment and accumulated depreciation amounts are related to buildings on four land parcels that will be demolished as part of development.

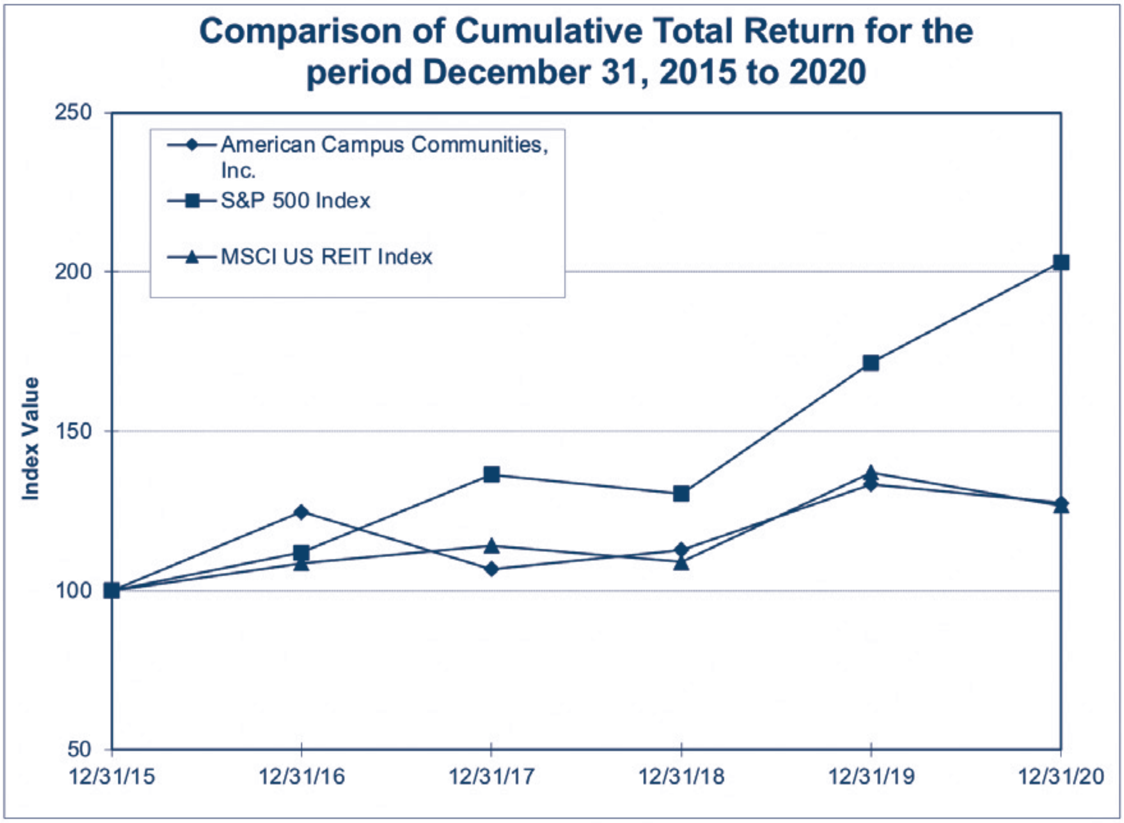
The changes in the Company's investments in real estate and related accumulated depreciation for each of the years ended December 31, 2020, 2019, and 2018 are as follows:

	For the Year Ended December 31,					
	2020		2019		2018	
	Owned [(1)]	On-Campus [(2)]	Owned [(1)]	On-Campus [(2)]	Owned [(1)]	On-Campus [(2)]
Investments in Real Estate:						
Balance, beginning of year	$ 8,137,504	$ 169,499	$ 7,813,959	$ 162,562	$ 7,485,391	$ 159,996
Acquisition of land for development	21,408	—	10,219	—	26,758	—
Improvements and development expenditures	355,590	2,108	484,949	2,900	549,635	3,654
Write-off of fully depreciated or damaged assets	(9,831)	—	(3,831)	(306)	(16,758)	(1,088)
Provision for real estate impairment	—	—	(3,201)	—	—	—
Disposition of real estate	(122,275)	—	(160,248)	—	(231,067)	—
Transfer of property from owned to OCPP structure	—	—	(4,343)	4,343	—	—
Balance, end of year	**$ 8,382,396**	**$ 171,607**	**$ 8,137,504**	**$ 169,499**	**$ 7,813,959**	**$ 162,562**
Accumulated Depreciation:						
Balance, beginning of year	$ (1,442,789)	$ (94,311)	$ (1,230,562)	$ (84,925)	$ (1,035,027)	$ (78,192)
Depreciation for the year	(252,222)	(8,015)	(255,796)	(8,380)	(242,123)	(7,819)
Write-off of fully depreciated or damaged assets	9,831	—	3,831	306	16,242	1,086
Disposition of properties	24,528	—	38,426	—	30,346	—
Transfer of property from owned to OCPP structure	—	—	1,312	(1,312)	—	—
Balance, end of year	**$ (1,660,652)**	**$ (102,326)**	**$ (1,442,789)**	**$ (94,311)**	**$ (1,230,562)**	**$ (84,925)**

(1) Includes wholly-owned off-campus and on-campus properties, in addition to properties owned through investments in VIEs.

(2) Includes on-campus participating properties.

COMMON STOCK PERFORMANCE GRAPH



The following performance graph compares the cumulative total return on our common stock with the cumulative total return of the Standard & Poor's 500 Stock Index and the MSCI US REIT Index for the period December 31, 2015 through December 31, 2020. The performance graph assumes an investment of $100 on December 31, 2015 in American Campus Communities, Inc. and the two previously mentioned indices, and the reinvestment of any dividends. The performance reflected in the graph is not necessarily indicative of future performance.

Source: S&P Global Market Intelligence

Corporate Information

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G. Steven Dawson
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Compensation Committee Member

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Mays Business School of Texas A&M University)
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Capital Allocation Committee Member
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Capital Allocation Committee Member

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Independent Chairman of the Board
Compensation Committee Member
Executive Committee Member
Nominating and Corporate Governance Committee Member

Oliver Luck
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Executive Committee Member

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Capital Allocation Committee Member

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James E. Wilhelm III
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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, 2020, committee charters, Guidelines on Governance, Code of Business Conduct and Ethics, and Code of Ethical Conduct for Senior Financial Officers may be obtained free of charge by contacting:

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ANNUAL MEETING
April 28, 2021
4:00 p.m. CT
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