AMERICAN CAMPUS COMMUNITIES INC
Form 10-K
February 29, 2016

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-K

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

For the fiscal year ended December 31, 2015.

o 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, L.P.)

AMERICAN CAMPUS COMMUNITIES, INC.
AMERICAN CAMPUS COMMUNITIES OPERATING PARTNERSHIP, L.P.
(Exact name of registrant as specified in its charter)

Maryland (American Campus Communities, Inc.) Maryland (American Campus Communities Operating Partnership, L.P.)	76-0753089 (American Campus Communities, Inc.) 56-2473181 (American Campus Communities Operating Partnership, L.P.)
(State or Other Jurisdiction of Incorporation or Organization)	(IRS Employer Identification No.)
12700 Hill Country Blvd., Suite T-200 Austin, TX (Address of Principal Executive Offices)	78738 (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)	(Name of Each Exchange on Which Registered)
Common Stock, $.01 par value	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 ý No o

American Campus Communities Operating Partnership, L.P. Yes o No ý

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 o No ý
American Campus Communities Operating Partnership, L.P. Yes o No ý

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 ý No o
American Campus Communities Operating Partnership, L.P. Yes ý No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted 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 and post such files).

American Campus Communities, Inc. Yes ý No o
American Campus Communities Operating Partnership, L.P. Yes ý No o

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

American Campus Communities, Inc. o
American Campus Communities Operating Partnership, L.P. o

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

American Campus Communities, Inc.
Large accelerated filer ý Accelerated filer o
Non-accelerated filer o (Do not check if a smaller reporting company) Smaller reporting company o

American Campus Communities Operating Partnership, L.P.
Large accelerated filer o Accelerated filer o
Non-accelerated filer ý (Do not check if a smaller reporting company) Smaller reporting company o

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 o No ý
American Campus Communities Operating Partnership, L.P. Yes o No ý

The aggregate market value of voting and non-voting common equity held by non-affiliates of the registrant was $3,633,281,174 based on the last sale price of the common equity on June 30, 2015 which is the last business day of the Company's most recently completed second quarter.

There were 130,301,032 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, 2016.

DOCUMENTS INCORPORATED BY REFERENCE

Part III of this report incorporates information by reference from the definitive Proxy Statement for the 2016 Annual Meeting of Stockholders.

EXPLANATORY NOTE

This report combines the annual reports on Form 10-K for the year ended December 31, 2015 of American Campus Communities, Inc. and American Campus Communities Operating Partnership, L.P. Unless stated otherwise or the context otherwise requires, references to "ACC" mean American Campus Communities, Inc. a Maryland real estate investment trust ("REIT"), and references to "ACCOP" mean American Campus Communities Operating Partnership, L.P., 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, 2015, 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, 2015, ACC owned an approximate 98.8% 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 and 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 Unit holders 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, 2015

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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 L.P. ("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. ACC's common stock is publicly traded on the New York Stock Exchange ("NYSE") under the ticker symbol "ACC."

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, 2015, 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, 2015, ACC owned an approximate 98.8% 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, 2015, our total owned and third-party managed portfolio included 201 properties with approximately 128,900 beds in approximately 43,400 units.

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.

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.

Acquisitions: As discussed in more detail in Note 5 in the accompanying Notes to Consolidated Financial Statements contained in Item 8, in 2015, we acquired eight wholly-owned properties containing 1,488 units and 4,061 beds for approximately $378.3 million.

We believe our relationships with university systems and individual educational institutions, our knowledge of the student housing market and our prominence as the first publicly-traded REIT focused exclusively on student housing in the United States will afford us a competitive advantage in acquiring additional student housing properties.

Development: In August and September 2015, the final stages of construction were completed on one on-campus ACE property and three owned off-campus properties. These properties are summarized in the following table:

Project	Project Type	Location	Primary University Served	Units	Beds	Total Project Cost	Opened for Occupancy
160 Ross	Off-campus	Auburn, AL	Auburn University	182	642	$42,000	August 2015
U Club on Woodward Phase II	Off-campus	Tallahassee, FL	Florida State University	124	496	35,700	August 2015
The Summit at University City	ACE	Philadelphia, PA	Drexel University	351	1,315	155,600	September 2015
2125 Franklin	Off-campus	Eugene, OR	University of Oregon	192	734	64,300	September 2015
TOTAL – 2015 DELIVERIES				849	3,187	$297,600	

At December 31, 2015, we were in the process of constructing three owned off-campus properties and five on-campus ACE properties. In addition, we have entered into a presale agreement to purchase one owned off-campus property which we are including in our consolidated financial statements. These properties are summarized in the table below:

Project	Project Type	Location	Primary University Served	Units	Beds	Estimated Project Cost	Total Costs Incurred	Scheduled to Open for Occupancy
The Court at Stadium Centre (1)	Off-campus	Tallahassee, FL	Florida State University	80	260	$26,450	$22,127	May 2016
Currie Hall	ACE	Los Angeles, CA	University of Southern California	178	456	52,200	29,344	August 2016
U Club on 28th	Off-campus	Boulder, CO	University of Colorado	100	400	52,200	30,309	August 2016
Fairview House	ACE	Indianapolis, IN	Butler University	107	633	39,600	23,063	August 2016
U Club Sunnyside	Off-campus	Morgantown, WV	West Virginia University	134	536	46,300	23,080	August 2016
University Pointe	ACE	Louisville, KY	University of Louisville	134	531	44,100	19,154	August 2016
Merwick Stanworth Phase II	ACE	Princeton, NJ	Princeton University	198	379	46,500	17,019	Fall 2016
SUBTOTAL – 2016 DELIVERIES				931	3,195	$307,350	$164,096	
Arizona State Univ. Res. Hall	ACE	Tempe, AZ	Arizona State University	429	1,594	107,800	9,001	August 2017
U Centre on Turner	Off-campus	Columbia, MO	University of Missouri	182	718	69,100	17,368	August 2017
SUBTOTAL – 2017 DELIVERIES				611	2,312	$176,900	$26,369	
TOTAL - ALL PROJECTS				1,542	5,507	$484,250	$190,465	

(1) In conjunction with the purchase of Stadium Centre in July 2015 (see Note 5 in the accompanying Notes to the Consolidated Financial Statements contained Item 8), we entered into a presale agreement to purchase an adjacent property which will be completed in May 2016. We are obligated to purchase the property as long as certain construction completion deadlines and other closing conditions are met.

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: Wholly-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 18 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. Unlike traditional multifamily housing, most of our leases for an individual property commence and terminate on the same dates and typically have terms of 9 or 12 months. (Please refer to the property table contained in Item 2 – Properties for a listing of the typical lease terms at our properties.) As an example, in the case of our typical 12-month 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.

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

- a fully integrated prospect tracking and follow-up system;
- a built-in marketing effectiveness program to measure the success of our marketing efforts on a real time basis;
- a real-time monitor of lease closings and leasing terms;
- an automated lease generation system;
- the generation of future period rent rolls to aid in budgeting and forecasting; and
- a customized report writer.

Wholly-Owned Properties: 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 wholly-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 wholly-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.

On-Campus Participating Properties: Our On-Campus Participating Properties segment includes five 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. Refer to Note 8 in the accompanying Notes to Consolidated Financial Statements contained in Item 8 herein for a more detailed description of these properties.

Our on-campus participating properties are susceptible to some of the same risks as our wholly-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. Many of our third-party management services are provided to clients for whom we also provide development services. 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 third-party owners. 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. 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 of 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, conducted by one of our TRSs, 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.

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.

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 of the wholly-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

We carry liability and property insurance on our properties, which we believe is 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.

Employees

As of December 31, 2015, we had approximately 3,108 employees, consisting of:

- approximately 1,877 on-site employees in our wholly-owned properties segment, including 754 Resident Assistants;
- approximately 104 on-site employees in our on-campus participating properties segment, including 43 Resident Assistants;
- approximately 970 employees in our property management services segment, including 825 on-site employees and 145 corporate office employees;
- approximately 55 corporate office employees in our development services segment; and

- approximately 102 executive, corporate administration and financial personnel.

Our employees are not currently represented by a labor union.

Offices and Website

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. You may read and copy any materials we file with the SEC at the SEC's Public Reference Room at 100 F Street, NE, Washington, DC 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC maintains an internet site that contains reports, proxy and information statements and other information regarding issuers that file electronically with the SEC. The address of that site is www.sec.gov.

Our website is located at www.americancampus.com. We make available free of charge through our website 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, 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 and Risk 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.

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, L.P., 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 the Company's principal risks. Other factors may exist that the Company does not consider being significant based on information that is currently available or that the Company is not currently able to anticipate.

Risks Related to Our Properties, Our Markets and Our Business

Our results of operations are subject to an annual leasing cycle, short lease-up period, seasonal cash flows, changing university admission and housing policies and other risks inherent in the student housing industry.

We generally lease our owned properties under 12-month leases, and in certain cases, under nine-month or shorter-term semester leases. As a result, we may experience significantly reduced cash flows during the summer months at properties with lease terms shorter than 12 months. Furthermore, all of our properties must be entirely re-leased each year during a limited leasing season that usually begins in January and ends in August of each year. We are therefore highly dependent on the effectiveness of our marketing and leasing efforts and personnel during this season, 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.

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 freshman, live in a university-owned facility, the demand for beds at our properties may be reduced and our occupancy rates may decline. While we may engage in marketing efforts to compensate for such change in admission policy, we may not be able to affect such marketing efforts prior to the commencement of the annual lease-up period or our additional marketing efforts may not be successful.

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.

Federal and state laws require colleges to publish and distribute reports of on-campus crime statistics, which may result in negative publicity and media coverage associated with crimes occurring on or in the vicinity of our on-campus properties. Reports of crime or other negative publicity regarding the safety of the students residing on, or near, our properties may have an adverse effect on both our on-campus and off-campus business.

We face significant competition from university-owned on-campus student housing, from other off-campus student housing properties and from traditional multifamily housing located within close proximity to universities.

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

Currently, the industry is fragmented with no participant holding a significant market share. There are a number of student housing complexes that are located near or in the same general vicinity of many of our owned properties and that compete directly with us. Such competing student housing complexes may be newer than our properties, located closer to campus, charge less rent, possess more attractive amenities or offer more services or shorter term or more flexible leases.

Rental income at a particular property could also be affected by a number of other factors, including the construction of new on-campus and 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 the property and other general economic conditions.

We believe that a number of other large national companies with substantial financial and marketing resources may be potential entrants in the student housing business. The entry of one or more of these companies could 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;
- 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 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.

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 help us meet our 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 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.

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, 2015, our total consolidated indebtedness was approximately $2,919.6 million (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. Our level of debt and the 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.

- 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. 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.

Variable rate debt is subject to interest rate risk.

We have an unsecured revolving credit facility and a $250 million unsecured term loan, each of which bears interest at a variable rate on all amounts borrowed and we may incur additional variable rate debt in the future. Increases in interest rates on variable rate debt would increase our interest expense, 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 Baa3 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.

Potential reforms to Fannie Mae and Freddie Mac could adversely affect our performance.

There is significant uncertainty surrounding the futures of Fannie Mae and Freddie Mac. Through their lender originator networks, Fannie Mae and Freddie Mac are significant lenders to both us and to buyers of our properties. Fannie Mae and Freddie Mac have a mandate to support multifamily housing through their financing activities. Any changes to their mandates, further reductions in their size or the scale of their activities or loss of key personnel could have a significant impact on us and may, among other things, lead to lower values for our assets and higher interest rates on our borrowings. Fannie Mae's and Freddie Mac's regulator has set overall volume limits on most of Fannie Mae's and Freddie Mac's lending activities. The regulator could in the future require Fannie Mae and Freddie Mac to focus more of their lending activities on small borrowers or properties that the regulator deems affordable, which may or may not include our assets, which could also adversely impact us.

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 third-party university 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.

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.

We may encounter delays in completion or experience cost overruns with respect to our properties under construction.

As of December 31, 2015, we were in the process of constructing nine wholly-owned properties. These properties are subject to the various risks relating to properties that are under construction referred to elsewhere in these risk factors, including the risks that we may encounter delays in completion and that any such project may experience cost overruns or may not be completed on time. Additionally, if we do not complete the construction of properties 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 properties for the applicable academic year.

Our guarantees could result in liabilities in excess of our development fees.

In third-party developments, we typically provide guarantees of the obligations of the developer, including development budgets and timely project completion. These guarantees include, among other things, the cost of providing alternate housing for students in the event we do not timely complete a development project. These guarantees typically exclude delays resulting from force majeure and also, in third-party transactions, are typically limited in amount to the amount of our development fees from the project. In certain cases, however, our contingent liability under these guarantees has exceeded our development fee from the project and we may agree to such arrangements in the future. Our obligations under alternative housing guarantees typically expire five days after construction is complete. Project cost guarantees are normally satisfied within one year after completion of the project.

Universities generally have the right to terminate our participating ground leases.

The ground leases through which we own our on-campus participating properties generally provide that the university lessor may purchase our interest in and assume the management of the facility, with the purchase price calculated at the discounted present value of cash flows from our leasehold interest. The exercise of any such buyout would result in a reduction in our portfolio.

Changes in laws could affect our business.

We are generally not able to pass through to our residents under existing leases real estate taxes, income taxes or other taxes. Consequently, any such tax increases may adversely affect our financial condition and limit our ability to satisfy our financial obligations and make distributions to security holders. Changes that increase our potential liability under environmental laws or our expenditures on environmental compliance could have the same impact.

A cybersecurity incident and other technology disruptions could negatively impact our business, our relationships and our reputation.

We use computers in substantially all aspects of our business operations. We also use mobile devices, social networking and other online activities to connect with our employees, suppliers and our residents. Such uses give rise to cybersecurity risks, including security breach, espionage, system disruption, theft and inadvertent release of information. Our business involves the storage and transmission of numerous classes of sensitive and/or confidential information and intellectual property, including residents' and suppliers' personal information, private information about employees, and financial and strategic information about us. Further, as we pursue our strategy to grow through development and acquisitions and to pursue new initiatives to improve our operations, we are also expanding our information technologies, resulting in a larger technological presence and corresponding exposure to cybersecurity risk. 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 perpetrators of cyber attacks. 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 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 non-controlling 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.

Risks Related to the Real Estate Industry

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:

- 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.

Existing conditions at some of our properties may expose us to liability related to environmental matters.

Some of the properties in our portfolio may contain asbestos-containing building materials, or ACBMs. Environmental laws require that ACBMs be properly managed and maintained, and may impose fines and penalties on building owners or operators for failure to comply with these requirements. Also, some of the properties in our portfolio contain, or may have contained, or are adjacent to or near other properties that have contained or currently contain storage tanks for the storage of petroleum products or other hazardous or toxic substances. These operations create a potential for the release of petroleum products or other hazardous or toxic substances. Third parties may be permitted by law to seek recovery from owners or operators for personal injury associated with exposure to contaminants, including, but not limited to, petroleum products, hazardous or toxic substances, and asbestos fibers. Also, some of the properties may contain regulated wetlands that can delay or impede development or require costs to be incurred to mitigate the impact of any disturbance. Absent appropriate permits, we can be held responsible for restoring wetlands and be required to pay fines and penalties.

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, including those related to the existence of mold, 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.

We may incur significant costs complying with other regulations.

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.

The impact of climate change may adversely affect our financial condition or results of operations.

To the extent that climate change does occur, we may experience extreme weather and changes in precipitation and temperature, all of which may result in physical damage or a decrease in demand for properties located in these areas

or affected by these conditions. Should the impact of climate change be material in nature, including destruction of our properties, 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.

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 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 25% 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 25% threshold, we will be forced to curtail such activities or take other steps to remain under the 25% threshold. Since the 25% threshold is based on value, it is possible that the IRS could successfully contend that the value of our TRS entities exceeds the 25% threshold even if the TRS accounts for less than 25% of our consolidated revenues, income or cash flow. Four of our five on-campus participating properties and our third-party services are held by a TRS. Consequently, income earned from four of our five 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 of 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 the federal alternative minimum tax and possibly 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.

To qualify as a REIT, we may be forced to borrow funds on a short-term basis during unfavorable market conditions.

In order to qualify 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 dividends paid deduction and excluding any net capital gain. A TRS may, in its discretion, retain any income it generates net of any tax liability it incurs on that income without affecting the 90% distribution requirements to which we are subject as a REIT. Net income of our TRS entities is included in REIT taxable income and increases the amount required to be distributed, only if such amounts are paid out as a dividend by a TRS. If a TRS distributes any of its after-tax income to us, that distribution will be included in our REIT taxable income. In addition, we will be subject to income tax at regular corporate rates to the extent that we distribute less than 100% of our net taxable income, including any net capital gains. Because of these distribution requirements, we may not be able to fund future capital needs, including any necessary acquisition financing, from operating cash flow. Consequently, we will be compelled to rely on third-party sources to fund our capital needs. We may not be able to obtain this financing on favorable terms or at all. Any additional indebtedness that we incur will increase our leverage. Our access to third-party sources of capital depends, in part, on:

- 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 dividends; and
- the market price per share of our stock.

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

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, 2015.

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, basketball courts 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. Lease terms are generally 12 months at our off-campus properties and 9 months at our on-campus participating properties and certain of our ACE properties.

These properties are included in the Wholly-Owned Properties and On-Campus Participating Properties segments discussed in Item 1 and Note 18 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 8 and Note 16 in the accompanying Notes to Consolidated Financial Statements contained in Item 8. All dollar amounts in this table and others herein, except share and per share amounts, are stated in thousands unless otherwise indicated.

Property	Year Built	Date Acquired/ Developed	Primary University Served	Typical Lease Term (Mos)	Year Ended December 31, 2015 Revenue	Average Monthly Revenue/ Bed [1]	2015 Average Occupancy [2]	Occupancy as of 12/31/2015	# of Buildings	# of Units	# of Be
WHOLLY-OWNED PROPERTIES											
Same Store Wholly-Owned Properties:											
The Callaway House	1999	Mar-01	Texas A&M University	9	$8,726 [3]	$1,481 [3]	98.3 %	92.8 %	1	173	53
The Village at Science Drive	2000	Nov-01	The University of Central Florida	12	5,472	592	99.5 %	99.5 %	17	192	73
University Village at Boulder Creek	2002	Aug-02	The University of Colorado at Boulder	12	3,431	886	98.7 %	98.7 %	4	82	30
University Village - Fresno	2004	Aug-04	California State University - Fresno	12	2,789	514	98.6 %	99.0 %	9	105	40
University Village - Temple	2004	Aug-04	Temple University	12	5,990	673	90.0 %	92.7 %	3	220	74
University Club Townhomes [4]	2000/2002	Feb-05	Florida State University	12	4,726	472	95.0 %	98.1 %	27	216	73
College Club Townhomes [4]	2001	Feb-05	Florida A&M University	12	2,754	357	91.6 %	94.1 %	12	136	54

University Club Apartments	1999	Feb-05	University of Florida	12	2,253	484	98.8 %	98.9 %	9	94	37
City Parc at Fry Street	2004	Mar-05	University of North Texas	12	3,341	638	98.5 %	98.8 %	8	136	41
Entrada Real	2000	Mar-05	University of Arizona	12	2,485	532	98.0 %	98.3 %	8	98	36
University Village at Sweethome	2005	Aug-05	State Univ. of New York at Buffalo	12	6,921	674	99.3 %	99.9 %	11	269	82
University Village - Tallahassee [5]	1990/91/92	Mar-06	Florida State University	12	4,339	507	93.5 %	90.2 %	12	217	71
Royal Village - Gainesville	1996	Mar-06	University of Florida	12	2,993	552	96.6 %	95.1 %	8	118	44
Royal Lexington	1994	Mar-06	The University of Kentucky	9/12	2,030	513	87.8 %	98.6 %	4	94	36
Raiders Pass	2002/03	Mar-06	Texas Tech University	12	4,765	456	99.3 %	99.8 %	12	264	82
Aggie Station	2003	Mar-06	Texas A&M University	12	3,157	572	99.6 %	99.6 %	5	156	45
The Outpost - San Antonio	2005	Mar-06	University of Texas – San Antonio	12	5,079	504	96.5 %	99.0 %	10	276	82
Callaway Villas	2006	Aug-06	Texas A&M University	9/12	6,086	742	90.5 %	97.6 %	20	236	70
The Village on Sixth Avenue	2000/06	Jan-07	Marshall University	12	4,441	477	98.2 %	98.5 %	14	248	75
Newtown Crossing	2005/07	Feb-07	University of Kentucky	12	6,631	587	96.8 %	96.5 %	7	356	94
Olde Towne University Square	2005	Feb-07	University of Toledo	12	4,068	609	98.3 %	97.1 %	4	224	55
Peninsular Place	2005	Feb-07	Eastern Michigan University	12	2,972	480	99.2 %	99.4 %	2	183	47
University Centre	2007	Aug-07	Rutgers University, NJIT	9/12	7,115	907	71.7 %	76.7 %	2	234	83
Pirates Place Townhomes	1996	Feb-08	East Carolina University	12	2,388	374	96.3 %	97.3 %	12	144	52
The Summit & Jacob Heights [5]	2003 - 2006	Jun-08	Minnesota State University	12	5,419	474	96.4 %	95.1 %	34	258	93

GrandMarc Seven Corners	2000	Jun-08	University of Minnesota	12	4,481	610	122.2%	125.5%	1	186	44

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Property	Year Built	Date Acquired/ Developed	Primary University Served	Typical Lease Term (Mos)	Year Ended December 31, 2015 Revenue	Average Monthly Revenue per Bed [1]	2015 Average Occupancy [2]	Occupancy as of 12/31/2015 [2]	# of Buildings	# of Units	# of Beds
University Village – Sacramento [6]	1979	Jun-08	California State Univ. - Sacramento	12	$3,210	$598	107.7%	108.6%	41	250	394
Aztec Corner	1995	Jun-08	San Diego State University	12	5,127	680	98.0 %	98.2 %	3	180	606
Campus Corner	1997	Jun-08	Indiana University	12	4,835	490	97.1 %	99.2 %	23	254	796
Tower at Third	1973	Jun-08	University of Illinois	12	3,537	740	97.7 %	96.8 %	1	188	375
University Manor	2002	Jun-08	East Carolina University	12	3,099	420	98.4 %	99.0 %	18	168	600
The Edge - Orlando [6]	1999	Jun-08	The University of Central Florida	12	6,961	583	99.6 %	99.6 %	21	306	930
Willowtree Apartments and Tower [4]	1968/ 1974	Jun-08	University of Michigan	12	5,657	537	99.5 %	99.5 %	16	473	851
Abbott Place	1999	Jun-08	Michigan State University	12	4,027	496	99.1 %	99.2 %	9	222	654
The Centre	2004	Jun-08	Western Michigan University	12	3,609	410	98.9 %	98.9 %	23	232	700
Campus Way	1993	Jun-08	University of Alabama	12	3,883	450	98.5 %	98.8 %	9	194	680
University Pointe	2004	Jun-08	Texas Tech University	12	4,761	561	98.7 %	99.0 %	11	204	682
University Trails	2003	Jun-08	Texas Tech University	12	4,606	540	98.7 %	99.1 %	20	240	684
Campus Trails	1991	Jun-08	Mississippi State University	12	2,565	429	98.6 %	99.0 %	14	156	480
Vista del Sol (ACE)	2008	Aug-08	Arizona State University	12	16,875	693	98.5 %	100.0%	12	613	1,866
Villas at Chestnut Ridge	2008	Aug-08	State Univ. of New York at Buffalo	12	5,029	745	99.0 %	98.9 %	12	196	552
Barrett Honors College (ACE)	2009	Aug-09	Arizona State University	9	14,145	884	98.5 %	99.4 %	7	604	1,721
University Heights	2001	Mar-10	Univ. of Alabama at Birmingham	12	3,189	464	99.1 %	99.4 %	8	176	528
Sanctuary Lofts	2008	Jul-10	Texas State University	12	4,135	658	96.6 %	98.2 %	4	201	487

Lions Crossing	1996	Sep-10	Penn State University	12	5,073	534	98.7 %	99.3 %	17	204	696
Nittany Crossing	1996/1997	Sep-10	Penn State University	12	4,927	551	99.1 %	99.4 %	11	204	684
University Oaks	2004	Sep-10	University of South Carolina	12	4,644	557	99.1 %	99.1 %	14	181	662
Blanton Common	2005/2007	Sep-10	Valdosta State University	12	3,985	389	89.0 %	84.1 %	21	276	860
Burbank Commons	1995	Sep-10	Louisiana State University	12	2,865	438	97.5 %	97.4 %	7	134	532
University Crescent	1999	Sep-10	Louisiana State University	12	4,331	573	96.7 %	93.3 %	15	192	612
The Edge – Charlotte	2000	Nov-10	UNC - Charlotte	12	4,441	490	99.4 %	99.4 %	15	180	720
University Walk	2002	Nov-10	UNC - Charlotte	12	3,001	499	99.2 %	99.2 %	12	120	480
Uptown Apartments	2004	Nov-10	University of North Texas	12	4,100	617	98.7 %	99.1 %	12	180	528
2nd Ave Centre	2008	Dec-10	University of Florida	12	6,537	614	99.4 %	99.4 %	7	274	868
Villas at Babcock	2011	Aug-11	University of Texas – San Antonio	12	4,721	495	94.5 %	100.0%	16	204	792
Lobo Village (ACE)	2011	Aug-11	University of New Mexico	12	5,465	505	98.2 %	97.8 %	20	216	864
Villas on Sycamore	2011	Aug-11	Sam Houston State University	12	4,545	501	99.1 %	99.3 %	88	170	680
University Village Northwest (ACE)	2011	Aug-11	Prairie View A&M University	9	883	667	99.1 %	98.6 %	2	36	144
26 West	2008	Dec-11	University of Texas - Austin	12	12,326	887	99.6 %	99.8 %	3	367	1,026
The Varsity	2011	Dec-11	University of Maryland	12	12,281	975	99.3 %	99.2 %	1	258	901
Avalon Heights	2002	May-12	University of South Florida in Tampa	12	5,581	579	99.9 %	100.0%	4	210	754
University Commons	2003	Jun-12	Univ. of Minnesota in Minneapolis	12	4,296	613	112.2%	114.8%	4	164	480
Casas del Rio (ACE)	2012	Aug-12	University of New Mexico	9	5,026	585	83.7 %	87.2 %	4	283	1,028
The Suites (ACE)	2012	Aug-12	Northern Arizona University	9	3,621	683	99.4 %	99.6 %	2	275	550
Hilltop Townhomes (ACE)	2012	Aug-12	Northern Arizona University	12	4,732	647	99.2 %	99.3 %	10	144	576
U Club on Frey	2012	Aug-12	Kennesaw State	12	3,587	630	99.0 %	99.1 %	7	114	456

University

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Property	Year Built	Date Acquired/ Developed	Primary University Served	Typical Lease Term (Mos)	Year Ended December 31, 2015 Revenue	Average Monthly 2015 Revenue per Bed [1]	Average Occupancy [2]	Occupancy as of 12/31/2015 [3]	# of Buildings	# of Units	# of Beds
Campus Edge on UTA Boulevard	2012	Aug-12	University of Texas - Arlington	12	$3,894	$620	99.9 %	99.6 %	1	128	488
U Club Townhomes on Marion Pugh	2012	Aug-12	Texas A&M University	12	5,050	632	99.3 %	99.2 %	40	160	640
Villas on Rensch	2012	Aug-12	State Univ. of New York at Buffalo	12	5,672	756	98.9 %	99.0 %	39	153	610
The Village at Overton Park	2012	Aug-12	Texas Tech University	12	4,746	625	97.1 %	97.9 %	2	163	612
Casa de Oro (ACE)	2012	Aug-12	Arizona State University	9	1,580	651	69.6 %	60.5 %	1	109	365
The Villas at Vista del Sol (ACE)	2012	Aug-12	Arizona State University	12	3,670	733	100.0%	100.0%	12	104	400
The Block	2007/2008	Aug-12	The University of Texas at Austin	12	18,975	903	98.8 %	99.7 %	8	669	1,555
University Pointe at College Station (ACE)	2012	Sep-12	Portland State University	12	8,625	658	99.1 %	99.2 %	1	282	978
309 Green	2008	Sep-12	University of Illinois	12	4,225	807	95.6 %	97.4 %	1	110	416
The Retreat	2012	Sep-12	Texas State University	12	5,786	594	96.7 %	98.6 %	140	187	780
Lofts 54	2008	Sep-12	University of Illinois	12	1,542	670	98.6 %	97.1 %	1	43	172
Campustown Rentals	1920-1987	Sep-12	University of Illinois	12	4,520	490	95.1 %	98.9 %	22	264	746
Chauncey Square	2007/2012	Sep-12	Purdue University	12	4,242	832	95.2 %	99.0 %	2	158	386
Vintage & Texas West Campus [4]	2009	Sep-12	The University of Texas at Austin	12	3,661	863	99.5 %	100.0%	2	124	311
The Castilian	1967	Sep-12	The University of Texas at Austin	9	7,254	1,264	90.7 %	95.5 %	1	371	623
Bishops Square	2002	Sep-12	Texas State University	12	2,412	580	98.3 %	98.7 %	13	134	315
Union	2007	Sep-12	Baylor University	12	897	600	98.1 %	98.3 %	1	54	120
922 Place	2009	Sep-12	Arizona State University	12	4,050	659	99.0 %	98.7 %	2	132	468

Campustown	1910-2004	Sep-12	Iowa State University	12	8,543	522	99.6 %	99.9 %	34	452	1,217
River Mill	1972	Sep-12	University of Georgia	12	3,025	540	97.5 %	98.0 %	5	243	461
Garnet River Walk	2006	Sep-12	University of South Carolina	12	3,802	633	98.7 %	98.7 %	11	170	476
Landmark	2012	Sep-12	University of Michigan	12	9,912	1,178	99.1 %	99.3 %	1	173	606
Icon Plaza	2012	Sep-12	University of Southern California	12	4,562	1,364	96.8 %	93.7 %	1	56	253
The Province – Greensboro	2011	Nov-12	UNC - Greensboro	12	4,761	564	98.4 %	98.0 %	17	219	696
RAMZ Apts on Broad	2004	Nov-12	Virginia Commonwealth University	12	2,060	703	97.3 %	97.7 %	1	88	172
The Lofts of Capital Garage	2000	Nov-12	Virginia Commonwealth University	12	827	445	99.7 %	99.3 %	1	36	144
Forest Village and Woodlake	1982/1983	Nov-12	University of Missouri	12	2,840	312	98.9 %	98.9 %	14	352	704
25Twenty	2011	Nov-12	Texas Tech University	12	4,978	702	98.8 %	98.6 %	1	249	562
The Province - Louisville	2009	Nov-12	University of Louisville	12	6,523	619	97.8 %	96.2 %	9	366	858
West 27th Place	2011	Nov-12	University of Southern California	12	6,745	1,018	103.7%	104.0%	1	161	475
The Province - Rochester	2010	Nov-12	Rochester Institute of Technology	12	8,082	781	101.0%	101.2%	13	336	816
5 Twenty Four & 5 Twenty Five Angliana [4]	2009/2012	Nov-12	University of Kentucky	12	7,362	559	97.2 %	98.6 %	11	376	1,060
The Province -Tampa	2009	Nov-12	University of South Florida	12	7,542	624	99.9 %	100.0%	19	287	947
U Pointe Kennesaw	2012	Nov-12	Kennesaw State University	12	5,805	583	98.9 %	99.0 %	5	216	795
The Cottages of Columbia	2008	Nov-12	University of Missouri	12	3,475	545	88.2 %	86.5 %	84	145	513
Grindstone Canyon	2003	Nov-12	University of Missouri	12	3,022	556	98.8 %	97.7 %	8	201	384
The Cottages of Durham	2012	Nov-12	University of New Hampshire	12	5,864	735	99.5 %	99.5 %	96	141	619
The Province – Dayton	2009	Nov-12	Wright State University	12	4,029	482	93.0 %	92.2 %	13	200	657
The Cottages of Baton Rouge	2011	Nov-12	Louisiana State University	12	10,587	666	92.5 %	85.2 %	187	382	1,290
U Club Cottages	2011	Nov-12	Louisiana State University	12	2,724	714	98.7 %	98.7 %	61	105	308

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University Edge	2012	Dec-12	Kent State University	12	$4,673	$614	98.8 %	99.2 %	3	201	608
The Lodges of East Lansing Phase I & II	2013	Jul-13	Michigan State University	12	8,624	659	98.8 %	99.4 %	59	364	1,04
7th Street Station	2012	Jul-13	Oregon State University	12	2,686	679	98.2 %	98.7 %	16	82	309
U Club on Woodward	2013	Aug-13	Florida State University	12	3,597	653	99.0 %	98.7 %	8	112	448
The Callaway House Austin	2013	Aug-13	The University of Texas at Austin	9	12,223 [3]	1,503[3]	99.3 %	99.1 %	1	219	753
Manzanita (ACE)	2013	Aug-13	Arizona State University	9	6,164	841	96.6 %	97.5 %	1	241	816
University View (ACE)	2013	Aug-13	Prairie View A&M University	9	2,090	651	99.6 %	99.4 %	2	96	336
U Club Townhomes at Overton Park	2013	Aug-13	Texas Tech University	12	3,664	664	98.5 %	99.1 %	16	112	448
601 Copeland	2013	Aug-13	Florida State University	12	2,611	714	99.4 %	98.9 %	2	81	283
The Townhomes at Newtown Crossing	2013	Sep-13	University of Kentucky	12	4,319	593	97.3 %	98.4 %	13	152	608
Chestnut Square (ACE)	2013	Sep-13	Drexel University	12	11,065	962	98.9 %	98.6 %	1	220	861
Park Point	2008	Oct-13	Rochester Institute of Technology	12	10,527	787	102.1%	102.2%	31	300	924
U Centre at Fry Street	2012	Nov-13	University of North Texas	12	5,864	709	98.0 %	98.9 %	2	194	614
Cardinal Towne	2010/2011	Nov-13	University of Louisville	12	5,478	710	96.4 %	93.8 %	5	255	545
Subtotal - Same Store Wholly-Owned Properties [7]					$616,526	$640	97.6 %	97.8 %	1,842	25,086	76,8
New Wholly-Owned Properties: 2014 Acquisitions and Completed Development Projects											
	2014	Oct-14		12	$5,759	$704	99.6 %	99.7 %	2	190	610

The Standard			University of Georgia								
Stanworth Commons Phase I (ACE)	2014	Jul-14	Princeton University	9/12	2,709	1,126	93.0 %	98.6 %	11	127	214
Plaza on University	2014	Aug-14	University of Central Florida	12	11,972	663	99.7 %	99.7 %	5	364	1,31
U Club on Frey Phase II	2014	Aug-14	Kennesaw State University	12	3,123	618	99.9 %	100.0%	5	102	408
The Suites Phase II (ACE)	2014	Aug-14	Northern Arizona University	9	2,148	680	99.8 %	100.6%	2	164	328
U Centre at Northgate (ACE)	2014	Aug-14	Texas A&M University	12	5,733	588	99.5 %	99.5 %	11	196	784
University Walk	2014	Aug-14	University of Tennessee	12	3,669	562	99.2 %	99.0 %	3	177	526
2015 Acquisitions											
Park Point	2010	Feb-15	Syracuse University	12	2,832	990	99.6 %	100.0%	1	66	226
1200 West Marshall	2013	Mar-15	Virgina Commonwealth University	12	2,798	699	98.9 %	99.0 %	1	136	406
8 1/2 Canal Street	2011	Mar-15	Virgina Commonwealth University	12	3,488	652	98.8 %	98.9 %	1	160	540
Vistas San Marcos	2013	Mar-15	Texas State University	12	3,885	657	93.4 %	93.2 %	2	255	600
Crest at Pearl	2014	Jun-15	University of Texas	12	2,150	657	98.0 %	99.4 %	1	141	343
U Club Binghamton	2005	Jun-15	Binghamton University - SUNY	12	3,255	574	97.6 %	97.9 %	4	186	710
Stadium Centre	2014	Jul-15	Florida State University	12	3,013	552	97.0 %	98.3 %	4	367	710
Recently Completed Development Projects											
160 Ross	2015	Aug-15	Auburn University	12	1,858	611	98.5 %	98.6 %	1	182	642
U Club on Woodward Phase II	2015	Aug-15	Florida State University	12	1,584	526	100.0%	100.0%	11	124	496
The Summit at University City (ACE)	2015	Sep-15	Drexel University	12	4,542	957	92.8 %	92.9 %	1	351	1,31
2125 Franklin	2015	Sep-15	University of Oregon	12	1,380	489	75.2 %	81.5 %	2	192	734
Projects Under Development											

The Court at Stadium Centre [8]	2016	May-16	Florida State University	12	7	n/a	n/a	n/a	1	80	260
U Club on 28th	2016	Aug-16	University of Colorado	12	12	n/a	n/a	n/a	2	100	400

Property	Year Built	Date Acquired/ Developed	Primary University Served	Typical Lease Term (Mos)	Year Ended December 31, 2015 Revenue	Average Monthly Revenue per Bed [1]	2015 Average Occupancy	Occupancy as of 12/31/2015 [2]	# of Buildings	# of Units	# of Beds
Currie Hall (ACE)	2016	Aug-16	University of Southern California	12	—	n/a	n/a	n/a	1	178	456
University Pointe (ACE)	2016	Aug-16	University of Louisville	12	5	n/a	n/a	n/a	1	134	531
Fairview House (ACE)	2016	Aug-16	Butler University	12	—	n/a	n/a	n/a	1	107	633
U Club Sunnyside	2016	Aug-16	West Virginia University	12	312	n/a	n/a	n/a	4	134	536
Merwick Stanworth Phase II (ACE)	2016	Aug-16	Princeton University	12	—	n/a	n/a	n/a	24	198	379
Arizona State Univ. Residence Hall (ACE)	2017	Aug-17	Arizona State University	12	—	n/a	n/a	n/a	1	429	1,594
U Centre on Turner	2017	Aug-17	University of Missouri	12	—	n/a	n/a	n/a	2	182	718
Projects Under Redevelopment											
University Crossings (ACE)	1926/2003	Jun-08	Drexel University	9	7,219	747	82.0%	63.3%	1	260	1,016
Subtotal – New Wholly-Owned Properties					$73,453	$670	96.1%	94.1%	106	5,282	17,428
TOTAL – WHOLLY-OWNED PROPERTIES					$689,979	$643	97.4%	97.3%	1,948	30,368	94,302
ON-CAMPUS PARTICIPATING PROPERTIES											
University Village – PVAMU	1996/ 97/98	Aug-96 Aug-98	Prairie View A&M University	9	$10,647	$584	97.1%	98.2%	30	612	1,920
University College – PVAMU	2000/2003	Aug-00 Aug-03	Prairie View A&M University	9	7,968	587	95.7%	99.7%	14	756	1,470
University Village – TAMIU	1997	Aug-97	Texas A&M International University	9	1,445	596	94.6%	85.2%	4	84	250
Cullen Oaks	2001/2005	Aug-01 Aug-05	The University of Houston	9	7,407	844	99.5%	99.4%	4	411	879

College Park	2014	Aug-14	West Virginia University	12	4,119	640	90.6%	95.8%	11	224	567
TOTAL - ON-CAMPUS PARTICIPATING PROPERTIES					$31,586	$638	95.9%	97.9%	63	2,087	5,086
GRAND TOTAL- ALL PROPERTIES					$721,565	$643	97.4%	97.3%	2,011	32,455	99,388

(1) Average monthly revenue per bed is calculated based upon our base rental revenue earned during typical lease terms for the year ended December 31, 2015 divided by average occupied beds over the typical lease term.

(2) Average occupancy is calculated based on the average number of occupied beds during typical lease terms for the year ended December 31, 2015 divided by total beds. For properties with 9-month leases, average occupancy is calculated based on the nine month academic year (excluding the summer months). Average occupancy for acquired properties and properties which commenced operations during 2015 is calculated based on the period these properties were owned by us and/or operational during 2015.

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

(4) University Club Townhomes, College Club Townhomes, Willowtree Apartments and Towers, Vintage & Texan West Campus, and 5 Twenty Four & 5 Twenty Five Angliana each consist of two phases that are counted separately in the property portfolio numbers contained in Note 1 in the accompanying Notes to Consolidated Financial Statements contained in Item 8.

(5) University Village Tallahassee and Jacob Heights/The Summit each consist of three phases that are counted separately in the property portfolio numbers contained in Note 1 in the accompanying Notes to Consolidated Financial Statements contained in Item 8.

(6) These properties are classified as held for sale as of December 31, 2015 and are classified as such on the accompanying consolidated balance sheets contained in Item 8.

(7) Our same store wholly-owned portfolio represents properties that were owned or operated by us for the full years ended December 31, 2014 and 2015.

(8) In conjunction with the purchase of Stadium Centre in July 2015 (see Note 5 in the accompanying Notes to the Consolidated Financial Statements contained Item 8), we entered into a presale agreement to purchase an adjacent property which will be completed in May 2016. We are obligated to purchase the property as long as certain construction completion deadlines and other closing conditions are met.

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.

Item 4. Mine Safety Disclosures

Not applicable.

PART II

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

Market Information

The Company's common stock has been listed and is traded on the New York Stock Exchange ("NYSE") under the symbol "ACC". The following table sets forth, for the periods indicated, the high and low sale prices in dollars on the NYSE for our common stock and the distributions we declared with respect to the periods indicated.

	High	Low	Distributions Declared
Quarter ended March 31, 2014	$37.80	$32.10	$0.3600
Quarter ended June 30, 2014	$39.68	$36.86	$0.3800
Quarter ended September 30, 2014	$40.74	$35.69	$0.3800
Quarter ended December 31, 2014	$42.19	$35.96	$0.3800
Quarter ended March 31, 2015	$45.38	$39.61	$0.3800
Quarter ended June 30, 2015	$43.80	$37.59	$0.4000
Quarter ended September 30, 2015	$39.67	$32.12	$0.4000
Quarter ended December 31, 2015	$41.99	$35.66	$0.4000

Holders

As of February 19, 2016, there were approximately 37,500 holders of record of the Company's common stock and 130,301,032 shares of common stock outstanding.

Distributions

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. The payment of distributions is subject to restrictions under the Company's corporate-level debt described in Note 11 to the Consolidated Financial Statements in Item 8 and discussed in Management's Discussion and Analysis of Financial Condition and Results of Operations in Item 7 under Liquidity and Capital Resources.

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

Item 6. Selected Financial Data

The following table sets forth selected financial and operating data on a consolidated historical basis for the Company.

The following data should be read in conjunction with the Notes to Consolidated Financial Statements in Item 8 and Management's Discussion and Analysis of Financial Condition and Results of Operations included in Item 7.

	As of and for the Year Ended December 31,				
	2015	2014	2013	2012	2011
Statements of Operations Information:					
Revenues	$753,381	$733,915	$657,462	$465,655	$361,910
Income from continuing operations	118,061	61,384	47,436	48,789	34,011
Discontinued operations:					
(Loss) income attributable to discontinued operations	—	(123)	4,824	8,728	9,155
Loss from early extinguishment of debt	—	—	(332)	(1,591)	—
Gain from disposition of real estate	—	2,843	55,263	4,312	14,806
Net income	118,061	64,104	107,191	60,238	57,972
Net income attributable to noncontrolling interests	(2,070)	(1,265)	(2,547)	(3,602)	(1,343)
Net income attributable to ACC, Inc. and Subsidiaries common stockholders	115,991	62,839	104,644	56,636	56,629
Per Share and Distribution Data:					
Earnings per diluted share:					
Income from continuing operations	$1.02	$0.56	$0.42	$0.52	$0.46
Discontinued operations	—	0.02	0.56	0.13	0.34
Net income	1.02	0.58	0.98	0.65	0.80
Cash distributions declared per share / unit	1.58	1.50	1.42	1.35	1.35
Cash distributions declared	178,506	158,487	149,461	117,592	93,813
Balance Sheet Data:					
Total assets	$6,025,947	$5,834,748	$5,598,040	$5,118,962	$3,008,582
Secured mortgage, construction and bond debt	1,101,325	1,331,914	1,507,216	1,509,105	858,530
Term loans and revolving credit facilities	668,900	842,500	838,450	712,000	589,000
Unsecured notes	1,197,755	798,305	398,721	—	—
Capital lease obligations	—	—	—	149	450
Stockholders' equity	2,770,196	2,609,554	2,624,901	2,648,381	1,375,216
Selected Owned Property Information:					
Owned properties	162	169	167	160	116
Units	32,455	33,661	33,434	31,854	22,947
Beds	99,388	103,661	102,400	98,840	71,801
Occupancy as of December 31,	97.3%	97.7%	96.8%	95.7%	97.8%
Net cash provided by operating activities	$260,986	$259,898	$246,678	$195,131	$126,744
Net cash used in investing activities	(239,455)	(429,235)	(509,999)	(1,447,562)	(423,584)
Net cash (used in) provided by financing activities	(29,934)	155,648	280,618	1,251,486	205,732
Funds From Operations ("FFO"):					
Net income attributable to ACC, Inc. and	$115,991	$62,839	$104,644	$56,636	$56,629

Subsidiaries common stockholders					
Noncontrolling interests	2,070	1,265	1,756	1,205	1,343
Gain from disposition of real estate	(52,699)	(2,475)	(55,263)	(4,312)	(14,806)
(Income) loss from unconsolidated joint ventures	—	—	—	(444)	641
FFO from unconsolidated joint ventures	—	—	—	429	(576)
Elimination of provision for real estate impairment	—	2,443	—	—	1,105
Real estate related depreciation and amortization	206,019	195,158	185,640	114,841	87,951
FFO	$271,381	$259,230	$236,777	$168,355	$132,287

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 in terms of beds owned and under management. 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

As of December 31, 2015, our property portfolio contained 162 properties with approximately 99,400 beds in approximately 32,500 apartment units. Our property portfolio consisted of 134 owned off-campus student housing properties that are in close proximity to colleges and universities, 23 ACE properties operated under ground/facility leases with eleven university systems and five on-campus participating properties operated under ground/facility leases with the related university systems. Of the 162 properties, nine were under development as of December 31, 2015, and when completed will consist of a total of approximately 5,500 beds in approximately 1,500 units. Our communities contain modern housing units and are supported by a resident assistant system and other student-oriented programming, with many offering resort-style amenities.

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.

Third-Party Development and Management Services

We provide development and construction management services 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. We develop student housing properties for these clients and we are sometimes retained to manage these properties following their opening. As of December 31, 2015, we were under contract on two third-party development projects that are currently in progress and whose fees range from $1.9 million to $2.1 million. As of December 31, 2015, fees of approximately $2.0 million remained to be earned by us with respect to these projects, as well as a predevelopment consulting arrangement, during 2016.

As of December 31, 2015, we also provided third-party management and leasing services for 39 properties that represented approximately 29,500 beds in approximately 10,900 units. Our third-party management and leasing services are typically provided pursuant to management contracts that have initial terms that range from one to five years.

While fee revenue from our third-party development, construction management and property management services allows us to develop strong and key relationships with colleges and universities, this area has over time become a

smaller portion of our operations due to the continued focus on and growth of our wholly-owned property portfolio. Nevertheless, we believe these services continue to provide synergies with respect to our ability to identify, close, and successfully operate student housing properties.

Critical Accounting Policies

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 and combined 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.

Revenue and Cost Recognition of Third-Party Development and Management Services

Development revenues are generally recognized based on a proportional performance method based on contract deliverables, while construction revenues are recognized using the percentage of completion method, as determined by construction costs incurred relative to total estimated construction costs. For projects where our fee is based on a fixed price, any cost overruns incurred during construction, as compared to the original budget, will reduce the net fee generated on those projects. Incentive fees are generally recognized when the project is complete and performance has been agreed upon by all parties, or when performance has been verified by an independent third-party.

We also evaluate the collectability of fee income and expense reimbursements generated through the provision of development and construction management services based upon the individual facts and circumstances, including the contractual right to receive such amounts in accordance with the terms of the various projects, and reserve any amounts that are deemed to be uncollectible.

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 that management believes it is probable that the contract will be executed and/or construction will commence. Because we frequently incur these pre-development expenditures before a financing commitment and/or required permits and authorizations have been obtained, we bear the risk of loss of these pre-development expenditures if financing cannot ultimately be arranged on acceptable terms or we are 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 us 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.

Third-party management fees are generally received and recognized on a monthly basis and are computed as a percentage of property receipts, revenues or a fixed monthly amount, in accordance with the applicable management contract. Incentive management fees are recognized when the contractual criteria have been met.

Student Housing Rental Revenue Recognition and Accounts Receivable

Student housing rental revenue is recognized on a straight-line basis over the term of the contract. Ancillary and other property related income is recognized in the period earned. In estimating the collectability of our accounts receivable, we analyze the aging of resident receivables, historical bad debts, and current economic trends. These estimates have a direct impact on our net income, as an increase in our allowance for doubtful accounts reduces our net income.

Allocation of Fair Value to Acquired Properties

The price that we pay to acquire a property is impacted by many factors, including the condition of the buildings and improvements, the occupancy of the building, favorable or unfavorable financing, and numerous other factors. Accordingly, we are required to make subjective assessments to allocate the purchase price paid to acquire investments in real estate among the assets acquired and liabilities assumed based on our estimate of the fair values of such assets and liabilities. This includes, among other items, determining the value of the buildings and improvements, land, in-place tenant leases, tax incentive arrangements, and any debt assumed from the seller. Each of

these estimates requires a great deal of judgment and some of the estimates involve complex calculations. Our calculation methodology is summarized in Note 2 to our consolidated financial statements contained in Item 8. These allocation assessments have a direct impact on our results of operations because if we were to allocate more value to land there would be no depreciation with respect to such amount or if we were to allocate more value to the buildings as opposed to allocating to the value of in-place tenant leases, this amount would be recognized as an expense over a much longer period of time, since the amounts allocated to buildings are depreciated over the estimated lives of the buildings whereas amounts allocated to in-place tenant leases are amortized over the remaining terms of the leases (generally less than one year).

Impairment of Long-Lived Assets

On a periodic basis, management is required to assess whether there are any indicators that the value of our real estate properties may be impaired. 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. These estimates of cash flows consider factors

such as expected future operating income, trends and prospects, as well as the effects of demand, competition and other factors. To the extent 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 expected net proceeds from disposal, thereby reducing our net income.

Capital Expenditures

We distinguish between capital expenditures necessary for the ongoing operations of our properties and acquisition-related improvements incurred within one to two years of acquisition of the related property. (Acquisition-related improvements are expenditures that have been identified at the time the property is acquired, and which we intended to incur in order to position the property to be consistent with our physical standards). 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. Planned major repair, maintenance and improvement projects are capitalized when performed. In some circumstances, lenders require us to maintain a reserve account for future repairs and capital expenditures. These amounts are classified as restricted cash on the accompanying consolidated balance sheets, as the funds are not available to us for current use.

For our properties under development, capitalized interest is generally based on the weighted average interest rate of our total debt. Upon substantial completion of the properties, cost capitalization ceases. The total capitalized development costs are then transferred to the applicable asset category and depreciation commences. These estimates used by management require judgment, and accordingly we believe cost capitalization to be a critical accounting estimate.

Results of Operations

Comparison of the Years Ended December 31, 2015 and 2014

The following table presents our results of operations for the years ended December 31, 2015 and 2014, including the amount and percentage change in these results between the two periods.

	Year Ended December 31,			
	2015	2014	Change ($)	Change (%)
Revenues:				
Wholly-owned properties	$704,909	$690,582	$14,327	2.1 %
On-campus participating properties	31,586	28,534	3,052	10.7 %
Third-party development services	4,964	4,018	946	23.5 %
Third-party management services	8,813	7,669	1,144	14.9 %
Resident services	3,109	3,112	(3)	(0.1)%
Total revenues	753,381	733,915	19,466	2.7 %
Operating expenses:				
Wholly-owned properties	331,836	329,615	2,221	0.7 %
On-campus participating properties	12,437	11,290	1,147	10.2 %
Third-party development and management services	14,346	12,008	2,338	19.5 %
General and administrative	20,838	18,681	2,157	11.5 %
Depreciation and amortization	208,788	197,495	11,293	5.7 %
Ground/facility leases	8,232	7,397	835	11.3 %
Provision for real estate impairment	—	2,443	(2,443)	(100.0)%
Total operating expenses	596,477	578,929	17,548	3.0 %
Operating income	156,904	154,986	1,918	1.2 %
Nonoperating income and (expenses):				
Interest income	4,421	4,168	253	6.1 %
Interest expense	(87,789)	(90,362)	2,573	(2.8)%
Amortization of deferred financing costs	(5,550)	(5,918)	368	(6.2)%
Gain (loss) from disposition of real estate	52,699	(368)	53,067	(14,420.4)%
Loss from early extinguishment of debt	(1,770)	—	(1,770)	100.0 %
Other nonoperating income	388	186	202	108.6 %
Total nonoperating expenses	(37,601)	(92,294)	54,693	(59.3)%
Income before income taxes and discontinued operations	119,303	62,692	56,611	90.3 %
Income tax provision	(1,242)	(1,308)	66	(5.0)%
Income from continuing operations	118,061	61,384	56,677	92.3 %
Discontinued operations:				
Loss attributable to discontinued operations	—	(123)	123	(100.0)%
Gain from disposition of real estate	—	2,843	(2,843)	(100.0)%
Total discontinued operations	—	2,720	(2,720)	(100.0)%
Net income	118,061	64,104	53,957	84.2 %

Net income attributable to noncontrolling interests	(2,070)	(1,265)	(805)	63.6	%
Net income attributable to ACC, Inc. and Subsidiaries common stockholders	$115,991	$62,839	$53,152	84.6	%

Same Store and New Property Operations

We define our same store property portfolio as wholly-owned properties that were owned and operating for both of the full years ended December 31, 2015 and December 31, 2014, and which are not conducting or planning to conduct substantial development or redevelopment activities. Prior to the third quarter of 2015, we defined our same store property portfolio as properties that

were owned and operating for both the entire periods being compared. We revised the definition of our same store property portfolio during the third quarter of 2015 in order to simplify the presentation of same store operating results over multiple periods by utilizing a consistent property group throughout the entire year.

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, and income earned by one of our TRSs 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, property taxes, and bad debt. 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 property operations to our consolidated statements of comprehensive income is set forth below:

	Same Store Properties Year Ended December 31,		New Properties [1] Year Ended December 31,		Sold Properties [2] [3] Year Ended December 31,		Total - All Properties Year Ended December 31,	
	2015	2014	2015	2014	2015	2014	2015	2014
Number of properties	129	129	19	2	20	21	168	152
Number of beds	76,874 [4]	76,894	11,921	1,152	12,297	12,777	101,092	90,823
Revenues [5]	$616,526	$597,018	$73,453	$26,696	$18,039	$69,980	$708,018	$693,694
Operating expenses	287,740	282,311	34,959	11,872	9,137	35,432	331,836	329,615

(1) Does not include properties under construction as of December 31, 2015. Number of properties and number of beds also excludes properties undergoing redevelopment as of December 31, 2015, although the results of operations of those properties are included in new property revenues and operating expenses prior to commencement of redevelopment activities.

(2) 2014 results include The Enclave, a 480-bed wholly-owned property sold in September 2014. Due to a recent change in accounting guidance, The Enclave along with future disposals of individual operating properties or portfolios that do not represent a strategic shift in our operations will no longer qualify as discontinued operations and will be classified within income from continuing operations on the accompanying consolidated statements of comprehensive income. As a result, the operations of The Enclave are included in the table above in order to reconcile to wholly-owned revenues and wholly-owned operating expenses on the accompanying consolidated statements of comprehensive income. Refer to Note 6 in the accompanying Notes to Consolidated Financial Statements contained in Item 8 for a more detailed discussion of our recent disposition activity.

(3) Excludes Hawks Landing, a property that was sold in February 2014, which is classified within discontinued operations on the accompanying consolidated statements of comprehensive income.

(4) The difference in number of beds for the comparable periods is due to the sale of one building containing 20 beds at one of our wholly-owned properties in October 2014.

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

Same Store Properties. The increase in revenue from our same store properties was primarily due to an increase in average rental rates for the 2014/2015 and 2015/2016 academic years and an increase in weighted average occupancy from 94.9% during the year ended December 31, 2014 to 95.4% for the year ended December 31, 2015. Future revenues will be dependent on our ability to maintain our current leases in effect for the 2015/2016 academic year and our ability to obtain appropriate rental rates and desired occupancy for the 2016/2017 academic year at our various properties.

The increase in operating expenses from our same store properties was primarily due to (i) an increase in repairs and maintenance due to costs related to one-time occurrences at various properties; (ii) an increase in payroll expenses primarily due to the additional incentive compensation in 2015 as a result of our improved operational performance as compared to 2014; (iii) an increase in property taxes on 2013 developments placed in service caused primarily by the stabilization of property tax assessments in the second year of operations; and (iv) an increase in general and administrative costs mainly due to additional expenses related to the Company's obligation to fund certain future municipal infrastructure improvements at a property. These increases were partially offset by a decrease in marketing expense as a result of the continued strategic refinement of our marketing activities to yield optimal efficiency and effectiveness and a decrease in insurance premiums. We anticipate that operating expenses for our same store property portfolio for 2016 will increase as compared with 2015 as a result of general inflation.

New Property Operations. Our new properties for the year ended December 31, 2015 are summarized in the table below:

Property	Location	Primary University Served	Beds	Acquisition/Opening Date
Acquisitions:				
The Standard	Athens, GA	University of Georgia	610	October 2014
Park Point	Syracuse, NY	Syracuse University	226	February 2015
University Walk	Knoxville, TN	University of Tennessee	526	February 2015
1200 West Marshall	Richmond, VA	Virginia Commonwealth University	406	March 2015
8 1/2 Canal Street	Richmond, VA	Virginia Commonwealth University	540	March 2015
Vistas San Marcos	San Marcos, TX	Texas State University	600	March 2015
Crest at Pearl	Austin, TX	University of Texas	343	June 2015
UP at Metroplex	Binghamton, NY	Binghamton University - SUNY	710	June 2015
Stadium Centre	Tallahassee, FL	Florida State University	710	July 2015
		SUBTOTAL - Acquisitions	4,671	
Owned Developments:				
Merwick Stanworth Phase I	Princeton, NJ	Princeton University	214	June 2014
The Plaza on University	Orlando, FL	University of Central Florida	1,313	August 2014
U Club on Frey Phase II	Kennesaw, GA	Kennesaw State University	408	August 2014
U Centre at Northgate	College Station, TX	Texas A&M University	784	August 2014
The Suites Phase II	Flagstaff, AZ	Northern Arizona University	328	August 2014
160 Ross	Auburn, AL	Auburn University	642	August 2015
U Club on Woodward Phase II	Tallahassee, FL	Florida State University	496	August 2015
The Summit at University City	Philadelphia, PA	Drexel University	1,315	September 2015
2125 Franklin	Eugene, OR	University of Oregon	734	September 2015
		SUBTOTAL - Owned Developments	6,234	
Under Renovation:				
University Crossings [(1)]	Philadelphia, PA	Drexel University	1,016	September 2015
		Total - New Properties	11,921	

(1) Due to significant ongoing renovation activity occurring at University Crossings, revenues decreased from $10.2 million for the year ended December 31, 2014 to $7.2 million for the year ended December 31, 2015, while operating expenses increased slightly to $3.2 million for the year ended December 31, 2015 as compared to $3.0 million for the year ended December 31, 2014.

On-Campus Participating Properties (“OCPP”) Operations

Same Store OCPP Properties. We had four participating properties containing 4,519 beds which were operating during the years ended December 31, 2015 and 2014. Revenues from our same store participating properties increased approximately $0.6 million to $27.5 million during year ended December 31, 2015 from $26.9 million for the year ended December 31, 2014. This change was primarily a result of an increase in average rental rates for the 2015/2016

and 2014/2015 academic years partially offset by a decrease in weighted average occupancy from 77.3% for the year ended December 31, 2014 to 76.8% for the year ended December 31, 2015.

At these properties, operating expenses increased by approximately $0.2 million, from $10.9 million for the year ended December 31, 2014 to $11.1 million for the year ended December 31, 2015. This increase was primarily as a result of an increase in utilities expense.

New Property Operations. In August 2014, we completed construction on College Park, a 567-bed on-campus participating property serving students attending West Virginia University. This property contributed additional revenue and operating expenses of approximately $2.5 million and $0.9 million, respectively, during the year ended December 31, 2015.

Third-Party Development Services Revenue

Third-party development services revenue increased by approximately $1.0 million, from $4.0 million during the year ended December 31, 2014 to $5.0 million for the year ended December 31, 2015. This increase was primarily due to the closing of bond financing and commencement of construction for Northeastern Illinois University project in May 2015 and commencement of

construction of the Oregon State University Cascades project in November 2015. These two new projects contributed an additional $2.5 million of revenue recognized during the year ended December 31, 2015. In addition, we recognized $0.5 million of revenues related to our participation in cost savings for the Honors Academic Village at the University of Toledo that completed construction and opened for operations in August 2015. These increases were offset by a decrease in revenue related to closing and commencement of construction of a project at Texas A&M Corpus Christi and predevelopment activity performed at Northern Arizona University both during the twelve months ended December 31, 2014. During the year ended December 31, 2015, we had five projects in progress with average contractual fee of approximately $2.2 million, as compared to the year ended December 31, 2014 in which we had four projects in progress with an average contractual fee of approximately $1.9 million.

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 increased by approximately $1.1 million, from $7.7 million during the year ended December 31, 2014 to $8.8 million for the year ended December 31, 2015. This increase was primarily as a result of revenue earned from newly awarded management contracts, and the recognition of incentive fees from new third-party management contracts during the year ended December 31, 2015. We anticipate a modest increase in third-party management services revenue in 2016 as compared to 2015 from new contracts anticipated to be obtained in 2016, which will be slightly offset by the anticipated discontinuance of certain existing management contracts.

Third-Party Development and Management Services Expenses

Third-party development and management services expenses increased by approximately $2.3 million, from $12.0 million during the year ended December 31, 2014 to $14.3 million for the year ended December 31, 2015. This increase was primarily a result of the timing of new management contracts awarded in 2014 and 2015, an increase in the level of pursuits of potential third-party development projects and general inflation. We anticipate third-party development and management services expense will increase in 2016 as a result of the timing of new management contracts awarded in 2015 along with expected contracts to be awarded in 2016, as well as general inflation.

General and Administrative

General and administrative expenses increased by approximately $2.1 million, from $18.7 million during the year ended December 31, 2014 to $20.8 million for the year ended December 31, 2015. This increase was primarily due to additional expenses incurred in connection with enhancements to our operating system platforms, additional payroll, health care and benefits expense, public company costs and other general inflationary factors. We anticipate general and administrative expenses will increase in 2016 as compared to 2015 for the reasons discussed above.

Depreciation and Amortization

Depreciation and amortization increased by approximately $11.3 million, from $197.5 million during the year ended December 31, 2014 to $208.8 million for the year ended December 31, 2015. This increase was primarily due to (i) an $11.8 million increase due to the completion of construction and opening of four owned development properties in

August and September 2015, five owned development properties in June and August 2014, one mezzanine development property in August 2014 and one on-campus participating property in August 2014; (ii) an $11.3 million increase due to property acquisition activity in 2014 and 2015; (iii) a $0.9 million increase at same-store properties driven by the acceleration of depreciation of drainage pipes to be replaced at a property; and, (iv) a $0.3 million increase in depreciation and amortization at same-store on-campus participating properties. These increases were offset by a decrease in depreciation and amortization expense of approximately $13.0 million related to the sale of one property in September 2014 and 20 properties during the year ended December 31, 2015. Depreciation and amortization in 2016 will be dependent on planned disposition activity during the year, offset by additional depreciation and amortization resulting from the completion of owned development projects in Fall 2015 and Fall 2016, as well as potential acquisition opportunities in 2016.

Ground/Facility Leases

Ground/facility leases expense increased by approximately $0.8 million, from $7.4 million during the year ended December 31, 2014 to $8.2 million for the year ended December 31, 2015. This increase was primarily due to the timing of ACE development projects placed into service during 2014 and 2015, which contributed approximately $1.1 million of additional ground/facility leases expense during the year ended December 31, 2015. The recently completed on-campus participating property placed into service in August 2014, along with improved operating results at one other on-campus participating property during the comparable periods, contributed an additional $0.3 million increase to ground/facility leases expense during the year ended December 31, 2015. These increases were offset by a $0.6 million decrease in ground/facility leases expense at three on-campus participating properties. We anticipate ground/facility leases expense to increase in 2016 as compared to 2015, primarily as a result of the timing of new ACE projects being placed into service.

Provision for Real Estate Impairment

During the year ended December 31, 2014, we recorded a loss of approximately $2.4 million related to an impairment recognized prior to the sale of a wholly-owned property in September 2014. Refer to Note 6 in the accompanying Notes to Consolidated Financial Statements contained in Item 8 for a detailed discussion of our property dispositions.
Interest Income

Interest income increased by approximately $0.2 million, from $4.2 million during the year ended December 31, 2014 to $4.4 million during the year ended December 31, 2015. This increase was due to interest income on $57.2 million in loans receivable acquired in April 2013, as discussed in Note 2 in the accompanying Notes to Consolidated Financial Statements contained in Item 8. We expect interest income to increase in 2016 as compared to 2015, primarily as a result of the investment of excess cash from our February 2016 equity offering, as well as net proceeds from potential property dispositions in 2016.

Interest Expense

Interest expense decreased by approximately $2.6 million, from $90.4 million during the year ended December 31, 2014 to $87.8 million for the year ended December 31, 2015. This decrease was a result of the following: (i) an increase of approximately $11.5 million during the year ended December 31, 2015 related to the timing of our two recent offerings of senior unsecured notes which closed in June 2014 and September 2015; (ii) an increase of approximately $1.7 million during the year ended December 31, 2015 related to loans assumed in connection with 2015 property acquisitions; and (iii) an increase of $1.1 million related to the completion of one on-campus participating property in August 2014, which was partially financed with a construction loan. These increases were partially offset by the following: (i) a decrease of approximately $12.8 million during the year ended December 31, 2015 related to the payoff of mortgage loans during the past two years and the payoff of our secured agency facility on September 1, 2014; (ii) a decrease of approximately $1.5 million as a result of an increase in capitalized interest due to the timing and volume of construction activities on our owned development projects while our weighted-average cost of capital remained relatively constant; (iii) a $2.3 million decrease as a result of a decrease in borrowings under the Company's revolving credit facility during the year ended December 31, 2015 as compared to the year ended December 31, 2014; and (iv) a $0.3 million decrease due to the refinancing of the Cullen Oaks Phase I and Phase II mortgage loans in February 2014.

We anticipate interest expense will decrease in 2016 as compared to 2015 due to the payoff of mortgage and construction debt in 2015, the expected payoff of outstanding mortgage loans that mature in 2016, the payoff of our revolving credit facility and $250 million term loan due in 2019 using proceeds from our February 2016 equity offering, and the potential disposition of properties with outstanding mortgage loan debt during 2016. These decreases

will be offset by an increase in interest expense related to the timing of our $400 million offering of senior unsecured notes in September 2015.

Amortization of Deferred Financing Costs

Amortization of deferred financing costs decreased by approximately $0.3 million, from $5.9 million during the year ended December 31, 2014 to $5.6 million for the year ended December 31, 2015. The decrease was primarily due to a $0.5 million decrease related to the payoff of mortgage loans during the past two years and a $0.4 million decrease due to the payoff of our secured agency facility on September 1, 2014. These decreases were partially offset by a $0.5 million increase in deferred financing costs related to the timing of our two recent offerings of senior unsecured notes which closed in June 2014 and September 2015, respectively. We anticipate amortization of deferred finance costs will increase in 2016 due to the timing of our $400 million offering of senior unsecured notes in September 2015 and the accelerated amortization of $1.2 million of deferred financing costs related to the payoff of our $250 million term loan due to mature in February 2019.

Other Nonoperating Income

During the years ended December 31, 2015 and 2014, we recognized gains on insurance settlement of approximately $0.4 and $0.2 million related to a fire that occurred at one of our wholly-owned properties in July 2014. The gain represents insurance proceeds received in excess of the net book value of the property written off as a result of damage caused by the fire.

Gain (Loss) from Disposition of Real Estate

During the year ended December 31, 2015, we sold 20 wholly-owned properties containing 12,297 beds, resulting in a net gain from disposition of real estate of approximately $52.7 million. During the year ended December 31, 2014, we sold one building containing 20 beds, two properties containing 964 beds and two land parcels for a net gain on disposition of real estate of approximately $2.5 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.

Loss from Early Extinguishment of Debt

During the year ended December 31, 2015, we incurred approximately $1.8 million of losses associated with the early pay off of four mortgage loans in connection with the sale of four wholly-owned properties.

Discontinued Operations

Discontinued operations on the accompanying consolidated statements of comprehensive income for the year ended December 31, 2014 includes Hawks Landing, a wholly-owned property that was sold in February 2014 for a net gain of $2.8 million.The disposition of Hawks Landing was not subject to the new accounting guidance for discontinued operations because it was classified as held for sale as of December 31, 2013. Refer to Note 6 in the accompanying Notes to Consolidated Financial Statements contained in Item 8 for additional details.

Comparison of the Years Ended December 31, 2014 and 2013

The following table presents our results of operations for the years ended December 31, 2014 and 2013, including the amount and percentage change in these results between the two periods.

	Year Ended December 31,			
	2014	2013	Change ($)	Change (%)
Revenues:				
Wholly-owned properties	$690,582	$618,503	$72,079	11.7 %
On-campus participating properties	28,534	26,348	2,186	8.3 %
Third-party development services	4,018	2,483	1,535	61.8 %
Third-party management services	7,669	7,514	155	2.1 %
Resident services	3,112	2,614	498	19.1 %
Total revenues	733,915	657,462	76,453	11.6 %
Operating expenses:				
Wholly-owned properties	329,615	296,794	32,821	11.1 %
On-campus participating properties	11,290	11,049	241	2.2 %
Third-party development and management services	12,008	10,935	1,073	9.8 %
General and administrative	18,681	16,541	2,140	12.9 %
Depreciation and amortization	197,495	184,988	12,507	6.8 %
Ground/facility leases	7,397	5,402	1,995	36.9 %
Provision for real estate impairment	2,443	—	2,443	100.0 %
Total operating expenses	578,929	525,709	53,220	10.1 %
Operating income	154,986	131,753	23,233	17.6 %
Nonoperating income and (expenses):				
Interest income	4,168	3,005	1,163	38.7 %
Interest expense	(90,362)	(78,028)	(12,334)	15.8 %
Amortization of deferred financing costs	(5,918)	(5,608)	(310)	5.5 %
Loss from disposition of real estate	(368)	—	(368)	100.0 %
Other nonoperating income (expense)	186	(2,666)	2,852	(107.0)%
Total nonoperating expenses	(92,294)	(83,297)	(8,997)	10.8 %
Income before income taxes and discontinued operations	62,692	48,456	14,236	29.4 %
Income tax provision	(1,308)	(1,020)	(288)	28.2 %
Income from continuing operations	61,384	47,436	13,948	29.4 %
Discontinued operations:				
(Loss) income attributable to discontinued operations	(123)	4,824	(4,947)	(102.5)%
Loss from early extinguishment of debt	—	(332)	332	(100.0)%
Gain from disposition of real estate	2,843	55,263	(52,420)	(94.9)%
Total discontinued operations	2,720	59,755	(57,035)	(95.4)%
Net income	64,104	107,191	(43,087)	(40.2)%
Net income attributable to noncontrolling interests	(1,265)	(2,547)	1,282	(50.3)%

Net income attributable to ACC, Inc. and Subsidiaries common stockholders	$62,839	$104,644	$(41,805)	(39.9)%

Same Store and New Property Operations

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

	Same Store Properties Year Ended December 31,		New Properties [1] Year Ended December 31,		Sold Properties [2] Year Ended December 31,		Total - All Properties Year Ended December 31,	
	2014	2013	2014	2013	2014	2013	2014	2013
Number of properties	139	139	19	12	1	1	159	152
Number of beds	83,005 [3]	83,057	11,494	7,311	480	480	94,979	90,848
Revenues [4]	$608,314	$595,609	$84,176	$23,744	$1,204	$1,764	$693,694	$621,117
Operating expenses	290,567	283,409	38,147	12,145	901	1,240	329,615	296,794

(1) Does not include properties under construction as of December 31, 2014. Number of properties and number of beds also excludes properties undergoing redevelopment as of December 31, 2014, although the results of operations of those properties are included in new property revenues and operating expenses prior to commencement of redevelopment activities.

(2) Includes The Enclave, a 480-bed wholly-owned property sold in September 2014. Due to a recent change in accounting guidance, The Enclave along with future disposals of individual operating properties or portfolios that do not represent a strategic shift in our operations will no longer qualify as discontinued operations and will be classified within income from continuing operations on the accompanying consolidated statements of comprehensive income. As a result, the operations of The Enclave are included in the table above in order to reconcile to wholly-owned revenues and wholly-owned operating expenses on the accompanying consolidated statements of comprehensive income.

(3) The decrease in number of beds for the comparable periods is due to a fire that damaged 32 beds at one of our wholly-owned properties in July 2014 and the sale of one building containing 20 beds at another wholly-owned property in October 2014. The 32 beds damaged by the fire are being rebuilt and will be available for occupancy in Spring 2015.

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

Same Store Properties. The increase in revenue from our same store properties was primarily due to an increase in average rental rates for the 2014/2015 and 2013/2014 academic years and an increase in weighted average occupancy from 95.0% during the year ended December 31, 2013 to 95.4% for the year ended December 31, 2014.

The increase in operating expenses from our same store properties was primarily due to (i) an increase in property taxes on 2012 developments placed in service caused primarily by the stabilization of property tax assessments in the second year of operations; (ii) an increase in utility costs associated with an unusually cold winter experienced in late 2013 and early 2014; (iii) additional incentive compensation in 2014 as a result of our improved operational performance as compared to 2013; and (iv) an increase in bad debt expense as a result of a lower quality tenant base at certain properties resulting from the slower leasing velocity experienced during the 2013/2014 leasing campaign. These increases were partially offset by a decrease in marketing expense as a result of expense control efforts and improved leasing velocity for the 2014/2015 academic year.

New Property Operations. Our new properties for the year ended December 31, 2014 consist of the following: (i) 7th Street Station, acquired in July 2013; (ii) The Lodges of East Lansing Phase II, an additional phase at an existing property previously subject to a pre-sale agreement that we acquired in July 2013; (iii) Townhomes at Newtown

Crossing, a property previously subject to a pre-sale agreement that we acquired in September 2013; (iv) seven owned development projects that opened for occupancy in August and September 2013; (v) Park Point, acquired in October 2013; (vi) U Centre at Fry Street and Cardinal Towne, both acquired in November 2013; (vii) Boulder Outlook Hotel, acquired in January 2014; (viii) five owned development projects that opened for occupancy in June and August 2014; (ix) University Walk, a property subject to a pre-sale agreement that we did not own as of December 31, 2014 but is consolidated for financial reporting purposes; and (x) The Standard, acquired in October 2014.

On-Campus Participating Properties (“OCPP”) Operations

Same Store OCPP Properties. We had four participating properties containing 4,519 beds which were operating during the years ended December 31, 2014 and 2013. Revenues from our same store participating properties increased approximately $0.6 million to $26.9 million during year ended December 31, 2014 from $26.3 million for the year ended December 31, 2013. This change was primarily a result of an increase in average rental rates for the 2014/2015 and 2013/2014 academic years and an increase in weighted average occupancy from 76.3% for the year ended December 31, 2013 to 77.3% for the year ended December 31, 2014.

At these properties, operating expenses decreased by approximately $0.2 million, from $11.1 million for the year ended December 31, 2013 to $10.9 million for the year ended December 31, 2014. This decrease was primarily a result of a decrease in utilities expense at two of our participating properties that discontinued resident telephone service in 2014.

New Property Operations. In August 2014, we completed construction on College Park, a 567-bed on-campus participating property serving students attending West Virginia University. This property contributed additional revenue and operating expenses of approximately $1.6 million and $0.4 million, respectively, during the year ended December 31, 2014.

Third-Party Development Services Revenue

Third-party development services revenue increased by approximately $1.5 million, from $2.5 million during the year ended December 31, 2013 to $4.0 million for the year ended December 31, 2014. This increase was primarily due to the closing of bond financing and commencement of construction for the University of Toledo project in June 2014 and the Texas A&M University - Corpus Christi project in July 2014. These two new projects contributed an additional $2.4 million of revenue recognized during the year ended December 31, 2014. During the year ended December 31, 2014, we had four projects in progress with an average contractual fee of approximately $1.9 million, as compared to the year ended December 31, 2013 in which we had three projects in progress with an average contractual fee of approximately $2.7 million.

Third-Party Development and Management Services Expenses

Third-party development and management services expenses increased by approximately $1.1 million, from $10.9 million during the year ended December 31, 2013 to $12.0 million for the year ended December 31, 2014. This increase was primarily a result of payroll and benefits, branding initiatives and general inflation, offset by approximately $0.6 million of transfer taxes paid by us during the year ended December 31, 2013 in connection with our conversion of a wholly-owned property from off-campus into an on-campus ACE structure via a ground lease with Drexel University.

General and Administrative

General and administrative expenses increased by approximately $2.2 million, from $16.5 million during the year ended December 31, 2013 to $18.7 million for the year ended December 31, 2014. This increase was primarily due to additional payroll, health care and benefits expense, public company costs and other general inflationary factors.

Depreciation and Amortization

Depreciation and amortization increased by approximately $12.5 million, from $185.0 million during the year ended December 31, 2013 to $197.5 million for the year ended December 31, 2014. This increase was primarily due to the completion of construction and opening of seven owned development properties in August and September 2013 along with the completion of construction and opening of five owned development properties, one mezzanine development property that we consolidate for financial reporting purposes, and one on-campus participating property in June and August 2014, which contributed approximately $12.9 million of additional depreciation and amortization expense during the year ended December 31, 2014. In addition, property acquisition activity in 2013 and 2014 contributed approximately $8.3 million of additional depreciation and amortization expense during the year ended December 31, 2014. These increases were partially offset by a decrease in the amortization of in-place leases of approximately $8.4 million related to the purchase of 40 properties in 2012. The value assigned to in-place leases upon acquisition of these properties was fully amortized by the end of 2013.

Ground/Facility Leases

Ground/facility leases expense increased by approximately $2.0 million, from $5.4 million during the year ended December 31, 2013 to $7.4 million for the year ended December 31, 2014. This increase was primarily due to the

timing of ACE development projects placed into service during 2013 and 2014, which contributed approximately $1.2 million of additional ground/facility leases expense during the year ended December 31, 2014. The recently completed on-campus participating property placed into service in August 2014, along with improved operating results at two other on-campus participating properties during the comparable periods contributed the remaining $0.8 million increase to ground/facility leases expense during the year ended December 31, 2014.

Provision for Real Estate Impairment

During the year ended December 31, 2014, we recorded a loss of approximately $2.4 million related to an impairment recognized prior to the sale of a wholly-owned property in September 2014. Refer to Note 6 in the accompanying Notes to Consolidated Financial Statements contained in Item 8 for a detailed discussion of our property dispositions.

Interest Income

Interest income increased by approximately $1.2 million, from $3.0 million during the year ended December 31, 2013 to $4.2 million during the year ended December 31, 2014. This increase was primarily a result of our purchase of $52.8 million in loans receivable in April 2013 which contributed an additional $1.0 million of interest income during the year ended December 31, 2014, as well as the assumption of a loan receivable in connection with our purchase of Cardinal Towne in November 2013 which contributed an additional $1.0 million of interest income during the year ended December 31, 2014. These increases were partially offset by an $0.8 million decrease to interest income related to a loan to a noncontrolling partner that was paid off in July 2013.

Interest Expense

Interest expense increased by approximately $12.3 million, from $78.0 million during the year ended December 31, 2013 to $90.3 million for the year ended December 31, 2014. We incurred additional interest expense of approximately $12.4 million during the year ended December 31, 2014 related to the timing of our two recent offerings of senior unsecured notes which closed on April 2, 2013 and June 24, 2014, respectively. In December 2013, we borrowed $250 million under our new Term Loan II Facility which resulted in approximately $4.0 million of additional interest expense for the year ended December 31, 2014. We also incurred additional interest expense of approximately $3.0 million during the year ended December 31, 2014 related to loans assumed in connection with 2013 property acquisitions. In addition, interest expense increased by approximately $1.6 million as a result of a decrease in capitalized interest due to the timing and volume of construction activities on our owned development projects along with a decrease to our weighted-average cost of capital during the comparable periods. These increases were partially offset by a decrease of approximately $6.9 million during the year ended December 31, 2014 related to the payoff of mortgage loans during the past two years and the payoff of our secured agency facility on September 1, 2014. Interest expense also decreased by approximately $0.7 million during the year ended December 31, 2014 in connection with a reduction to the interest rate spread on our existing $350 million Term Loan I Facility in December 2013 and a reduction to the interest rate spread in May 2013 on a construction loan used to finance the development of two on-campus ACE properties. Lastly, interest expense decreased by approximately $0.8 million during the year ended December 31, 2014 as a result of our refinancing of the Cullen Oaks Phase I and Phase II mortgage loans in February 2014.

Amortization of Deferred Financing Costs

Amortization of deferred financing costs increased by approximately $0.3 million, from $5.6 million during the year ended December 31, 2013 to $5.9 million for the year ended December 31, 2014. This increase was primarily due to an additional $0.4 million of finance cost amortization during the year ended December 31, 2014 in connection with the December 2013 closing of our new $250 million Term Loan II Facility. We also incurred an additional $0.3 million of finance cost amortization during the year ended December 31, 2014 resulting from offering costs paid in connection with our two recent offerings of senior unsecured notes which closed on April 2, 2013 and June 24, 2014, respectively. These increases were offset by a decrease of approximately $0.4 million during the year ended December 31, 2014 related to the payoff of mortgage loans during the past two years and the payoff of our secured agency facility on September 1, 2014.

Other Nonoperating Income (Expense)

During the year ended December 31, 2014, we recognized a gain on insurance settlement of approximately $0.2 million related to a fire that occurred at one of our wholly-owned properties in July 2014. The gain represents insurance proceeds received to date in excess of the net book value of the property written off as a result of damage caused by the fire. During the year ended December 31, 2013, we recognized litigation settlement costs of $2.8

million related to a lawsuit that was settled and dismissed in April 2013.

Income Tax Provision

The Company's provision for income taxes increased by approximately $0.3 million, from $1.0 million for the year ended December 31, 2013 to $1.3 million for the year ended December 31, 2014. This increase relates to our increased presence in Texas as a result of our recent acquisition and owned development activity and subsequent increase in Texas Franchise taxes incurred.

Discontinued Operations

Discontinued operations on the accompanying consolidated statements of comprehensive income includes the following wholly-owned properties: (i) Hawks Landing, sold in February 2014 for a sales price of $17.3 million; (ii) University Mills, sold in November 2013 for a sales price of $14.5 million; (iii) Campus Ridge, sold in October 2013 for a sales price of $12.3 million; and (iv) State College Park, University Pines; The Village at Blacksburg and Northgate Lakes, wholly-owned properties sold in July 2013 for a combined sales price of $157.4 million. Refer to Note 6 in the accompanying Notes to Consolidated Financial Statements contained in Item 8 for a table summarizing the results of operations of the properties classified within discontinued operations.

Liquidity and Capital Resources

Cash Balances and Cash Flows

As of December 31, 2015, excluding our on-campus participating properties, we had $38.2 million in cash and cash equivalents and restricted cash as compared to $45.5 million in cash and cash equivalents and restricted cash as of December 31, 2014. 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 consolidated statements of cash flows included in Item 8 herein.

Operating Activities: For the year ended December 31, 2015, net cash provided by operating activities was approximately $261.0 million, as compared to approximately $259.9 million for the year ended December 31, 2014, an increase of approximately $1.1 million. This increase in cash flows was primarily due to (i) operating cash flows provided from the timing of property acquisitions purchased in 2014 and 2015; (ii) the completion of construction and opening of six owned development projects and one on-campus participating project in Fall 2014; and (iii) the completion of construction and opening of four owned development projects in August and September 2015. These increases were partially offset by: (i) the sale of one property in September 2014 and 20 properties during the year ended December 31, 2015; and (ii) an increase in student accounts receivable due to the timing of anticipated collections.

Investing Activities: Investing activities utilized approximately $239.5 million and $429.2 million for the years ended December 31, 2015 and 2014, respectively. The $189.7 million decrease in cash utilized in investing activities was primarily a result of the following: (i) a $418.5 million increase in proceeds from the disposition of wholly owned properties as we sold 20 properties during the year ended December 31, 2015, as compared to one property during the year ended December 31, 2014; (ii) a $37.5 million decrease in cash used to fund the construction of our wholly-owned development properties, related to the timing of construction commencement and completion of our owned development pipeline; and (iii) a $27.7 million decrease in cash used to fund the construction of an on-campus participating property located in Morgantown, West Virginia which opened for occupancy in August 2014. These decreases were partially offset by (i) a $263.0 million increase in cash paid to acquire properties and undeveloped land parcels; (ii) a $20.8 million increase in cash used to fund capital expenditures at our wholly-owned and on-campus participating properties; and (iii) $8.0 million of additional cash used in 2015 related to escrow deposits made on future acquisition opportunities.

Financing Activities: Cash utilized in financing activities totaled approximately $29.9 million during the year ended December 31, 2015 and cash provided by financing activities totaled $155.6 million for the year ended December 31, 2014. The $185.5 million decrease in cash provided by financing activities was primarily a result of the following: (i) a $177.7 million increase in net pay downs on our revolving credit facility; (ii) an $85.4 million increase in cash used to pay off maturing mortgage and construction

debt during the comparable periods; (iii) a $27.9 million decrease in construction loan proceeds during the comparable periods, as the development and construction of an on-campus participating property, which opened for occupancy in August 2014, was financed with a construction loan; and (iv) a $20.0 million increase in distributions to stockholders during the comparable periods, as a result of issuance of common stock under our at-the-market share offering program ("ATM Equity Program") discussed below and an increase to the quarterly dividend per share of common stock in May 2014 and May 2015. These decreases in cash provided by financing activities were partially offset by an increase of $125.4 million in net proceeds received from the issuance of common stock under our ATM Equity Program.

Liquidity Needs, Sources and Uses of Capital

As of December 31, 2015, our short-term liquidity needs included, but were not limited to, the following: (i) anticipated distribution payments to our common and restricted stockholders totaling approximately $206.2 million based on an assumed annual cash distribution of $1.60 per share based on the number of our shares outstanding as of December 31, 2015, as well as additional shares

issued in connection with our February 2016 equity offering (as discussed below); (ii) anticipated distribution payments to our Operating Partnership unitholders totaling approximately $2.3 million based on an assumed annual distribution of $1.60 per common unit and a cumulative preferential per annum cash distribution rate of 5.99% on our Series A preferred units based on the number of units outstanding as of December 31, 2015; (iii) pay-off of approximately $153.6 million of outstanding fixed rate mortgage debt scheduled to mature during the next 12 months, as well as approximately $15.5 million of scheduled debt principal payments; (iv) estimated development costs over the next 12 months totaling approximately $249.7 million for our wholly-owned properties currently under construction; (v) funds for other development projects scheduled to commence construction during the next 12 months; and (vi) potential future property acquisitions, including mezzanine financed developments.

We expect to meet our short-term liquidity requirements by (i) utilizing funds from our February 2016 equity offering (as discussed below); (ii) borrowing under our existing unsecured credit facility discussed below; (iii) accessing the unsecured bond market, (iv) issuing securities, including common stock, under our $500 million at-the-market share offering program (“ATM Equity Program”) discussed more fully in Note 12 in the accompanying Notes to Consolidated Financial Statements contained in Item 8; (v) potentially disposing of properties depending on market conditions; and (vi) utilizing current cash on hand and net cash provided by operations.

As discussed in Note 20 in the accompanying Notes to Consolidated Financial Statements contained in Item 8, in February 2016, we raised $708.2 million in net proceeds from a public offering of 17,940,000 common shares. Proceeds from the offering were used to repay the outstanding balance on our revolving credit facility and our $250 million unsecured term loan which was scheduled to mature in 2019. We intend to use the remaining proceeds for potential repayment of other outstanding debt, to fund our development pipeline, for potential acquisitions of student housing properties and for general corporate purposes.

In February 2016, Standard & Poor's Rating Services upgraded its corporate credit rating on the Company from BBB- to BBB. As a result of the credit rating upgrade, we expect the spread on our unsecured credit facility to decrease between 25 and 30 basis points. In addition, the facility fee on our $500 million revolving credit facility will decrease by five basis points.

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.

Indebtedness

A summary of our consolidated indebtedness as of December 31, 2015 is as follows. Refer to Note 11 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	Weighted Average Maturities (years)
Secured	$1,050,728	36.0 %	5.15 %	5.3 Years
Unsecured	1,868,900	64.0 %	3.18 %	5.1 Years
Total consolidated debt	$2,919,628	100.0 %	3.89 %	5.2 Years
Fixed rate debt				
Secured				
Project-based taxable bonds	$36,935	1.3 %	7.56 %	8.7 Years
Construction	5,559	0.2 %	4.61 %	8.7 Years
Mortgage [1]	1,008,234	34.5 %	5.10 %	5.2 Years
Unsecured				
3.750% Notes	400,000	[2] 13.7 %	3.75 %	7.3 Years
4.125% Notes [3]	400,000	[2] 13.7 %	4.25 %	8.5 Years
3.350% Notes	400,000	[2] 13.7 %	3.35 %	4.8 Years
Term loan	350,000	12.0 %	2.39 %	1.0 Years
Total - fixed rate debt	2,600,728	89.1 %	4.15 %	5.5 Years
Variable rate debt:				
Unsecured				
Revolving credit facility	68,900	2.4 %	1.95 %	2.2 Years
Term loan	250,000	8.6 %	1.73 %	3.2 Years
Total - variable rate debt	318,900	10.9 %	1.78 %	3.0 Years
Total consolidated debt	$2,919,628	100.0 %	3.89 %	5.2 Years

(1) Excludes net unamortized debt premiums and debt discounts related to mortgage loans assumed in connection with property acquisitions of approximately $50.8 million and $0.2 million, respectively.

(2) Excludes unamortized original issue discounts of approximately $2.2 million.

(3) In connection with the issuance of these unsecured notes, the Company terminated two forward starting interest rate swap contracts with notional amounts totaling $200 million, resulting in payments to both counterparties, which were recorded in accumulated other comprehensive loss and will be amortized to interest expense over the life of the notes. When including the effect of these interest rate swap terminations, the weighted average effective rate on the unsecured notes is 4.25%

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 26, 2016, we declared a distribution of $0.40 per share , which was paid on February 19, 2016 to all common stockholders of record as of February 8, 2016. 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.

Capital Expenditures

We distinguish between the following four 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 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.

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 capital expenditures at properties that were sold during the year as well as items considered extraordinary in nature.

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.

Our historical capital expenditures at our wholly-owned properties are set forth below:

	As of and for the Year Ended December 31,		
	2015	2014	2013
Recurring capital expenditures	$19,371	$19,390	$18,364
Acquisition-related	20,656	32,482	42,767
Renovations and strategic repositioning	52,427 [1]	16,794 [1]	4,124
Non-recurring and other	4,378	8,406	3,373
Total	$96,832	$77,072	$68,628
Average beds	85,635	91,791	86,678
Average recurring capital expenditures per bed	$226	$211	$212

(1) Includes renovation costs incurred at University Crossings (refer to Note 17 in the accompanying Notes to Consolidated Financial Statements contained in Item 8 for an expanded discussion on this renovation project) and The Castilian.

Pre-Development Expenditures

Our third-party and owned development activities have historically required us to fund pre-development expenditures such as architectural fees, permits and deposits. The closing and/or commencement of construction of these development projects is subject to a number of risks such as our inability to obtain financing on favorable terms and delays or refusals in obtaining necessary zoning, land use, building, and other required governmental permits and authorizations As such, we cannot always predict accurately the liquidity needs of these activities. We frequently incur these pre-development expenditures before a financing commitment and/or required permits and authorizations have been obtained. Accordingly, we bear the risk of the loss of these pre-development expenditures if financing

cannot ultimately be arranged on acceptable terms or we are unable to successfully obtain the required permits and authorizations. Historically, our third-party and owned development projects have been successfully structured and financed; however, these developments have at times been delayed beyond the period initially scheduled, causing revenue to be recognized in later periods. As of December 31, 2015, we have deferred approximately $8.1 million in pre-development costs related to third-party and owned development projects that have not yet commenced construction.

Contractual Obligations

The following table summarizes our contractual obligations for the next five years and thereafter as of December 31, 2015:

	Total	2016	2017	2018	2019	2020	Thereafter
Long-term debt [1]	$2,919,628	$169,152	$482,987	$245,273	$265,916	$470,561	$1,285,739
Interest on long-term debt [2]	574,242	111,072	90,224	82,174	74,721	67,734	148,317
Development projects [3]	316,267	249,705	66,562	—	—	—	—
Ground/facility lease obligations [4]	256,776	5,958	5,914	5,961	5,712	5,712	227,519
Operating lease obligations [5]	5,505	1,288	1,177	1,038	1,009	993	—
Pre-sale contract [6]	19,600	19,600	—	—	—	—	—
	$4,092,018	$556,775	$646,864	$334,446	$347,358	$545,000	$1,661,575

(1) Amounts include aggregate principal payments only and assumes we do not exercise extension options available to us on our unsecured credit facility, which is more fully discussed in Note 11 in the accompanying Notes to Consolidated Financial Statements contained in Item 8.

(2) Amounts include interest expected to be incurred on our secured and unsecured debt based on obligations outstanding at December 31, 2015. For variable rate debt, the current rate in effect for the most recent payment through December 31, 2015 is assumed to be in effect through the respective maturity date of each instrument.

(3) Consists of the completion costs related to 8 owned development projects under construction as of December 31, 2015 which will be funded entirely by us and are scheduled to be completed between August 2016 and August 2017. 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.

(4) Includes minimum annual lease payments under ground/facility lease agreements entered into with university systems and other third parties. Refer to Note 16 in the accompanying Notes to Consolidated Financial Statements contained in Item 8 for a more detailed discussion of our ground/facility leases.

(5) Includes operating leases related to corporate office space and equipment. Refer to Note 16 in the accompanying Notes to Consolidated Financial Statements contained in Item 8 for a more detailed discussion of our operating leases.

(6) In July 2015, in conjunction with the purchase of Stadium Centre, the Company entered into a pre-sale agreement to purchase The Court at Stadium Centre, an adjacent property which is anticipated to be completed in May 2016 for $26.5 million (see Note 7 and Note 17 in the accompanying Notes to Consolidated Financial Statements contained in Item 8). Of the $26.5 million purchase price, $6.9 million was paid in conjunction with the purchase of the adjacent property, Stadium Centre.

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 March 1995 White Paper (as amended in November 1999 and April 2002), 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 and other nonrecurring items. 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 wholly-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 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. When calculating FFOM, we also exclude losses from early extinguishment of debt incurred in connection with property dispositions and other non-cash items, as we determine in good faith.

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.

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

	Year Ended December 31,		
	2015	2014	2013
Net income attributable to ACC, Inc. and Subsidiaries common stockholders	$115,991	$62,839	$104,644
Noncontrolling interests	2,070	1,265	1,756
Gain from disposition of real estate	(52,699)	(2,475)	(55,263)
Elimination of provision for real estate impairment [1]	—	2,443	—
Real estate related depreciation and amortization	206,019	195,158	185,640
Funds from operations ("FFO") attributable to common stockholders and OP unitholders	271,381	259,230	236,777
Elimination of operations of on-campus participating properties:			
Net income from on-campus participating properties	(4,236)	(3,933)	(3,222)
Amortization of investment in on-campus participating properties	(7,034)	(5,688)	(4,756)
	260,111	249,609	228,799
Modifications to reflect operational performance of on-campus participating properties:			
Our share of net cash flow [2]	3,118	2,721	2,207
Management fees	1,424	1,289	1,201
On-campus participating properties development fees [3]	—	1,070	1,304
Impact of on-campus participating properties	4,542	5,080	4,712
Property acquisition costs [4]	2,836	705	2,447
Impact of University Walk (pre-sale arrangement)[5]	—	(323)	—
Non-cash litigation settlement expense [6]	—	—	2,800
Elimination of loss from early extinguishment of debt [7]	1,770	—	332
Funds from operations – modified ("FFOM") attributable to common stockholders and OP unitholders [4]	$269,259	$255,071	$239,090
FFO per share – diluted	2.38	2.42	2.22
FFOM per share – diluted [4]	2.36	2.38	2.24
Weighted average common shares outstanding - diluted	114,141,997	107,036,208	106,654,933

(1) Represents an impairment charge recorded for The Enclave, a property that was sold in September 2014, and a land parcel donated to a municipality in October 2014.

(2) 50% of the properties' net cash available for distribution after payment of operating expenses, debt service (including repayment of principal) and capital expenditures. Represents actual cash received for the year-to-date periods and amounts accrued for the interim periods, which is included in ground/facility leases expense in the consolidated statements of comprehensive income.

(3)

Represents development and construction management fees related to the West Virginia University on-campus participating property, which completed construction in August 2014.

(4) Starting in 2015, the Company began reflecting the add-back of property acquisition costs as an adjustment when calculating FFOM. FFOM for the years ended December 31, 2014 and 2013 has been adjusted accordingly in order to reflect comparable results for the periods presented.

(5) University Walk is a property that was subject to a pre-sale arrangement and was purchased in January 2015. The property was consolidated for financial reporting purposes prior to its acquisition. However, as we did not benefit from the net cash flow from operations prior to our purchase, we have excluded the operations of this property from FFOM in 2014.

(6) On April 22, 2013, the company acquired a note and subrogation rights from National Public Finance Guarantee Corporation (formerly known as MBIA Insurance Corp. of Illinois) for an aggregate of $52.8 million, which are secured by a lien on, and the cash flows from, two student housing properties in close proximity to the University of Central Florida and currently under a ground lease with the UCF Foundation. The instruments carry an interest rate of 5.123 percent. The acquisition facilitated the settlement of litigation related to a third-party management agreement for the properties with a GMH entity that was acquired by the company's 2008 merger with GMH. The acquisition resulted in a non-cash settlement charge of $2.8 million to reflect the fair market valuation of the instruments. Management believes it is appropriate to exclude this non-cash charge from FFOM in order to more accurately present the operating results of the company on a comparative basis during the periods presented.

(7) Represents losses associated with the early pay-off of mortgage loans for four properties sold during the year ended December 31, 2015 and one property sold during the year ended December 31, 2013. Such costs are excluded from gains from disposition of real estate reported in accordance with GAAP. However, we view the losses from early extinguishment of debt associated with the sales of real estate as an incremental cost of the sale transactions because we extinguished the debt in connection with the consummation of the sale transactions and we had no intent to extinguish the debt absent such transactions. We believe that adjusting FFOM to exclude these losses more appropriately reflects the results of our operations exclusive of the impact of our disposition transactions.

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. We believe our primary market risk exposure relates to interest rate risk. We do not enter into derivatives or other financial instruments for trading or speculative purposes.

The table below provides information about our assets and our liabilities sensitive to changes in interest rates as of December 31, 2015 and 2014:

	December 31, 2015				December 31, 2014			
	Amount (in 000s)	Weighted Average Maturity (in years)	Weighted Average Interest Rate	% of Total	Amount (in 000s)	Weighted Average Maturity (in years)	Weighted Average Interest Rate	% of Total
Fixed rate debt [1]	$2,600,728	5.5 Years	4.15%	89.1%	$2,358,586	6.0	4.39%	80.9%
Variable rate debt	318,900	3.0 Years	1.78%	10.9%	556,137	3.3	1.73%	19.1%

(1) Includes a $350 million outstanding balance on one of our unsecured term loans as of December 31, 2015 and 2014 and mortgage loans with an outstanding balance totaling $99.6 million and $100.6 million as of December 31, 2015 and 2014, respectively, which are effectively fixed by the use of interest rate swaps.

For fixed rate debt, interest rate changes affect the fair market value but do not impact net income attributable to common shareholders or cash flows. Conversely, for floating rate debt, interest rate changes generally do not affect the fair market value but do impact net income attributable to common shareholders and cash flows, assuming other factors are held constant. Holding other variables constant (such as debt levels), a one percentage point variance in interest rates (100 basis points) would change the unrealized fair market value of the fixed rate debt by approximately $240.3 million. The net income attributable to common shareholders and cash flow impact on the next year resulting from a one percentage point variance in interest rates on floating rate debt, excluding debt effectively fixed by interest rate swap agreements, would be approximately $3.2 million, holding all other variables constant.

As of December 31, 2015, the effect of our hedge agreements was to fix the interest rate on approximately $449.6 million of our variable rate debt. Had the hedge agreements not been in place during 2015, our annual interest costs would have been approximately $4.1 million lower, based on balances and reported interest rates through the year as the variable interest rates were less than the effective interest rates on the associated hedge agreements. Additionally, if the variable interest rates on this debt had been 100 basis points higher through 2015 and the hedge agreements not been in place, our annual interest costs would have been approximately $0.4 million higher. Derivative financial instruments expose us to credit risk in the event of non-performance by the counterparties under the terms of the interest rate hedge agreements. We believe we minimize our credit risk on these transactions by dealing with major, credit worthy financial institutions. As part of our on-going control procedures, we monitor the credit ratings of counterparties and our exposure to any single entity, thus minimizing credit risk concentration. We believe the likelihood of realized losses from counterparty non-performance is remote.

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.

(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, 2015. Based upon this assessment, our management believes that our internal control over financial reporting is effective as of December 31, 2015. 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, L.P.

(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.

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

The management of American Campus Communities Operating Partnership, L.P. 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, 2015. Based upon this assessment, our management believes that our internal control over financial reporting is effective as of December 31, 2015. 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, 2016 in connection with the Annual Meeting of Stockholders to be held May 5, 2016.

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, 2016 in connection with the Annual Meeting of Stockholders to be held May 5, 2016.

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, 2016 in connection with the Annual Meeting of Stockholders to be held May 5, 2016, to the extent not set forth below.

The Company maintains the American Campus Communities, Inc. 2010 Incentive Award Plan (the "2010 Plan"), as discussed in more detail in Note 13 in the accompanying Notes to Consolidated Financial Statements in Item 8. As of December 31, 2015, the total units and shares issued under the 2010 Plan were as follows:

	# of Securities to be	Weighted-Average Exercise Price of	# of Securities

	Issued Upon Exercise of Outstanding Options, Warrants, and Rights		Outstanding Options, Warrants, and Rights	Remaining Available for Future Issuance Under Equity Compensation Plans
Equity Compensation Plans Approved by Security Holders	755,703	(1)	n/a	975,324
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, 2016 in connection with the Annual Meeting of Stockholders to be held May 5, 2016.

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, 2016 in connection with the Annual Meeting of Stockholders to be held May 5, 2016.

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:

	Page No.
Report of Independent Registered Public Accounting Firm (American Campus Communities, Inc.)	F-1
Report of Independent Registered Public Accounting Firm (American Campus Communities Operating Partnership, L.P.)	F-2
Report of Independent Registered Public Accounting Firm on Internal Control over Financial Reporting (American Campus Communities, Inc.)	F-3
Report of Independent Registered Public Accounting Firm on Internal Control over Financial Reporting (American Campus Communities Operating Partnership, L.P.)	F-4
Consolidated Financial Statements of American Campus Communities, Inc. and Subsidiaries	
Consolidated Balance Sheets as of December 31, 2015 and 2014	F-5
Consolidated Statements of Comprehensive Income for the years ended December 31, 2015, 2014 and 2013	F-6
Consolidated Statements of Changes in Equity for the years ended December 31, 2015, 2014 and 2013	F-7
Consolidated Statements of Cash Flows for the years ended December 31, 2015, 2014 and 2013	F-8
Consolidated Financial Statements of American Campus Communities Operating Partnership, L.P. and Subsidiaries	
Consolidated Balance Sheets as of December 31, 2015 and 2014	F-9
Consolidated Statements of Comprehensive Income for the years ended December 31, 2015, 2014 and 2013	F-10
Consolidated Statements of Changes in Capital for the years ended December 31, 2015, 2014 and 2013	F-11
Consolidated Statements of Cash Flows for the years ended December 31, 2015, 2014 and 2013	F-12
Notes to Consolidated Financial Statements of American Campus Communities, Inc. and Subsidiaries and American Campus Communities Operating Partnership, L.P. and Subsidiaries	F-13

(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	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.
3.3	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.

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	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.
4.5	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.
4.6	American Campus Communities Operating Partnership LP 3.350 % Senior Notes due 2020. 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 September 22, 2015.
4.7	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.
4.8	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.
4.9	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.
4.10	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.
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 Services, Inc. Deferred Compensation Plan, effective January 1, 2015. 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 17, 2014.
10.8	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.
10.9	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.
10.10	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.
10.11	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.
10.12	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.
10.13	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.
10.14	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.

10.15	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.
10.16	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.
10.17	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.
10.18	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 99.4 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 December 5, 2013.

10.19	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.
10.20	Employment Agreement, dated as of November 1, 2007, between American Campus Communities, Inc. and Jonathan A. Graf. 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 November 5, 2007.
10.21	First Amendment to Employment Agreement, dated as of March 23, 2010, between Jonathan A. Graf and American Campus Communities, Inc. 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 24, 2010.
10.22	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.
10.23	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
10.24	Employment Agreement, dated as of May 4, 2011, between Daniel B. Perry and American Campus Communities, Inc.
10.25	First Amendment to Employment Agreement, dated as of November 2, 2012, between Daniel B. Perry and American Campus Communities, Inc.
10.26	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.
10.27	Fourth Amended and Restated Credit Agreement dated as of December 18, 2013 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 institutional lenders listed on the signature pages thereof as the Initial Lenders; KeyBank National Association, as the initial issuer of Letters of Credit; the Swing Line Bank (as defined therein), KeyBank National Association, as Administrative Agent; JPMorgan Chase Bank, N.A., as Syndication Agent; and KeyBanc Capital Markets Inc. and J.P. Morgan Securities LLC, as Joint Lead Arrangers 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 24, 2013.
10.28	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.

10.29	Equity Distribution Agreement, dated June 25, 2015, 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 June 25, 2015.
10.30	Equity Distribution Agreement, dated June 25, 2015, 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 June 25, 2015.
10.31	Equity Distribution Agreement, dated June 25, 2015, 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 June 25, 2015.

10.32	Equity Distribution Agreement, dated June 25, 2015, 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 June 25, 2015.
10.33	Agreement of Merger and Contribution, dated as of June 7, 2012, among American Campus Communities, Inc., American Campus Communities Operating Partnership LP, Campus Acquisitions Holdings, LLC, the Property Entities (as defined therein), Campus Acquisitions Management, LLC, the Development Entities (as defined therein) and Campus Acquisitions Investment Management LLC. 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 July 10, 2012.
10.34	Amendment No. 1 to Agreement of Merger and Contribution, dated as of July 9, 2012, among American Campus Communities, Inc., American Campus Communities Operating Partnership LP, Campus Acquisitions Holdings, LLC, the Property Entities (as defined therein), Campus Acquisitions Management, LLC, the Development Entities (as defined therein) and Campus Acquisitions Investment Management LLC. 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 July 10, 2012.
10.35	Purchase and Sale Agreement, dated as of September 4, 2012, between American Campus Communities Operating Partnership LP and the persons named therein as Sellers. 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 October 25, 2012.
10.3	Amendment to Purchase and Sale Agreement, dated as of October 24, 2012, between American Campus Communities Operating Partnership LP and the persons named therein as Sellers. 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 October 25, 2012.
12.1	Statement Regarding Computation of Ratios.
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, L.P.
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, L.P. - Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.4	American Campus Communities Operating Partnership, L.P. - 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, L.P. - 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, L.P. - 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

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

* 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 29, 2016

AMERICAN CAMPUS COMMUNITIES, INC.

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

William C. Bayless, Jr.
President and 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 29, 2016

AMERICAN CAMPUS COMMUNITIES OPERATING PARTNERSHIP, L.P.
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.
President and 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.	President, Chief Executive Officer and Director (Principal Executive Officer)	February 29, 2016
/s/ Jonathan A. Graf Jonathan A. Graf	Executive Vice President, Chief Financial Officer, Treasurer and Secretary (Principal Financial and Accounting Officer)	February 29, 2016
/s/ Edward Lowenthal Edward Lowenthal	Chairman of the Board of Directors	February 29, 2016
/s/ G. Steven Dawson G. Steven Dawson	Director	February 29, 2016
/s/ Cydney C. Donnell Cydney Donnell	Director	February 29, 2016
/s/ Dennis G. Lopez Dennis G. Lopez	Director	February 29, 2016
/s/ Oliver Luck Oliver Luck	Director	February 29, 2016
/s/ C. Patrick Oles, Jr. C. Patrick Oles, Jr.	Director	February 29, 2016
/s/ Winston W. Walker Winston W. Walker	Director	February 29, 2016

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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

We have audited the accompanying consolidated balance sheets of American Campus Communities, Inc. and Subsidiaries (the “Company”) as of December 31, 2015 and 2014, and 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, 2015. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of American Campus Communities, Inc. and Subsidiaries at December 31, 2015 and 2014, and the consolidated results of their operations and their cash flows for each of the three years in the period ended December 31, 2015, in conformity with U.S. generally accepted accounting principles.

As discussed in Note 6 to the consolidated financial statements, the Company changed its method for reporting discontinued operations effective January 1, 2014.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), American Campus Communities, Inc. and Subsidiaries’ internal control over financial reporting as of December 31, 2015, 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 29, 2016 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

Austin, Texas

February 29, 2016

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Partners of American Campus Communities Operating Partnership, L.P. and Subsidiaries

We have audited the accompanying consolidated balance sheets of American Campus Communities Operating Partnership, L.P. and Subsidiaries (the "Company") as of December 31, 2015 and 2014, and 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, 2015. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of American Campus Communities Operating Partnership, L.P. and Subsidiaries at December 31, 2015 and 2014, and the consolidated results of their operations and their cash flows for each of the three years in the period ended December 31, 2015, in conformity with U.S. generally accepted accounting principles.

As discussed in Note 6 to the consolidated financial statements, the Company changed its method for reporting discontinued operations effective January 1, 2014.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), American Campus Communities Operating Partnership, L.P. and Subsidiaries' internal control over financial reporting as of December 31, 2015, 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 29, 2016 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

Austin, Texas

February 29, 2016

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

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

We have audited American Campus Communities, Inc. and Subsidiaries' (the "Company") internal control over financial reporting as of December 31, 2015, 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). American Campus Communities, Inc. and Subsidiaries' 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 conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). 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.

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.

In our opinion, American Campus Communities, Inc. and Subsidiaries maintained, in all material respects, effective internal control over financial reporting as of December 31, 2015, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of American Campus Communities, Inc. and Subsidiaries as of December 31, 2015 and 2014, and 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, 2015 of American Campus Communities, Inc. and Subsidiaries and our report dated February 29, 2016 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

Austin, Texas

February 29, 2016

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Partners of American Campus Communities Operating Partnership, L.P. and Subsidiaries

We have audited American Campus Communities Operating Partnership, L.P. and Subsidiaries' (the "Company") internal control over financial reporting as of December 31, 2015, 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). American Campus Communities Operating Partnership, L.P. and Subsidiaries' 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 conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). 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.

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.

In our opinion, American Campus Communities Operating Partnership, L.P. and Subsidiaries maintained, in all material respects, effective internal control over financial reporting as of December 31, 2015, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of American Campus Communities Operating Partnership, L.P. and Subsidiaries as of December 31, 2015 and 2014, and 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, 2015 of American Campus Communities Operating Partnership, L.P. and Subsidiaries and our report dated February 29, 2016 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP
Austin, Texas
February 29, 2016

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

	December 31, 2015	December 31, 2014
Assets		
Investments in real estate:		
Wholly-owned properties, net	$5,522,271	$5,308,707
Wholly-owned properties held for sale	55,354	131,014
On-campus participating properties, net	90,129	94,128
Investments in real estate, net	5,667,754	5,533,849
Cash and cash equivalents	16,659	25,062
Restricted cash	33,675	31,937
Student contracts receivable, net	18,475	10,145
Other assets	289,384	233,755
Total assets	$6,025,947	$5,834,748
Liabilities and equity		
Liabilities:		
Secured mortgage, construction and bond debt	$1,101,325	$1,331,914
Unsecured notes	1,197,755	798,305
Unsecured term loans	600,000	600,000
Unsecured revolving credit facility	68,900	242,500
Accounts payable and accrued expenses	71,988	70,629
Other liabilities	144,811	121,645
Total liabilities	3,184,779	3,164,993
Commitments and contingencies (Note 17)		
Redeemable noncontrolling interests	59,511	54,472
Equity:		
American Campus Communities, Inc. and Subsidiaries stockholders' equity:		
Common stock, $.01 par value, 800,000,000 shares authorized, 112,350,877 and 107,175,236 shares issued and outstanding at December 31, 2015 and 2014, respectively	1,124	1,072
Additional paid in capital	3,325,806	3,102,540
Treasury stock, at cost, 10,155 shares	(403)	—
Accumulated earnings and dividends	(550,501)	(487,986)
Accumulated other comprehensive loss	(5,830)	(6,072)
Total American Campus Communities, Inc. and Subsidiaries stockholders' equity	2,770,196	2,609,554

Noncontrolling interests – partially owned properties	11,461	5,729
Total equity	2,781,657	2,615,283
Total liabilities and equity	$6,025,947	$5,834,748

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,		
	2015	2014	2013
Revenues:			
Wholly-owned properties	$704,909	$690,582	$618,503
On-campus participating properties	31,586	28,534	26,348
Third-party development services	4,964	4,018	2,483
Third-party management services	8,813	7,669	7,514
Resident services	3,109	3,112	2,614
Total revenues	753,381	733,915	657,462
Operating expenses:			
Wholly-owned properties	331,836	329,615	296,794
On-campus participating properties	12,437	11,290	11,049
Third-party development and management services	14,346	12,008	10,935
General and administrative	20,838	18,681	16,541
Depreciation and amortization	208,788	197,495	184,988
Ground/facility leases	8,232	7,397	5,402
Provision for real estate impairment	—	2,443	—
Total operating expenses	596,477	578,929	525,709
Operating income	156,904	154,986	131,753
Nonoperating income and (expenses):			
Interest income	4,421	4,168	3,005
Interest expense	(87,789)	(90,362)	(78,028)
Amortization of deferred financing costs	(5,550)	(5,918)	(5,608)
Gain (loss) from disposition of real estate	52,699	(368)	—
Loss from early extinguishment of debt	(1,770)	—	—
Other nonoperating income (expense)	388	186	(2,666)
Total nonoperating expenses	(37,601)	(92,294)	(83,297)
Income before income taxes and discontinued operations	119,303	62,692	48,456
Income tax provision	(1,242)	(1,308)	(1,020)
Income from continuing operations	118,061	61,384	47,436
Discontinued operations:			
(Loss) income attributable to discontinued operations	—	(123)	4,824
Loss from early extinguishment of debt	—	—	(332)
Gain from disposition of real estate	—	2,843	55,263
Total discontinued operations	—	2,720	59,755
Net income	118,061	64,104	107,191
Net income attributable to noncontrolling interests			
Redeemable noncontrolling interests	(1,458)	(913)	(1,359)
Partially owned properties	(612)	(352)	(1,188)
Net income attributable to noncontrolling interests	(2,070)	(1,265)	(2,547)
Net income attributable to ACC, Inc. and Subsidiaries common stockholders	$115,991	$62,839	$104,644

Other comprehensive income (loss)			
Change in fair value of interest rate swaps and other	464	(4,859)	5,226
Comprehensive income	$116,455	$57,980	$109,870
Income per share attributable to ACC, Inc. and Subsidiaries common stockholders – basic			
Income from continuing operations per share	$1.03	$0.56	$0.43
Net income per share	$1.03	$0.59	$0.99
Income per share attributable to ACC, Inc. and Subsidiaries common stockholders – diluted			
Income from continuing operations per share	$1.02	$0.56	$0.42
Net income per share	$1.02	$0.58	$0.98
Weighted-average common shares outstanding:			
Basic	111,987,361	105,032,155	104,760,502
Diluted	114,032,222	105,711,420	105,382,320
Distributions declared per Common Unit	$1.58	$1.50	$1.42

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	Treasury Shares	Treasury Shares at Cost	Accumulated Earnings and Dividends	Accumulated Other Comprehensive Loss	Noncontrolling Interests - Partially Owned Properties	Total
Equity, December 31, 2012	104,665,212	$1,043	$3,001,520	—	$—	$(347,521)	$(6,661)	$28,673	$2,677,054
Adjustments to reflect redeemable noncontrolling interests at fair value	—	—	12,534	—	—	—	—	—	12,534
Amortization of restricted stock awards	—	—	6,423	—	—	—	—	—	6,423
Vesting of restricted stock awards and restricted stock units	116,105	—	(2,869)	—	—	—	—	—	(2,869)
Distributions to common and restricted stockholders	—	—	—	—	—	(149,461)	—	—	(149,461)
Distributions to noncontrolling interests - partially owned properties	—	—	—	—	—	—	—	(789)	(789)
Increase in ownership of consolidated joint venture	—	—	—	—	—	—	—	(24,908)	(24,908)
Contributions by noncontrolling partners	—	—	—	—	—	—	—	1,500	1,500
Conversion of operating partnership units to common stock	1,500	—	23	—	—	—	—	—	23
	—	—	—	—	—	—	5,226	—	5,226

Change in fair value of interest rate swaps									
Net income	—	—	—	—	—	104,644	—	1,188	105,832
Equity, December 31, 2013	104,782,817	1,043	3,017,631	—	—	(392,338)	(1,435)	5,664	2,630,565
Adjustments to reflect redeemable noncontrolling interests at fair value	—	—	(8,200)	—	—	—	—	—	(8,200)
Amortization of restricted stock awards	—	—	6,816	—	—	—	—	—	6,816
Vesting of restricted stock awards and restricted stock units	133,910	6	(2,004)	—	—	—	—	—	(1,998)
Distributions to common and restricted stockholders	—	—	—	—	—	(158,487)	—	—	(158,487)
Distributions to noncontrolling interests - partially owned properties	—	—	—	—	—	—	—	(287)	(287)
Conversion of operating partnership units to common stock	52,269	1	601	—	—	—	—	—	602
Net proceeds from sale of common stock	2,206,240	22	87,696	—	—	—	—	—	87,718
Change in fair value of interest rate swaps	—	—	—	—	—	—	(4,859)	—	(4,859)
Amortization of interest rate swap terminations	—	—	—	—	—	—	222	—	222
Net income	—	—	—	—	—	62,839	—	352	63,191
Equity, December 31, 2014	107,175,236	1,072	3,102,540	—	—	(487,986)	(6,072)	5,729	2,615,283
Adjustments to reflect	—	—	4,462	—	—	—	—	—	4,462

redeemable noncontrolling interests at fair value									
Amortization of restricted stock awards	—	—	7,505	—	—	—	—	—	7,505
Vesting of restricted stock awards and restricted stock units	122,502	1	(1,743)	10,155	(403)	—	—	—	(2,145)
Distributions to common and restricted stockholders	—	—	—	—	—	(178,506)	—	—	(178,506)
Distributions to noncontrolling interests - partially owned properties	—	—	—	—	—	—	—	(635)	(635)
Increase in ownership of consolidated subsidiary	—	—	435	—	—	—	—	(1,500)	(1,065)
Contributions by noncontrolling partners	—	—	—	—	—	—	—	7,255	7,255
Conversion of operating partnership units to common stock	119,474	2	3,034	—	—	—	—	—	3,036
Redemption of common units for cash	—	—	(3,061)	—	—	—	—	—	(3,061)
Net proceeds from sale of common stock	4,933,665	49	212,634	—	—	—	—	—	212,683
Change in fair value of interest rate swaps	—	—	—	—	—	—	(170)	—	(170)
Amortization of interest rate swap terminations	—	—	—	—	—	—	412	—	412
Net income	—	—	—	—	—	115,991	—	612	116,603
Equity, December 31, 2015	112,350,877	$1,124	$3,325,806	10,155	$(403)	$(550,501)	$(5,830)	$11,461	$2,781,657

See accompanying notes to consolidated financial statements.

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

	Year Ended December 31,		
	2015	2014	2013
Operating activities			
Net income	$118,061	$64,104	$107,191
Adjustments to reconcile net income to net cash provided by operating activities:			
Gain from disposition of real estate	(52,699)	(2,475)	(55,263)
Gain from insurance settlement	(388)	(186)	—
Loss from early extinguishment of debt	1,770	—	332
Provision for real estate impairment	—	2,443	—
Depreciation and amortization	208,788	197,542	187,475
Amortization of deferred financing costs and debt premiums/discounts	(6,280)	(6,769)	(8,288)
Share-based compensation	8,161	7,164	6,625
Income tax provision	1,242	1,308	1,020
Amortization of interest rate swap terminations	412	222	—
Changes in operating assets and liabilities:			
Restricted cash	1,656	1,507	3,263
Student contracts receivable, net	(9,397)	(959)	4,621
Other assets	(23,475)	(12,632)	(15,072)
Accounts payable and accrued expenses	(4,001)	1,453	5,036
Other liabilities	17,136	7,176	9,738
Net cash provided by operating activities	260,986	259,898	246,678
Investing activities			
Proceeds from disposition of properties	427,055	8,599	180,465
Proceeds from disposition of land	249	1,502	2,000
Cash paid for property acquisitions	(291,352)	(74,641)	(234,326)
Cash paid for land acquisitions	(49,927)	(3,627)	(25,649)
Capital expenditures for wholly-owned properties	(96,832)	(77,072)	(68,628)
Investments in wholly-owned properties under development	(219,636)	(257,177)	(281,490)
Capital expenditures for on-campus participating properties	(2,943)	(1,953)	(1,618)
Investment in on-campus participating property under development	—	(27,668)	(15,476)
Investment in loans receivable	(5,176)	—	(60,888)
Proceeds from loans receivable	7,483	2,984	—
Change in restricted cash related to capital reserves	2,955	1,623	(1,461)
(Decrease) increase in escrow deposits for real estate investments	(7,033)	894	(970)
Proceeds from insurance settlement	388	758	636
Increase in ownership of consolidated subsidiary	(1,065)	—	—
Purchase of corporate furniture, fixtures and equipment	(3,621)	(3,457)	(2,594)
Net cash used in investing activities	(239,455)	(429,235)	(509,999)
Financing activities			
Proceeds from unsecured notes	399,244	399,444	398,636

Proceeds from sale of common stock	216,666	89,317	—
Offering costs	(3,250)	(1,340)	—
Pay-off of mortgage and construction loans	(263,361)	(178,002)	(82,066)
Proceeds from unsecured term loans	—	—	250,000
Proceeds from revolving credit facilities	720,200	615,900	609,055
Paydowns of revolving credit facilities	(893,800)	(611,850)	(732,605)
Proceeds from construction loans	258	28,109	15,833
Scheduled principal payments on debt	(14,450)	(16,015)	(15,323)
Loss from early extinguishment of debt	(1,770)	—	(332)
Debt issuance and assumption costs	(4,330)	(5,021)	(10,507)
Termination of forward starting interest rate swaps	—	(4,122)	—
Distributions to common and restricted stockholders	(178,506)	(158,487)	(149,461)
Distributions to noncontrolling partners	(2,964)	(2,285)	(2,612)
Redemption of common units for cash	(3,871)	—	—
Net cash (used in) provided by financing activities	(29,934)	155,648	280,618
Net change in cash and cash equivalents	(8,403)	(13,689)	17,297
Cash and cash equivalents at beginning of period	25,062	38,751	21,454
Cash and cash equivalents at end of period	$16,659	$25,062	$38,751

	Year Ended December 31,		
	2015	2014	2013
Supplemental disclosure of non-cash investing and financing activities			
Loans assumed in connection with property acquisitions	$(69,423)	$—	$(107,250)
Issuance of common units in connection with property acquisitions	$(14,182)	$—	$(3,451)
Change in fair value of derivative instruments, net	$(170)	$(740)	$5,226
Supplemental disclosure of cash flow information			
Interest paid	$89,336	$113,251	$100,305
Income taxes paid	$1,078	$1,066	$668

See accompanying notes to consolidated financial statements.

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

	December 31, 2015	December 31, 2014
Assets		
Investments in real estate:		
Wholly-owned properties, net	$5,522,271	$5,308,707
Wholly-owned properties held for sale	55,354	131,014
On-campus participating properties, net	90,129	94,128
Investments in real estate, net	5,667,754	5,533,849
Cash and cash equivalents	16,659	25,062
Restricted cash	33,675	31,937
Student contracts receivable, net	18,475	10,145
Other assets	289,384	233,755
Total assets	$6,025,947	$5,834,748
Liabilities and capital		
Liabilities:		
Secured mortgage, construction and bond debt	$1,101,325	$1,331,914
Unsecured notes	1,197,755	798,305
Unsecured term loans	600,000	600,000
Unsecured revolving credit facility	68,900	242,500
Accounts payable and accrued expenses	71,988	70,629
Other liabilities	144,811	121,645
Total liabilities	3,184,779	3,164,993
Commitments and contingencies (Note 17)		
Redeemable limited partners	59,511	54,472
Capital:		
Partners' capital:		
General partner - 12,222 OP units outstanding at both December 31, 2015 and 2014	93	100
Limited partner - 112,348,810 and 107,163,014 OP units outstanding at December 31, 2015 and 2014, respectively	2,775,933	2,615,526
Accumulated other comprehensive loss	(5,830)	(6,072)
Total partners' capital	2,770,196	2,609,554
Noncontrolling interests – partially owned properties	11,461	5,729
Total capital	2,781,657	2,615,283
Total liabilities and capital	$6,025,947	$5,834,748

See accompanying notes to consolidated financial statements.

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

	Year Ended December 31,		
	2015	2014	2013
Revenues:			
Wholly-owned properties	$704,909	$690,582	$618,503
On-campus participating properties	31,586	28,534	26,348
Third-party development services	4,964	4,018	2,483
Third-party management services	8,813	7,669	7,514
Resident services	3,109	3,112	2,614
Total revenues	753,381	733,915	657,462
Operating expenses:			
Wholly-owned properties	331,836	329,615	296,794
On-campus participating properties	12,437	11,290	11,049
Third-party development and management services	14,346	12,008	10,935
General and administrative	20,838	18,681	16,541
Depreciation and amortization	208,788	197,495	184,988
Ground/facility leases	8,232	7,397	5,402
Provision for real estate impairment	—	2,443	—
Total operating expenses	596,477	578,929	525,709
Operating income	156,904	154,986	131,753
Nonoperating income and (expenses):			
Interest income	4,421	4,168	3,005
Interest expense	(87,789)	(90,362)	(78,028)
Amortization of deferred financing costs	(5,550)	(5,918)	(5,608)
Gain (loss) from disposition of real estate	52,699	(368)	—
Loss from early extinguishment of debt	(1,770)	—	—
Other nonoperating income (expense)	388	186	(2,666)
Total nonoperating expenses	(37,601)	(92,294)	(83,297)
Income before income taxes and discontinued operations	119,303	62,692	48,456
Income tax provision	(1,242)	(1,308)	(1,020)
Income from continuing operations	118,061	61,384	47,436
Discontinued operations:			
(Loss) income attributable to discontinued operations	—	(123)	4,824
Loss from early extinguishment of debt	—	—	(332)
Gain from disposition of real estate	—	2,843	55,263
Total discontinued operations	—	2,720	59,755
Net income	118,061	64,104	107,191
Net income attributable to noncontrolling interests – partially owned properties	(612)	(352)	(1,188)
Net income attributable to American Campus Communities Operating Partnership, L.P.	117,449	63,752	106,003
Series A preferred units distributions	(176)	(178)	(182)
Net income available to common unitholders	$117,273	$63,574	$105,821

Other comprehensive income (loss)			
Change in fair value of interest rate swaps and other	464	(4,859)	5,226
Comprehensive income	$117,737	$58,715	$111,047
Income per unit attributable to common unitholders – basic			
Income from continuing operations per unit	$1.03	$0.56	$0.43
Net income per unit	$1.03	$0.59	$0.99
Income per unit attributable to common unitholders – diluted			
Income from continuing operations per unit	$1.02	$0.56	$0.42
Net income per unit	$1.02	$0.58	$0.98
Weighted-average common units outstanding:			
Basic	113,351,242	106,245,664	105,919,394
Diluted	114,032,222	106,924,929	106,541,212
Distributions declared per Common Unit	$1.58	$1.50	$1.42

See accompanying notes to consolidated financial statements.

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

	General Partner		Limited Partner		Accumulated Other Comprehensive Loss	Noncontrolling Interests – Partially Owned Properties	Total
	Units	Amount	Units	Amount			
Capital as of December 31, 2012	12,222	$116	104,652,990	$2,654,926	$ (6,661)	$ 28,673	$2,677,054
Adjustments to reflect redeemable limited partners' interest at fair value	—	—	—	12,534	—	—	12,534
Amortization of restricted stock awards	—	—	—	6,423	—	—	6,423
Vesting of restricted stock awards and restricted stock units	—	—	116,105	(2,869)	—	—	(2,869)
Distributions	—	(17)	—	(149,444)	—	—	(149,461)
Distributions to noncontrolling interests - partially owned properties	—	—	—	—	—	(789)	(789)
Increase in ownership of consolidated joint venture	—	—	—	—	—	(24,908)	(24,908)
Contributions by noncontrolling partners	—	—	—	—	—	1,500	1,500
Conversion of operating partnership units to common stock	—	—	1,500	23	—	—	23
Change in fair value of interest rate swaps	—	—	—	—	5,226	—	5,226
Net income	—	12	—	104,632		1,188	105,832
Capital as of December 31, 2013	12,222	111	104,770,595	2,626,225	(1,435)	5,664	2,630,565
Adjustments to reflect redeemable limited partners' interest at fair value	—	—	—	(8,200)	—	—	(8,200)
Amortization of restricted stock awards	—	—	—	6,816	—	—	6,816
Vesting of restricted stock awards and restricted stock units	—	—	133,910	(1,998)	—	—	(1,998)
Distributions	—	(18)	—	(158,469)	—	—	(158,487)
Distributions to noncontrolling interests - partially owned properties	—	—	—	—	—	(287)	(287)
	—	—	52,269	602	—	—	602

Conversion of operating partnership units to common stock							
Issuance of units in exchange for contributions of equity offering proceeds	—	—	2,206,240	87,718	—	—	87,718
Change in fair value of interest rate swaps	—	—	—	—	(4,859)	—	(4,859)
Amortization of interest rate swap termination	—	—	—	—	222	—	222
Net income	—	7	—	62,832	—	352	63,191
Capital as of December 31, 2014	12,222	100	107,163,014	2,615,526	(6,072)	5,729	2,615,283
Adjustments to reflect redeemable limited partners' interest at fair value	—	—	—	4,462	—	—	4,462
Amortization of restricted stock awards	—	—	—	7,505	—	—	7,505
Vesting of restricted stock awards and restricted stock units	—	—	132,657	(2,145)	—	—	(2,145)
Distributions	—	(19)	—	(178,487)	—	—	(178,506)
Distributions to noncontrolling interests - partially owned properties	—	—	—	—	—	(635)	(635)
Increase in ownership of consolidated joint venture	—	—	—	435	—	(1,500)	(1,065)
Contributions by noncontrolling partners	—	—	—	—	—	7,255	7,255
Conversion of operating partnership units to common stock	—	—	119,474	3,036	—	—	3,036
Redemption of common units for cash	—	—	—	(3,061)	—	—	(3,061)
Issuance of units in exchange for contributions of equity offering proceeds	—	—	4,933,665	212,683	—	—	212,683
Change in fair value of interest rate swaps	—	—	—	—	(170)	—	(170)
Amortization of interest rate swap terminations	—	—	—	—	412	—	412
Net income	—	12	—	115,979	—	612	116,603
Capital as of December 31, 2015	12,222	$93	112,348,810	$2,775,933	$ (5,830)	$ 11,461	$2,781,657

See accompanying notes to consolidated financial statements.

AMERICAN CAMPUS COMMUNITIES OPERATING PARTNERSHIP, L.P. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Year Ended December 31,		
	2015	2014	2013
Operating activities			
Net income	$118,061	$64,104	$107,191
Adjustments to reconcile net income to net cash provided by operating activities:			
Gain from disposition of real estate	(52,699)	(2,475)	(55,263)
Gain from insurance settlement	(388)	(186)	—
Loss from early extinguishment of debt	1,770	—	332
Impairment of real estate	—	2,443	—
Depreciation and amortization	208,788	197,542	187,475
Amortization of deferred financing costs and debt premiums/discounts	(6,280)	(6,769)	(8,288)
Share-based compensation	8,161	7,164	6,625
Income tax provision	1,242	1,308	1,020
Amortization of interest rate swap terminations	412	222	—
Changes in operating assets and liabilities:			
Restricted cash	1,656	1,507	3,263
Student contracts receivable, net	(9,397)	(959)	4,621
Other assets	(23,475)	(12,632)	(15,072)
Accounts payable and accrued expenses	(4,001)	1,453	5,036
Other liabilities	17,136	7,176	9,738
Net cash provided by operating activities	260,986	259,898	246,678
Investing activities			
Proceeds from disposition of properties	427,055	8,599	180,465
Proceeds from disposition of land	249	1,502	2,000
Cash paid for property acquisitions	(291,352)	(74,641)	(234,326)
Cash paid for land acquisitions	(49,927)	(3,627)	(25,649)
Capital expenditures for wholly-owned properties	(96,832)	(77,072)	(68,628)
Investments in wholly-owned properties under development	(219,636)	(257,177)	(281,490)
Capital expenditures for on-campus participating properties	(2,943)	(1,953)	(1,618)
Investment in on-campus participating property under development	—	(27,668)	(15,476)
Investment in loans receivable	(5,176)	—	(60,888)
Proceeds from loans receivable	7,483	2,984	—
Change in restricted cash related to capital reserves	2,955	1,623	(1,461)
(Decrease) increase in escrow deposits for real estate investments	(7,033)	894	(970)
Proceeds from insurance settlement	388	758	636
Increase in ownership of consolidated subsidiary	(1,065)	—	—
Purchase of corporate furniture, fixtures and equipment	(3,621)	(3,457)	(2,594)
Net cash used in investing activities	(239,455)	(429,235)	(509,999)
Financing activities			
Proceeds from unsecured notes	399,244	399,444	398,636

Proceeds from issuance of common units in exchange for contributions, net	213,416	87,977	—
Pay-off of mortgage and construction loans	(263,361)	(178,002)	(82,066)
Proceeds from unsecured term loans	—	—	250,000
Proceeds from revolving credit facilities	720,200	615,900	609,055
Paydowns of revolving credit facilities	(893,800)	(611,850)	(732,605)
Proceeds from construction loans	258	28,109	15,833
Scheduled principal payments on debt	(14,450)	(16,015)	(15,323)
Loss from early extinguishment of debt	(1,770)	—	(332)
Debt issuance and assumption costs	(4,330)	(5,021)	(10,507)
Termination of forward starting interest rate swaps	—	(4,122)	—
Distributions paid on unvested restricted stock awards	(1,086)	(1,076)	(927)
Distributions paid to common and preferred unitholders	(179,749)	(159,409)	(150,357)
Distributions paid to noncontrolling partners – partially owned properties	(635)	(287)	(789)
Redemption of common units for cash	(3,871)	—	—
Net cash (used in) provided by financing activities	(29,934)	155,648	280,618
Net change in cash and cash equivalents	(8,403)	(13,689)	17,297
Cash and cash equivalents at beginning of period	25,062	38,751	21,454
Cash and cash equivalents at end of period	$16,659	$25,062	$38,751
Supplemental disclosure of non-cash investing and financing activities			
Loans assumed in connection with property acquisitions	$(69,423)	$—	$(107,250)
Issuance of common units in connection with property acquisitions	$(14,182)	$—	$(3,451)
Change in fair value of derivative instruments, net	$(170)	$740	$5,226
Supplemental disclosure of cash flow information			
Interest paid	$89,336	$113,251	$100,305
Income taxes paid	$1,078	$1,066	$668

See accompanying notes to consolidated financial statements.

AMERICAN CAMPUS COMMUNITIES, INC. AND SUBSIDIARIES
AMERICAN CAMPUS COMMUNITIES OPERATING PARTNERSHIP, L.P. AND SUBSIDIARIES
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 L.P. ("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. ACC's common stock is publicly traded on the New York Stock Exchange ("NYSE") under the ticker symbol "ACC."

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, 2015, 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, 2015, ACC owned an approximate 98.8% 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. Unless otherwise indicated, the accompanying Notes to the Consolidated Financial Statements apply to both the Company and the Operating Partnership.

As of December 31, 2015, our property portfolio contained 162 properties with approximately 99,400 beds in approximately 32,500 apartment units. Our property portfolio consisted of 134 owned off-campus student housing properties that are in close proximity to colleges and universities, 23 American Campus Equity ("ACE®") properties operated under ground/facility leases with eleven university systems and five on-campus participating properties operated under ground/facility leases with the related university systems. Of the 162 properties, nine were under development as of December 31, 2015, and when completed will consist of a total of approximately 5,500 beds in approximately 1,500 units. Our 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"), we also provide construction management and development services, primarily for student housing properties owned by colleges and universities, charitable foundations, and others. As of December 31, 2015, also through one of ACC's TRSs, we provided third-party management and leasing services for 39 properties that represented approximately 29,500 beds in approximately 10,900 units. Third-party management and leasing services are typically provided pursuant to management contracts that have initial terms that range from one to five years. As of December 31, 2015, our total owned and third-party managed portfolio included 201 properties with approximately 128,900 beds in approximately 43,400 units.

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 us 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. Our 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. Certain prior period amounts have been reclassified to conform to the current period presentation.

Recent Accounting Pronouncements

In February 2016, the FASB issued Accounting Standards Update 2016-02 (“ASU 2016-02”), "Leases: Amendments to the FASB Accounting Standards Codification." ASU 2016-02 amends the existing accounting standards for lease accounting, including requiring lessees to recognize most leases on their balance sheets and making targeted changes to lessor accounting. The new

standard requires a modified retrospective transition approach for all leases existing at, or entered into after, the date of initial application, with an option to use certain transition relief. The guidance is effective for public business entities for fiscal years beginning after December 15, 2018 and interim periods within those fiscal years. Early adoption is permitted. The Company is currently assessing whether ASU 2016-02 will have a material effect on its consolidated financial statements.

In September 2015, the FASB issued Accounting Standards Update 2015-16 ("ASU 2015-16"), "Simplifying the Accounting for Measurement-Period Adjustments." ASU 2015-16 eliminates the requirement that an acquirer in a business combination account for a measurement-period adjustment retrospectively. Instead, an acquirer will recognize a measurement-period adjustment during the period in which the amount of the adjustment is determined. The guidance is effective for public business entities for fiscal years beginning after December 15, 2015, and interim periods within those fiscal years. Early adoption is permitted. The Company plans to adopt ASU 2015-16 as of January 1, 2016 and does not expect it to have a material impact on its consolidated financial statements.

In April 2015, the FASB issued Accounting Standards Update 2015-03 ("ASU 2015-03"), "Simplifying the Presentation of Debt Issuance Costs." ASU 2015-03 requires all costs incurred to issue debt be presented in the balance sheet as a direct deduction from the carrying value of the debt rather than being recorded as a deferred charge and presented as an asset. ASU 2015-03 is effective for interim and annual periods beginning after December 15, 2015, with early adoption permitted, and retrospective application required. In August 2015, the FASB issued Accounting Standards Update 2015-15 ("ASU 2015-15"), "Presentation and Subsequent Measurement of Debt Issuance Costs Associated with Line-of-Credit Arrangements." ASU 2015-15 clarifies the presentation of debt issuance costs related to credit facility arrangements. For public business entities, the final guidance is effective for fiscal years beginning after December 15, 2015, and interim periods within those fiscal years. The Company plans to adopt ASU 2015-03 and ASU 2015-15 as of January 1, 2016 and does not expect it to have a material impact on its consolidated financial statements.

In February 2015, the FASB issued Accounting Standards Update 2015-02 ("ASU 2015-02"), "Amendments to the Consolidation Analysis." ASU 2015-02 changes the analysis a reporting entity must perform to determine whether it should consolidate certain types of legal entities. ASU 2015-02 modifies whether limited partnerships and similar entities are variable interest entities ("VIEs") or voting interest entities and eliminates the presumption a general partner should consolidate a limited partnership. ASU 2015-02 is effective for interim and annual periods beginning after December 15, 2015, with early adoption permitted. The Company plans to adopt ASU 2015-02 as of January 1, 2016 and does not expect it to have a material impact on its consolidated financial statements.

In May 2014, the FASB issued Accounting Standards Update 2014-09 ("ASU 2014-09"), "Revenue From Contracts With
Customers". ASU 2014-09 provides a single comprehensive revenue recognition model for contracts with customers (excluding
certain contracts, such as lease contracts) to improve comparability within industries. ASU 2014-09 requires an entity to recognize revenue to reflect the transfer of goods or services to customers at an amount the entity expects to be paid in exchange for those goods and services and provide enhanced disclosures, all to provide more comprehensive guidance for transactions such as service revenue and contract modifications. In July 2015, the FASB issued ASU 2015-14 ("ASU 2015-14"), "Deferral of the Effective Date". This standard deferred by one year the effective date of ASU 2014-09. The new revenue recognition standard is effective for public entities for interim and annual periods beginning after December 15, 2017 and may be applied using either a full retrospective or modified approach upon adoption. The Company plans to adopt ASU 2014-09 as of January 1, 2018 and is currently evaluating the potential

impact of the new standard on its consolidated financial statements.

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

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 charged to expense when incurred. Depreciation and amortization are recorded on a straight-line basis over the estimated useful lives of the assets as follows:

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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 finance 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 $9.6 million, $8.8 million and $10.0 million was capitalized during the years ended December 31, 2015, 2014 and 2013, respectively.

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 is inherently uncertain and relies 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. The Company believes that there were no impairments of the carrying values of its investments in real estate as of December 31, 2015.

The Company allocates the purchase price of acquired properties to net tangible and identified intangible assets based on relative fair values. Fair value estimates are based on information obtained from a number of sources, including independent appraisals that may be obtained in connection with the acquisition or financing of the respective property, our own analysis of recently acquired and existing comparable properties in our portfolio, and other market data. Information obtained about each property as a result of due diligence, marketing and leasing activities is also considered. The value allocated to land is generally based on the actual purchase price adjusted to fair value (as necessary) if acquired separately, or market research/comparables if acquired as part of an existing operating property. The value allocated to building is based on the fair value determined on an "as-if vacant" basis, which is estimated using an income, or discounted cash flow, approach that relies upon internally determined assumptions that we believe are consistent with current market conditions for similar properties. The value allocated to furniture, fixtures, and equipment is based on an estimate of the fair value of the appliances and fixtures inside the units. We have determined these estimates to have been primarily based upon unobservable inputs and therefore are considered to be Level 3 inputs within the fair value hierarchy.

We record the acquisition of undeveloped land parcels that do not meet the accounting criteria to be accounted for as business combinations at the purchase price paid and capitalize the associated acquisition costs.

Long-Lived 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.

Discontinued Operations

A discontinued operation represents (i) a component of an entity or group of components that has been disposed of or is classified as held for sale in a single transaction and represents a strategic shift that has or will have a major effect on an entity's operations and financial results; or (ii) an acquired business that is classified as held for sale on the date of acquisition. A strategic shift could include a disposal of (i) a separate major line of business; (ii) a separate major geographic area of operations; (iii) a major equity method investment; or (iv) other major parts of an entity. The Company classifies disposals of real estate that do not meet the definition of a discontinued operation within income from continuing operations in the accompanying consolidated statements of comprehensive income.

Owned On-Campus Properties

Under its ACE program, the Company, as lessee, has entered into ground/facility lease agreements with eleven university systems to finance, construct, and manage 23 student housing properties. Five properties were under construction as of December 31, 2015 with four scheduled to open for occupancy in Fall 2016 and one in Fall 2017. The terms of the leases, including extension options, range from 30 to 100 years, and the lessor has title to the land and generally any improvements placed thereon. The Company’s involvement in construction requires the lessor’s post construction ownership of the improvements to be treated as a sale with a subsequent leaseback by the Company. However, these sale-leaseback transactions do not qualify for sale-leaseback accounting because of the Company’s continuing involvement in the constructed assets. As a result of the Company’s continuing involvement, these leases are accounted for by the deposit method, in which the assets subject to the ground/facility leases are reflected at historical cost, less amortization, and the financing obligations are reflected at the terms of the underlying financing.

On-Campus Participating Properties

The Company has entered into ground and facility leases with three university systems and colleges to finance, construct, and manage five on-campus student housing facilities. Under the terms of the leases, the lessor has title to the land and any improvements placed thereon. With the exception of the Company's lease with West Virginia University, each lease terminates upon final repayment of the construction related financing, the amortization period of which is contractually stipulated. The Company's lease with West Virgina University has an initial term of 40 years with two 10-year extensions at the Company's option. The Company’s involvement in construction requires the lessor’s post construction ownership of the improvements to be treated as a sale with a subsequent leaseback by the Company. The sale-leaseback transaction has been accounted for as a financing, and as a result, any fee earned during construction is deferred and recognized over the term of the lease. The resulting financing obligation is reflected at the terms of the underlying financing, i.e., interest is accrued at the contractual rates and principal reduces in accordance with the contractual principal repayment schedules.

The entities that own the on-campus participating properties are determined to be VIEs, with the Company being the primary beneficiary. As such, the Company consolidates these properties for financial reporting purposes.

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 trust and invested in low risk investments, generally consisting of government backed securities, as permitted by the indentures of trusts, which were established in connection with three bond issues. 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.

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Loans Receivable

Loans held for investment are intended to be held to maturity and, accordingly, are carried at cost, net of unamortized loan purchase discounts, and net of an allowance for loan losses when such loan is deemed to be impaired. Loan purchase discounts are amortized over the term of the loan. The Company considers a loan impaired when, based upon current information and events, it is probable that it will be unable to collect all amounts due for both principal and interest according to the contractual terms of the loan agreement. Management's estimate of the collectability of principal and interest payments under the company's loans receivable from CaPFA Capital Corp. 2000F ("CaPFA"), which mature in December 2040 and carry a balance of approximately $57.2 million as of December 31, 2015, are highly dependent on the future operating performance of the properties securing the loans. As future economic conditions and/or market conditions at the properties change, management will continue to evaluate the collectability of such amounts. The Company believes there were no impairments of the carrying value of its loans receivable as of December 31, 2015. Loans receivable are included in other assets on the accompanying consolidated balance sheets.

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 rentals 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 expected to be allocated to student tenant relationships, considering the terms of the leases and the expected levels of renewals.

In connection with the property acquisitions discussed in Note 5 herein, the Company capitalized approximately $3.3 million, $0.9 million and $3.2 million for the years December 31, 2015, 2014 and 2013, respectively, related to management's estimate of the fair value of in-place leases assumed. Amortization expense was approximately $3.7 million, $2.4 million and $13.7 million for the years ended December 31, 2015, 2014 and 2013, respectively. Accumulated amortization at December 31, 2015 and 2014 was approximately $30.1 million and $27.9 million, respectively. The value of in-place leases, net of amortization, is included in other assets on the accompanying consolidated balance sheets and the amortization of in-place leases is included in depreciation and amortization expense in the accompanying consolidated statements of comprehensive income. See Note 5 herein for an expanded discussion of the property acquisitions completed during 2015, 2014 and 2013.

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. Unamortized in-place property tax incentive arrangements as of December 31, 2015 and 2014 were approximately $56.8 million and $36.7 million, respectively, and are included in other assets on the accompanying consolidated balance sheets. Amortization expense was approximately $2.8 million, $1.3 million and $0.6 million for the years ended December 31, 2015, 2014 and 2013, respectively. Amortization of in-place property tax incentive arrangements is included in wholly-owned properties operating expense in the accompanying consolidated statements of comprehensive income. As of December 31, 2015, the remaining weighted average tax incentive arrangement

period was 21.3 years.

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. Deferred financing costs at December 31, 2015 and 2014 were approximately $43.6 million and $39.5 million, respectively, and accumulated amortization at December 31, 2015 and 2014 was approximately $21.2 million and $16.9 million, respectively. Deferred financing costs, net of amortization, are included in other assets on the accompanying consolidated balance sheets.

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Joint Ventures

The Company holds interests in both consolidated and unconsolidated 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, management first considers whether the Company is the general partner or a limited partner (or the equivalent in such investments which are not structured as partnerships). The Company consolidates joint ventures where it is the general partner and the limited partners in such investments do not have rights which would preclude control and, therefore, consolidation for financial reporting purposes. For joint ventures where the Company is the general partner, but does not control the joint venture as the other partners hold substantive participating rights, the Company uses the equity method of accounting. For joint ventures where the Company is a limited partner, management considers factors such as ownership interest, voting control, authority to make decisions, and contractual and substantive participating rights of the partners to determine if the presumption that the general partner controls the entity is overcome. In instances where these factors indicate the Company controls the joint venture, the Company consolidates the joint venture; otherwise it uses the equity method of accounting.

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 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 $12.0 million, $12.9 million and $14.0 million for the years ended December 31, 2015, 2014 and 2013, respectively. As of December 31, 2015 and 2014, net unamortized mortgage debt premiums were approximately $50.8 million and $60.6 million, respectively, and net unamortized mortgage debt discounts were approximately $0.2 million and $0.9 million, respectively. Mortgage debt premiums and discounts are included in secured mortgage, construction and bond debt on the accompanying consolidated balance sheets and amortization of mortgage debt premiums and discounts is included in interest expense on the accompanying consolidated statements of comprehensive income.

Unsecured Notes - Original Issue Discount

The Company has completed three offerings of senior unsecured notes totaling $1.2 billion that are detailed in Note 11 herein. The total unamortized original issue discount was approximately $2.2 million and $1.7 million as of December 31, 2015 and 2014, respectively, and is included in unsecured notes on the accompanying consolidated balance sheets. Amortization of the original issue discounts of approximately $0.2 million, $0.1 million, and $0.1 million for the years ended December 31, 2015, 2014, and 2013, respectively, is included in interest expense on the accompanying consolidated statements of comprehensive income.

Rental Revenues and Related Receivables

Students are required to execute lease contracts with payment schedules that vary from single to monthly payments. Receivables are recorded when billed, revenues and related lease incentives are recognized on a straight-line basis over the term of the contracts, and balances are considered past due when payment is not received on the contractual due date. The Company generally requires each executed contract to be accompanied by a signed parental guaranty, and in certain cases a refundable security deposit. Security deposits are refundable, net of any outstanding charges, upon expiration of the underlying contract.

Allowances for receivables are established when management determines that collection of such receivables are doubtful. Management's determination of the adequacy of the allowances is based primarily on an analysis of the aging of receivables, historical bad debts, and current economic trends. When management has determined receivables to be uncollectible, which is typically after two years, they are removed as an asset with a corresponding reduction in the allowance for doubtful accounts.

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The allowance for doubtful accounts is summarized as follows:

	Balance, Beginning of Period	Charged to Expense	Write-Offs	Balance, End of Period
Year ended December 31, 2013	$10,602	$9,871	$(4,547)	$15,926
Year ended December 31, 2014	$15,926	$10,894	$(7,109)	$19,711
Year ended December 31, 2015	$19,711	$10,115	$(12,772)[1]	$17,054

[1] Write-offs include $4.0 million related to properties previously disposed of.

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 we are generally the primary obligor with respect to purchasing goods and services from third-party suppliers, have discretion in selecting the supplier, and have credit risk.

Third-Party Development Services Revenue and Costs

Development revenues are generally recognized based on a proportional performance method based on contract deliverables, while construction revenues are recognized using the percentage of completion method, as determined by construction costs incurred relative to total estimated construction costs. Costs associated with such projects are deferred and recognized in relation to the revenues earned on executed contracts. For projects where the Company's fee is based on a fixed price, any cost overruns incurred during construction, as compared to the original budget, will reduce the net fee generated on those projects. Incentive fees are recognized when the project is complete and performance has been agreed upon by all parties, or when performance has been verified by an independent third-party. The Company also evaluates the collectability of third-party fee income and expense reimbursements generated through the provision of development and construction management services based upon the individual facts and circumstances, including the contractual right to receive such amounts in accordance with the terms of the various projects, and reserves any amounts that are deemed to be uncollectible.

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 that management believes it is probable that the contract will be executed and/or construction will commence. 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. As of December 31, 2015, the Company has deferred approximately $8.1 million in pre-development costs related to third-party and owned development projects that have not yet commenced construction. Such costs are included in other assets on the accompanying consolidated balance sheets.

Third-Party Management Services Revenue

Management fees are recognized when earned in accordance with each management contract. Incentive management fees are recognized when the incentive criteria have been met. 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.

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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 $11.8 million, $14.2 million and $18.0 million for the years ended December 31, 2015, 2014 and 2013, respectively.

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 14 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 12 for an expanded discussion on common stock issuances and costs.

Share-Based Compensation

Compensation expense associated with share-based awards is recognized in our consolidated statements of comprehensive income based on the grant-date fair values. 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 13 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) 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 two TRSs, one of which manages the Company's non-REIT activities and each 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

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from the assumed conversion of American Campus Communities Operating Partnership Units ("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, 2015, 2014 and 2013, 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,		
	2015	2014	2013
Common OP Units (Note 9)	—	1,213,509	1,158,892
Preferred OP Units (Note 9)	109,775	111,279	113,721
Total potentially dilutive securities	109,775	1,324,788	1,272,613

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

	Year Ended December 31,		
	2015	2014	2013
Numerator - basic earnings per share:			
Income from continuing operations	$118,061	$61,384	$47,436
Income from continuing operations attributable to noncontrolling interests	(2,070)	(1,231)	(1,843)
Income from continuing operations attributable to common shareholders	115,991	60,153	45,593
Amount allocated to participating securities	(1,086)	(1,076)	(927)
Income from continuing operations attributable to common shareholders, net of amount allocated to participating securities	114,905	59,077	44,666
Income from discontinued operations	—	2,720	59,755
Income from discontinued operations attributable to noncontrolling interests	—	(34)	(704)
Income from discontinued operations attributable to common shareholders	—	2,686	59,051
Net income attributable to common shareholders - basic	$114,905	$61,763	$103,717
Numerator - diluted earnings per share:			
Net income attributable to common shareholders - basic	$114,905	$61,763	$103,717
Income allocated to Common OP Units	1,282	—	—
Net income attributable to common shareholders - diluted	$116,187	$61,763	$103,717
Denominator:			
Basic weighted average common shares outstanding	111,987,361	105,032,155	104,760,502
Unvested Restricted Stock Awards (Note 13)	680,980	679,265	621,818
Common OP Units (Note 9)	1,363,881	—	—
Diluted weighted average common shares outstanding	114,032,222	105,711,420	105,382,320
Earnings per share – basic:			
Income from continuing operations attributable to common shareholders, net of amount allocated to participating securities	$1.03	$0.56	$0.43
Income from discontinued operations attributable to common shareholders	$—	$0.03	$0.56
Net income attributable to common shareholders	$1.03	$0.59	$0.99
Earnings per share – diluted:			
Income from continuing operations attributable to common shareholders, net of amount allocated to	$1.02	$0.56	$0.42

participating securities			
Income from discontinued operations attributable to common shareholders	$—	$0.02	$0.56
Net income attributable to common shareholders	$1.02	$0.58	$0.98

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

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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,		
	2015	2014	2013
Numerator - basic and diluted earnings per unit:			
Income from continuing operations	$118,061	$61,384	$47,436
Income from continuing operations attributable to noncontrolling interests - partially owned properties	(612)	(352)	(1,188)
Income from continuing operations attributable to Series A preferred units	(176)	(175)	(119)
Amount allocated to participating securities	(1,086)	(1,076)	(927)
Income from continuing operations attributable to common unitholders, net of amount allocated to participating securities	116,187	59,781	45,202
Income from discontinued operations	—	2,720	59,755
Income from discontinued operations attributable to Series A preferred units	—	(3)	(63)
Income from discontinued operations attributable to common unitholders	—	2,717	59,692
Net income attributable to common unitholders	$116,187	$62,498	$104,894
Denominator:			
Basic weighted average common units outstanding	113,351,242	106,245,664	105,919,394
Unvested Restricted Stock Awards (Note 13)	680,980	679,265	621,818
Diluted weighted average common units outstanding	114,032,222	106,924,929	106,541,212
Earnings per unit – basic:			
Income from continuing operations attributable to common unitholders, net of amount allocated to participating securities	$1.03	$0.56	$0.43
Income from discontinued operations attributable to common unitholders	$—	$0.03	$0.56
Net income attributable to common unitholders	$1.03	$0.59	$0.99
Earnings per unit – diluted:			
Income from continuing operations attributable to common unitholders, net of amount allocated to participating securities	$1.02	$0.56	$0.42
Income from discontinued operations attributable to common unitholders	$—	$0.02	$0.56
Net income attributable to common unitholders	$1.02	$0.58	$0.98

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. Therefore, no provision for federal income taxes for the REIT has been included in the accompanying consolidated financial statements. If the Company fails to qualify as a REIT, the Company will be subject to federal income tax (including any applicable alternative minimum tax) 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.

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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, 2015	2014
Deferred tax assets:		
Fixed and intangible assets	$2,663	$3,283
Net operating loss carryforwards	7,887	6,552
Prepaid and deferred income	2,326	2,265
Bad debt reserves	725	687
Accrued expenses and other	4,578	3,770
Stock compensation	2,454	2,099
Total deferred tax assets	20,633	18,656
Valuation allowance for deferred tax assets	(20,431)	(18,415)
Deferred tax assets, net of valuation allowance	202	241
Deferred tax liability:		
Deferred financing costs	202	241
Net deferred tax liabilities	$—	$—

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

	Year Ended December 31, 2015	2014	2013
Current:			
Federal	$—	$—	$—
State	(1,242)	(1,308)	(1,020)
Deferred:			
Federal	—	—	—
State	—	—	—
Total provision -- continuing operations	$(1,242)	$(1,308)	$(1,020)

TRS earnings subject to tax consisted of losses of approximately $3.3 million, $3.2 million and $4.4 million for the years ended December 31, 2015, 2014 and 2013, respectively. The reconciliation of income tax attributable to continuing operations for the TRSs computed at the U.S. statutory rate to income tax provision is as follows:

	Year Ended December 31, 2015	2014	2013
Tax benefit at U.S. statutory rates on TRS income subject to tax	$2,019	$1,928	$2,060
State income tax, net of federal income tax benefit	74	71	76
Effect of permanent differences and other	(77)	(72)	(76)
Increase in valuation allowance	(2,016)	(1,927)	(2,060)

TRS income tax provision	$—	$—	$—

At December 31, 2015, the TRSs had net operating loss carryforwards ("NOLs") of approximately $25.1 million for income tax purposes that begin to expire in 2026. 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

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the NOLs given the likelihood that the NOLs will expire unused. Of the NOLs, approximately $3.5 million may be credited directly to additional paid in capital should subsequent tax benefits be recognized. 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, 2015, the 2014, 2013 and 2012 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, 2015, the 2014, and 2013, and as of December 31, 2015, 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:	2015	2014	2013
Ordinary income	$0.4658	$0.9016	$0.7990
Long-term capital gain [1]	0.5301	0.0107	0.5229
Return of capital	0.5841	0.5877	0.0956
Total per common share outstanding	$1.5800	$1.5000	$1.4175

[1] Unrecaptured Sec. 1250 gains of $0.5281, $0.0248 and $0.2189 were reported for the years ended December 31, 2015, the 2014, and 2013, respectively.

5. Property Acquisitions

During the year ended December 31, 2015, the Company acquired the following wholly-owned properties for approximately $378.3 million:

Property	Location	Primary University Served	Acquisition Date	Units	Beds
Park Point [1]	Syracuse, NY	Syracuse University	February 2015	66	226
University Walk [2]	Knoxville, TN	University of Tennessee	February 2015	177	526
1200 West Marshall	Richmond, VA	Virginia Commonwealth University	March 2015	136	406
8 1/2 Canal Street [3]	Richmond, VA	Virginia Commonwealth University	March 2015	160	540
Vistas San Marcos	San Marcos, TX	Texas State University	March 2015	255	600
Crest at Pearl	Austin, TX	University of Texas	June 2015	141	343
UP at Metroplex	Binghamton, NY	Binghamton University - SUNY	June 2015	186	710
Stadium Centre[4]	Tallahassee, FL	Florida State University	July 2015	367	710
				1,488	4,061

[1] As part of this transaction, the Company assumed approximately $11.6 million of fixed rate mortgage debt.
[2] University Walk completed construction and opened for operations in August 2014 and was purchased by the Company in February 2015. This property was consolidated for financial reporting purposes prior to the acquisition date because the entity that owned this property was deemed to be a VIE and the Company was determined to be the primary beneficiary of the VIE.
[3] As part of this transaction, the Company issued 343,895 Common OP Units to the seller, valued at $41.24 per unit.
[4] As part of this transaction, the Company assumed approximately $57.8 million of fixed rate mortgage debt.

Since their respective acquisition dates, the acquired properties discussed above contributed a combined $25.1 million of revenues for the year ended December 31, 2015. These properties had a combined net loss of $1.8 million for the year ended December 31, 2015, which includes $2.8 million of acquisition-related costs such as broker fees, due diligence costs and legal and accounting fees that are included in wholly-owned properties operating expense on the accompanying consolidated statements of comprehensive income.

During 2014, the Company acquired one property comprised of 610 beds located near the University of Georgia and a property containing a hotel near the University of Colorado campus. The existing hotel at the University of Colorado was demolished in the fourth quarter 2014 and a new 400-bed student housing facility is currently under construction and is scheduled to open for occupancy in August 2016. The total consideration for these two acquisitions was approximately $75.1 million.

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The following table summarizes the fair values of the assets acquired and liabilities assumed from the properties discussed above:

	2015	2014
Assets acquired:		
Land	$26,766	$13,469
Buildings and improvements	317,627	54,163
Furniture, fixtures and equipment	16,871	3,637
Intangible assets	16,976	874
Other assets	3,117	2,922
Total assets acquired	$381,357	$75,065
Liabilities assumed:		
Mortgage debt	$(72,365)[1]	$—
Other liabilities	(3,457)	—
Total liabilities assumed	$(75,822)	$—
Net assets acquired	$305,535	$75,065

[1] Balance includes $3.0 million in premiums recorded to reflect mortgage debt at acquisition date fair value.

The difference between the contracted purchase price of $378.3 million reflected above and the net assets acquired of $305.5 million represents mortgage debt, other assets and liabilities that were not part of the contractual purchase price, but were acquired in the transactions. Consideration paid consisted of $291.4 million in cash paid at closing and stock valued at $14.2 million.

During 2013, the Company acquired six properties and an additional phase at an existing property comprised of 3,725 beds located in various markets throughout the country for approximately $322.2 million.

The acquired property's results of operations have been included in the accompanying consolidated statements of comprehensive income since the respective acquisition closing dates, with the exception of University Walk which was consolidated prior to its acquisition date. The following pro forma information for the years ended December 31, 2015, 2014 and 2013 presents consolidated financial information for the Company as if the property acquisitions discussed above had occurred at the beginning of the earliest period presented. The unaudited pro forma information is provided for informational purposes only and is not indicative of results that would have occurred or which may occur in the future:

	Year Ended December 31,		
	2015	2014	2013
Total revenues	$765,377	$763,073	$695,460
Net income attributable to common shareholders	$122,530	$68,904	$110,861

6. Property Dispositions and Discontinued Operations

Dispositions Subject to New Guidance for Discontinued Operations

Due to a change in accounting guidance adopted in 2014, the following property dispositions along with future disposals of individual operating properties or portfolios that do not represent a strategic shift in the Company's operations will no longer qualify as discontinued operations and will be classified within income from continuing

operations on the accompanying consolidated statements of comprehensive income for all periods presented.

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The following two wholly-owned properties are classified as held for sale on the accompanying consolidated balance sheet as of December 31, 2015:

Property	Location	Primary University Served	Units	Beds
The Edge - Orlando	Orlando, FL	University of Central Florida	306	930
University Village - Sacramento	Sacramento, CA	California State Univ. - Sacramento	250	394

As the properties sales price exceeded their net book value, no impairment was required to be recorded with respect to these dispositions.

During the year ended December 31, 2015, the Company sold the following wholly-owned properties for approximately $436.7 million, resulting in proceeds of approximately $427.1 million. The combined net gain on these dispositions of approximately $52.7 million is included in income from continuing operations on the accompanying consolidated statements of comprehensive income for the year ended December 31, 2015.

Property	Location	Primary University Served	Disposition Date	Units	Beds
The Highlands	Reno, NV	University of Nevada at Reno	January 2015	216	732
The View	Lincoln, NE	University of Nebraska	January 2015	157	590
Chapel Ridge	Chapel Hill, NC	University of North Carolina	January 2015	180	544
Chapel View	Chapel Hill, NC	University of North Carolina	January 2015	224	358
The Village at Alafaya Club	Orlando, FL	University of Central Florida	January 2015	228	839
University Place	Charlottesville, VA	University of Virginia	January 2015	144	528
University Greens	Norman, OK	University of Oklahoma	January 2015	156	516
The Outpost San Marcos	San Marcos, TX	Texas State University	February 2015	162	486
University Meadows	Mt. Pleasant, MI	Central Michigan University	February 2015	184	616
Eagles Trail	Hattiesburg, MS	University of Southern Mississippi	March 2015	216	792
Lakeside Apartments	Athens, GA	University of Georgia	May 2015	244	776
The Club	Athens, GA	University of Georgia	May 2015	120	480
The Estates	Gainesville, FL	University of Florida	May 2015	396	1,044
South View	Harrisonburg, VA	James Madison University	May 2015	240	960
Stone Gate	Harrisonburg, VA	James Madison University	May 2015	168	672
The Commons	Harrisonburg, VA	James Madison University	May 2015	132	528
University Heights	Knoxville, TN	University of Tennessee	May 2015	204	636
The Woods at Greenland	Murfreesboro, TN	Middle Tennessee State University	July 2015	78	276
Raiders Crossing	Murfreesboro, TN	Middle Tennessee State University	July 2015	96	276
University Gables	Murfreesboro, TN	Middle Tennessee State University	July 2015	168	648
				3,713	12,297

In 2014, the Company sold one building containing 20 beds, a 480-bed wholly-owned property and two land parcels for a combined sales price of approximately $9.9 million, resulting in net proceeds of approximately $8.8 million. Prior to the sale of the wholly-owned property, the Company recorded the property at the lower of cost or fair value less estimated selling costs, resulting in an impairment charge of approximately $2.4 million. The properties' operations along with the impairment charge and resulting loss on disposition of approximately $0.4 million are included within income from continuing operations on the accompanying consolidated statements of comprehensive income for the year ended December 31, 2014.

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Dispositions Not Subject to New Guidance for Discontinued Operations

As discussed above, the operations for any properties sold during 2013 along with any properties sold in 2014 that were classified as held for sale as of December 31, 2013 are not subject to the new accounting guidance for discontinued operations and have been presented in discontinued operations in the accompanying consolidated statements of comprehensive income.

In 2014, the Company sold one property containing 484 beds for a sales price of approximately $17.3 million, including the assumption of an existing $15.6 million mortgage loan by the purchaser, resulting in net proceeds of approximately $1.3 million. The resulting gain on disposition of approximately $2.8 million is included in discontinued operations on the accompanying consolidated statements of comprehensive income for the year ended December 31, 2014.

In 2013, the Company sold six wholly-owned properties comprised of 4,079 beds for a combined sales price of approximately $184.2 million resulting in total proceeds of approximately $180.5 million. The combined gain on these dispositions of approximately $55.3 million is included in discontinued operations on the accompanying consolidated statements of comprehensive income for the year ended December 31, 2013.

The properties discussed above are included in the wholly-owned properties segment (see Note 18). The following is a summary of (loss) income attributable to discontinued operations for the periods presented:

	2014	2013
Total revenues	$279	$16,191
Total operating expenses	(239)	(7,220)
Depreciation and amortization	—	(2,487)
Operating income	40	6,484
Total nonoperating expenses	(163)	(1,660)
Net (loss) income	$(123)	$4,824

7. Investments in Wholly-Owned Properties

Wholly-owned properties consisted of the following:

	December 31,	
	2015	2014
Land [1] [2]	$597,894	$571,242
Buildings and improvements	5,235,033	4,937,345
Furniture, fixtures and equipment	311,696	289,168
Construction in progress [2]	154,988	185,414
	6,299,611	5,983,169
Less accumulated depreciation	(777,340)	(674,462)
Wholly-owned properties, net [3]	$5,522,271	$5,308,707

(1) The land balance above includes undeveloped land parcels with book values of approximately $66.2 million and $40.6 million as of December 31, 2015 and 2014, respectively. It also includes land totaling approximately $33.0 million and $30.2 million as of December 31, 2015 and 2014, respectively, related to properties under

development.

(2) Land and construction in progress as of December 31, 2015 includes $1.9 million and $12.6 million, respectively, related to The Court at Stadium Centre property located in Tallahassee, Florida that will serve students attending Florida State University. In conjunction with the purchase of Stadium Centre in July 2015, the Company entered into a pre-sale agreement to purchase this adjacent property which is anticipated to be completed in May 2016. The Company is obligated to purchase the property as long as certain construction completion deadlines and other closing conditions are met. The Company is responsible for leasing, management, and initial operations of the project while the third-party developer is responsible for the development of the property. The entity that owns The Court at Stadium Centre is deemed to be a VIE, and the Company is determined to be the primary beneficiary of the VIE. As such, the assets and liabilities of the entity owning the property are included in the Company's and the Operating Partnership's consolidated financial statements.

(3) The balance above excludes the net book value of two wholly-owned properties classified as held for sale in the accompanying consolidated balance sheet as of December 31, 2015 and seven wholly-owned properties classified as held for sale in the accompanying consolidated balance sheet as of December 31, 2014 (see Note 6). The properties classified as held for sale at December 31, 2014 were sold in January 2015.

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8. On-Campus Participating Properties

The Company is a party to ground/facility lease agreements ("Leases") with three university systems (each, a "Lessor") for the purpose of developing, constructing, and operating student housing facilities on university campuses. Under the terms of the Leases, title to the constructed facilities is held by the applicable 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. The Leases with the Texas A&M University and University of Houston systems terminate upon the earlier to occur of the final repayment of the related debt, the amortization period of which is contractually stipulated, or the end of the lease term. The Lease with West Virginia University has an initial term of 40 years with two 10-year extensions at the Company's option.

The Company may not sell, assign, convey or transfer its leasehold interest in the West Virginia University student housing facility. In the event the Company seeks to sell its leasehold interest in the other four facilities, the Leases provide the applicable Lessor the right of first refusal of a bona fide purchase offer and an option to purchase the lessee's rights under the applicable Lease. Additionally, as discussed in Note 11, three of the on-campus participating properties are 100% financed with project-based taxable bonds.

In conjunction with the execution of each Lease, the Company has entered into separate agreements to manage the related facilities for a fee equal to a percentage of defined gross receipts. The terms of the management agreements are not contingent upon the continuation of the Leases.

On-campus participating properties are as follows:

			Historical Cost – December 31,	
Lessor/University	Lease Commencement	Required Debt Repayment	2015	2014
Texas A&M University System / Prairie View A&M University [1]	2/1/1996	9/1/2023	$44,147	$43,036
Texas A&M University System / Texas A&M International	2/1/1996	9/1/2023	7,064	6,937
Texas A&M University System / Prairie View A&M University [2]	10/1/1999	8/31/2025 8/31/2028	27,717	26,828
University of Houston System / University of Houston [3]	9/27/2000	8/31/2035	37,381	36,606
West Virginia University / West Virginia University [4]	7/16/2013	7/16/2045	43,676	43,636
			159,985	157,043
Less accumulated amortization			(69,856)	(62,915)
On-campus participating properties, net			$90,129	$94,128

[1] Consists of three phases placed in service between 1996 and 1998.
[2] Consists of two phases placed in service in 2000 and 2003.
[3] Consists of two phases placed in service in 2001 and 2005.
[4] This property commenced operations in August 2014. Due to our involvement in the construction of the facility, fees paid to the Company/lessee for development and construction management services during the construction period were deferred and amortized to revenue over the lease term.

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9. Noncontrolling Interests

Operating Partnership

Partially-owned properties: As of December 31, 2015, the Operating Partnership consolidates three joint ventures that own and operate the University Village at Sweet Home, University Centre and Villas at Chestnut Ridge owned-off campus properties. The portion of net assets attributable to the third-party partners in these joint ventures is classified as “noncontrolling interests - partially owned properties” within capital on the accompanying consolidated balance sheets of the Operating Partnership. Accordingly, the third-party partners’ share of the income or loss of the joint ventures is reported on the consolidated statements of comprehensive income of the Operating Partnership as “net income attributable to noncontrolling interests – partially owned properties.”

As discussed in more detail in Note 7, in July 2015, the Company entered into a purchase agreement with a private developer whereby the Company is obligated to purchase a property (The Court at Stadium Centre) as long as the developer meets certain construction completion deadlines and other conditions. The $7.3 million equity contribution from the developer is reflected as noncontrolling interest - partially owned properties within capital on the accompanying consolidated balance sheets of the Operating Partnership as of December 31, 2015.

In February 2015, the Company completed the purchase of University Walk, a property previously subject to a purchase and contribution agreement with a third-party developer whereby the Company was obligated to purchase the property if the developer met certain construction completion deadlines and other closing conditions. At the time of purchase, the Company paid $1.1 million in cash consideration for the third-party developer’s $1.5 million noncontrolling interest in the property. The difference of $0.4 million, which represented the excess of the carrying amount of the noncontrolling interest over the consideration paid, is reflected as an adjustment to additional paid in capital in the accompanying consolidated statements of changes in capital.

OP Units: For the portion of OP Units that the Operating Partnership is required, either by contract or securities law, to deliver registered common shares of ACC to the exchanging OP unit holder, or for which the Operating Partnership has the intent or history of exchanging such units for cash, we classify the units as “redeemable limited partners” in the mezzanine section of the consolidated balance sheets of the Operating Partnership. The units classified as such include Series A preferred units as well as common units that are not held by ACC or ACC Holdings. The value of redeemable limited partners on the consolidated balance sheets of the Operating Partnership is reported at the greater of fair value, which is based on the closing market value of the Company's common stock, or historical cost at the end of each reporting period. Changes in the value from period to period are charged to limited partners' capital on the consolidated statement of changes in capital of the Operating Partnership.

Below is a table summarizing the activity of redeemable limited partners for the years ended December 31, 2015 and 2014:

Balance, December 31, 2013	$47,964
Net income	913
Distributions	(1,998)
Conversion of redeemable limited partner units into shares of ACC common stock	(607)
Adjustments to reflect redeemable limited partner units at fair value	8,200
Balance, December 31, 2014	$54,472
Net income	1,458

Distributions	(2,329)
Redeemable limited partner units issued as consideration (see Note 5)	14,182
Conversion of redeemable limited partner units into shares of ACC common stock	(3,000)
Redemption of redeemable limited partner units for cash	(810)
Adjustments to reflect redeemable limited partner units at fair value	(4,462)
Balance, December 31, 2015	$59,511

During the year ended December 31, 2015, 118,474 Common OP Units and 1,000 Series A preferred units were converted into an equal number of shares of ACC's common stock and during the year ended December 31, 2014, 50,000 Common OP Units and 2,269 Series A preferred units were converted into an equal number of shares of ACC's common stock. As of both December 31, 2015 and 2014, approximately 1.2% of the equity interests of the Operating Partnership was held by owners of common OP Units and Series A preferred units not held by ACC or ACC Holdings.

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The noncontrolling interests of the Company include the third-party equity interests in partially-owned properties, as discussed above, which are presented as a component of equity in the Company's consolidated balance sheets. The Company's noncontrolling interests also include the redeemable limited partners presented in the consolidated balance sheets of the Operating Partnership, which are referred to as "redeemable noncontrolling interests" in the mezzanine section of the Company's consolidated balance sheets. Noncontrolling interests on the Company's consolidated statements of comprehensive income include the income/loss attributable to third-party equity interests in partially-owned properties, as well as the income/loss attributable to redeemable noncontrolling interests (i.e. OP Units not held by ACC or ACC Holdings.)

10. Investments in Unconsolidated Joint Ventures

As of December 31, 2015, the Company owned a noncontrolling interest in one unconsolidated joint venture that is accounted for
utilizing the equity method of accounting. The Company discontinued applying the equity method in regards to its investment in this joint venture as a result of the Company's share of losses exceeding its investment in the joint venture. Because the Company had not guaranteed any obligations of the investee and was not otherwise committed to provide further financial support to the investee, it therefore suspended recording its share of losses once the investment was reduced to zero. The Company also earns a fee for providing management services to this joint venture, which totaled approximately $1.9 million, $1.3 million, and $1.6 million for the years ended December 31, 2015, 2014 and 2013, respectively.

11. Debt

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

	December 31, 2015	2014
Debt secured by wholly-owned properties:		
Mortgage loans payable:		
Unpaid principal balance	$934,769	$1,094,306
Unamortized debt premiums	50,763	60,586
Unamortized debt discounts	(166)	(895)
	985,366	1,153,997
Construction loans payable [1]	5,559	63,637
	990,925	1,217,634
Debt secured by on-campus participating properties:		
Mortgage loans payable [2]	73,465	30,553
Bonds payable	36,935	39,785
Construction loan payable [2]	—	43,942
	110,400	114,280
Total secured mortgage, construction and bond debt	1,101,325	1,331,914
Unsecured notes, net of unamortized original issue discount	1,197,755	798,305

Unsecured revolving credit facility	68,900	242,500
Unsecured term loans	600,000	600,000
Total debt	$2,967,980	$2,972,719

(1) Construction loans payable as of December 31, 2015 consist of $5.6 million related to a construction loan partially financing the development and construction of The Court at Stadium Centre, a VIE the Company is including in its consolidated financial statements (see Note 7). The creditor of this construction loan does not have recourse to the assets of the Company. Construction loans payable as of December 31, 2014 includes a construction loan for two ACE properties, the Suites and Hilltop Townhomes, that was paid off in 2015, in addition to $19.0 million related to a construction loan that partially financed the development and construction of University Walk, a VIE the Company included in its consolidated financial statements prior to acquisition (see Note 5).

(2) A construction loan securing the on-campus participating property located at West Virginia University was classified as a construction loan as of December 31, 2014 and is now reflected as a mortgage loan as of December 31, 2015, as the loan now requires principal and interest payments beginning in August 2015.

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Mortgage and Construction 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. Construction loans payable generally feature monthly payments of interest only during the term of the loan and any accrued interest and outstanding borrowings become due at maturity.

Mortgage and construction loans payable, excluding debt premiums and discounts, consisted of the following as of December 31, 2015:

	Principal Outstanding December 31,		December 31, 2015 Weighted Average Interest Rate		Weighted Average Years to Maturity	Number of Properties Encumbered
	2015	2014				
Fixed Rate:						
Mortgage loans payable [1]	$1,008,234	$1,124,859	5.10	%	5.2 years	41
Construction loan payable	5,559	43,942	4.61	%	8.7 years	1
Variable Rate:						
Construction loans payable	—	63,637	—	%	0.0 years	—
Total	$1,013,793	$1,232,438	5.09	%	5.3 years	42

(1) Fixed rate mortgage loans payable mature at various dates from May 2016 through July 2045 and carry interest rates ranging from 3.05% to 7.15%. A construction loan securing the on-campus participating property located at West Virginia University was classified as a construction loan as of December 31, 2014 and is now reflected as a mortgage loan as of December 31, 2015, as the loan now requires principal and interest payments beginning in August 2015. Interest rate is fixed for the first five years and variable for the remaining term of the loan.

During the twelve months ended December 31, 2015, the following transactions occurred:

	Mortgage Loans Payable [1]	Construction Loans Payable
Balance, December 31, 2014	$1,184,550	$107,579
Additions:		
Assumption of mortgage loans payable [2]	69,421	—
Mark-to-market premium/(discount) recorded upon debt assumption	2,942	—
Mortgage loan formerly classified as construction loan [3]	44,200	(44,200)
Draws under advancing construction notes payable [3]	—	258
Draws under advancing construction notes payable (non-cash) VIEs [4]	—	5,559
Deductions:		
Payoff of maturing mortgage notes payable [5]	(218,724)	—
Payoff of construction notes payable [6]	—	(44,637)
Payoff of construction loans payable (non-cash) VIEs [7]	—	(19,000)
Scheduled repayments of principal	(11,522)	—
Amortization of debt premiums and discounts	(12,036)	—
Balance, December 31, 2015	$1,058,831	$5,559

(1) Balance includes unamortized debt premiums and discounts.

(2) Represents debt assumed with the acquisitions of the following properties: Park Point Syracuse and Stadium Centre.

(3) Represents construction loan used to finance the development and construction of on-campus participating property located in Morgantown, West Virginia. This loan was classified as a construction loan as of December 31, 2014, and is now reflected as a mortgage loan as of December 31, 2015.

(4) Represents draws from one construction loan used to partially finance the development and construction of The Court at Stadium Centre, a VIE the Company is including in its consolidated financial statements.

(5) The Company paid off fixed rate mortgage debt secured by the following wholly-owned properties: Chapel View, University Meadows, Lakeside, Campus Edge, Newtown Crossing, Olde Towne, Peninsular Place, The Estates, Southview, Stonegate, Tower at Third, University Pointe, University Village Sacramento, and Jacob Heights I.

(6) The company paid off variable rate construction debt secured by the following wholly-owned properties: The Suites and Hilltop Townhomes.

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(7) Represents payoff of the construction loan used to finance the development of University Walk. The seller/developer paid off this construction loan with proceeds from the Company's purchase of the property in February 2015.

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. Bonds payable at December 31, 2015 consisted of the following:

Series	Mortgaged Facilities Subject to Leases	Original	Principal December 31, 2015	Weighted Average Rate	Maturity Date	Required Monthly Debt Service
1999	University Village-PVAMU/TAMIU	$39,270	$21,020	7.75 %	September 2023	$302
2001	University College–PVAMU	20,995	12,970	7.59 %	August 2025	158
2003	University College–PVAMU	4,325	2,945	6.11 %	August 2028	28
	Total/weighted average rate	$64,590	$36,935	7.56 %		$488

Unsecured Notes

The Company has issued the following senior unsecured notes:

Date Issued	Amount	% of Par Value	Coupon	Yield	Original Issue Discount	Term
September 2015[1]	$400,000	99.811	3.350 %	3.391 %	$756	5
June 2014	400,000	99.861	4.125 %	4.142 %	556	10
April 2013	400,000	99.659	3.750 %	3.791 %	1,364	10
	$1,200,000				$2,676	

(1) Net proceeds from the sale of the unsecured notes totaled approximately $394.4 million after deducting the underwriting discount and offering expenses. The underwriting discount and offering expenses were capitalized to deferred financing costs and will be amortized over the term of the unsecured notes. The Company used $356.2 million of the offering proceeds to pay down the outstanding balance on its revolving credit facility in full.

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, 2015, the Company was in compliance with all such covenants.

Unsecured Credit Facility

The Company has an aggregate unsecured credit facility totaling $1.1 billion which is comprised of two unsecured term loans totaling $600 million and a $500 million unsecured revolving credit facility, which may be expanded by up to an additional $500 million upon the satisfaction of certain conditions. The maturity date of the unsecured revolving credit facility is March 1, 2018 and can be extended for an additional 12 months to March 1, 2019, subject to the satisfaction of certain conditions. The maturity date of the $350 million term loan facility ("Term Loan I Facility") is January 10, 2017 and can be extended to January 10, 2019 through the exercise of two 12-month extension options, subject to the satisfaction of certain conditions. The maturity date of the $250 million term loan ("Term Loan II Facility") is March 1, 2019.

Each loan bears interest at a variable rate, at the Company’s option, based upon a base rate or 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. As of December 31, 2015, the Term Loan II Facility bore interest at a variable rate of

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1.73% per annum (0.23% + 1.50% spread). The Company has entered into multiple interest rate swap contracts with notional amounts totaling $350 million that effectively fix the interest rate to a weighted average annual rate of 0.89% on the outstanding balance of the Term Loan I Facility. Including the current spread of 1.50%, the all-in weighted average annual rate on the Term Loan I Facility was 2.39% at December 31, 2015. Refer to Note 14 for more information on the interest rate swap contracts mentioned above. Availability under the revolving credit facility is limited to an "aggregate borrowing base amount" equal to 60% of the value of the Company's unencumbered properties, calculated as set forth in the unsecured credit facility. Additionally, the Company is required to pay a facility fee of 0.25% per annum on the $500 million revolving credit facility. As of December 31, 2015, the revolving credit facility bore interest at a weighted average annual rate of 1.95% (0.40% + 1.30% spread + 0.25% facility fee), and availability under the revolving credit facility totaled $431.1 million as of December 31, 2015.

The terms of the unsecured credit facility include certain restrictions and covenants, which limit, among other items, the incurrence of additional indebtedness, liens, and the disposition of assets. The facility contains customary affirmative and negative covenants and also contains financial covenants that, among other things, require the Company to maintain certain minimum ratios of "EBITDA" (earnings before interest, taxes, depreciation and amortization) to fixed charges and total indebtedness. The Company may not pay distributions that exceed a specified percentage of funds from operations, as adjusted, for any four consecutive quarters. The financial covenants also include consolidated net worth and leverage ratio tests. As of December 31, 2015, 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, 2015 and thereafter:

2016	$169,152	
2017	482,987	
2018	245,273	
2019	265,916	
2020	470,561	
Thereafter	1,285,739	(1)
	$2,919,628	

(1) Includes $5.6 million related to a construction loan partially financing the development and construction of The Court at Stadium Centre, a VIE the Company is including in its consolidated financial statements.

Payment of principal and interest were current at December 31, 2015. Certain of the mortgage notes and bonds payable are subject to prepayment penalties.

12. Stockholders' Equity / Partners' Capital

Stockholders' Equity – Company

In June 2015, the Company established 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 million. The shares that may be sold under this program include shares of common stock of the

Company with an aggregate offering price of approximately $194 million that were not sold under the company's prior ATM program that expired in May 2015.

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.

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The following table presents activity under the Company's current and prior ATM Equity Programs:

	Years Ended December 31,	
	2015	2014
Total net proceeds	$213,416	$87,977
Commissions paid to sales agents	$3,250	$1,340
Weighted average price per share	$43.92	$40.48
Shares of common stock sold	4,933,665	2,206,240

As of December 31, 2015, the Company had approximately $500 million available for issuance under its ATM Equity Program.

In 2015, the Company established a Non-Qualified Deferred Compensation Plan ("Deferred Compensation Plan") maintained for the benefit of select employees and members of the Company's Board of Directors, in which vested share awards (see Note 13), 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 value of the vested share awards held in the Deferred Compensation Plan is classified within stockholders' equity in a manner similar to the manner in which treasury stock is accounted. Subsequent changes in the fair value of the shares are not recognized. During the year ended December 31, 2015, 10,155 vested Restricted Stock Units ("RSUs") with a value of $0.4 million were deposited into the Deferred Compensation Plan.
Partners' Capital – Operating Partnership

In connection with the ATM Equity Program discussed above, ACCOP issued a number of Common OP Units to ACC equivalent to the number of common shares issued by ACC.

In connection with our purchase of 8 1/2 Canal Street during the first quarter of 2015, we issued 343,895 Common OP Units to the seller, valued at $41.24 per unit. See Note 5 for more details.

13. Incentive Award Plan

In May 2010, the Company's stockholders approved the American Campus Communities, Inc. 2010 Incentive Award Plan (the "Plan"). The Plan 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"), RSUs, profits interest units ("PIUs") and other stock-based awards. The Company has reserved a total of 1.7 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, 2015, 975,324 shares were available for issuance under the Plan.

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 outside 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 held by 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 May 2015, all members of the Company's Board of Directors were granted RSUs in accordance with the Plan. These RSUs were valued at $95,000 for the Chairman of the Board of Directors and at $71,500 for all other members. Additionally, effective July 1, 2015, the Board of Directors' compensation program was revised to reflect an increase in RSUs of $55,000 for the Chairman of the Board of Directors and $33,500 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.

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A summary of the Company's RSUs under the Plan for the years ended December 31, 2015 and 2014 is presented below:

	Number of RSUs	Weighted-Average Grant Date Fair Value Per RSU
Outstanding at December 31, 2013	—	$—
Granted	15,457	38.54
Settled in common shares	(9,027)	38.54
Settled in cash	(6,430)	38.54
Outstanding at December 31, 2014	—	$—
Granted	22,320	39.65
Settled in common shares	(16,491)	39.77
Settled in cash	(5,829)	39.34
Outstanding at December 31, 2015	—	$—

The Company recognized expense of approximately $0.9 million, $0.6 million and $0.5 million for the years ended December 31, 2015, 2014 and 2013, 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, 2013 was $44.09.

Restricted Stock Awards

The Company awards RSAs to its executive officers and certain employees that generally 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, 2015 and 2014 is presented below:

	Number of RSAs	Weighted-Average Grant Date Fair Value Per RSA
Nonvested balance at December 31, 2013	602,191	$38.84
Granted	292,526	34.52
Vested	(124,883)	34.00
Forfeited [(1)]	(160,320)	36.75
Nonvested balance at December 31, 2014	609,514	$38.31
Granted	286,178	44.23
Vested	(116,166)	36.50
Forfeited [(1)]	(123,601)	38.78
Nonvested balance at December 31, 2015	655,925	$41.12

(1) Includes shares withheld to satisfy tax obligations upon vesting.

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 $7.5 million, $6.8 million and $6.4 million for the years ended December 31, 2015, 2014 and 2013, respectively. The weighted-average grant date fair value for each RSA granted and forfeited during the year ended

December 31, 2013 was $47.64 and $32.15, respectively.

The total fair value of RSAs vested during the year ended December 31, 2015, was approximately $7.7 million. Additionally, as of December 31, 2015, the Company had approximately $20.3 million of total unrecognized compensation cost related to these RSAs, which is expected to be recognized over a remaining weighted-average period of 3.0 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, 2015, five employees have met the Rule of 70 and a total of 165,783 unvested RSAs are held by such employees. Once the other two conditions of retirement eligibility are met, the shares held by these employees will be subject to accelerated vesting.

14. Derivative Instruments and Hedging Activities

The Company is exposed to certain risk 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. The effective portion of changes in the fair value of derivatives designated and that qualify as cash flow hedges is recorded in other comprehensive income (outside of earnings) and subsequently reclassified into earnings in the period that the hedged forecasted transaction affects earnings, and the ineffective portion of changes in the fair value of the derivative is recognized directly in earnings. Ineffectiveness resulting from the derivative instruments summarized below was immaterial for the years ended December 31, 2015, 2014 and 2013.

The following table summarizes the Company's outstanding interest rate swap contracts as of December 31, 2015:

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	$14,718	$(514)
Cullen Oaks mortgage loan	Feb 18, 2014	Feb 15, 2021	2.2750%	LIBOR – 1 month	14,869	(519)
Term Loan I Facility	Feb 2, 2012	Jan 2, 2017	0.8695%	LIBOR – 1 month	125,000	(233)
Term Loan I Facility	Feb 2, 2012	Jan 2, 2017	0.8800%	LIBOR – 1 month	100,000	(197)
Term Loan I Facility	Feb 2, 2012	Jan 2, 2017	0.8875%	LIBOR – 1 month	62,500	(128)
Term Loan I Facility	Feb 2, 2012	Jan 2, 2017	0.8890%	LIBOR – 1 month	62,500	(129)
Park Point mortgage loan	Nov 1, 2013	Oct 5, 2018	1.5450%	LIBOR – 1 month	70,000	(734)
				Total	$449,587	$(2,454)

In March 2014, the Company entered into two forward starting interest rate swap contracts with notional amounts totaling $200 million designated to hedge the Company's exposure to increasing interest rates related to interest payments on an anticipated issuance of unsecured notes. As discussed in Note 11, in connection with the issuance of unsecured notes in June 2014, the Company terminated both swap contracts resulting in payments to both counterparties totaling approximately $4.1 million, which were recorded in accumulated other comprehensive loss and will be amortized to interest expense over the term of the unsecured notes. When including the effect of these interest rate swap terminations, the effective yield on the unsecured notes is 4.269%. During the years ended December 31, 2015 and 2014, $0.4 million and $0.2 million was amortized from accumulated other comprehensive loss to interest expense. As of December 31, 2015 and 2014 approximately $3.5 million and $3.9 million of the $4.1 million payment remained to be amortized.

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The table below presents the fair value of the Company's derivative financial instruments as well as their classification on the consolidated balance sheets as of December 31, 2015 and 2014:

		Liability Derivatives	
		Fair Value as of	
Description	Balance Sheet Location	December 31, 2015	December 31, 2014
Interest rate swap contracts	Other liabilities	$2,454	$2,306
Total derivatives designated as hedging instruments		$2,454	$2,306

15. Fair Value Disclosures

The following table presents information about the Company's financial instruments measured at fair value on a recurring basis as of December 31, 2015 and 2014, and indicates the fair value hierarchy of the valuation techniques utilized by the Company to determine such fair value. In general, fair values determined by Level 1 inputs utilize quoted prices (unadjusted) 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.

Disclosures concerning financial instruments measured at fair value are as follows:

	Fair Value Measurements as of December 31, 2015				December 31, 2014			
	Quoted Prices in Active Markets for Identical Assets and Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total	Quoted Prices in Active Markets for Identical Assets and Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Liabilities:								
Derivative financial instruments	$—	$2,454	$ —	$2,454	$—	$2,306	$ —	$2,306
Mezzanine:								
	$—	$59,511	$ —	$59,511	$—	$54,472	$ —	$54,472

Redeemable
noncontrolling interests
(Company)/Redeemable
limited partners
(Operating Partnership)

The Company uses derivative financial instruments, specifically interest rate swaps and forward starting swaps, for nontrading purposes. The Company uses interest rate swaps to manage interest rate risk arising from previously unhedged interest payments associated with variable rate debt and forward starting swaps to reduce exposure to variability in cash flows relating to interest payments on forecasted issuances of debt. Through December 31, 2015, derivative financial instruments were designated and qualified as cash flow hedges. Derivative contracts with positive net fair values inclusive of net accrued interest receipts or payments are recorded in other assets. Derivative contracts with negative net fair values, inclusive of net accrued interest payments or receipts, are recorded in other liabilities. The valuation of these instruments is determined using widely accepted valuation techniques including discounted cash flow analysis on the expected cash flows of each derivative. This analysis reflects the contractual terms of the derivatives, including the period to maturity, and uses observable market-based inputs, including interest rate curves. The fair values of interest rate swaps are determined using the market standard methodology of netting the discounted future fixed cash receipts (or payments) and the discounted expected variable cash payments (or receipts). The variable cash payments (or receipts) are based on an expectation of future interest rates (forward curves) derived from observable market interest rate curves.

The Company incorporates credit valuation adjustments to appropriately reflect its own nonperformance risk and the respective counterparty's nonperformance risk in the fair value measurements. In adjusting the fair value of its derivative contracts for the effect of nonperformance risk, the Company has considered the impact of netting and any applicable credit enhancements, such as collateral postings, thresholds and guarantees.

Although the Company has determined the majority of the inputs used to value its derivatives fall within Level 2 of the fair value hierarchy, the credit valuation adjustments associated with its derivatives utilize Level 3 inputs, such as estimates of current credit spreads to evaluate the likelihood of default by the Company and its counterparty. However, as of December 31, 2015 and 2014, the Company has assessed the significance of the impact of the credit valuation adjustments on the overall valuation of its derivative positions and has determined that the credit valuation adjustments are not significant to the overall valuation of the Company's derivative financial instruments. As a result, the Company has determined each of its derivative valuations in its entirety is classified in Level 2 of the fair value hierarchy.

Redeemable noncontrolling interests in the Company (redeemable limited partners in the Operating Partnership) have a redemption feature and are marked to their redemption value. The redemption value is based on the fair value of the Company's common stock at the redemption date, and therefore is calculated based on the fair value of the Company's common stock at the balance sheet date. Since the valuation is based on observable inputs such as quoted prices for similar instruments in active markets, these instruments are classified in Level 2 of the fair value hierarchy.

Other Fair Value Disclosures

Cash and Cash Equivalents, Restricted Cash, Student Contracts Receivable, Mezzanine Loans Receivable, Other Assets, Accounts Payable and Accrued Expenses and Other Liabilities: The Company estimates that the carrying amount approximates fair value, due to the short maturity of these instruments.

Derivative Instruments: These instruments are reported on the balance sheet at fair value, which is based on calculations provided by independent, third-party financial institutions and represent the discounted future cash flows expected, based on the projected future interest rate curves over the life of the instrument.

Unsecured Term Loans, Unsecured Revolving Credit Facility, and Construction Loans: The fair value of these instruments approximates carrying values due to the variable interest rate feature of these instruments.

Loans Receivable: The fair value of loans receivable is based on a discounted cash flow analysis consisting of scheduled cash flows and discount rate estimates to approximate those that a willing buyer and seller might use. These financial instruments utilize Level 3 inputs.

Unsecured Notes: In calculating the fair value of unsecured notes, interest rate and spread assumptions reflect current creditworthiness and market conditions available for the issuance of unsecured notes with similar terms and remaining maturities. These financial instruments utilize Level 2 inputs.

Mortgage Loans Payable: The fair value of mortgage loans payable is based on the present value of the cash flows at current market interest rates through maturity. The Company has concluded the fair value of these financial instruments are Level 2 as the majority of the inputs used to value these instruments fall within Level 2 of the fair value hierarchy.

Bonds Payable: The fair value of bonds payable is based on quoted prices in markets that are not active due to the unique characteristics of these financial instruments, as such, the Company has concluded the inputs used to measure fair value fall within Level 2 of the fair value hierarchy.

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The table below contains the estimated fair value and related carrying amounts for the Company's financial instruments as of December 31, 2015 and 2014:

	December 31, 2015		December 31, 2014	
	Estimated Fair Value	Carrying Amount	Estimated Fair Value	Carrying Amount
Assets:				
Loans receivable	$48,030	$57,175	$47,092	$54,260
Liabilities:				
Unsecured notes	$1,191,520	$1,197,755	$802,943	$798,305
Mortgage loans	$1,000,226	$1,058,831	$1,182,501	$1,184,550
Bonds payable	$41,288	$36,935	$45,176	$39,785

16. Lease Commitments

The Company as lessee has entered into ground/facility 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 typically receives annual minimum rent during the earlier years and variable rent based upon the operating performance of the property during the latter years. The Company records rent under the straight-line method over the term of the lease and any difference between the straight-line rent amount and amount payable under the lease terms is recorded as prepaid or deferred rent. As of December 31, 2015 and 2014, prepaid ground rent totaled approximately $5.9 million and $1.8 million, respectively, and is included in other assets on the accompanying consolidated balance sheets. Straight-lined rental amounts are capitalized during the construction period and expensed upon the commencement of operations. Under these ground/facility leases, the Company recognized rent expense of approximately $7.5 million, $6.2 million and $5.0 million for the years end December 31, 2015, 2014 and 2013, respectively, and capitalized rent of approximately $0.4 million, $1.4 million and $1.1 million for the years end December 31, 2015, 2014 and 2013, respectively.

The Company is a party to a lease for corporate office space beginning December 17, 2010, and expiring December 31, 2020. The terms of leases provide for a period of free rent and scheduled rental rate increases and common area maintenance charges upon expiration of the free rent period. The Company also has various operating leases for furniture, office and technology equipment, which expire through 2022.

Rental expense under the operating lease agreements discussed above totaled approximately $8.9 million, $7.8 million and $6.5 million for the years ended December 31, 2015, 2014 and 2013, respectively. There were no capital lease obligations outstanding as of December 31, 2015. Future minimum commitments over the life of all leases subsequent to December 31, 2015 are as follows:

	Operating
2016	$7,246
2017	7,091
2018	6,999
2019	6,721
2020	6,705
Thereafter	227,519
Total minimum lease payments	$262,281

17. Commitments and Contingencies

Commitments

Construction Contracts: As of December 31, 2015, the Company estimates additional costs to complete eight wholly-owned development projects currently under construction or under contract to begin construction, to be approximately $289.5 million. The Company expects to fund this amount through a combination of cash flows generated from operations, draws under the Company's unsecured revolving credit facility, issuance of securities under the Company's ATM Equity Program and potential debt or equity offerings under the Company's automatic shelf registration statement.

Pre-sale Arrangements: In conjunction with the purchase of Stadium Centre in July 2015, the Company entered into a pre-sale agreement to purchase The Court at Stadium Centre, an adjacent property which is anticipated to be completed in May 2016 for $26.5 million (see Note 7). Of the $26.5 million purchase price, $6.9 million was paid in conjunction with the purchase of the adjacent property, Stadium Centre.

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 typically expire five days after construction is complete and 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. 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 addition, the GMP is typically 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 $1.5 million as of December 31, 2015.

In the normal course of business, the Company enters into various development-related purchase commitments with parties that provide development-related goods and services. In the event that the Company was to terminate development services prior to the completion of projects under construction, the Company could potentially be committed to satisfy outstanding purchase orders with such parties. At December 31, 2015, management did not anticipate any material deviations from schedule or budget related to third-party development projects currently in progress.

In August 2013, the Company entered into an agreement to convey fee interest in a parcel of land, on which one of our 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. As part of the ground lease agreement, the Company committed to spend a minimum of $22.3 million in renovation and capital improvement costs over a five year period to improve the unit finishes, expand and improve amenity space and upgrade the exterior facade and other systems. As of December 31, 2015, the Company has spent approximately $34.1 million in renovations and capital improvements and as of December 31, 2015, the project was substantially complete. In addition, 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 to the University.

In addition, in connection with certain property acquisitions, the Company has assumed the obligation to fund future infrastructure improvements located near the acquired properties. During the year ended December 31, 2015, the Company recorded $0.6 million related to this obligation, which is contingent upon project completion within the initial budget, and is included in wholly-owned properties operating expenses on the accompanying consolidated statement of comprehensive income. Should additional obligations arise, it is likely that such payments made by the Company will be expensed at such time the local municipalities decide to move forward with the projects.

Contingencies

Litigation: The Company is subject to various claims, lawsuits and legal proceedings, as well as 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.

Letters of Intent: In the ordinary course of the Company's business, the Company enters into letters of intent indicating a willingness to negotiate for acquisitions, dispositions or joint ventures. Such letters of intent are non-binding, and neither party to the letter of intent is obligated to pursue negotiations unless and until a definitive contract is entered into by the parties. Even if definitive contracts are entered into, the letters of intent relating to the acquisition and disposition of real property and resulting contracts

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generally contemplate that such contracts will provide the acquirer with time to evaluate the property and conduct due diligence, during which periods the acquirer will have the ability to terminate the contracts without penalty or forfeiture of any deposit or earnest money. There can be no assurance that definitive contracts will be entered into with respect to any matter covered by letters of intent or that the Company will consummate any transaction contemplated by any definitive contract. Furthermore, due diligence periods for real property are frequently extended as needed. Once the due diligence period expires, the Company is then at risk under a real property acquisition contract, but only to the extent of any earnest money deposits associated with the contract.

Environmental Matters: The Company is not aware of any environmental liability with respect to the properties that would have a material adverse effect on the Company's business, assets or results of operations. However, there can be no assurance that such a material environmental liability does not exist. The existence of any such material environmental liability could have an adverse effect on the Company's results of operations and cash flows.

18. Segments

The Company defines business segments by their distinct customer base and service provided. The Company has identified four reportable segments: Wholly-Owned Properties, On-Campus Participating Properties, Development Services, and Property Management Services. Management evaluates each segment's performance based on operating income before depreciation, amortization, minority interests and allocation of corporate overhead. Intercompany fees are reflected at the contractually stipulated amounts.

	Year Ended December 31,		
	2015	2014	2013
Wholly-Owned Properties			
Rental revenues and other income	$708,018	$693,694	$621,117
Interest income	1,071	1,079	152
Total revenues from external customers	709,089	694,773	621,269
Operating expenses before depreciation, amortization, ground/facility lease, and allocation of corporate overhead	(330,932)	(331,046)	(300,207)
Ground/facility leases	(5,297)	(4,196)	(2,956)
Interest expense	(30,147)	(42,906)	(45,401)
Operating income before depreciation, amortization and allocation of corporate overhead	$342,713	$316,625	$272,705
Depreciation and amortization	$198,986	$189,424	$178,396
Capital expenditures	$316,468	$334,249	$350,118
Total segment assets at December 31,	$5,809,526	$5,604,358	$5,394,029
On-Campus Participating Properties			
Rental revenues and other income	$31,586	$28,534	$26,348
Interest income	2	3	16
Total revenues from external customers	31,588	28,537	26,364
Operating expenses before depreciation, amortization, ground/facility lease, and allocation of corporate overhead	(11,407)	(10,437)	(10,322)
Ground/facility lease	(2,935)	(3,201)	(2,446)
Interest expense	(5,833)	(5,131)	(5,463)
Operating income before depreciation, amortization and allocation of	$11,413	$9,768	$8,133

corporate overhead			
Depreciation and amortization	$7,034	$5,688	$4,756
Capital expenditures	$2,943	$29,621	$17,094
Total segment assets at December 31,	$105,546	$110,017	$88,777
Development Services			
Development and construction management fees	$4,964	$4,018	$2,483
Operating expenses	(13,732)	(11,883)	(11,172)
Operating loss before depreciation, amortization and allocation of corporate overhead	$(8,768)	$(7,865)	$(8,689)
Total segment assets at December 31,	$1,730	$1,530	$1,848
Property Management Services			
Property management fees from external customers	$8,813	$7,669	$7,514
Intersegment revenues	23,054	22,889	21,396
Total revenues	31,867	30,558	28,910
Operating expenses	(11,360)	(12,400)	(10,349)
Operating income before depreciation, amortization and allocation of corporate overhead	$20,507	$18,158	$18,561
Total segment assets at December 31,	$9,432	$6,513	$7,033
Reconciliations			
Total segment revenues and other income	$777,508	$757,886	$679,026
Unallocated interest income earned on investments and corporate cash	3,348	3,086	2,837
Elimination of intersegment revenues	(23,054)	(22,889)	(21,396)
Total consolidated revenues, including interest income	$757,802	$738,083	$660,467
Segment operating income before depreciation, amortization and allocation of corporate overhead	$365,865	$336,686	$290,710
Depreciation and amortization	(214,338)	(203,413)	(190,596)
Net unallocated expenses relating to corporate interest and overhead	(83,541)	(67,956)	(48,992)
Gain (loss) from disposition of real estate	52,699	(368)	—
Provision for real estate impairment	—	(2,443)	—
Other nonoperating income (expense)	388	186	(2,666)
Loss from early extinguishment of debt	(1,770)	—	—
Income tax provision	(1,242)	(1,308)	(1,020)
Income from continuing operations	$118,061	$61,384	$47,436
Total segment assets	$5,926,234	$5,722,418	$5,491,687
Unallocated corporate assets	99,713	112,330	106,353
Total assets at December 31,	$6,025,947	$5,834,748	$5,598,040

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19. Quarterly Financial Information (Unaudited)

American Campus Communities, Inc.

The information presented below represents the quarterly consolidated financial results of the Company for the years ended December 31, 2015 and 2014.

	2015				
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total
Total revenues	$192,493	$177,874	$180,816	$202,198	$753,381
Operating income	50,176	34,452	18,551	53,725	156,904
Net income	71,267	15,918	2,016	28,860	118,061
Net income attributable to noncontrolling interests	(1,070)	(338)	(161)	(501)	(2,070)
Net income attributable to ACC, Inc. and Subsidiaries common stockholders	$70,197	$15,580	$1,855	$28,359	$115,991
Net income attributable to common stockholders per share - basic	$0.63	$0.14	$0.01	$0.25	$1.03
Net income attributable to common stockholders per share - diluted	$0.62	$0.14	$0.01	$0.25	$1.02

	2014				
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total
Total revenues	$183,183	$171,977	$181,936	$196,819	$733,915
Operating income	47,995	35,433	18,854	52,704	154,986
Income (loss) from continuing operations	26,147	13,731	(5,785)	27,291	61,384
Discontinued operations	2,720	—	—	—	2,720
Net income (loss)	28,867	13,731	(5,785)	27,291	64,104
Net income attributable to noncontrolling interests	(469)	(293)	(62)	(441)	(1,265)
Net income (loss) attributable to ACC, Inc. and Subsidiaries common stockholders	$28,398	$13,438	$(5,847)	$26,850	$62,839
Net income (loss) attributable to common stockholders per share - basic	$0.27	$0.13	$(0.06)	$0.25	$0.59
Net income (loss) attributable to common stockholders per share - diluted	$0.27	$0.12	$(0.06)	$0.25	$0.58

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American Campus Communities Operating Partnership, L.P.

The information presented below represents the quarterly consolidated financial results of the Operating Partnership for the years ended December 31, 2015 and 2014.

	2015				
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total
Total revenues	$192,493	$177,874	$180,816	$202,198	$753,381
Operating income	50,176	34,452	18,551	53,725	156,904
Net income	71,267	15,918	2,016	28,860	118,061
Net income attributable to noncontrolling interests	(323)	(92)	(92)	(105)	(612)
Series A preferred unit distributions	(44)	(44)	(44)	(44)	(176)
Net income available to common unitholders	$70,900	$15,782	$1,880	$28,711	$117,273
Net income per unit attributable to common unitholders - basic	$0.63	$0.14	$0.01	$0.25	$1.03
Net income per unit attributable to common unitholders - diluted	$0.63	$0.14	$0.01	$0.25	$1.02

	2014				
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total
Total revenues	$183,183	$171,977	$181,936	$196,819	$733,915
Operating income	47,995	35,433	18,854	52,704	154,986
Income (loss) from continuing operations	26,147	13,731	(5,785)	27,291	61,384
Discontinued operations	2,720	—	—	—	2,720
Net income (loss)	28,867	13,731	(5,785)	27,291	64,104
Net income attributable to noncontrolling interests	(88)	(88)	(81)	(95)	(352)
Series A preferred unit distributions	(45)	(45)	(44)	(44)	(178)
Net income (loss) available to common unitholders	$28,734	$13,598	$(5,910)	$27,152	$63,574
Net income (loss) per unit attributable to common unitholders - basic	$0.24	$0.13	$(0.06)	$0.25	$0.59 (1)
Net income (loss) per unit attributable to common unitholders - diluted	$0.27	$0.12	$(0.06)	$0.25	$0.58

(1) Net income per share is computed independently for each of the periods presented. Therefore, the sum of quarterly net income per share amounts may not equal the total computed for the year.

20. Subsequent Events

Distributions: On January 26, 2016, the Company declared a fourth quarter 2015 distribution per share of $0.40 which was paid on February 19, 2016 to all common stockholders of record as of February 8, 2016. 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 9).

Unsecured Term Loans: On January 29, 2016 the company refinanced $150.0 million of its $350.0 million Term Loan I Facility by extending the maturity date for this $150.0 million portion from 2017 to 2021.

February 2016 Equity Offering: On February 5, 2016, ACC completed an equity offering, consisting of the sale of 17,940,000 shares of ACC's common stock at a price of $41.25 per share, including 2,340,000 shares issued as a result of the exercise of the underwriters' overallotment option in full at closing. The aggregate proceeds to ACC, net of the underwriting discount and estimated expenses of the offering, were approximately $708.2 million. The Company used $107.0 million of the offering proceeds to pay down the outstanding balance on its revolving credit facility in full and $250.0 million to repay, in full, the Term Loan II Facility due to mature in 2019.

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21. 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	Land	Buildings and Improvements and Furniture, Fixtures and Equipment	Total [1]	Accumulated Depreciation	Encumbrances [2]	Year Built
Wholly-Owned Properties											
The Callaway House	173	538	$5,081	$ 20,499	$ 9,136	$5,081	$ 29,635	$34,716	$ 11,467	$ —	1999
The Village at Science Drive	192	732	4,673	19,021	2,600	4,673	21,621	26,294	8,592	—	2000
University Village at Boulder Creek	82	309	1,035	16,393	1,669	1,035	18,062	19,097	7,051	—	2002
University Village - Fresno	105	406	929	15,553	841	929	16,394	17,323	5,850	—	2004
University Village	220	749	—	41,119	2,601	—	43,720	43,720	14,067	—	2004
University Club Townhomes	216	736	4,665	23,103	5,815	4,665	28,918	33,583	11,091	—	2000/2002
College Club Townhomes	136	544	1,967	16,049	2,919	1,967	18,968	20,935	7,195	—	2001/2004
University Club Apartments	94	376	1,416	11,848	1,723	1,416	13,571	14,987	4,608	—	1999
City Parc at Fry Street	136	418	1,902	17,678	1,946	1,902	19,624	21,526	6,446	—	2004
Entrada Real	98	363	1,475	15,859	2,297	1,475	18,156	19,631	5,091	—	2000
University Village at Sweethome	269	828	2,473	34,626	2,076	2,473	36,702	39,175	11,841	—	2005
University Village - Tallahassee	217	716	4,322	26,225	4,091	4,322	30,316	34,638	9,082	—	1990/91/92
Royal Village Gainesville	118	448	2,386	15,153	1,747	2,386	16,900	19,286	5,168	—	1996
Royal Lexington	94	364	2,848	12,783	5,195	2,848	17,978	20,826	5,038	—	1994
Raiders Pass	264	828	3,877	32,445	3,086	3,877	35,531	39,408	10,348	—	2002
Aggie Station	156	450	1,634	18,821	1,381	1,634	20,202	21,836	5,721	—	2002
The Outpost - San Antonio	276	828	3,262	36,252	2,148	3,262	38,400	41,662	10,585	—	2005

Callaway Villas	236	704	3,903	32,286	987	3,903	33,273	37,176	9,779	—	2006
The Village on Sixth Avenue	248	752	2,763	22,480	3,130	2,763	25,610	28,373	7,592	1,252	2000/2006
Newtown Crossing	356	942	7,013	53,597	1,718	7,013	55,315	62,328	15,222	—	2005/2007
Olde Towne University Square	224	550	2,277	24,614	1,333	2,277	25,947	28,224	7,744	—	2005
Peninsular Place	183	478	2,306	16,559	1,021	2,306	17,580	19,886	5,460	—	2005
University Centre	234	838	—	77,378	3,039	—	80,417	80,417	20,168	—	2007
Pirates Place Townhomes	144	528	1,159	9,652	2,388	1,159	12,040	13,199	3,563	4,422	1996
The Summit & Jacob Heights	258	930	2,318	36,464	1,588	2,318	38,052	40,370	8,659	26,773	4/6/2003
GrandMarc Seven Corners	186	440	4,491	28,807	1,841	4,491	30,648	35,139	7,094	—	2000
University Village-Sacramento[3]	250	394	7,275	12,639	2,139	7,275	14,778	22,053	4,247	—	1979
Aztec Corner	180	606	17,460	32,209	1,476	17,460	33,685	51,145	7,461	27,026	1995
Campus Corner	254	796	1,591	20,928	2,798	1,591	23,726	25,317	6,045	22,266	1997
Tower at Third	188	375	1,145	19,128	10,313	1,748	28,838	30,586	7,340	—	1973
University Manor	168	600	1,387	14,889	2,374	1,387	17,263	18,650	5,239	—	2002
The Edge-Orlando[3]	306	930	6,053	37,802	4,227	6,053	42,029	48,082	10,534	—	1999
Willowtree Apartments and Tower	473	851	9,807	21,880	3,217	9,807	25,097	34,904	6,322	—	1968/1974
Abbott Place	222	654	1,833	18,313	2,752	1,833	21,065	22,898	6,218	17,850	1999

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	Units	Beds	Land	Buildings and Improvements and Furniture, Fixtures and Equipment	Costs Capitalized Subsequent to Acquisition / Initial Development	Land	Buildings and Improvements and Furniture, Fixtures and Equipment	Total [1]	Accumulated Depreciation	Encumbrances [2]	Year Built
The Centre	232	700	$1,804	$ 19,395	$ 2,142	$1,804	$ 21,537	23,341	$1,839	$ 19,875	2004
Campus Way	194	680	1,431	21,845	7,919	1,431	29,764	31,195	6,986	15,375	1993
University Pointe	204	682	989	27,576	1,997	989	29,573	30,562	7,065	—	2004
University Trails	240	684	1,183	25,173	2,877	1,183	28,050	29,233	6,322	—	2003
Campus Trails	156	480	1,358	11,291	4,073	1,358	15,364	16,722	7,217	7,486	1991
Vista del Sol (ACE)	613	1,866	—	135,939	2,646	—	138,585	138,585	3,509	—	2008
Villas at Chestnut Ridge	196	552	2,756	33,510	855	2,756	34,365	37,121	947	—	2008
Barrett Honors College (ACE)	604	1,721	—	131,302	1,433	—	132,735	132,735	2,636	—	2009
University Heights	176	528	1,387	8,236	1,348	1,387	9,584	10,971	2,774	—	2001
Sanctuary Lofts	201	487	2,960	18,180	3,047	2,960	21,227	24,187	4,744	—	2006
Lions Crossing	204	696	4,453	32,824	2,584	4,453	35,408	39,861	8,157	—	1996
Nittany Crossing	204	684	4,337	31,920	3,059	4,337	34,979	39,316	7,638	—	1996
University Oaks	181	662	2,150	17,369	1,511	2,150	18,880	21,030	3,135	22,150	2004
Blanton Common	276	860	3,788	29,662	1,663	3,788	31,325	35,113	7,202	27,892	2005/2007
Burbank Commons	134	532	2,512	20,063	2,669	2,512	22,732	25,244	4,428	14,888	1995
University Crescent	192	612	3,548	28,403	2,235	3,548	30,638	34,186	7,612	24,150	1999
The Edge-Charlotte	180	720	3,076	23,395	2,924	3,076	26,319	29,395	4,954	—	1999
University Walk	120	480	2,016	14,599	2,181	2,016	16,780	18,796	3,908	—	2002
Uptown Apartments	180	528	3,031	21,685	1,697	3,031	23,382	26,413	4,709	—	2004
2nd Ave Centre	274	868	4,434	27,236	2,981	4,434	30,217	34,651	6,599	—	2008
Villas at Babcock	204	792	4,642	30,901	289	4,642	31,190	35,832	6,234	—	2011
Lobo Village (ACE)	216	864	—	42,490	513	—	43,003	43,003	6,076	—	2011
Villas on Sycamore	170	680	3,000	24,640	465	3,000	25,105	28,105	5,532	—	2011
University Village Northwest (ACE)	36	144	—	4,228	29	—	4,257	4,257	583	—	2011
26 West	367	1,026	21,396	63,994	5,226	21,396	69,220	90,616	6,856	—	2008
The Varsity	258	901	11,605	108,529	1,750	11,605	110,279	121,884	8,429	—	2011
Avalon Heights	210	754	4,968	24,345	4,192	4,968	28,537	33,505	3,050	—	2002
	164	480	12,559	19,010	2,318	12,559	21,328	33,887	2,557	—	2003

University Commons											
Casas del Rio (ACE)	283	1,028	—	40,639	517	—	41,156	41,156	1,561	—	2012
The Suites (ACE)	275	550	—	27,080	184	—	27,264	27,264	1,028	—	2012
Hilltop Townhomes (ACE)	144	576	—	31,507	215	—	31,722	31,722	1,230	—	2012
U Club on Frey	114	456	3,300	18,182	195	3,300	18,377	21,677	778	—	2012
Campus Edge on UTA Boulevard	128	488	2,661	21,233	366	2,661	21,599	24,260	887	—	2012
U Club Townhomes on Marion Pugh	160	640	6,722	26,546	635	6,722	27,181	33,904	1,048	—	2012
Villas on Rensch	153	610	10,231	33,852	354	10,231	34,206	44,437	1,388	—	2012
The Village at Overton Park	163	612	5,262	29,374	285	5,262	29,659	34,921	1,147	—	2012
Casa de Oro (ACE)	109	365	—	12,362	64	—	12,426	12,426	426	—	2012
The Villas at Vista del Sol (ACE)	104	400	—	20,421	154	—	20,575	20,575	785	—	2012

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	Units	Beds	Land	Buildings and Improvements and Furniture, Fixtures and Equipment	Costs Capitalized Subsequent to Acquisition / Initial Development	Land	Buildings and Improvements and Furniture, Fixtures and Equipment	Total [1]	Accumulated Depreciation	Encumbrances [2]	Year Built
The Block University	669	1,555	$22,270	$ 141,430	$ 8,321	$22,270	$ 149,751	172,021	18,723	$ —	2007/2008
Pointe at College Station (ACE)	282	978	—	84,657	852	—	85,509	85,509	10,729	—	2012
309 Green	110	416	5,351	49,987	1,931	5,351	51,918	57,269	6,938	31,373	2008
The Retreat	187	780	5,265	46,236	1,521	5,265	47,757	53,022	2,763	—	2012
Lofts54	43	172	430	14,741	825	430	15,566	15,996	1,664	10,798	2008
Campustown Rentals	264	746	2,409	40,190	3,396	2,409	43,586	45,995	4,905	—	1920-1987
Chauncey Square	158	386	2,522	40,013	1,291	2,522	41,304	43,826	2,653	—	2007/2012
Vintage & Texan West Campus	124	311	5,937	11,906	14,923	5,937	26,829	32,766	2,597	8,707	2009
The Castilian	371	623	3,663	59,772	31,645	3,663	91,417	95,080	8,057	—	1967
Bishops Square	134	315	1,206	17,878	1,037	1,206	18,915	20,121	2,175	11,600	2002
Union	54	120	169	6,348	386	169	6,734	6,903	782	3,597	2007
922 Place	132	468	3,363	34,947	2,644	3,363	37,591	40,954	4,423	31,425	2009
Campustown	452	1,217	1,818	77,894	2,616	1,818	80,510	82,328	7,828	40,799	1910-2004
River Mill	243	461	1,741	22,806	2,822	1,741	25,628	27,369	2,718	—	1972
Garnet River Walk	170	476	1,427	28,616	1,047	1,427	29,663	31,090	3,534	16,856	2006
Landmark	173	606	3,002	118,168	641	3,002	118,809	121,811	1,911	—	2012
Icon Plaza	56	253	6,292	65,857	2,913	6,292	68,770	75,062	291	—	2012
The Province - Greensboro	219	696	2,226	48,567	649	2,226	49,216	51,442	997	28,635	2011
RAMZ Apts on Broad	88	172	785	12,303	418	785	12,721	13,506	1,066	—	2004
The Lofts at Capital Garage	36	144	313	3,581	413	313	3,994	4,307	465	4,404	1920/2000
Forest Village and Woodlake	352	704	3,125	18,041	2,922	3,125	20,963	24,088	2,843	—	1982/1983
25 Twenty	249	562	2,226	33,429	479	2,226	33,908	36,134	3,907	26,585	2011
The Province - Louisville	366	858	4,392	63,068	937	4,392	64,005	68,397	6,781	37,348	2009
West 27th Place	161	475	13,900	76,720	838	13,900	77,558	91,458	5,952	38,862	2011

The Province - Rochester	336	816	3,798	70,955	1,420	3,798	72,375	76,173	7,352	34,967	2010
5 Twenty Four & 5 Twenty Five Angliana	376	1,060	—	60,448	1,054	—	61,502	61,502	6,468	25,880	2009/2011
The Province - Tampa	287	947	—	52,943	2,251	—	55,194	55,194	5,796	32,686	2009
U Point Kennesaw	216	795	1,482	61,654	3,353	1,482	65,007	66,489	8,916	—	2012
The Cottages of Columbia	145	513	2,695	27,574	1,467	2,695	29,041	31,736	3,626	19,675	2008
Grindstone Canyon	201	384	1,631	21,641	981	1,631	22,622	24,253	2,595	13,929	2003
The Cottages of Durham	141	619	3,955	41,421	1,648	3,955	43,069	47,024	5,269	—	2012
The Province - Dayton	200	657	1,211	32,983	853	1,211	33,836	35,047	4,718	—	2009
The Cottages of Baton Rouge	382	1,290	6,524	113,912	6,469	6,524	120,381	126,905	10,901	62,940	2010/2011
U Club Cottages	105	308	1,744	22,134	661	1,744	22,795	24,539	2,599	15,588	2011
University Edge	201	608	4,500	26,385	894	4,500	27,279	31,779	2,967	—	2012
The Lodges of East Lansing phase I & II	364	1,049	6,472	89,231	949	6,472	90,180	96,652	8,420	30,199	2011/2013
7th Street Station	82	309	9,792	16,472	387	9,792	16,859	26,651	1,547	—	2012
U Club on Woodward	112	448	6,703	21,654	144	6,703	21,798	28,501	2,251	—	2013

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	Units	Beds	Land	Buildings and Improvements and Furniture, Fixtures and Equipment		Land	Buildings and Improvements and Furniture, Fixtures and Equipment	Total [1]	Accumulated Depreciation	Encumbrances [2]	Year Built
The Callaway House Austin	219	753	$—	$ 61,550	$ 215	$—	$ 61,765	$61,765	$ 5,922	$ —	2013
Manzanita (ACE)	241	816	—	48,781	151	—	48,932	48,932	5,107	—	2013
University View (ACE)	96	336	—	14,683	105	—	14,788	14,788	1,526	—	2013
U Club Townhomes at Overton Park	112	448	7,775	21,483	139	7,775	21,622	29,397	2,208	—	2013
601 Copeland	81	283	1,457	26,699	192	1,457	26,891	28,348	2,275	—	2013
The Townhomes at Newtown Crossing	152	608	7,745	32,074	236	7,745	32,310	40,055	2,696	—	2013
Chestnut Square (ACE)	220	861	—	98,369	1,883	—	100,252	100,252	8,764	—	2013
Park Point	300	924	7,827	73,495	3,384	7,827	76,879	84,706	5,980	70,000	2008
U Centre at Fry Street	194	614	2,902	47,700	1,108	2,902	48,808	51,710	3,331	—	2012
Cardinal Towne	255	545	6,547	53,809	1,930	6,549	55,737	62,286	3,544	37,250	2010/2011
The Standard	190	610	4,674	57,310	438	4,674	57,748	62,422	2,221	—	2014
Stanworth Commons Phase I (ACE)	127	214	—	30,930	—	—	30,930	30,930	1,586	—	2014
The Plaza on University	364	1,313	23,988	85,584	1,820	23,988	87,404	111,391	4,665	—	2014
U Club on Frey Phase II	102	408	5,403	18,691	31	5,403	18,722	24,125	929	—	2014
The Suites Phase II (ACE)	164	328	—	18,216	57	—	18,273	18,273	1,025	—	2014
U Centre at Northgate (ACE)	196	784	—	35,663	128	—	35,791	35,791	2,077	—	2014
University Walk	177	526	4,341	29,073	530	4,341	29,603	33,944	973	—	2014
Park Point	66	226	—	25,725	1,054	—	26,779	26,779	617	11,461	2010
1200 West Marshall	136	406	4,397	33,908	220	4,397	34,128	38,525	864	—	2013
	160	540	2,797	45,394	212	2,797	45,606	48,403	1,079	—	2011

8 1/2 Canal Street											
Vistas San Marcos	255	600	586	45,761	3,078	586	48,839	49,425	1,351	—	2013
Crest at Pearl	141	343	4,395	36,268	199	4,395	36,467	40,862	648	—	2014
U Club Binghamton	186	710	3,584	48,559	825	3,584	49,384	52,968	696	—	2005
Stadium Centre	367	710	7,424	74,932	946	7,424	75,878	83,302	1,127	57,800	2014
160 Ross	182	642	2,962	38,478	70	2,962	38,548	41,510	637	—	2015
U Club on Woodward Phase II	124	496	9,647	25,328	45	9,647	25,373	35,020	437	—	2015
The Summit at University City (ACE)	351	1,315	—	154,770	49	—	154,819	154,819	1,666	—	2015
2125 Franklin	192	734	8,299	55,716	54	8,299	55,770	64,069	578	—	2015
Properties Under Development [4]										—	
The Court at Stadium Centre	80	260	1,877	12,576	—	1,877	12,576	14,453	—	5,559	2016
U Club on 28th	100	400	9,725	20,338	—	9,725	20,338	30,063	—	—	2016
Currie Hall (ACE)	178	456	—	29,297	—	—	29,297	29,297	—	—	2016
University Pointe (ACE)	134	531	—	19,154	—	—	19,154	19,154	—	—	2016
Fairview House (ACE)	107	633	—	23,063	—	—	23,063	23,063	—	—	2016
U Club Sunnyside	134	536	7,423	15,309	—	7,423	15,309	22,732	—	—	2016
Merwick Stanworth Phase II (ACE)	198	379	—	16,345	—	—	16,345	16,345	—	—	2016
Arizona State University Residence Hall (ACE)	429	1,594	—	9,001	—	—	9,001	9,001	—	—	2017
U Centre on Turner	182	718	14,000	3,364	—	14,000	3,364	17,364	—	—	2017

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	Units	Beds	Land	Buildings and Improvements and Furniture, Fixtures and Equipment	Costs Capitalized Subsequent to Acquisition / Initial Development	Land	Buildings and Improvements and Furniture, Fixtures and Equipment	Total [1]	Accumulated Depreciation	Encumbrances [2]	Yea
Properties Under Redevelopment										—	
University Crossings (ACE)	260	1,016		47,830	41,053	—	88,883	88,883	14,493	—	192
Undeveloped land parcels	—	—	66,219	—	—	66,219	—	66,219	—	—	N/A
Subtotal	30,368	94,302	$610,617	$5,423,776	$335,354	$611,222	$5,758,525	$6,369,747	$792,122	$940,328	
On-Campus Participating Properties											
University Village – PVAMU	612	1,920	$—	$36,506	$7,641	$—	44,147	44,147	$30,157	$18,231	199
University College - PVAMU	756	1,470	—	22,650	5,067	—	27,717	27,717	16,443	15,915	200
University Village - TAMIU	84	250	—	5,844	1,220	—	7,064	7,064	4,863	2,789	199
Cullen Oaks Phase I and II	411	879	—	33,910	3,471	—	37,381	37,381	15,926	29,587	200
College Park	224	567	—	43,634	42	—	43,676	43,676	2,467	43,878	201
Subtotal	2,087	5,086	$—	$142,544	$17,441	$—	$159,985	$159,985	$69,856	$110,400	
Total	32,455	99,388	$610,617	$5,566,320	$352,795	$611,222	$5,918,510	$6,529,732	$861,978	$1,050,728	

(1) Total aggregate costs for Federal income tax purposes is approximately $6,492.2 million.

(2) Total encumbrances exclude net unamortized debt premiums of approximately $50.8 million and net unamortized debt discounts of approximately $0.2 million as of December 31, 2015.

(3) These properties are classified as held for sale as of December 31, 2015 (see Note 6).

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

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The changes in the Company's investments in real estate and related accumulated depreciation for each of the years ended December 31, 2015, 2014 and 2013 are as follows:

	For the Year Ended December 31,					
	2015		2014		2013	
	Wholly-Owned [1] [2]	On-Campus [3]	Wholly-Owned [1] [4]	On-Campus [3]	Wholly-Owned [1] [5]	On-Campus [3]
Investments in Real Estate:						
Balance, beginning of year	$6,144,242	$157,043	$5,742,971	$130,705	$5,267,845	$109,838
Acquisition of land for development	39,583	—	3,627	—	25,649	—
Acquisition of properties	361,265	—	71,269	—	288,191	—
Improvements and development expenditures	306,659	2,942	361,369	26,338	340,033	20,867
Write off of fully depreciated or damaged assets	(1,240)	—	(1,853)	—	(1,862)	—
Provision for real estate impairment	—	—	(2,443)	—	—	—
Disposition of real estate	(480,762)	—	(30,698)	—	(176,885)	—
Balance, end of year	$6,369,747	$159,985	$6,144,242	$157,043	$5,742,971	$130,705
Accumulated Depreciation:						
Balance, beginning of year	$(704,521)	$(62,915)	$(529,555)	$(57,249)	$(396,469)	$(52,492)
Depreciation for the year	(191,661)	(6,941)	(182,756)	(5,666)	(162,230)	(4,757)
Write off of fully depreciated or damaged assets	1,240	—	1,281	—	1,862	—
Disposition of properties	102,820	—	6,509	—	27,282	—
Balance, end of year	$(792,122)	$(69,856)	$(704,521)	$(62,915)	$(529,555)	$(57,249)

[1] Includes owned off-campus properties and owned on-campus properties.

[2] The investments in real estate and accumulated depreciation balances include The Edge - Orlando and University Village Sacramento which are classified as wholly-owned properties held for sale in the accompanying consolidated balance sheets as of December 31, 2015.

[3] Includes on-campus participating properties.

[4] The investments in real estate and accumulated depreciation balances include The Highlands, Chapel Ridge, Chapel View, University Place, The Village at Alafaya Club, The View and University Greens, which were classified as wholly-owned properties held for sale in the accompanying consolidated balance sheets as of December 31, 2014.

[5] The investments in real estate and accumulated depreciation balances include Hawks Landing which was classified as a wholly-owned property held for sale in the accompanying consolidated balance sheets as of December 31, 2013.