AMERICAN CAMPUS COMMUNITIES INC
Form 10-Q
August 06, 2015
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

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

For the quarterly period ended June 30, 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.) (State or Other Jurisdiction of Incorporation or Organization)	76-0753089 (American Campus Communities, Inc.) 56-2473181 (American Campus Communities Operating Partnership, L.P.) (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

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 x No o
American Campus Communities Operating Partnership, L.P.	Yes x 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 x No o
American Campus Communities Operating Partnership, L.P.	Yes x No 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 x	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 x	(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 Exchange Act).

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

There were 112,318,741 shares of the American Campus Communities, Inc.'s common stock with a par value of $0.01 per share outstanding as of the close of business on July 31, 2015.

EXPLANATORY NOTE

This report combines the reports on Form 10-Q for the quarterly period ended June 30, 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 June 30, 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 June 30, 2015, ACC owned an approximate 98.6% limited partnership interest in ACCOP. As the sole member of the general partner of ACCOP, ACC has exclusive control of ACCOP’s day-to-day management. Management operates the Company and the Operating Partnership as one business. The management of ACC consists of the same members as the management of ACCOP. The Company is structured as an umbrella partnership REIT (“UPREIT”) and ACC contributes all net proceeds from its various equity offerings to the Operating Partnership. In return for those contributions, ACC receives a number of units of the Operating Partnership (“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 the Operating Partnership. 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 the Operating Partnership issued to ACC and ACC Holdings and the common shares issued to the public. The Company believes that combining the reports on Form 10-Q of ACC and ACCOP into this single report provides the following benefits:

(1) 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;
(2) 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
(3) 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, as disclosed in this report. 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 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 the Operating Partnership. The differences between stockholders' equity and partners' capital result from differences in the 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 I, Item 4 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-Q
FOR THE QUARTER ENDED JUNE 30, 2015
TABLE OF CONTENTS

		PAGE NO.
PART I.		
Item 1.	Consolidated Financial Statements of American Campus Communities, Inc. and Subsidiaries:	
	Consolidated Balance Sheets as of June 30, 2015 (unaudited) and December 31, 2014	1
	Consolidated Statements of Comprehensive Income for the three and six months ended June 30, 2015 and 2014 (all unaudited)	2
	Consolidated Statement of Changes in Equity for the six months ended June 30, 2015 (unaudited)	3
	Consolidated Statements of Cash Flows for the six months ended June 30, 2015 and 2014 (all unaudited)	4
	Consolidated Financial Statements of American Campus Communities Operating Partnership, L.P. and Subsidiaries:	
	Consolidated Balance Sheets as of June 30, 2015 (unaudited) and December 31, 2014	5
	Consolidated Statements of Comprehensive Income for the three and six months ended June 30, 2015 and 2014 (all unaudited)	6
	Consolidated Statement of Changes in Capital for the six months ended June 30, 2015 (unaudited)	7
	Consolidated Statements of Cash Flows for the six months ended June 30, 2015 and 2014 (all unaudited)	8
	Notes to Consolidated Financial Statements of American Campus Communities, Inc. and Subsidiaries and American Campus Communities Operating Partnership, L.P. and Subsidiaries (unaudited)	10
Item 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations	31
Item 3.	Quantitative and Qualitative Disclosure about Market Risk	45
Item 4.	Controls and Procedures	46
PART II.		
Item 1.	Legal Proceedings	47
Item 1A.	Risk Factors	47

Item 2.	Unregistered Sales of Equity Securities and Use of Proceeds	47
Item 3.	Defaults Upon Senior Securities	47
Item 4.	Mine Safety Disclosures	47
Item 5.	Other Information	47
Item 6.	Exhibits	48
SIGNATURES		49

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

	June 30, 2015 (Unaudited)	December 31, 2014
Assets		
Investments in real estate:		
Wholly-owned properties, net	$5,370,868	$5,308,707
Wholly-owned properties held for sale	26,498	131,014
On-campus participating properties, net	91,582	94,128
Investments in real estate, net	5,488,948	5,533,849
Cash and cash equivalents	8,765	25,062
Restricted cash	40,673	31,937
Student contracts receivable, net	8,052	10,145
Other assets	263,732	233,755
Total assets	$5,810,170	$5,834,748
Liabilities and equity		
Liabilities:		
Secured mortgage, construction and bond debt	$1,105,432	$1,331,914
Unsecured notes	798,389	798,305
Unsecured term loans	600,000	600,000
Unsecured revolving credit facility	229,400	242,500
Accounts payable and accrued expenses	68,185	70,629
Other liabilities	115,701	121,645
Total liabilities	2,917,107	3,164,993
Commitments and contingencies (Note 14)		
Redeemable noncontrolling interests	62,091	54,472
Equity:		
American Campus Communities, Inc. stockholders' equity:		
Common stock, $.01 par value, 800,000,000 shares authorized, 112,314,405 and 107,175,236 shares issued and outstanding at June 30, 2015 and December 31, 2014, respectively	1,123	1,072
Additional paid in capital	3,323,010	3,102,540
Accumulated earnings and dividends	(490,368)	(487,986)
Accumulated other comprehensive loss	(6,891)	(6,072)
Total American Campus Communities, Inc. stockholders' equity	2,826,874	2,609,554
Noncontrolling interests - partially owned properties	4,098	5,729
Total equity	2,830,972	2,615,283
Total liabilities and equity	$5,810,170	$5,834,748

See accompanying notes to consolidated financial statements.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
Revenues				
Wholly-owned properties	$167,468	$163,056	$347,366	$335,006
On-campus participating properties	5,704	4,735	14,904	12,923
Third-party development services	1,677	1,581	2,241	1,768
Third-party management services	2,324	1,997	4,325	3,982
Resident services	701	608	1,531	1,481
Total revenues	177,874	171,977	370,367	355,160
Operating expenses				
Wholly-owned properties	77,251	76,034	156,261	151,842
On-campus participating properties	2,942	2,780	5,610	5,262
Third-party development and management services	3,952	2,720	6,999	5,506
General and administrative	5,738	4,978	10,581	9,352
Depreciation and amortization	51,578	48,450	102,229	96,625
Ground/facility leases	1,961	1,582	4,059	3,145
Total operating expenses	143,422	136,544	285,739	271,732
Operating income	34,452	35,433	84,628	83,428
Nonoperating income and (expenses)				
Interest income	1,085	1,037	2,197	2,068
Interest expense	(20,586)	(20,989)	(42,574)	(42,079)
Amortization of deferred financing costs	(1,338)	(1,461)	(2,717)	(2,960)
Gain from disposition of real estate	3,790	—	48,042	—
Loss from early extinguishment of debt	(1,175)	—	(1,770)	—
Total nonoperating (expenses) income	(18,224)	(21,413)	3,178	(42,971)
Income before income taxes and discontinued operations	16,228	14,020	87,806	40,457
Income tax provision	(310)	(289)	(621)	(579)
Income from continuing operations	15,918	13,731	87,185	39,878
Discontinued operations:				
Loss attributable to discontinued operations	—	—	—	(123)
Gain from disposition of real estate	—	—	—	2,843
Total discontinued operations	—	—	—	2,720
Net income	15,918	13,731	87,185	42,598
Net income attributable to noncontrolling interests				
Redeemable noncontrolling interests	(246)	(205)	(993)	(586)
Partially owned properties	(92)	(88)	(415)	(176)
Net income attributable to noncontrolling interests	(338)	(293)	(1,408)	(762)
Net income attributable to ACC, Inc. and Subsidiaries common stockholders	$15,580	$13,438	$85,777	$41,836
Other comprehensive loss				

Change in fair value of interest rate swaps	845	(4,877)	(1,023)	(5,870)
Comprehensive income	$16,425	$8,561	$84,754	$35,966
Income per share attributable to ACC, Inc. and Subsidiaries common stockholders - basic				
Income from continuing operations per share	$0.14	$0.13	$0.76	$0.37
Net income per share	$0.14	$0.13	$0.76	$0.39
Income per share attributable to ACC, Inc. and Subsidiaries common stockholders - diluted				
Income from continuing operations per share	$0.14	$0.12	$0.76	$0.37
Net income per share	$0.14	$0.12	$0.76	$0.39
Weighted-average common shares outstanding				
Basic	112,308,114	104,918,131	111,635,345	104,870,167
Diluted	112,983,939	105,609,561	113,652,341	105,583,346
Distributions declared per common share	$0.40	$0.38	$0.78	$0.74

See accompanying notes to consolidated financial statements.

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

	Common Shares	Par Value of Common Shares	Additional Paid in Capital	Accumulated Earnings and Dividends	Accumulated Other Comprehensive Loss	Noncontrolling Interests – Partially Owned Properties	Total
Equity, December 31, 2014	107,175,236	$1,072	$3,102,540	$(487,986)	$(6,072)	$5,729	$2,615,283
Adjustments to reflect redeemable noncontrolling interests at fair value	—	—	3,880	—	—	—	3,880
Amortization of restricted stock awards	—	—	3,976	—	—	—	3,976
Vesting of restricted stock awards and restricted stock units	128,321	1	(2,391)	—	—	—	(2,390)
Distributions to common and restricted stockholders	—	—	—	(88,159)	—	—	(88,159)
Distributions to noncontrolling interests - partially owned properties	—	—	—	—	—	(546)	(546)
Increase in ownership of consolidated subsidiary	—	—	(208)	—	—	(1,500)	(1,708)
Conversion of operating partnership units to common stock	77,183	1	2,579	—	—	—	2,580
Net proceeds from sale of common stock	4,933,665	49	212,634	—	—	—	212,683
Change in fair value of interest rate swaps	—	—	—	—	(1,023)	—	(1,023)
Amortization of interest rate swap terminations	—	—	—	—	204	—	204
Net income	—	—	—	85,777	—	415	86,192
Equity, June 30, 2015	112,314,405	$1,123	$3,323,010	$(490,368)	$(6,891)	$4,098	$2,830,972

See accompanying notes to consolidated financial statements.

3

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

	Six Months Ended June 30, 2015	2014
Operating activities		
Net income	$87,185	$42,598
Adjustments to reconcile net income to net cash provided by operating activities:		
Gains from disposition of real estate	(48,042)	(2,843)
Depreciation and amortization	101,855	96,672
Amortization of deferred financing costs and debt premiums/discounts	(2,980)	(3,347)
Share-based compensation	4,464	3,863
Income tax provision	621	579
Amortization of interest rate swap terminations	204	15
Changes in operating assets and liabilities:		
Restricted cash	(3,445)	(2,315)
Student contracts receivable, net	1,213	268
Other assets	453	(4,921)
Accounts payable and accrued expenses	(13,951)	(14,338)
Other liabilities	(325)	(2,956)
Net cash provided by operating activities	127,252	113,275
Investing activities		
Proceeds from disposition of properties	395,880	1,327
Proceeds from disposition of land	—	1,681
Cash paid for property acquisitions	(274,926)	(9,117)
Cash paid for land acquisitions	(12,190)	(2,962)
Capital expenditures for wholly-owned properties	(27,920)	(25,244)
Investments in wholly-owned properties under development	(109,536)	(124,044)
Capital expenditures for on-campus participating properties	(859)	(918)
Investment in on-campus participating property under development	—	(20,252)
Proceeds from loans receivable	—	2,984
Change in escrow deposits for investment transactions	(5,939)	1,532
Change in restricted cash related to capital reserves	2,433	2,295
Increase in ownership of consolidated subsidiary	(1,708)	—
Purchase of corporate furniture, fixtures and equipment	(4,142)	(2,295)
Net cash used in investing activities	(38,907)	(175,013)
Financing activities		
Proceeds from unsecured notes	—	399,444
Proceeds from sale of common stock	216,666	—
Offering costs	(2,282)	—
Pay-off of mortgage and construction loans	(208,980)	(85,187)
Proceeds from revolving credit facilities	450,100	260,800
Pay downs of revolving credit facilities	(463,200)	(411,500)
Proceeds from construction loan	258	20,255
Scheduled principal payments on debt	(7,216)	(8,178)
Debt issuance and assumption costs	(196)	(4,852)
Termination of forward starting interest rate swaps	—	(4,122)

Distributions to common and restricted stockholders	(88,159)	(78,174)
Distributions to noncontrolling partners	(1,633)	(1,175)
Net cash (used in) provided by financing activities	(104,642)	87,311
Net change in cash and cash equivalents	(16,297)	25,573
Cash and cash equivalents at beginning of period	25,062	38,751
Cash and cash equivalents at end of period	$8,765	$64,324
Supplemental disclosure of non-cash investing and financing activities		
Loans assumed in connection with property acquisitions	$(11,621)	$—
Issuance of common units in connection with property acquisitions	$(14,182)	$—
Change in fair value of derivative instruments, net	$(1,023)	$(1,748)
Supplemental disclosure of cash flow information		
Interest paid	$46,739	$54,159

See accompanying notes to consolidated financial statements.

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

	June 30, 2015 (Unaudited)	December 31, 2014
Assets		
Investments in real estate:		
Wholly-owned properties, net	$5,370,868	$5,308,707
Wholly-owned properties held for sale	26,498	131,014
On-campus participating properties, net	91,582	94,128
Investments in real estate, net	5,488,948	5,533,849
Cash and cash equivalents	8,765	25,062
Restricted cash	40,673	31,937
Student contracts receivable, net	8,052	10,145
Other assets	263,732	233,755
Total assets	$5,810,170	$5,834,748
Liabilities and capital		
Liabilities:		
Secured mortgage, construction and bond debt	$1,105,432	$1,331,914
Unsecured notes	798,389	798,305
Unsecured term loans	600,000	600,000
Unsecured revolving credit facility	229,400	242,500
Accounts payable and accrued expenses	68,185	70,629
Other liabilities	115,701	121,645
Total liabilities	2,917,107	3,164,993
Commitments and contingencies (Note 14)		
Redeemable limited partners	62,091	54,472
Capital:		
Partners’ capital:		
General partner – 12,222 OP units outstanding at both June 30, 2015 and December 31, 2014	99	100
Limited partner – 112,302,183 and 107,163,014 OP units outstanding at June 30, 2015 and December 31, 2014, respectively	2,833,666	2,615,526
Accumulated other comprehensive loss	(6,891)	(6,072)
Total partners’ capital	2,826,874	2,609,554
Noncontrolling interests - partially owned properties	4,098	5,729
Total capital	2,830,972	2,615,283
Total liabilities and capital	$5,810,170	$5,834,748

See accompanying notes to consolidated financial statements.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
Revenues				
Wholly-owned properties	$167,468	$163,056	$347,366	$335,006
On-campus participating properties	5,704	4,735	14,904	12,923
Third-party development services	1,677	1,581	2,241	1,768
Third-party management services	2,324	1,997	4,325	3,982
Resident services	701	608	1,531	1,481
Total revenues	177,874	171,977	370,367	355,160
Operating expenses				
Wholly-owned properties	77,251	76,034	156,261	151,842
On-campus participating properties	2,942	2,780	5,610	5,262
Third-party development and management services	3,952	2,720	6,999	5,506
General and administrative	5,738	4,978	10,581	9,352
Depreciation and amortization	51,578	48,450	102,229	96,625
Ground/facility leases	1,961	1,582	4,059	3,145
Total operating expenses	143,422	136,544	285,739	271,732
Operating income	34,452	35,433	84,628	83,428
Nonoperating income and (expenses)				
Interest income	1,085	1,037	2,197	2,068
Interest expense	(20,586)	(20,989)	(42,574)	(42,079)
Amortization of deferred financing costs	(1,338)	(1,461)	(2,717)	(2,960)
Gain from disposition of real estate	3,790	—	48,042	—
Loss from early extinguishment of debt	(1,175)	—	(1,770)	—
Total nonoperating (expenses) income	(18,224)	(21,413)	3,178	(42,971)
Income before income taxes and discontinued operations	16,228	14,020	87,806	40,457
Income tax provision	(310)	(289)	(621)	(579)
Income from continuing operations	15,918	13,731	87,185	39,878
Discontinued operations:				
Loss attributable to discontinued operations	—	—	—	(123)
Gain from disposition of real estate	—	—	—	2,843
Total discontinued operations	—	—	—	2,720
Net income	15,918	13,731	87,185	42,598
Net income attributable to noncontrolling interests – partially owned properties	(92)	(88)	(415)	(176)
Net income attributable to American Campus Communities Operating Partnership, L.P.	15,826	13,643	86,770	42,422
Series A preferred unit distributions	(44)	(45)	(88)	(90)
Net income available to common unitholders	$15,782	$13,598	$86,682	$42,332
Other comprehensive loss				
Change in fair value of interest rate swaps	845	(4,877)	(1,023)	(5,870)

Comprehensive income	$16,627	$8,721	$85,659	$36,462
Income per unit attributable to common unitholders – basic				
Income from continuing operations per unit	$0.14	$0.13	$0.76	$0.37
Net income per unit	$0.14	$0.13	$0.76	$0.39
Income per unit attributable to common unitholders – diluted				
Income from continuing operations per unit	$0.14	$0.12	$0.76	$0.37
Net income per unit	$0.14	$0.12	$0.76	$0.39
Weighted-average common units outstanding				
Basic	113,756,045	106,148,350	112,946,677	106,100,386
Diluted	114,431,870	106,839,780	113,652,341	106,813,565
Distributions declared per common unit	$0.40	$0.38	$0.78	$0.74

See accompanying notes to consolidated financial statements.

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

	General Partner		Limited Partner		Accumulated Other Comprehensive	Noncontrolling Interests - Partially Owned	
	Units	Amount	Units	Amount	Loss	Properties	Total
Capital, 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	—	—	—	3,880	—	—	3,880
Amortization of restricted stock awards	—	—	—	3,976	—	—	3,976
Vesting of restricted stock awards and restricted stock units	—	—	128,321	(2,390)	—	—	(2,390)
Distributions	—	(10)	—	(88,149)	—	—	(88,159)
Distributions to noncontrolling interests - partially owned properties	—	—	—	—	—	(546)	(546)
Increase in ownership of consolidated subsidiary	—	—	—	(208)	—	(1,500)	(1,708)
Conversion of operating partnership units to common stock	—	—	77,183	2,580	—	—	2,580
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	—	—	—	—	(1,023)	—	(1,023)
Amortization of interest rates swap terminations	—	—	—	—	204	—	204
Net income	—	9	—	85,768	—	415	86,192
Capital, June 30, 2015	12,222	$99	112,302,183	$2,833,666	$ (6,891)	$ 4,098	$2,830,972

See accompanying notes to consolidated financial statements.

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

	Six Months Ended June 30,	
	2015	2014
Operating activities		
Net income	$87,185	$42,598
Adjustments to reconcile net income to net cash provided by operating activities:		
Gains from disposition of real estate	(48,042)	(2,843)
Depreciation and amortization	101,855	96,672
Amortization of deferred financing costs and debt premiums/discounts	(2,980)	(3,347)
Share-based compensation	4,464	3,863
Income tax provision	621	579
Amortization of interest rate swap terminations	204	15
Changes in operating assets and liabilities:		
Restricted cash	(3,445)	(2,315)
Student contracts receivable, net	1,213	268
Other assets	453	(4,921)
Accounts payable and accrued expenses	(13,951)	(14,338)
Other liabilities	(325)	(2,956)
Net cash provided by operating activities	127,252	113,275
Investing activities		
Proceeds from disposition of properties	395,880	1,327
Proceeds from disposition of land	—	1,681
Cash paid for property acquisitions	(274,926)	(9,117)
Cash paid for land acquisitions	(12,190)	(2,962)
Capital expenditures for wholly-owned properties	(27,920)	(25,244)
Investments in wholly-owned properties under development	(109,536)	(124,044)
Capital expenditures for on-campus participating properties	(859)	(918)
Investment in on-campus participating property under development	—	(20,252)
Proceeds from loans receivable	—	2,984
Decrease in escrow deposits for investment transactions	(5,939)	1,532
Change in restricted cash related to capital reserves	2,433	2,295
Increase in ownership of consolidated subsidiary	(1,708)	—
Purchase of corporate furniture, fixtures and equipment	(4,142)	(2,295)
Net cash used in investing activities	(38,907)	(175,013)
Financing activities		
Proceeds from unsecured notes	—	399,444
Proceeds from issuance of common units in exchange for contributions, net	214,384	—
Pay-off of mortgage and construction loans	(208,980)	(85,187)
Proceeds from revolving credit facilities	450,100	260,800
Pay downs of revolving credit facilities	(463,200)	(411,500)
Proceeds from construction loan	258	20,255
Scheduled principal payments on debt	(7,216)	(8,178)
Debt issuance and assumption costs	(196)	(4,852)
Termination of forward starting interest rate swaps		(4,122)
Distributions paid on unvested restricted stock awards	(603)	(584)

Distributions paid to common and preferred unitholders	(88,643)	(78,591)
Distributions paid to noncontrolling partners - partially owned properties	(546)	(174)
Net cash (used in) provided by financing activities	(104,642)	87,311
Net change in cash and cash equivalents	(16,297)	25,573
Cash and cash equivalents at beginning of period	25,062	38,751
Cash and cash equivalents at end of period	$8,765	$64,324

See accompanying notes to consolidated financial statements.

8

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

	Six Months Ended June 30,	
	2015	2014
Supplemental disclosure of non-cash investing and financing activities		
Loans assumed in connection with property acquisitions	$(11,621)	$—
Issuance of common units in connection with property acquisitions	$(14,182)	$—
Change in fair value of derivative instruments, net	$(1,023)	$(1,748)
Supplemental disclosure of cash flow information		
Interest paid	$46,739	$54,159

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
(unaudited)

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 June 30, 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 June 30, 2015, ACC owned an approximate 98.6% limited partnership interest in ACCOP. As the sole member of the general partner of ACCOP, ACC has exclusive control of ACCOP’s day-to-day management. Management operates ACC and ACCOP as one business. The management of ACC consists of the same members as the management of ACCOP. ACC consolidates ACCOP for financial reporting purposes, and ACC does not have significant assets other than its investment in ACCOP. Therefore, the assets and liabilities of ACC and ACCOP are the same on their respective financial statements. References to the “Company,” “we,” “us” or “our” mean collectively ACC, ACCOP and those entities/subsidiaries owned or controlled by ACC and/or ACCOP. References to the “Operating Partnership” mean collectively ACCOP and those entities/subsidiaries owned or controlled by ACCOP. Unless otherwise indicated, the accompanying Notes to the Consolidated Financial Statements apply to both the Company and the Operating Partnership.

As of June 30, 2015, our property portfolio contained 159 properties with approximately 96,400 beds in approximately 31,400 units. Our property portfolio consisted of 134 owned off-campus student housing properties that are in close proximity to colleges and universities, 20 American Campus Equity (“ACE®”) properties operated under ground/facility leases with ten university systems and five on-campus participating properties operated under ground/facility leases with the related university systems. Of the 159 properties, eight were under development as of June 30, 2015, and when completed will consist of a total of approximately 5,200 beds in approximately 1,400 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 June 30, 2015, also through one of ACC’s TRSs, we provided third-party management and leasing services for 39 properties that represented approximately 30,400 beds in approximately 11,600 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 June 30, 2015, our total owned and third-party managed portfolio included 198 properties with approximately 126,800 beds in approximately 43,000 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 April 2015, the Financial Accounting Standards Board ("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. The Company plans to adopt ASU 2015-03 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 is currently evaluating the potential impact of the new standard 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. ASU 2014-09 is effective 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.

Interim Financial Statements

The accompanying interim financial statements are unaudited, but have been prepared in accordance with GAAP for interim financial information and in conjunction with the rules and regulations of the Securities and Exchange Commission. Accordingly, they do not include all disclosures required by GAAP for complete financial statements. In the opinion of management, all adjustments (consisting solely of normal recurring matters) necessary for a fair presentation of the financial statements of the Company for these interim periods have been included. Because of the seasonal nature of the Company’s operations, the results of operations and cash flows for any interim period are not necessarily indicative of results for other interim periods or for the full year. These financial statements should be read in conjunction with the financial statements and the notes thereto included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2014.

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:

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 $2.9 million and $2.7 million was capitalized during the three months ended June 30, 2015 and 2014, respectively, and $5.4 million and $4.9 million was capitalized during the six months ended June 30, 2015 and 2014, 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 it is probable that a property will be sold prior to the end of its estimated useful life, 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 June 30, 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.

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 $55.8 million as of June 30, 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 June 30, 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 3 herein, the Company capitalized approximately $0.9 million and $-0- for the three months ended June 30, 2015 and 2014, respectively, and $3.0 million and $-0- for the six months ended June 30, 2015 and 2014, respectively, related to management's estimate of the fair value of in-place leases assumed. Amortization expense was approximately $1.7 million and $0.9 million for the three months ended June 30, 2015 and 2014, respectively, and $2.3 million and $1.8 million for the six months ended June 30, 2015 and 2014, respectively. Accumulated amortization at June 30, 2015 and December 31, 2014 was approximately $30.2 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.

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 June 30, 2015 and December 31, 2014 were approximately $56.2 million and $36.7 million, respectively, and are included in other assets on the accompanying consolidated balance sheets. Amortization of in-place property tax incentive arrangements is included in wholly-owned properties operating expense in the accompanying consolidated statements of comprehensive income.

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 $2.8 million and $3.2 million for the three months ended June 30, 2015 and 2014, respectively, and $5.8 million and $6.4 million for the six months ended June 30, 2015 and 2014, 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

AMERICAN CAMPUS COMMUNITIES, INC. AND SUBSIDIARIES
AMERICAN CAMPUS COMMUNITIES OPERATING PARTNERSHIP, L.P. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

In April 2013 and again in June 2014, the Company issued $400 million of senior unsecured notes (see Note 8) at 99.659 percent and 99.861 percent of par value, respectively, and recorded an original issue discount of approximately $1.4 million and $0.6 million, respectively. The total unamortized original issue discount was approximately $1.6 million and $1.7 million as of June 30, 2015 and December 31, 2014, respectively, and is included in unsecured notes on the accompanying consolidated balance sheets. Amortization of the original issue discounts of approximately $42,000 and $30,000 for the three months ended June 30, 2015 and 2014, respectively, and $83,000 and $59,000 for the six months ended June 30, 2015 and 2014, respectively, is included in interest expense on the accompanying consolidated statements of comprehensive income.

Pre-development Expenditures

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 June 30, 2015, the Company has deferred approximately $6.8 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.

Earnings per Share – Company

Basic earnings per share is computed using net income attributable to common shareholders and the weighted average number of shares of the Company’s common stock outstanding during the period. Diluted earnings per share reflects common shares issuable from the assumed conversion of 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 three and six months ended June 30, 2015 and 2014, but were not included in the computation of diluted earnings per share because the effects of their inclusion would be anti-dilutive.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
Common OP Units (Note 10)	1,447,931	1,230,219	—	1,230,219
Preferred OP Units (Note 10)	110,040	107,662	110,199	110,131
Total potentially dilutive securities	1,557,971	1,337,881	110,199	1,340,350

14

AMERICAN CAMPUS COMMUNITIES, INC. AND SUBSIDIARIES
AMERICAN CAMPUS COMMUNITIES OPERATING PARTNERSHIP, L.P. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
Numerator – basic earnings per share:				
Income from continuing operations	$15,918	$13,731	$87,185	$39,878
Income from continuing operations attributable to noncontrolling interests	(338)	(293)	(1,408)	(728)
Income from continuing operations attributable to common shareholders	15,580	13,438	85,777	39,150
Amount allocated to participating securities	(269)	(263)	(603)	(584)
Income from continuing operations attributable to common shareholders, net of amount allocated to participating securities	15,311	13,175	85,174	38,566
Income from discontinued operations	—	—	—	2,720
Income from discontinued operations attributable to noncontrolling interests	—	—	—	(34)
Income from discontinued operations attributable to common shareholders	—	—	—	2,686
Net income attributable to common shareholders - basic	$15,311	$13,175	$85,174	$41,252
Numerator – diluted earnings per share:				
Net income attributable to common shareholders - basic	$15,311	$13,175	$85,174	$41,252
Income allocated to Common OP Units	—	—	904	—
Net income attributable to common shareholders - diluted	$15,311	$13,175	$86,078	$41,252
Denominator:				
Basic weighted average common shares outstanding	112,308,114	104,918,131	111,635,345	104,870,167
Unvested Restricted Stock Awards (Note 11)	675,825	691,430	705,664	713,179
Common OP units (Note 10)	—	—	1,311,332	—
Diluted weighted average common shares outstanding	112,983,939	105,609,561	113,652,341	105,583,346
Earnings per share – basic:				
Income from continuing operations attributable to common shareholders, net of amount allocated to participating securities	$0.14	$0.13	$0.76	$0.37
Income from discontinued operations attributable to common shareholders	$—	$—	$—	$0.02
Net income attributable to common shareholders	$0.14	$0.13	$0.76	$0.39
Earnings per share – diluted:				
Income from continuing operations attributable to common shareholders, net of amount allocated to participating securities	$0.14	$0.12	$0.76	$0.37
	$—	$—	$—	$0.02

Income from discontinued operations attributable to common shareholders				
Net income attributable to common shareholders	$0.14	$0.12	$0.76	$0.39

Earnings per Unit – Operating Partnership

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

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