Campus Crest Communities, Inc.
Form 424B4
October 14, 2010

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Filed Pursuant to Rule 424(b)(4)
Registration Statement No. 333-166834

PROSPECTUS

28,333,333 Shares

Campus Crest Communities, Inc.

Common Stock

Campus Crest Communities, Inc. is a self-managed, self-administered and vertically-integrated developer, builder, owner and manager of high-quality, purpose-built student housing. Prior to this offering, our business was conducted through Campus Crest Group, LLC, which is wholly-owned and controlled by Ted W. Rollins, our co-chairman and chief executive officer, and Michael S. Hartnett, our co-chairman and chief investment officer, and certain members of their families. Upon completion of this offering and our formation transactions, we will own interests in 27 student housing properties containing approximately 13,580 beds.

This is our initial public offering. We are offering 28,333,333 shares of our common stock, $0.01 par value per share. The initial public offering price of our common stock is $12.50 per share. Currently, no public market exists for our common stock. Our common stock has been approved for listing on the New York Stock Exchange under the symbol CCG, subject to official notice of issuance.

We are organized as a Maryland corporation and intend to elect and qualify to be taxed as a real estate investment trust for U.S. federal income tax purposes commencing with our taxable year ending December 31, 2010. Subject to certain exceptions described in this prospectus, upon completion of this offering, our charter will provide that no person may own, or be deemed to own, more than 9.8% by vote or value, whichever is more restrictive, of either our outstanding common stock or our outstanding capital stock in the aggregate.

Investing in our common stock involves significant risks. You should read the section entitled Risk Factors beginning on page 25 of this prospectus for a discussion of the risks that you should consider before investing in our common stock.

	Per Share	Total
Public offering price	$ 12.50	$ 354,166,662
Underwriting discount(1)	$ 0.7625	$ 21,604,166
Proceeds, before expenses, to us	$ 11.7375	$ 332,562,496

(1) Excludes a fee for services rendered in connection with various financing and purchase and sale arrangements payable to Raymond James & Associates, Inc. of $1.5 million. See Underwriting.

The underwriters may purchase up to an additional 4,250,000 shares of our common stock from us at the initial public offering price, less the underwriting discount, within 30 days from the date of this prospectus to cover overallotments, if any.

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

The underwriters expect to deliver the common stock on or before October 19, 2010.

Raymond James   Citi   Goldman, Sachs & Co.   Barclays Capital   RBC Capital Markets

Baird

The date of this prospectus is October 13, 2010

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You should rely only on the information contained in this prospectus or in any free writing prospectus prepared by us. We have not, and the underwriters have not, authorized anyone to provide you with any additional or different information. If anyone provides you with additional or different information, you should not rely on it. We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus is accurate only as of the date on the front cover of this prospectus or such other date as specified herein. Our business, financial condition, liquidity, funds from operations, or FFO, results of operations and prospects may have changed since such dates.

Unless the context otherwise requires, references to company, we, us and our refer to (i) Campus Crest Communiti Inc., a Maryland corporation, and its consolidated subsidiaries, including Campus Crest Communities Operating Partnership, LP, a Delaware limited partnership, through which we will conduct substantially all of our business, which we refer to as our operating partnership, except where it is clear from the context that the term means only the

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issuer of the common stock offered hereby, Campus Crest Communities, Inc., and (ii) with respect to the period prior to the completion of this offering, the business of our predecessor entities through which Campus Crest Group, LLC, a North Carolina limited liability company, or Campus Crest Group, carried out the development, construction, ownership and management of the properties that we will own interests in upon completion of this offering and our formation transactions; references to predecessor entities refer to one or more of the joint venture arrangements that owned our properties and the entities through which Campus Crest Group carried out our business; references to MXT Capital refer to MXT Capital, LLC, a Delaware limited liability company, which is wholly-owned and controlled by Ted W. Rollins, our co-chairman and chief executive officer, and Michael S. Hartnett, our co-chairman and chief investment officer, and certain members of their families, and is the sole owner of Campus Crest Group; references to the Ricker Group refer to Carl H. Ricker, Jr. and the vehicles through which Mr. Ricker or an affiliated party held interests in our predecessor entities; references to HSRE refer to Harrison Street Real Estate Capital and its affiliates that held interests in our predecessor entities; references to Encore refer to Encore Interests, Inc., a Delaware corporation; references to CC-Encore refer to CC-Encore, LLC, a Delaware limited liability company; references to common stock refer to shares of common stock, $0.01 par value per share, in Campus Crest Communities, Inc.; and references to OP units refer to limited partnership units in our operating partnership that are exchangeable, subsequent to the one-year anniversary of the completion of this offering, for cash or, at our option, common stock on a one-for-one basis. Unless otherwise indicated, the information contained in this prospectus assumes that the underwriters overallotment option is not exercised.

Industry and Market Data

We use market data, industry forecasts and projections throughout this prospectus. We have obtained portions of this information from a market study prepared for us by Michael Gallis & Associates, or MGA, a North Carolina-based strategic planning and design firm, in connection with this offering. The forecasts and projections are based on MGA s experience and data published by the U.S. Department of Education and other sources, and there is no assurance that any of the projections will be accurate. We believe that the study is reliable, but we have not independently verified the information in the study nor have we ascertained any underlying assumptions relied upon therein. While we are not aware of any misstatements regarding the industry data presented herein, estimates involve risks and uncertainties and are subject to change based on various factors, including those discussed under the heading Risk Factors.

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PROSPECTUS SUMMARY

This summary highlights selected information appearing elsewhere in this prospectus. This prospectus includes information regarding our business and detailed financial data, as well as information about the common stock we are offering. You should read this prospectus in its entirety, including Risk Factors and the financial statements and related notes appearing elsewhere in this prospectus, before deciding to purchase our common stock.

Our Company

Campus Crest Communities, Inc. is a self-managed, self-administered and vertically-integrated developer, builder, owner and manager of high-quality, purpose-built student housing. Prior to this offering, our business was conducted through Campus Crest Group, which is wholly-owned and controlled by Ted W. Rollins, our co-chairman and chief executive officer, and Michael S. Hartnett, our co-chairman and chief investment officer, and certain members of their families. We intend to elect and qualify to be taxed as a real estate investment trust, or REIT, for U.S. federal income tax purposes commencing with our taxable year ending December 31, 2010.

We believe that we are one of the largest vertically-integrated developers, builders, owners and managers of high-quality, purpose-built student housing properties in the United States based on beds owned and under management. Upon completion of this offering and our formation transactions, we will own interests in 27 student housing properties containing approximately 5,048 apartment units and 13,580 beds. All of our properties are recently built, with an average age of approximately 2.2 years as of August 31, 2010. Twenty-one of our properties will be wholly-owned and six will be owned through a joint venture with HSRE, in which we will own a 49.9% interest. We recently completed construction of three of our joint venture properties, each of which commenced operations in August 2010.

Our 21 wholly-owned properties contain approximately:

- 3,920 apartment units; and
- 10,528 beds.

Our six joint venture properties contain approximately:

- 1,128 apartment units; and
- 3,052 beds.

As of September 15, 2010, our 27 properties had:

- average occupancy of approximately 90%; and
- average monthly rental revenue per occupied bed of approximately $467.

We were formed to continue and expand the student housing business of Campus Crest Group, which has been engaged in this business since 2004. Our properties are located in 11 states, primarily in medium-sized college and university markets, which we define as markets located outside of major U.S. cities that have nearby schools generally with overall enrollment of approximately 8,000 to 20,000 students. We believe such markets are underserved and are generally experiencing enrollment growth. All of our properties have been developed, built and managed by Campus Crest Group, generally based upon a common prototypical building design. We believe that our use of this prototypical building design, which we have built approximately 410 times at our 27 student housing properties (approximately 15 of such residential buildings comprise one student housing property), allows us to efficiently deliver a uniform and proven student housing product in multiple markets. All of our properties operate under *The Grove*®

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brand, and we believe that our brand and the associated lifestyle are effective differentiators that create higher visibility and appeal for our properties within their markets.

In addition to our existing properties, we actively seek new development opportunities. We expect that, subject to completion of this offering, we will commence building seven new student housing properties, four of which are expected to be wholly-owned by us and three of which are expected to be owned by a new joint venture with HSRE in which we expect to own a 20% interest. We are currently targeting completion of these seven properties for the 2011-2012 academic year. For each of these projects, we have conducted significant pre-development activities and are in the process of obtaining the necessary zoning and site plan approvals. In total, we have identified over 200 markets and approximately 80 specific sites within these markets as potential future development opportunities, and our current business plan contemplates the development of approximately five to seven new student housing properties per year. No assurance can be given that we will not adjust our business plan as it relates to development, or that any particular development opportunity will be undertaken or completed in accordance with our current expectations.

We are led by our co-founders Ted W. Rollins and Michael S. Hartnett, each of whom has over 25 years of real estate investment and operating experience, including the development, construction and management of over 13,000 student housing beds. They are supported by over 500 full and part time employees who carry out our development, construction, property management and asset management activities.

Our principal executive offices are located at 2100 Rexford Road, Suite 414, Charlotte, NC 28211. Our telephone number is (704) 496-2500. Our website is located at www.gogrove.com. The information on our website is not part of this prospectus. We have included our website address only as an inactive textual reference and do not intend this to be an active link to our website.

Market Opportunity

We believe that attractive investment opportunities exist in the student housing market due to various factors impacting the supply, demand and profit potential of this market in the United States. These factors include:

Significant and Sustainable Growth in College Enrollments. Based on information from the National Center for Education Statistics and the U.S. Census Bureau, college enrollments are projected to grow at a faster rate than the overall population through 2017. This growth is expected to be driven primarily by: (i) the significant growth of the college-aged population in the U.S. fueled by the Echo Boom generation (*i.e.*, the children of the Baby Boomers); (ii) an increase in the percentage of graduating high school students choosing to enroll in college; and (iii) a trend toward longer college enrollments.

Outsourcing Pressure Due to Institutional Budgetary Constraints. We believe that budget shortfalls and funding constraints at colleges and universities have reduced the availability of capital to build new student housing supply commensurate with enrollment increases. Thus, colleges and universities are increasingly relying on private developers to offer on-campus and off-campus student housing options to support enrollment growth.

Obsolescence of Existing Dormitory-Style Student Housing. Increasingly, on-campus, dormitory-style student housing facilities are becoming obsolete and are in need of significant renovation or replacement. Traditional dormitory-style housing typically consists of shared rooms, communal bathroom facilities and limited (if any) amenities and parking. We believe that such facilities do not meet the needs and preferences of modern-day college students, who generally have a higher standard of living and an increased focus on privacy, amenities and other lifestyle considerations than previous generations of students.

Highly Fragmented Ownership with Diminishing Competition and Costs. The student housing industry is highly fragmented, which provides opportunities for consolidation. Moreover, the recent economic environment has reduced the availability of construction financing, which has restricted the number of new competitors entering the industry and created opportunities for well-capitalized firms specializing in student housing. Meanwhile, as competition has become constrained, excess capacity in the residential and commercial construction markets has lowered material and labor costs for firms able to access capital for new projects.

Availability of Attractive, Long-Term Financing through Freddie Mac and Fannie Mae. Despite tightening credit markets, stabilized student housing properties continue generally to have access to long-term debt financing through Federal Home Loan Mortgage Corporation, or Freddie Mac, and Federal National Mortgage Association, or Fannie Mae.

Our Competitive Strengths

We believe that we distinguish ourselves from other developers, builders, owners and managers of student housing properties through the following competitive strengths:

Experienced Management Team with Demonstrated Track Record. Our management team is led by Messrs. Rollins and Hartnett, each of whom has over 25 years of real estate investment, advisory and management experience. Our management team has overseen the financing, development, construction and management of all of our student housing properties with an aggregate cost of approximately $500 million.

Modern, Well-Located Portfolio. The average age of our student housing properties is approximately 2.2 years as of August 31, 2010, and all of our properties are located in close proximity to the campuses of the schools from which they draw student-tenants, with an average distance to campus of approximately 0.6 miles.

Attractive, Branded Properties. All of our properties operate under *The Grove®* brand, and all of our properties feature private bedrooms with en suite bathrooms, full furnishings, state-of-the-art technology, ample parking, and a broad array of other on-site amenities, such as resort-style swimming pools, basketball and volleyball courts, and community clubhouses with regularly planned social activities. We strive to offer not just an apartment but an entire lifestyle and community experience designed to appeal to the modern-day college student.

Proven and Scalable Business Model. We believe that our vertically-integrated business model enables us to deliver properties economically while maintaining consistency in our building design, construction quality and amenity package. We continue to refine our processes and systems in an effort to reduce costs and improve quality, having overseen the construction of the same prototypical residential building approximately 410 times during the last six years.

Focus on Underserved College Markets. We generally focus on medium-sized college and university markets. While total enrollments in these markets are generally lower than enrollments in larger educational markets, we believe that the overall market dynamics are often more favorable (*e.g.,* higher enrollment growth rates and fewer purpose-built student housing competitors).

Conservative Capitalization. Upon completion of this offering, application of the net proceeds therefrom and our formation transactions, our debt to total market capitalization ratio will be approximately 22.7%, which we believe will provide us with incremental financing capacity to fund identified future growth opportunities. In addition, we have entered into a credit agreement with Citibank, N.A. and certain other parties thereto relating to a three-year, $125 million senior secured revolving credit facility, or our revolving credit facility, which will become effective immediately upon completion of this offering and

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satisfaction of customary loan closing conditions. This facility may be used for general corporate purposes, payment of distributions and to finance, among other things, identified future growth opportunities, including the seven properties that we expect to commence building upon completion of this offering, four of which are expected to be wholly-owned by us and three of which are expected to be owned by a new joint venture that we expect to establish with HSRE and in which we expect to own a 20% interest. Our ability to borrow under our revolving credit facility will be subject to the terms and conditions of our credit agreement, including those relating to the facility s borrowing base. See Management s Discussion and Analysis of Financial Condition and Results of Operations Liquidity and Capital Resources Principal Capital Resources.

Our Business and Growth Strategies

Our objective is to maximize total returns to our stockholders through the pursuit of the following business and growth strategies:

Utilize Our Vertically-Integrated Platform. Our vertically-integrated platform performs each key function in the student housing value chain: project development, project construction, property management and asset management. We believe that the ongoing feedback and accountability facilitated by our vertically-integrated platform allow us to improve efficiency, reduce costs, control project timing and enhance the overall quality of our properties.

Target Attractive Markets. We utilize a proprietary underwriting model with over 60 inputs to evaluate the relative attractiveness of each potential development market. We generally focus on markets that exceed certain student enrollment thresholds and exhibit favorable student housing supply-demand dynamics. Our due diligence process is designed to identify markets in which we can operate successfully.

Optimize Our Properties and Brand Value. We employ a consistent set of operating principles across our properties in order to optimize the student lifestyle experience and enhance the value and recognition of our brand. We believe that our focus on enhancing student lifestyle and promoting a sense of community at our properties drives improved occupancy and allows us to charge premium rents.

Development Growth. We believe that our vertically-integrated platform generally allows us to generate more favorable returns by developing new properties versus acquiring existing properties from third parties, and we therefore anticipate that in-house development will remain the primary driver of our growth. Our current business plan contemplates the development of approximately five to seven new student housing properties per year from our identified pipeline of opportunities, including the seven properties that we expect to commence building upon completion of this offering.

Acquisition Growth. We may also seek to grow by selectively acquiring student housing properties from third parties. Generally, we anticipate that any properties acquired from third parties would meet our investment criteria for development properties and fit into our overall strategy in terms of property quality, proximity to campus, bed-bath parity, availability of amenities and return on investment.

Summary Risk Factors

An investment in our common stock involves various risks. You should carefully consider the matters discussed in Risk Factors beginning on page 25 of this prospectus before making a decision to invest in our common stock. Some of the risks include the following:

- Developing properties will expose us to additional risks beyond those associated with owning and operating student housing properties, and could materially and adversely affect us.

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Adverse economic conditions and dislocation in the credit markets have had a material and adverse effect on us and may continue to materially and adversely affect us.

We rely on our relationships with the colleges and universities from which our properties draw student-tenants and the policies and reputations of these schools; any deterioration in our relationships with such schools or changes in the schools admissions or residency policies or reputations could materially and adversely affect us.

Our results of operations are subject to risks inherent in the student housing industry, such as an annual leasing cycle and limited leasing period, which could materially and adversely affect us.

Competition from other student housing properties, including on-campus housing and traditional multi-family housing located in close proximity to the colleges and universities from which we draw student-tenants, may reduce the demand for our properties, which could materially and adversely affect us.

Our success depends on key personnel whose continued service is not guaranteed, and their departure could materially and adversely affect us.

The current economic environment could reduce enrollments and limit the demand for our properties, which could materially and adversely affect us.

In each of the past five fiscal years, we have experienced significant net losses; if this trend continues, we could be materially and adversely affected.

If we are unable to acquire properties on favorable terms, our future growth could be materially and adversely affected.

Our strategy of investing in properties located in medium-sized college and university markets may not be successful, which could materially and adversely affect us.

Our indebtedness exposes us to a risk of default and will reduce our free cash flow, which could materially and adversely affect us.

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

Our management team has not previously operated a REIT, and this inexperience could materially and adversely affect us.

Our performance and the value of our properties are subject to risks associated with real estate and with the real estate industry, which could materially and adversely affect us.

Provisions of our charter allow our board of directors to authorize the issuance of additional securities, which may limit the ability of a third party to acquire control of us through a transaction that our stockholders believe to be in their best interest.

Provisions of Maryland law may limit the ability of a third party to acquire control of us, which, in turn, may negatively affect our stockholders ability to realize a premium over the market price of our common stock.

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The ownership limitations in our charter may restrict or prevent you from engaging in certain transfers of our common stock, which may delay or prevent a change in control of us that our stockholders believe to be in their best interest.

We may not be able to make our initial distributions or maintain our initial, or any subsequent, distribution rate.

A public market for our common stock may never develop and your ability to sell your shares of our common stock may be limited.

Common stock eligible for future sale may adversely affect the market price of our common stock.

Future offerings of debt or equity securities ranking senior to our common stock may limit our operating and financial flexibility and may adversely affect the market price of our common stock.

We have not obtained appraisals of our properties in connection with this offering and the price we pay to our existing investors for their interests in our predecessor entities may exceed our properties market value.

Our failure to qualify or remain qualified as a REIT could have a material and adverse effect on us and the market price of our common stock.

To qualify and remain qualified as a REIT, we will likely rely on the availability of equity and debt capital to fund our business.

Complying with REIT requirements may cause us to forgo otherwise attractive investment opportunities, which could materially and adversely affect us.

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Our Properties

The following table presents certain summary information about the 21 properties that we will own 100% interests in and the six joint venture properties that we will own 49.9% interests in upon completion of this offering and our formation transactions. All properties were developed and built by us.

y	State	Year Opened	Primary University Served	Fall 2009 Overall Enrollment	Distance to Campus (miles)	Number of Units	Number of Beds	Occupancy as of September 15, 2010 [1]	Av Mo R Re Oc
olly-Owned perties									
eville	NC	2005	University of NC - Asheville	3,695	0.1	154	448	88%	$
rollton	GA	2006	University of West Georgia	11,500	0.1	168	492	92%	$
Cruces	NM	2006	New Mexico State University	18,497	0.4	168	492	83%	$
edgeville	GA	2006	Georgia College & State University	6,633	0.1	168	492	99%	$
lene	TX	2007	Abilene Christian University	4,838	0.5	192	504	87%	$
nsburg	WA	2007	Central Washington University	10,187	0.5	192	504	96% [2]	$
eley	CO	2007	University of Northern Colorado	12,711	1.0	192	504	98%	$
ksonville	AL	2007	Jacksonville State University	9,351	0.2	192	504	81%	$
bile Phase I [3]	AL	2007	University of South Alabama	14,522	On-Campus	192	504	100%	$
bile Phase II [3]	AL	2008	University of South Alabama	14,522	On-Campus	192	504	100%	$
ogdoches	TX	2007	Stephen F. Austin State University	12,845	0.4	196	522	100%	$
ney	WA	2008	Eastern Washington University	11,302	0.5	192	512	71% [2]	$
esboro	AR	2008	Arkansas State University	12,156	0.2	192	504	99%	$
bock	TX	2008	Texas Tech University	30,049	2.1	192	504	92%	$
phenville	TX	2008	Tarleton State University	8,598	0.8	192	504	75%	$
y	AL	2008	Troy University	6,679	0.4	192	514	98%	$
co	TX	2008	Baylor University	14,614	0.8	192	504	83%	$
hita	KS	2008	Wichita State University	14,823	1.1	192	504	75%	$
hita Falls	TX	2008	Midwestern State University	6,341	1.2	192	504	67%	$
rfreesboro	TN	2009	Middle Tennessee State University	25,188	0.8	186	504	98%	$
Marcos	TX	2009	Texas State University	30,816	1.7	192	504	100%	$
al of Wholly-Owned Properties				**13,327** [4]	**0.6** [4]	**3,920**	**10,528**	**90%** [5]	**$**

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City	State	Year Opened	Primary University Served	Fall 2009 Overall Enrollment	Distance to Campus (miles)	Number of Units	Number of Beds	Occupancy as of September 15, 2010 (1)	Avera Month Renta Reven Per Occupi Bed
Joint Venture Properties 49.9% Ownership Interest									
Lawrence	KS	2009	University of Kansas	29,242	1.6	172	500	76%	$ 457
Moscow (3)	ID	2009	University of Idaho	11,957	0.5	192	504	89%	$ 455
San Angelo	TX	2009	Angelo State University	6,387	0.3	192	504	84%	$ 469
Conway	AR	2010	University of Central Arkansas	11,781	0.4	180	504	93%	$ 441
Huntsville	TX	2010	Sam Houston State University	16,772	0.2	192	504	100%	$ 448
Statesboro	GA	2010	Georgia Southern University	19,086	0.7	200	536	100%	$ 447
b Total of Joint Venture Properties				**15,871 (4)**	**0.6 (4)**	**1,128**	**3,052**	**91% (5)**	**$ 452**
tal Properties				**13,892 (4)**	**0.6 (4)**	**5,048**	**13,580**	**90% (5)**	**$ 467**

(1) Represents executed leases in hand for the 2010-2011 academic year.

(2) The 2010-2011 academic year commences on September 22, 2010 at the primary university served by this property; accordingly, pre-academic year leasing is still ongoing at this property.

(3) Property subject to a ground lease with an unaffiliated third-party.

(4) Average.

(5) Weighted average by number of leased beds as of September 15, 2010.

Expected 2011 Development Properties

Subject to completion of this offering, we expect to commence building four properties for our own account, with completion targeted for the 2011-2012 academic year. Information with respect to these expected wholly-owned developments is included in the following table:

ity	State	Targeted Completion	Primary University Served	Fall 2009 Overall Enrollment	Distance to Campus (miles)	Number of Units	Number of Beds	Estimated Cost(1) ($ in thousands

ort Wayne	IN	August 2011	Indiana University/ Purdue University	13,675	1.1	204	540	$ 19,926
larksville	TN	August 2011	Austin Peay State University	10,188	1.3	208	560	21,202
mes	IA	August 2011	Iowa State University	27,945	0.3	216	584	21,411
ort Collins	CO	August 2011	Colorado State University	25,413	On-Campus	224	624	25,380
otal Expected 2011 Consolidated Developments				**19,305** (2)	**0.7** (2)	**852**	**2,308**	**$ 87,919**

(1) Actual costs may vary significantly from estimated costs.

(2) Average.

Subject to completion of this offering, we expect to commence building three properties, which are expected to be owned by a new joint venture that we expect to establish with HSRE and in which we expect to own a 20% interest. Although we have entered into a non-binding letter of intent with HSRE relating to this potential joint venture, we have not entered into definitive documentation, and we do not plan to commence construction of these three properties until such time as a definitive agreement is reached with HSRE. We are currently targeting

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completion of these three properties for the 2011-2012 academic year. Information with respect to these expected joint venture developments is included in the following table:

City	State	Targeted Completion	Primary University Served	Fall 2009 Overall Enrollment	Distance to Campus (miles)	Number of Units	Number of Beds	Estimated Cost(1) ($ in thousands)
Denton	TX	August 2011	University of North Texas	36,123	0.8	216	584	$ 24,873
Orono	ME	August 2011	University of Maine	11,867	0.5	188	620	24,278
Valdosta	GA	August 2011	Valdosta State University	12,391	1.9	216	584	21,150
Total Expected 2011 Joint Venture Developments				**20,127** (2)	**1.1** (2)	**620**	**1,788**	**$ 70,301**

(1) Actual costs may vary significantly from estimated costs. Under certain circumstances, we expect that we will be responsible for funding the amount by which actual development costs for a project pursued by the venture exceed the budgeted development costs of such project (without any increase in our interest in the project).

(2) Average.

Development activities involve significant risks and uncertainties, including risks of delays, cost overruns and the potential expenditure of funds on projects that are not ultimately completed. No assurance can be given that these developments will be undertaken as currently expected or, if undertaken, that they will be completed in accordance with our current expectations, including those with respect to targeted completion and estimated cost. Further, if these properties are developed, there can be no assurance that we will be successful in achieving attractive occupancy levels or rental rates. Additionally, our ability to commence construction of these properties will depend upon obtaining property-specific construction financing or financing these developments through other means. For additional information, see Business and Properties Expected 2011 Development Properties.

Our Financing Strategy

Upon completion of this offering, application of the net proceeds therefrom and our formation transactions, we will have total consolidated indebtedness of approximately $106.0 million (including $45.2 million that we expect to borrow under our revolving credit facility upon completion of this offering). In addition, subject to satisfaction of customary loan closing conditions, we will have a three-year, $125 million senior secured revolving credit facility, which will become effective immediately upon completion of this offering. Amounts outstanding under our revolving credit facility will bear interest at a floating rate equal to, at our election, the Eurodollar Rate or the Base Rate (each as defined in our revolving credit facility) plus a spread. The spread will depend upon our leverage ratio and will range from 2.75% to 3.50% for Eurodollar Rate based borrowings and from 1.75% to 2.50% for Base Rate based borrowings. Immediately upon completion of this offering, we expect to use approximately $45.2 million borrowed under our revolving credit facility, together with a portion of the net proceeds from this offering, to repay in full our mortgage loan with Silverton Bank that is currently secured by six of our properties. In addition, we expect to use approximately $1.6 million of our revolving credit facility to issue letters of credit relating to indebtedness secured by The Grove at Carrollton, The Grove at Mobile Phase II and The Grove at Las Cruces. We anticipate that a portion of our revolving credit facility will be used, in conjunction with project-specific construction debt, to finance the construction of the four wholly-owned and three joint venture properties that we expect to commence building upon completion of this offering. In addition, we may fund distributions to our stockholders with borrowings under our revolving credit facility. Our ability to borrow from time to time under this facility will be subject to certain conditions and the satisfaction of specified financial covenants. Our revolving credit facility will also contain covenants that will restrict our ability to pay dividends or other amounts to our stockholders unless certain financial tests are satisfied. See Management s Discussion and Analysis of Financial Condition and Results of Operations Liquidity and Capital Resources Principal Capital Resources.

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We generally intend to limit our ratio of debt to total market capitalization to not greater than 50%, although our charter places no limit on the amount of indebtedness that we may incur and we may exceed this level from time to time. We intend to finance our long-term growth with common and preferred equity issuances and debt financing having staggered maturities. Our debt may include mortgage debt secured by our properties, as well as unsecured debt, and such debt may require us to pay fixed or floating rates of interest. We will seek to utilize Freddie Mac and Fannie Mae long-term debt financing for stabilized properties to the extent possible. We may also seek to finance development projects through unconsolidated joint ventures with third parties, such as the three properties that we intend to develop in a new joint venture that we expect to establish with HSRE and in which we expect to own a 20% interest.

Structure and Formation

We were formed as a Maryland corporation on March 1, 2010. Our operating partnership was formed as a Delaware limited partnership on March 4, 2010. Through our wholly-owned subsidiary, Campus Crest Communities GP, LLC, we are the sole general partner of our operating partnership, and we will conduct substantially all of our business through our operating partnership. Upon completion of this offering and our formation transactions, we will own a 98.5% limited partnership interest in our operating partnership. MXT Capital, which is wholly-owned and controlled by Ted W. Rollins, our co-chairman and chief executive officer, and Michael S. Hartnett, our co-chairman and chief investment officer, and certain members of their families, will own a 0.8% limited partnership interest in our operating partnership. Mr. Hartnett, in addition to his indirect ownership interest in our operating partnership through his ownership interest in MXT Capital, will own a 0.5% interest in our operating partnership. Certain third-party investors, who owned interests in our predecessor entities prior to the consummation of our formation transactions, will in the aggregate own a 0.2% limited partnership interest in our operating partnership.

Certain of our officers, certain members of our management team and our directors will own restricted common stock, representing approximately 0.3% of our common stock outstanding after completion of this offering.

Formation Transactions

Prior to our formation transactions, all of the interests in our properties were owned by Campus Crest Group and third-party investors, including the Ricker Group and HSRE. The value of these interests was determined by our executive officers based on a capitalization rate analysis, an internal rate of return analysis, an assessment of the fair market value of the properties and the consideration of other factors, such as per bed value and the liquidation preference with respect to certain interests. We did not obtain third-party appraisals or valuations in connection with the formation transactions.

Immediately upon completion of this offering, we will engage in the following formation transactions, which are designed to:

- consolidate the ownership of our properties and the student housing business of Campus Crest Group into our operating partnership and its wholly-owned subsidiaries;

- complete the repayment of all amounts outstanding under our mortgage loan with Silverton Bank that is currently secured by six of our properties (as described in this prospectus, we will repay, in aggregate, approximately $287.1 million of indebtedness with the (i) net proceeds from this offering and (ii) $45.2 million borrowed under our revolving credit facility);

facilitate this offering; and

enable us to qualify as a REIT for federal income tax purposes commencing with our taxable year ending December 31, 2010.

Set forth below is an overview of our formation transactions:

Pursuant to the terms of a contribution agreement, MXT Capital will contribute to our operating partnership its student housing business and interests in the predecessor entities in exchange for approximately $3.3 million (which will immediately be used to make capital contributions to certain entities, which will in turn immediately use such capital contributions solely to repay indebtedness) and 232,593 OP units, representing a 0.8% limited partnership interest in our operating partnership.

In its contribution agreement, MXT Capital provides us with certain real estate, ownership and operational representations, warranties and covenants with respect to its student housing business and interests in the predecessor entities being contributed to our operating partnership. For a more detailed description of the representations, warranties and covenants being provided by MXT Capital, see Structure and Formation Formation Transactions. MXT Capital will indemnify us with respect to losses resulting from breaches of its representations, warranties and covenants and for any real estate transfer or mortgage recording tax liabilities that we may incur; these indemnification obligations generally are subject to a $250,000 deductible and capped at an amount equal to the aggregate equity consideration received by MXT Capital pursuant to the contribution agreement (other than the tax liability indemnity, which is not subject to either the deductible or the cap) and are generally limited to claims brought within 18 months from the completion of this offering (with certain claims surviving indefinitely).

Campus Crest Group will distribute to MXT Capital its interests in two parcels of land consisting of 20.2 acres, with associated indebtedness of approximately $1.9 million, on which we have decided not to build student housing properties; MXT Capital has agreed not to build student housing properties on these parcels in the future.

Campus Crest Group will distribute to MXT Capital its interest in an entity that will own a minority interest in a 1999 Pilatus PC-12 single-engine turboprop airplane. Upon completion of this offering, we will lease this aircraft on payment terms structured to equal our pro rata carrying and operating costs of the aircraft based on our actual usage.

Pursuant to the terms of a contribution agreement, the Ricker Group will contribute to our operating partnership its interests in the predecessor entities and the entire ownership interest in the entities that own fee interests in certain properties that were subject to ground leases with the Ricker Group prior to the completion of our formation transactions in exchange for approximately $17.4 million.

In its contribution agreement, the Ricker Group provides us with certain ownership and limited real estate and operational representations, warranties and covenants. For a more detailed description of the representations, warranties and covenants being provided by the Ricker Group, see Structure and Formation Formation Transactions. The Ricker Group will indemnify us with respect to losses resulting from breaches of its representations, warranties and covenants; these indemnification obligations generally are subject to a $250,000 deductible and capped at an amount equal to the aggregate consideration received by the Ricker Group pursuant to the contribution agreement with respect to certain ownership matters and

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$7.5 million with respect to all other matters and are generally limited to claims brought within 18 months from the completion of this offering (with certain claims surviving indefinitely).

Pursuant to the terms of contribution agreements and purchase and sale agreements, certain third-party investors will contribute to our operating partnership all of their interests in the predecessor entities in exchange for approximately $10.7 million and 53,000 OP units, representing a 0.2% limited partnership interest in our operating partnership. Under the terms of these agreements, these third-party investors will also provide us with certain limited representations and warranties with respect to their ownership interests being contributed to our operating partnership, including the authority to enter into the agreement, the absence of claims or litigation involving the contributed interest and the obtaining of any necessary consents to the contribution of the interests. The third-party investors also provide covenants under the agreements, including not to transfer or dispose of any of their contributed interests, and will indemnify us for any losses resulting from breaches of their representations, warranties and covenants.

In exchange for approximately $24.0 million, HSRE will sell to our operating partnership (i) all of its interests in each of The Grove at Milledgeville, The Grove at San Marcos and The Grove at Carrollton, with the result that we will own a 100% interest in each of these properties and (ii) a 49.8% interest in a joint venture that will own 100% of each of The Grove at Conway, The Grove at Huntsville, The Grove at Lawrence, The Grove at Moscow, The Grove at San Angelo and The Grove at Statesboro, with the result that we will own a 49.9% interest in these properties and HSRE will own a 50.1% interest in these properties. In addition, we will make a preferred investment in an aggregate amount of approximately $4.8 million in special-purpose subsidiaries of this joint venture that own The Grove at Moscow and The Grove at San Angelo, for which we will be entitled to a cumulative return of 9% compounded annually.

We will use approximately $45.2 million borrowed under our revolving credit facility, together with a portion of the net proceeds from this offering, to repay in full our mortgage loan with Silverton Bank that is secured by six of our properties. As described in this prospectus, we will repay, in aggregate, approximately $287.1 million of indebtedness with the (i) net proceeds from this offering and (ii) $45.2 million borrowed under our revolving credit facility.

We will purchase the preferred membership interest in our CC-Encore joint venture for $3.9 million and terminate CC-Encore.

The number of OP units and cash amounts to be received by the parties specified above have been fixed and are not subject to change based upon the public offering price of the common stock to be sold in this offering or any other factor.

As a result of our formation transactions:

we will own approximately 98.5% of the outstanding OP units, MXT Capital will own approximately 0.8% of the outstanding OP units and certain third-party investors will own, in the aggregate, approximately 0.2% of the outstanding OP units;

our operating partnership will own 100% interests in 21 of our properties;

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our operating partnership will own an indirect 49.9% interest in The Grove at Conway, The Grove at Huntsville, The Grove at Lawrence, The Grove at Moscow, The Grove at San Angelo and The Grove at Statesboro;

our mortgage loan with Silverton Bank will be repaid in full (as described in this prospectus, we will repay, in aggregate, approximately $287.1 million of indebtedness with the (i) net proceeds from this offering and (ii) $45.2 million borrowed under our revolving credit facility); and

we will own each of the entities through which Campus Crest Group conducted its student housing business.

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Consequences of this Offering and Our Formation Transactions

The following diagram depicts the ownership structure of our company, our operating partnership, certain subsidiaries through which we will conduct our development, construction, property management and asset management activities, and our joint venture with HSRE, upon completion of this offering and our formation transactions:

(1) Includes an aggregate of 94,988 shares of restricted common stock to be granted to our independent directors, certain of our executive officers and certain members of our management team.

(2) Represents a limited partnership interest in our operating partnership.

(3) Represents 150,000 restricted OP units to be granted to Mr. Hartnett pursuant to his employment agreement upon completion of this offering. This award will vest ratably on each of the first, second and third anniversaries of the completion of this offering.

Benefits to Related Parties

In connection with this offering and our formation transactions, MXT Capital, the Ricker Group and certain of our executive officers, members of our management team and members of

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our board of directors will receive material financial and other benefits, as described below. Each of Ted W. Rollins, our co-chairman and chief executive officer, and Michael S. Hartnett, our co-chairman and chief investment officer, will, through his respective ownership of MXT Capital, be entitled to participate in the benefits realized by MXT Capital in connection with our formation transactions. In addition, Carl H. Ricker, Jr. will, through his ownership in the Ricker Group, be entitled to participate in the benefits realized by the Ricker Group in connection with our formation transactions. We have included the Ricker Group as a related party due to the substantial investment that it held in our predecessor entities and the substantial returns paid to it by our predecessor entities. For a more detailed discussion of these benefits, see Management and Certain Relationships and Related Party Transactions.

Our operating partnership will issue to MXT Capital 232,593 OP units in exchange for MXT Capital s contribution to our operating partnership of the interests owned by MXT Capital in the predecessor entities and its student housing business.

MXT Capital will enter into a tax protection agreement with us. Pursuant to the tax protection agreement, we will agree to maintain a minimum level of indebtedness of $56.0 million for a period of ten years beginning upon the closing date of this offering, or the ten-year tax protection period, in order to allow a sufficient amount of debt to be allocable to MXT Capital to avoid certain adverse tax consequences. If we fail to maintain such minimum indebtedness throughout the ten-year tax protection period, we will be required to make indemnifying payments to MXT Capital, in an amount equal to the federal, state and local taxes, if any, imposed on its members as a result of any income or gain recognized by them by reason of such failure. The amount of such taxes will be computed based on the highest applicable federal, state and local marginal tax rates, as well as any grossed up taxes imposed on such payments. This requirement may restrict our ability to reduce leverage when we otherwise might wish to do so and generally reduce our flexibility in managing our capital structure. The tax protection agreement will not require us to make indemnifying payments to MXT Capital by reason of any built-in gain allocated to its members upon the disposition of any of our properties.

We will enter into a registration rights agreement with MXT Capital pursuant to which we will agree, among other things, to register the resale of any common stock that may be exchanged for the OP units issued in our formation transactions. This agreement requires us to seek to register all common stock that may be exchanged for OP units effective as of that date which is 12 months following completion of this offering on a shelf registration statement under the Securities Act of 1933, as amended, or the Securities Act.

MXT Capital will receive Campus Crest Group s interests in two parcels of land consisting of 20.2 acres, with associated indebtedness of approximately $1.9 million, on which we have decided not to build student housing properties.

We will pay the Ricker Group approximately $17.4 million of the net proceeds from this offering in exchange for the Ricker Group s contribution to our operating partnership of the interests owned by the Ricker Group in the predecessor entities and in the entities that have entered into ground leases with us relating to eight of our properties. As a result of our acquisition of the entities that previously had entered into ground leases with us relating to eight of our properties, we will have fee simple title to the real estate that is the subject of such leases.

Approximately $6.0 million of the net proceeds from this offering will be used to repay indebtedness owed by us to RHR, LLC, an entity owned by MXT Capital and the Ricker

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Group; RHR, LLC will, in turn, immediately repay an equal amount of indebtedness owed by it to an unaffiliated third party on substantially the same terms and conditions as the loan from RHR, LLC to us.

Approximately $4.0 million of the net proceeds from this offering will be used to repay our indebtedness to Capital Bank, an entity in which the Ricker Group has an ownership interest and of which Carl H. Ricker, Jr. is a director.

Each of Ted W. Rollins, Michael S. Hartnett and Carl H. Ricker, Jr. will be released from certain personal guarantees with respect to mortgage and construction indebtedness with an aggregate principal amount of approximately $243.3 million in the case of each of Messrs. Rollins and Hartnett and approximately $205.9 million in the case of Mr. Ricker, and from personal guarantees with respect to the RHR, LLC and Capital Bank indebtedness described above, and the MXT Capital indebtedness described below. Each of Messrs. Rollins and Hartnett will be released from certain personal guarantees with respect to the preferred membership interest in CC-Encore.

Indebtedness incurred by two entities through which MXT Capital conducts aspects of its business will be repaid by MXT Capital. MXT Capital will receive $3.3 million of the net proceeds from this offering, which it will immediately use to make capital contributions to these entities. These entities will, in turn, immediately use the capital contributions received from MXT Capital solely to repay indebtedness.

Our executive officers, directors and certain members of our management team will receive material benefits, including:

a grant of 94,988 shares of restricted common stock pursuant to the Campus Crest Communities, Inc. 2010 Incentive Award Plan, or the 2010 Incentive Award Plan (including an aggregate grant of 61,653 shares of restricted common stock to certain of our executive officers and certain members of our management team and an aggregate grant of 33,335 shares of restricted common stock to our independent directors);

an aggregate of 521,238 shares of restricted common stock reserved under the 2010 Incentive Award Plan for issuance (i) one year after the termination of Campus Crest Group s deferred compensation plan, or DCP, in satisfaction of vested interests in awards that were outstanding under the DCP; and (ii) in 2012 and 2013 pursuant to employment agreements to be entered into with our executive officers;

employment agreements providing for salary, bonus and other benefits, including severance upon a termination of employment under certain circumstances, and, in the case of Mr. Hartnett, a grant of 150,000 restricted OP units upon completion of this offering that will vest ratably on each of the first, second and third anniversaries of the completion of this offering, as described under Management Employment Agreements ;

indemnification by us for certain liabilities and expenses incurred as a result of actions brought, or threatened to be brought, against them as officers; and

upon completion of this offering we have agreed to pay to Donald L. Bobbitt, Jr., an executive vice president and our chief financial officer, Earl C. Howell, our president and chief operating officer, and Howard J. Weissman, a senior vice president and our corporate controller, cash bonuses of $250,000, $150,000 and $150,000, respectively.

Each of our non-employee directors will receive material benefits, including:

- annual and per-meeting fees described under Management Director Compensation ; and
- indemnification by us for certain liabilities and expenses incurred as a result of actions brought, or threatened to be brought, against him as a director.

Restrictions on Ownership of Our Capital Stock

Our charter, subject to certain exceptions and after the application of certain attribution rules, prohibits any person from directly or indirectly owning more than 9.8% by vote or value, whichever is more restrictive, of either our outstanding common stock or our outstanding capital stock in the aggregate, which we refer to in this prospectus collectively as the stock ownership limits. Our charter also prohibits any person from directly or indirectly owning any class of our capital stock if such ownership would result in us being closely held under Section 856(h) of the Internal Revenue Code of 1986, as amended, or the Internal Revenue Code, or otherwise cause us to fail to qualify as a REIT.

Our charter generally provides that any capital stock owned or transferred in violation of the foregoing restrictions will be deemed to be transferred to a charitable trust for the benefit of a charitable beneficiary, and the purported owner or transferee will acquire no rights in such stock. If the foregoing is ineffective for any reason to prevent a violation of these restrictions, then our charter provides that the transfer of such shares will be void.

No person may transfer our capital stock or any interest in our capital stock if the transfer would result in our capital stock being beneficially owned by fewer than 100 persons on or after the first day of our second taxable year. Our charter provides that any attempt to transfer our capital stock in violation of this minimum will be void.

Lock-up Agreements

We, each of our executive officers and directors and MXT Capital have agreed with the underwriters not to offer, sell or otherwise dispose of any common stock or any securities convertible into or exercisable or exchangeable for common stock (including OP units) or any rights to acquire common stock for a period of one year after the date of this prospectus, without the prior written consent of Raymond James & Associates, Inc., Citigroup Global Markets Inc., Goldman, Sachs & Co., Barclays Capital Inc. and RBC Capital Markets Corporation, subject to limited exceptions.

Our Distribution Policy

We intend to pay regular quarterly distributions to our common stockholders. We intend to pay a pro rata initial distribution with respect to the period commencing on the completion of this offering and ending December 31, 2010, based on $0.16 per share for a full quarter. On an annualized basis, this would be $0.64 per share, or an initial annual distribution rate of approximately 5.1% based on the initial public offering price of $12.50 per share. Our ability to fund this distribution will depend, in part, upon continued successful leasing of our existing portfolio, expected future development activity and fee income from development, construction and management services. To the extent these sources are insufficient, we intend to use our working capital or borrowings under our revolving credit facility to fund these distributions. To the extent we use working capital or borrowings under our revolving credit facility to fund these distributions, our cash available for investment in our business, including for property development and acquisition purposes, will decrease.

In addition, in order to qualify for taxation as a REIT, we must make annual distributions to stockholders of at least 90% of our REIT taxable income. If our cash available for distribution is not sufficient to meet the annual distribution requirements applicable to REITs, we would be required to fund the minimum required distribution from other sources, which could include asset sales or borrowings. Funding a distribution through asset sales or borrowings could reduce our cash flow from operations, increase our interest expense and decrease our cash available for investment in our business. We may also choose to meet this distribution requirement by distributing a combination of cash and shares of our common stock. Under recent Internal Revenue Service, or IRS, guidance, up to 90% of any such distribution may be made in shares of our common stock. If we choose to make a distribution consisting in part of shares of our common stock, the holders of our common stock may be subject to adverse tax consequences. See Risk Factors Risks Related to this Offering We may not be able to make an initial distribution or maintain any initial, or any subsequent, distribution rate and we may be required to fund the minimum distribution necessary to qualify as a REIT from sources that could reduce our cash flows.

Our Tax Status

In connection with this offering, we intend to elect to be treated as a REIT under Sections 856 through 859 of the Internal Revenue Code commencing with our taxable year ending December 31, 2010. Our qualification as a REIT depends upon our ability to meet on a continuing basis, through actual investment and operating results, various complex requirements under the Internal Revenue Code relating to, among other things, the sources of our gross income, the composition and values of our assets, our distribution levels and the diversity of ownership of our stock. We believe that we will be organized in conformity with the requirements for qualification and taxation as a REIT under the Internal Revenue Code and that our intended manner of operation will enable us to meet the requirements for qualification and taxation as a REIT.

As a REIT, we generally will not be subject to U.S. federal income tax on our taxable income that we distribute currently to our stockholders. If we fail to qualify as a REIT in any taxable year and do not qualify for certain statutory relief provisions, we will be subject to U.S. federal income tax at regular corporate rates and generally will be precluded from qualifying as a REIT for the subsequent four taxable years following the year during which we lost our REIT qualification. Accordingly, our failure to qualify as a REIT could materially and adversely affect us, including our ability to make distributions to our stockholders in the future. Even if we qualify as a REIT, we may be subject to some U.S. federal, state and local taxes on our income or property and the income of our taxable REIT subsidiaries, or TRSs, will be subject to taxation at normal corporate rates. See Federal Income Tax Considerations.

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SUMMARY SELECTED HISTORICAL AND PRO FORMA FINANCIAL INFORMATION

You should read the following summary selected historical and pro forma financial information in conjunction with Management s Discussion and Analysis of Financial Condition and Results of Operations, the audited historical combined financial statements of our Predecessor (as defined below) and notes thereto, and our unaudited pro forma condensed consolidated financial statements and notes thereto. The summary selected historical and pro forma financial information contained in this section is not intended to replace the audited and unaudited financial statements included elsewhere in this prospectus.

Our Predecessor shall mean certain entities and their consolidated subsidiaries controlled by Campus Crest Group, LLC, and its consolidated subsidiaries, which carried out the development, construction, ownership and management of the properties that we will own interests in upon completion of this offering, including its interests in two joint ventures with HSRE.

The summary selected historical combined statements of operations and cash flows for the six months ended June 30, 2010 and 2009 and the summary selected historical combined balance sheet information as of June 30, 2010 have been derived from the unaudited historical combined financial statements of our Predecessor, included elsewhere in this prospectus. The unaudited historical combined financial statements have been prepared on the same basis as our audited historical combined financial statements and, in the opinion of our management, reflect all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation of this information. The results for any interim period are not necessarily indicative of the results that may be expected for a full year. The summary selected historical combined statements of operations and cash flows for the years ended December 31, 2009, 2008 and 2007 and the summary selected historical combined balance sheet information as of December 31, 2009 and 2008 have been derived from the audited historical combined financial statements of our Predecessor, included elsewhere in this prospectus. The summary selected pro forma condensed consolidated statements of operations for the six months ended June 30, 2010 and for the year ended December 31, 2009 and the summary selected pro forma condensed consolidated balance sheet information as of June 30, 2010 have been derived from our unaudited pro forma condensed consolidated financial statements, included elsewhere in this prospectus.

The summary selected pro forma condensed consolidated statements of operations and balance sheet information set forth below has been adjusted to reflect our formation transactions, the sale of the common stock offered hereby, the receipt of the estimated net proceeds from this offering, after deducting the underwriting discount and other estimated offering expenses payable by us, and the use of the estimated net proceeds as described under Use of Proceeds. The unaudited pro forma condensed consolidated financial information for the year ended December 31, 2009 and as of and for the six months ended June 30, 2010 is presented as if this offering, the use of net proceeds therefrom and our formation transactions all had occurred as of the last day of the period presented for the purposes of the unaudited pro forma condensed consolidated balance sheet information and on the first day of the period presented for the purposes of the unaudited pro forma condensed consolidated statements of operations.

The summary selected historical combined and pro forma condensed consolidated financial information set forth below and the financial statements included elsewhere in this prospectus do not necessarily reflect what our results of operations, financial condition or cash flows would have been if we had operated as a stand-alone company during all periods presented, and, accordingly, such information should not be relied upon as an indicator of our future performance, financial condition or liquidity.

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Statement of Operations Information:

	Pro Forma Campus Crest Communities, Inc.		Historical Campus Crest Communities Predecessor				
	Six Months Ended June 30,	Year Ended December 31,	Six Months Ended June 30,		Year Ended December 31,		
	2010 (unaudited)	2009 (unaudited)	2010 (unaudited)	2009 (unaudited)	2009	2008	2007
			(in thousands)				
Revenues:							
Student housing leasing	$ 25,986	$ 45,021	$ 24,443	$ 21,219	$ 43,708	$ 30,813	$ 15,598
Student housing services	1,486	2,289	1,426	1,011	2,265	798	110
Development, construction and management services	17,311	24,540	30,738	37,258	60,711	2,505	
Total revenues	44,783	71,850	56,607	59,488	106,684	34,116	15,708
Operating expenses:							
Student housing operations	13,922	23,055	13,455	11,416	23,155	14,890	7,470
Development, construction and management services	16,140	24,847	28,644	35,693	60,200	2,147	
General and administrative	3,462	6,503	2,618	2,454	5,617	5,422	3,467
Ground leases	94	264	94	96	264	224	40
Write-off of pre-development costs		1,211			1,211	203	
Depreciation and amortization	9,802	18,578	9,429	9,115	18,371	13,573	5,765
Total operating expenses	43,420	74,458	54,240	58,774	108,818	36,459	16,742
Equity in loss of uncombined entities	(1,007)	(449)	(194)		(59)		
Operating income (loss)	356	(3,057)	2,173	714	(2,193)	(2,343)	(1,034)
Nonoperating income (expenses):							
Interest expense	(2,857)	(5,698)	(10,686)	(7,369)	(15,871)	(14,946)	(6,583)
	279	90	178	2,680	797	(8,758)	(2,115)

Change in fair value of interest rate derivatives							
Income taxes	(128)	(73)					
Other income (expense)	153	134	45	(19)	44	(50)	100
Total nonoperating expenses	(2,553)	(5,547)	(10,463)	(4,708)	(15,030)	(23,754)	(8,598)
Net loss	(2,197)	(8,604)	(8,290)	(3,994)	(17,223)	(26,097)	(9,632)
Net loss attributable to noncontrolling interest	(33)	(129)	(5,025)	(2,060)	(10,486)	(870)	(2,083)
Net loss attributable to Campus Crest Communities, Inc./Predecessor	$ (2,164)	$ (8,475)	$ (3,265)	$ (1,934)	$ (6,737)	$ (25,227)	$ (7,549)

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Balance Sheet Information:

	Pro Forma Campus Crest Communities, Inc.	Historical Campus Crest Communities Predecessor		
	As of June 30, 2010 (unaudited)	As of June 30, 2010 (unaudited)	As of December 31, 2009	2008
	(in thousands)			
Assets:				
Student housing properties	$ 370,400	$ 348,466	$ 347,157	$ 326,217
Accumulated depreciation	(48,403)	(48,403)	(38,999)	(20,794)
Development in process	7,090	3,641	3,300	15,742
Investment in real estate, net	329,087	303,704	311,458	321,165
Investment in uncombined entity	15,489	3,257	2,980	776
Other assets	24,700	21,412	17,358	20,214
Total assets	$ 369,276	$ 328,373	$ 331,796	$ 342,155
Liabilities:				
Mortgage and construction loans	$ 60,840	$ 329,374	$ 329,102	$ 322,426
Lines of credit and other debt	45,170	17,689	14,070	9,237
Other liabilities	21,650	34,756	31,340	32,606
Total liabilities	127,660	381,819	374,512	364,269
Equity:				
Owners equity (deficit)	298,661	(54,245)	(50,090)	(42,502)
Noncontrolling interest	(57,045)	799	7,374	20,388
Total equity	241,616	(53,446)	(42,716)	(22,114)
Total liabilities and equity	$ 369,276	$ 328,373	$ 331,796	$ 342,155

Other Data:

	Pro Forma Campus Crest Communities, Inc.	
	Six Months Ended	Year Ended December 31,

	June 30, 2010 (unaudited)	2009 (unaudited)
Funds from operations (FFO[1]):		
Net loss	$ (2,197)	$ (8,604)
Real estate related depreciation and amortization	9,653	18,412
Real estate related depreciation and amortization unconsolidated joint ventures	657	298
FFO	$ 8,113	$ 10,106

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	Historical Campus Crest Communities Predecessor				
	Six Months Ended June 30,		Year Ended December 31,		
	2010	2009	2009	2008	2007
	(unaudited)				
	(in thousands)				
Cash flow information:					
Net cash provided by (used in) operations	$ 2,739	$ 2,068	$ 4,353	$ 1,264	$ (1,209)
Net cash used in investing	(2,662)	(12,830)	(23,552)	(148,385)	(113,043)
Net cash provided by financing	75	5,523	11,060	144,781	126,061

Selected Property Information:

	As of June 30, 2010	As of December 31, 2009	2008	2007
Operating Properties	24	24	19	10
Units	4,476	4,476	3,542	1,814
Beds	12,036	12,036	9,520	4,966
Occupancy	89%	84%	78%	91%

(1) FFO is used by industry analysts and investors as a supplemental operating performance measure for REITs. We calculate FFO in accordance with the definition that was adopted by the Board of Governors of the National Association of Real Estate Investment Trusts, or NAREIT. FFO, as defined by NAREIT, represents net income (loss) determined in accordance with accounting principles generally accepted in the United States of America, or GAAP, excluding extraordinary items as defined under GAAP and gains or losses from sales of previously depreciated operating real estate assets, plus specified non-cash items, such as real estate asset depreciation and amortization, and after adjustments for unconsolidated partnerships and joint ventures. We use FFO as a supplemental performance measure because, in excluding real estate-related depreciation and amortization and gains and losses from property dispositions, it provides a performance measure that, when compared year over year, captures trends in occupancy rates, rental rates and operating expenses. We also believe that, as a widely recognized measure of the performance of equity REITs, FFO will be used by investors as a basis to compare our operating performance with that of other REITs. However, because FFO excludes depreciation and amortization and captures neither the changes in the value of our properties that result from use or market conditions nor the level of capital expenditures necessary to maintain the operating performance of our properties, all of which have real economic effects and could materially and adversely impact our results from operations, the utility of FFO as a measure of our performance is limited. While FFO is a relevant and widely used measure of operating performance of equity REITs, other equity REITs may use different methodologies for calculating FFO and, accordingly, FFO as disclosed by such other REITs may not be comparable to FFO published herein. Therefore, we believe that in order to facilitate a clear understanding of our historical operating results, FFO should be examined in conjunction with net income (loss) as presented in the combined financial statements and the other financial statements included elsewhere in this prospectus. FFO should not be considered as an alternative to net income (loss) (computed in accordance with GAAP) as an indicator of the properties financial performance or to

cash flow from operating activities (computed in accordance with GAAP) as an indicator of our liquidity, nor is it indicative of funds available to fund our cash needs, including our ability to pay dividends or make distributions.

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THE OFFERING

Common stock offered by us	28,333,333 shares[(1)]
Common stock to be outstanding after this offering	28,428,321 shares[(1)(2)]
Common stock and OP units to be outstanding after this offering	28,863,914 shares/units[(1)(2)(3)]
Use of proceeds	We estimate that the net proceeds from this offering, after deducting the underwriting discount and other estimated fees and expenses payable by us, will be approximately $325.8 million ($375.7 million if the underwriters exercise their overallotment option in full). We will contribute the net proceeds from this offering to our operating partnership, which will use the proceeds and approximately $45.2 million of borrowings under our revolving credit facility as follows: approximately $287.1 million to reduce outstanding mortgage and construction loan indebtedness and pay associated costs; approximately $4.8 million to fund preferred investments in special-purpose subsidiaries of our joint venture with HSRE that own The Grove at Moscow and The Grove at San Angelo; approximately $4.0 million to repay unsecured indebtedness to Capital Bank; approximately $6.0 million to repay unsecured indebtedness to RHR, LLC; RHR, LLC will, in turn, immediately repay an equal amount of indebtedness owed by it to an unaffiliated third party on substantially the same terms and conditions as the loan from RHR, LLC to us; approximately $3.3 million to MXT Capital, which will immediately use such amount to make capital contributions to certain entities that will, in turn, immediately use the capital contributions solely to repay indebtedness; approximately $24.0 million to acquire interests in our properties from HSRE; approximately $17.4 million to acquire interests in our properties from the Ricker Group; approximately $10.7 million to acquire interests in our properties from certain third-party investors;

approximately $3.4 million to acquire land on which we expect to commence building four properties following the completion of this offering;

	$3.9 million to acquire the preferred membership interest in CC-Encore; and
	approximately $6.4 million for working capital and general corporate purposes.
Ownership and transfer restrictions	Our charter, subject to certain exceptions, prohibits any person from directly or indirectly owning more than 9.8% by vote or value, whichever is more restrictive, of either our outstanding common stock or our outstanding capital stock in the aggregate. See Description of Capital Stock Restrictions on Ownership and Transfer.
Risk factors	Investing in our common stock involves significant risks. You should carefully read and consider the information set forth under Risk Factors and all other information in this prospectus before investing in our common stock.
New York Stock Exchange symbol	CCG

(1) Excludes 4,250,000 shares of common stock issuable upon exercise of the underwriters overallotment option.

(2) Includes an aggregate grant of 61,653 shares of restricted common stock to certain of our executive officers and certain members of our management team and an aggregate grant of 33,335 shares of restricted common stock to our independent directors, each of which is subject to a vesting schedule. Excludes 521,238 shares of common stock reserved under the 2010 Incentive Award Plan for issuance (i) one year after the termination of the DCP in satisfaction of vested interests in awards that were outstanding under the DCP; and (ii) in 2012 and 2013 pursuant to employment agreements to be entered into with our executive officers.

(3) Includes the issuance of an aggregate of 285,593 OP units to MXT Capital and certain third-party investors in connection with our formation transactions and a grant of 150,000 restricted OP units to Mr. Hartnett pursuant to his employment agreement, which will vest ratably on each of the first, second and third anniversaries of the completion of this offering.

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RISK FACTORS

Investment in our common stock involves significant risks. You should therefore carefully consider the material risks of an investment in our common stock that are discussed in this section, as well as the other information contained in this prospectus, before making an investment decision. The occurrence of any of the following risks could materially and adversely affect our financial condition, results of operations, cash flow, per share trading price and ability to satisfy our debt service obligations and pay dividends or distributions to you and could cause you to lose all or a significant part of your investment. Some statements in this prospectus, including statements in the following risk factors, constitute forward-looking statements. Please refer to the section entitled Cautionary Note Regarding Forward-Looking Statements.

Risks Related to Our Business and Properties

Developing properties will expose us to additional risks beyond those associated with owning and operating student housing properties, and could materially and adversely affect us.

Our future growth will depend, in part, upon our ability to successfully complete the seven properties that we expect to commence building upon completion of this offering and to successfully identify and plan additional development opportunities. Our development activities, particularly those relating to the seven properties that we expect to develop with completion targeted for the 2011-2012 academic year, may be adversely affected by:

- abandonment of development opportunities after expending significant cash and other resources to determine feasibility, requiring us to expense costs incurred in connection with the abandoned project;
- construction costs of a project exceeding our original estimates;
- failure to complete development projects on schedule or in conformity with building plans and specifications;
- lower than anticipated occupancy and rental rates at a newly completed property, which rates may not be sufficient to make the property profitable; and
- failure to obtain, or delays in obtaining, necessary zoning, land use, building, occupancy and other required governmental permits and authorizations.

The construction activities at our student housing properties expose us to liabilities and risks beyond those associated with the ownership and operation of student housing properties.

The construction of our student housing properties, including the seven properties that we expect to develop with completion targeted for the 2011-2012 academic year, involves risks associated with construction activities, including liability for workplace safety, such as injuries and accidents to persons and property occurring during the construction process. Construction activities also subject us to obligations relating to environmental compliance, such as management of storm water discharge and run-off, material handling, on-site storage of construction materials and off-site disposal of construction materials. These risks are in addition to those associated with owning or operating student housing properties, and the realization of any of these risks could materially and adversely affect us.

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Our development activities are subject to delays and cost overruns, which could materially and adversely affect us.

Our development activities, including those related to the seven properties targeted to be completed for the 2011-2012 academic year, may be adversely affected by circumstances beyond our control, including: work stoppages; labor disputes; shortages of qualified trades people, such as carpenters, roofers, electricians and plumbers; changes in laws or other governmental regulations, such as those relating to union organizing activity; lack of adequate utility infrastructure and services; our reliance on local subcontractors, who may not be adequately capitalized or insured; inclement weather; and shortages, delay in availability, or fluctuations in prices of building materials. Any of these circumstances could give rise to delays in the start or completion of, or could increase the cost of, developing one or more of our properties. If we are unable to recover these increased costs by raising our lease rates, our financial performance and liquidity could be materially and adversely affected.

We may not realize a return on our development activities in a timely manner, which could materially and adversely affect us.

Due to the amount of time required for planning, constructing and leasing of development properties, we may not realize a significant cash return for several years. Therefore, if any of our development activities are subject to delays or cost overruns, our growth may be hindered and our results of operations and cash flows may be adversely affected. In addition, new development activities, regardless of whether or not they are ultimately successful, typically require substantial time and attention from management. Furthermore, maintaining our development capabilities involves significant expense, including compensation expense for our development personnel and related overhead. To the extent we cease or limit our development activity, this expense will not be offset by revenues from our development activity. Therefore, if we do not realize a return on our development activities in a timely manner in order to offset these costs and expenses, we could be materially and adversely affected.

Adverse economic conditions and dislocation in the credit markets have had a material and adverse effect on us and may continue to materially and adversely affect us.

We have recently experienced unprecedented levels of volatility in the capital markets, a reduction in the availability of credit and intense recessionary pressures, which have had an adverse effect on our results of operations and our ability to borrow funds. For example, lenders are generally imposing more stringent lending standards and applying more conservative valuations to properties. This has limited the amount of indebtedness we have been able to obtain, and has impeded our ability to develop new properties and to replace construction financing with permanent financing. If these conditions continue, our business and our growth strategy, including our ability to develop the seven properties that we contemplate completing for the 2011-2012 academic year, may be materially and adversely affected. Although our business strategy contemplates access to debt financing (including our revolving credit facility and construction debt) to finance the construction of the seven properties we expect to commence building upon completion of this offering and to fund future development and working capital requirements, there can be no assurance that we will be able to obtain such financing on favorable terms or at all. Additionally, immediately upon completion of this offering we will borrow approximately $45.2 million under our revolving credit facility and issue letters of credit in an aggregate amount of $1.6 million under such facility. The amounts outstanding under our revolving credit facility immediately upon completion of this offering will reduce the amount that we can borrow under this facility for other purposes. Giving effect to the foregoing uses and our expected borrowing base, we expect to have approximately $55.6 million of borrowing capacity available under our revolving credit facility. Amounts borrowed under our revolving credit facility will be due at the facility s maturity, which is scheduled for the third anniversary of the completion of this offering. This indebtedness, as well as our mortgage and construction loans of approximately $60.8 million,

will subject us to risks associated with debt financing as described below under Our indebtedness exposes us to a risk of default and will reduce our free cash flow, which could materially and adversely affect us.

The challenging economic environment may continue to adversely affect us by, among other things, limiting or eliminating our access to financing, which would adversely affect our ability to develop and refinance properties and pursue acquisition opportunities. Significantly more stringent lending standards and higher interest rates may reduce our returns on investment and increase our interest expense, which could adversely affect our financial performance and liquidity. Additionally, the limited amount of financing currently available may reduce the value of our properties, limit our ability to borrow against such properties and, should we choose to sell a property, impair our ability to dispose of such property at an attractive price or at all, which could materially and adversely affect us.