

Preferred Apartment Communities, Inc. Announces a Joint Venture Investment in a Student Housing Community in Atlanta, Georgia

ATLANTA, Oct. 30, 2017 /PRNewswire/ -- Preferred Apartment Communities, Inc. (NYSE: APTS) ("PAC" or the "Company") today announced that on October 27, 2017 it converted a portion of the outstanding principal balance of its real estate loan investment along with an additional equity investment into an approximate 98.0% equity ownership interest in a joint venture that owns a 198-unit, 792-bed student housing community. This student housing community is located near Kennesaw State University in the Atlanta, Georgia MSA and is named Stadium Village. PAC's 98.0% equity ownership interest is held through its indirect, wholly-owned subsidiary Preferred Campus Communities, LLC.

The developers will maintain an equity ownership interest in the joint venture, and Preferred Campus Management, LLC, a dedicated manager of student housing communities and a wholly-owned subsidiary of Preferred Apartment Advisors, LLC, the Company's external manager, will manage the business and operations for the joint venture. "We are excited about Stadium Village and its attractive student-centered amenities. This is a great asset with excellent long-term potential value near a thriving university," said Paul Cullen, Chief Executive Officer of Preferred Campus Communities, LLC. Mr. Cullen added, "Since stabilization, the property has operated close to 100% occupancy."

In connection with the conversion, Stadium Village was refinanced, utilizing a non-recourse first mortgage loan from Prudential Affordable Mortgage Company, LLC. The first mortgage loan is approximately \$47.0 million, bears interest at a fixed interest rate of 3.80% per annum, has a seven-year term and amortizes based on a 30-year schedule. There are no loan guaranties provided by PAC or our operating partnership.

About Preferred Apartment Communities, Inc.

Preferred Apartment Communities, Inc. is a Maryland corporation formed primarily to acquire and operate multifamily properties in select targeted markets throughout the United States. As part of our business strategy, we may enter into forward purchase contracts or purchase options for to-be-built multifamily communities and we may make real estate related loans, provide deposit arrangements, or provide performance assurances, as may be necessary or appropriate, in connection with the development of multifamily communities and other properties. As a secondary strategy, we may acquire or originate senior mortgage loans, subordinate loans or real estate loans secured by interests in multifamily properties, membership or partnership interests in multifamily properties and other multifamily related assets and invest a lesser portion of our assets in other real estate related investments, including other income-producing property types, senior mortgage loans, subordinate loans or real estate loans secured by interests in other income-producing property types, membership or partnership interests in other income-producing property types as determined by our manager as appropriate for us. At June 30, 2017, the Company was the approximate 97.3% owner of Preferred Apartment Communities Operating Partnership, L.P., the Company's operating partnership. Preferred Apartment Communities, Inc. has elected to be taxed as a real estate investment trust under the Internal Revenue Code of 1986, as amended, commencing with its tax year ended December 31, 2011. Learn more at www.pacapt.com.

Forward-Looking Statements

This press release may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These statements may be identified by the use of forward-looking terminology such as "may", "trend", "will", "expects", "plans", "estimates", "anticipates", "projects", "intends", "believes", "goals", "objectives", "outlook" and similar expressions. Because such statements include risks, uncertainties and contingencies, actual results may differ materially from the expectations, intentions, beliefs, plans or predictions of the future expressed or implied by such forward-looking statements. These risks, uncertainties and contingencies include, but are not limited to, those disclosed in PAC's filings with the Securities and Exchange Commission. PAC undertakes no obligation to update these forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events, except as may be required by law.

Additional Information

The SEC has declared effective the registration statement (including prospectus) filed by the Company for each of the offerings to which this communication may relate. Before you invest, you should read the final prospectus, and any prospectus supplements, forming a part of the registration statement and other documents the Company has filed with the SEC for more complete information about the Company and the offering to

which this communication may relate. In particular, you should carefully read the risk factors described in the final prospectus and in any related prospectus supplement and in the documents incorporated by reference in the final prospectus and any related prospectus supplement to which this communication may relate. You may obtain these documents for free by visiting EDGAR on the SEC website at www.sec.gov. Alternatively, the Company or its dealer manager, Preferred Capital Securities, LLC, with respect to PAC's mShares Redeemable Preferred Stock Offering and Series A Redeemable Preferred Stock and Warrant Unit Offering, and JonesTrading Institutional Services LLC, with respect to PAC's ATM Common Stock Offering, will arrange to send you a prospectus if you request it by calling Leonard A. Silverstein at (770) 818-4100, 3284 Northside Parkway NW, Suite 150, Atlanta, Georgia 30327.

The ATM Common Stock Offering prospectus supplement, dated July 10, 2017, including a base prospectus, dated May 17, 2016, can be accessed through the following link:

<https://www.sec.gov/Archives/edgar/data/1481832/000148183217000110/atmprospectusspring2017.htm>

The mShares Redeemable Preferred Stock Offering prospectus, dated January 19, 2017, can be accessed through the following link:

<https://www.sec.gov/Archives/edgar/data/1481832/000148183217000008/a424prospectus-mshares1.htm>

The Series A Redeemable Preferred Stock and Warrant Unit Offering prospectus, dated March 16, 2017, can be accessed through the following link:

<https://www.sec.gov/Archives/edgar/data/1481832/000148183217000061/a424prospectus-15bseriesar.htm>

SOURCE Preferred Apartment Communities, Inc.

For further information: Preferred Apartment Communities, Inc., Leonard A. Silverstein 770-818-4147, President and Chief Operating Officer, lsilverstein@pacapts.com
