

Preferred Apartment Communities, Inc. Announces Acquisition of a Grocery-Anchored Shopping Center Through its Wholly-Owned Subsidiary, New Market Properties, LLC

ATLANTA, July 27, 2017 /PRNewswire/ -- Preferred Apartment Communities, Inc. (NYSE: APTS) ("PAC" or the "Company") today announced the acquisition on July 26, 2017 of Irmo Station, an approximately 99,384 square foot shopping center located in the Columbia, South Carolina MSA and anchored by a 56,942 square foot Kroger grocery store. Irmo Station is strategically located just one mile off of Interstate Highway 26 (I-26), the main highway connecting Greenville, South Carolina to Charleston, South Carolina through Columbia.

PAC acquired this asset through its wholly-owned subsidiary New Market Properties, LLC. Joel T. Murphy, President and Chief Executive Officer of New Market said about the acquisition, "We are thrilled to partner again with Kroger on this high sales volume location, and we believe the tenants at Irmo Station will continue to benefit from the surrounding dense three mile population of approximately 42,000 people and the affluent households with incomes of over \$82,000." Mr. Murphy added, "The acquisition of Irmo Station increases the size of our retail portfolio to 34 grocery-anchored shopping centers across seven Sunbelt states, consistent with our strategy to acquire well-positioned grocery-anchored shopping centers in suburban Sunbelt markets with strong demographics."

The Company financed the acquisition utilizing a non-recourse first mortgage loan from Nationwide Mutual Insurance Company. The first mortgage loan is approximately \$10.65 million, bears interest at fixed rate of 3.94% per annum and matures on July 26, 2030. There are no loan guaranties provided by PAC or its operating partnership.

About New Market Properties, LLC

New Market Properties, LLC is a wholly-owned indirect subsidiary of Preferred Apartment Communities, Inc. and is focused on the grocery anchored shopping center sector. New Market currently owns and operates a portfolio of grocery anchored shopping centers in seven Sunbelt states. Its strategy is to aggressively grow its existing portfolio throughout the Mid-Atlantic, Southeast and Texas. New Market targets high quality suburban markets with dominant grocers such as Publix, Kroger, Harris Teeter, Tom Thumb and HEB.

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 March 31, 2017, the Company was the approximate 96.8% 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.

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, Email: lsilverstein@pacapts.com
