

# Preferred Apartment Communities, Inc. Completes Sale of Two Multifamily Communities for Approximately \$113.6 Million

ATLANTA, March 30, 2017 /PRNewswire/ -- Preferred Apartment Communities, Inc. (NYSE: APTS) ("PAC" or the "Company") today announced the sale in the first quarter of 2017 of two Class A multifamily communities located in Kansas City, Kansas and Atlanta, Georgia. PAC sold the properties for gross aggregate disposition proceeds of approximately \$113.6 million. The properties combined to have an average annualized return of approximately 19.1%. "The attractive return on the sold properties provides PAC with further opportunities to reinvest our shareholders' capital into well-located, newly constructed and high-quality multifamily communities in our core markets," said John A. Williams, the Chairman and Chief Executive Officer for PAC.

The proceeds from one of the properties sold were deposited into a 1031 exchange account to be used for the acquisition of multiple assets in the future. The 1031 mechanism will allow the Company to defer tax liability on the sale of an asset and more efficiently redeploy its capital. The first use of these proceeds was for the acquisition of Retreat at Greystone, a Class A multifamily community in Birmingham, Alabama, the acquisition of which was previously announced on March 27, 2017. We expect to use the remaining proceeds from the 1031 exchange for future acquisitions.

## 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 December 31, 2016, the Company was the approximate 96.8% owner of Preferred Apartment Communities Operating Partnership, L.P., or the 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](http://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, dated July 18, 2016, including a base prospectus, dated May 17, 2016, can be accessed through the following link:

<https://www.sec.gov/Archives/edgar/data/1481832/000148183216000152/atmprospectus.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@pacapt.com](mailto:lsilverstein@pacapt.com)

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Additional assets available online:  [Photos \(1\)](#)