

# Preferred Apartment Communities, Inc. Announces Refinancing of Eight Multifamily Communities

ATLANTA, July 13, 2020 /PRNewswire/ -- Preferred Apartment Communities, Inc. (NYSE: APTS) ("PAC" or the "Company") today announced the refinancing during the second quarter and early third quarter of 2020 of 8 separate Class A multifamily communities with an aggregate of 2,127 units. These refinancings generated aggregate gross proceeds of approximately \$286.0 million at a blended interest rate of 2.91%. These eight separate non-recourse property level loans increased the weighted average term to maturity across the eight assets from 2.1 years to 8.4 years and reduced the weighted average interest rate across the eight assets by over 70 basis points. In addition, these transactions have reduced the aggregate debt maturing in the multihousing portfolio by more than 50% between today and January 1, 2024 from \$350 million to \$165 million spread across 6 separate assets.

"Given the uncertainty of the COVID-19 pandemic, we took steps to remove near-term maturity risk and lock up long-term debt at near historic low interest rates," said John Isakson, Chief Financial Officer for PAC. Mr. Isakson added, "In addition, these transactions allowed PAC to generate over \$72.0 million in additional loan proceeds at closing, inclusive of COVID-19 related escrow holdbacks, while lowering our total borrowing costs. The ability to refinance eight separate Class A multifamily communities' during a pandemic demonstrates PAC's ability to access capital markets in a variety of ways at accretive levels during all phases of the market cycle."

Mr. Isakson continued, "To date, these properties have reported average rental collection rates for April, May and June of 99.0%. Although the future impact of COVID-19 on these assets is uncertain, we are encouraged that this favorable debt and collection efforts to date will provide PAC with enhanced cash flows and projected returns long-term."

## About Preferred Apartment Communities, Inc.

Preferred Apartment Communities, Inc. (NYSE: APTS) is a real estate investment trust engaged primarily in the ownership and operation of Class A multifamily properties, with select investments in grocery anchored shopping centers, Class A office buildings, and student housing properties. Preferred Apartment Communities' investment objective is to generate attractive, stable returns for stockholders by investing in income-producing properties and acquiring or originating real estate loans. As of March 31, 2020, we owned or were invested in 123 properties in 15 states, predominantly in the Southeast region of the United States. Learn more at [www.pacapt.com](http://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, (a) the impact of the coronavirus (COVID-19) pandemic on PAC's business operations and the economic conditions in the markets in which PAC operates; (b) PAC's ability to mitigate the impacts arising from COVID-19 and (c) 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 its Series A1/M1 Redeemable Preferred Stock Offering, will arrange to send you a prospectus if you request it by calling John A. Isakson at (770) 818-4109, 3284 Northside Parkway NW, Suite 150, Atlanta, Georgia 30327.

The Series A1/M1 Redeemable Preferred Stock Offering prospectus, dated October 22, 2019, can be accessed through the following link:

<https://www.sec.gov/Archives/edgar/data/1481832/000148183219000097/a424b5-2019seriesamshares.htm>

SOURCE Preferred Apartment Communities, Inc.

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