

AMERICAN CAMPUS COMMUNITIES INC
Form 424B5
March 08, 2013

Filed Pursuant to Rule 424(b)(5)
Registration Nos. 333-181102 and 333-181102-01

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee(1)
Common Shares of Beneficial Interest, par value \$0.01 per share	\$500,000,000	\$68,200

- (1) Calculated in accordance with Rule 457(o), based on the proposed maximum aggregate offering price, and Rule 457(r) under the Securities Act of 1933, as amended.

Prospectus supplement

(To Prospectus dated May 2, 2012)

Up to \$500,000,000

American Campus Communities, Inc.

Common Stock

This prospectus supplement and the accompanying prospectus relate to the offer and sale from time to time of our common stock, par value \$0.01 per share, having an aggregate offering price of up to \$500,000,000. Our common stock to which this prospectus supplement relates will be offered over a period of time and from time to time through Merrill Lynch, Pierce, Fenner & Smith Incorporated, Deutsche Bank Securities Inc., J.P. Morgan Securities LLC and KeyBanc Capital Markets Inc., as our agents (collectively, the Agents) or to the Agents, for resale, in accordance with the terms of the equity distribution agreements we have entered into with such Agents. Sales of our common stock, if any, may be made in negotiated transactions or transactions that are deemed to be at-the-market offerings as defined in Rule 415 under the Securities Act of 1933, as amended (the Securities Act), including sales made directly on the New York Stock Exchange (NYSE) or sales made to or through a market maker other than on an exchange.

Our common stock is listed on the NYSE under the symbol ACC. The last reported sale price of our common stock as reported on the NYSE on March 7, 2013 was \$45.22 per share.

We intend to use the net proceeds from the sale of common stock to which this prospectus supplement relates for working capital and general corporate purposes, including, without limitation, the acquisition or development of student housing properties (including possible joint ventures or portfolio or asset acquisitions) as suitable opportunities arise, and the reduction of debt.

We will pay each of the Agents a commission in each case that will not exceed, but may be lower than, 2.0% of the gross proceeds of common stock sold by such Agent, as our agent, pursuant to this prospectus supplement. Subject to the terms and conditions of the equity distribution agreements, the Agents will use commercially reasonable efforts to sell the common stock on our behalf. Our common stock to which this prospectus supplement relates will be sold through only one of the Agents on any given day. Under the terms of the equity distribution agreements, we may also sell our common stock to the Agents as principals for their own accounts at prices agreed upon at the time of sale. If we sell our common stock to any of the Agents as principals, we will enter into a separate terms agreement with such Agent. The net proceeds we receive from the sale of our common stock to which this prospectus supplement relates will be the gross proceeds received from such sales less the commissions or discounts and any other expenses we may incur in issuing the common stock. See Use of Proceeds and Plan of Distribution for further information.

Investing in our common stock involves risks. See Risk Factors beginning on page S-3 of this prospectus supplement and in our Annual Report on Form 10-K for the year ended December 31, 2012, incorporated by reference in this prospectus supplement and the accompanying prospectus, to read about factors you should consider before buying our common stock.

Edgar Filing: AMERICAN CAMPUS COMMUNITIES INC - Form 424B5

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

BofA Merrill Lynch

J.P. Morgan

Deutsche Bank Securities

KeyBanc Capital Markets

The date of this prospectus supplement is March 8, 2013.

Table of contents

Prospectus supplement

<u>About this prospectus supplement</u>	Page ii
<u>Cautionary statement regarding forward-looking statements</u>	ii
<u>Summary</u>	S-1
<u>Risk factors</u>	S-3
<u>Use of proceeds</u>	S-5
<u>Price range of common stock</u>	S-5
<u>Distributions</u>	S-5
<u>Supplemental federal income tax considerations</u>	S-6
<u>Plan of distribution</u>	S-8
<u>Legal matters</u>	S-10
<u>Experts</u>	S-10
<u>Where you can find more information</u>	S-10

Prospectus

<u>Where You Can Find More Information</u>	Page 1
<u>Risk Factors</u>	2
<u>The Company</u>	2
<u>Cautionary Statement Concerning Forward-Looking Statements</u>	3
<u>Use of Proceeds</u>	4
<u>Description of Capital Stock</u>	4
<u>Description of Warrants</u>	8
<u>Description of Debt Securities And Related Guarantees</u>	8
<u>Plan of Distribution</u>	19
<u>Ratio of Earnings to Fixed Charges</u>	20
<u>Federal Income Tax Considerations and Consequences of Your Investment</u>	21
<u>Description Of The Partnership Agreement of American Campus Communities Operating Partnership LP</u>	43
<u>Policies With Respect to Certain Activities</u>	47
<u>Legal Matters</u>	50
<u>Experts</u>	50

About this prospectus supplement

This document consists of two parts. The first part is this prospectus supplement, which describes the specific terms of this offering. The second part, the accompanying prospectus, gives more general information, some of which may not apply to this offering. Generally, when we refer only to the prospectus, we are referring to both parts combined. This prospectus supplement may add to, update or change information in the accompanying prospectus and the documents incorporated by reference into this prospectus supplement or the prospectus.

If information in this prospectus supplement is inconsistent with the accompanying prospectus, you should rely on this prospectus supplement. This prospectus supplement, the accompanying prospectus and the documents incorporated into each by reference include important information about us, the common stock being offered and other information you should know before investing in our common stock.

You should rely only on the information contained or incorporated by reference in this prospectus supplement or the accompanying prospectus. We have not, and the Agents have not, authorized anyone to provide you with information that is in addition to or different from that contained or incorporated by reference in this prospectus supplement and the accompanying prospectus. If anyone provides you with different or additional information, you should not rely on it. We are not, and the Agents are not, offering to sell these securities in any jurisdiction where the offer or sale is not permitted. You should not assume that the information contained or incorporated by reference in this prospectus supplement or the accompanying prospectus is accurate as of any date other than as of the date of this prospectus supplement or the accompanying prospectus, as the case may be, or in the case of the documents incorporated by reference, the date of such documents regardless, of the time of delivery of this prospectus supplement and the accompanying prospectus or any sale of our common stock. Our business, financial condition, liquidity, results of operations and prospects may have changed since those dates.

In this prospectus supplement unless the context otherwise requires, references to our, we or the Company refer to American Campus Communities, Inc. and its subsidiaries, and references to our Operating Partnership refer to American Campus Communities Operating Partnership LP, our operating partnership.

Cautionary statement regarding forward-looking statements

We have made statements in this prospectus supplement and the accompanying prospectus and in the documents incorporated herein or therein by reference that are forward-looking in that they do not discuss historical fact, but instead note future expectations, projections, intentions or other items relating to the future. In particular, statements pertaining to our capital resources, portfolio performance and results of operations contain forward-looking statements. Likewise, all of our statements regarding anticipated growth in our funds from operations and anticipated market conditions, demographics and results of operations are forward-looking statements. Forward-looking statements involve numerous risks and uncertainties and you should not rely on them as predictions of future events. Forward-looking statements depend on assumptions, data or methods that may be incorrect or imprecise and we may not be able to realize them. We do not guarantee that the transactions and events described will happen as described (or that they will happen at all). You can identify forward-looking statements by the use of forward-looking terminology such as believes, expects, may, will, should, seeks, approximately, intends, plans, pro forma, estimates or any of these words and phrases or similar words or phrases. You can also identify forward-looking statements by discussions of strategy, plans or intentions. The following factors, among others, could cause actual results and future events to differ materially from those set forth or contemplated in the forward-looking statements:

general risks affecting the real estate industry;

risks associated with changes in university admission or housing policies;

risks associated with the availability and terms of financing and the use of debt to fund acquisitions and developments; failure to manage effectively our growth and expansion into new markets or to integrate acquisitions successfully;

risks and uncertainties affecting property development and construction;

risks associated with downturns in the national and local economies, volatility in capital and credit markets, increases in interest rates, and volatility in the securities markets; costs of compliance with the Americans with Disabilities Act and other similar laws; potential liability for uninsured losses and environmental contamination; risks associated with our potential failure to qualify as a real estate investment trust, or REIT, under the Internal Revenue Code of 1986 (the Code), as amended, and possible adverse changes in tax and environmental laws; and

other risks detailed in our other reports or filings with the Securities and Exchange Commission (the SEC)

These forward-looking statements represent our estimates and assumptions only as of the date made, and we assume no obligation to update or supplement forward-looking statements because of subsequent events. Additional information concerning the risks and uncertainties listed above and other factors that you may wish to consider with respect to any investment in our securities is contained elsewhere in our filings with the SEC.

Summary

The following summary highlights information more fully described elsewhere or incorporated by reference in this prospectus supplement or the accompanying prospectus. This summary is not complete and may not contain all of the information that may be important to you. Before making an investment decision to invest in our common stock, you should carefully read this entire prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein and therein, including the sections entitled Risk factors beginning on page S-3 of this prospectus supplement and in our most recent Annual Report on Form 10-K, which is incorporated by reference in this prospectus supplement and the accompanying prospectus. This summary is qualified in its entirety by the more detailed information and financial statements, including the notes thereto, appearing elsewhere or incorporated by reference in this prospectus supplement and the accompanying prospectus.

American Campus Communities, Inc.

We are a fully integrated, self-managed and self-administered equity REIT with expertise in the acquisition, design, financing, development, construction management, leasing and management of student housing properties. Through our controlling interest in our Operating Partnership, we are one of the largest owners, managers and developers of high quality student housing properties in the United States in terms of beds owned and under management. As of December 31, 2012, our property portfolio contained 160 properties with approximately 98,800 beds in approximately 31,800 apartment units. As of December 31, 2012, our property portfolio consisted of 143 owned off-campus properties that are in close proximity to colleges and universities, 13 American Campus Equity (ACE[®]) properties operated under ground/facility leases with six university systems and four on-campus participating properties operated under ground/facility leases with the related university systems. Of the 160 properties, as of December 31, 2012, we had under development nine properties as well as an additional phase at an existing property, which, when completed, will contain a total of approximately 6,200 beds in approximately 1,700 units. Our communities contain modern housing units and are supported by a resident assistant system and other student-oriented programming, with many offering resort-style amenities.

Through one of our taxable REIT subsidiaries, we also provide construction management and development services, primarily for student housing properties owned by colleges and universities, charitable foundations, and others. As of December 31, 2012, we provided third-party management and leasing services for 27 properties that represented approximately 22,500 beds in approximately 9,100 units. Third-party management and leasing services are typically provided pursuant to management contracts that have initial terms that range from one to five years. As of December 31, 2012 our total owned and third-party managed portfolio was comprised of 187 properties with approximately 121,300 beds in approximately 40,900 units.

As of the date of this prospectus supplement, we own approximately 98.8% of our Operating Partnership.

Our principal executive offices are located at 12700 Hill Country Blvd., Suite T-200, Austin, Texas 78738, and our telephone number is (512) 732-1000.

The offering

Issuer	American Campus Communities, Inc.
Common stock offered	Shares of common stock having an initial public aggregate offering price of up to \$500,000,000.
Use of proceeds after expenses	We intend to use the net proceeds from the sale of common stock to which this prospectus supplement relates for working capital and general corporate purposes, including, without limitation, the acquisition or development of student housing properties (including possible joint ventures or portfolio or asset acquisitions) as suitable opportunities arise, and the reduction of debt.
Restrictions on ownership	Our charter contains restrictions on the ownership and transfer of our stock that are intended to assist us in continuing to qualify as a REIT. The relevant sections of our charter provide that, subject to certain exceptions, no person or entity may beneficially own, or be deemed to own by virtue of the applicable constructive ownership provisions of the Code, more than 9.8% (by value or by number of shares, whichever is more restrictive) of the outstanding shares of our common stock or more than 9.8% by value of all of our outstanding shares, including both common and preferred stock. See Description of Capital Stock Restrictions on Transfer beginning on page 5 of the accompanying prospectus.
Risk factors	Your investment in our common stock involves substantial risks. In consultation with your financial and legal advisors, you should carefully consider the matters discussed under the sections entitled Risk factors beginning on page S-3 of this prospectus supplement and in our most recent Annual Report on Form 10-K, which is incorporated by reference in this prospectus supplement and the accompanying prospectus.
Transfer agent and registrar	The transfer agent and registrar for our common stock is Wells Fargo Shareowner Services.
NYSE symbol	ACC

Risk factors

Your investment in our common stock involves certain risks. In consultation with your own financial and legal advisers, you should carefully consider, among other matters, the factors set forth below, as well as the risk factors discussed in our most recent Annual Report on Form 10-K and any subsequently filed periodic reports which are incorporated by reference into this prospectus supplement and the accompanying prospectus, before deciding whether an investment in our common stock is suitable for you. If any of the risks contained in or incorporated by reference into this prospectus supplement or the accompanying prospectus develop into actual events, our business, financial condition, liquidity, results of operations and prospects could be materially and adversely affected, the market price of our common stock could decline and you may lose all or part of your investment.

Volatility in capital and credit markets, or other unfavorable changes in economic conditions, could adversely impact us.

The capital and credit markets experienced volatility and disruption, particularly in the latter half of 2008 through the first quarter of 2010. This made it more difficult to borrow money. In the event of renewed market disruption or volatility, we may not be able to obtain new debt financing or refinance our existing debt on favorable terms or at all, which would adversely affect our liquidity, our ability to make distributions to equity holders, acquire and dispose of assets and continue our development pipeline. Unfavorable changes in economic conditions may have a material adverse impact on our cash flows and operating results.

This offering is expected to be dilutive.

Giving effect to the issuance of common stock in this offering, the receipt of the expected net proceeds and the use of those proceeds, we expect that this offering will have a dilutive effect on our expected earnings per share, funds from operations (or FFO) per share and funds from operations modified (or FFOM) per share for the year ending December 31, 2013. The actual amount of dilution cannot be determined at this time and will be based on numerous factors.

Future sales or issuances of our common stock may cause the market price of our common stock to decline.

The sale of substantial amounts of our common stock, whether directly by us or in the secondary market, the perception that such sales could occur or the availability for future sale of shares of our common stock or securities convertible into or exchangeable or exercisable for our common stock could, in turn, materially and adversely affect the market price of our common stock and our ability to raise capital through future offerings of equity or equity-related securities. In addition, we may issue capital stock or other equity securities senior to our common stock in the future for a number of reasons, including to finance operations and business strategy, to adjust our ratio of debt to equity, to satisfy obligations upon the exchange of units of the Operating Partnership or the exercise of options or for other reasons.

Our stock price will fluctuate.

The market price and volume of our common stock will fluctuate due not only to general stock market conditions but also to the risk factors discussed in our most recent Annual Report on Form 10-K and any subsequently filed periodic reports which are incorporated by reference into this prospectus supplement and the accompanying prospectus and the following:

operating results that vary from the expectations of securities analysts and investors;

investor interest in our property portfolio;

the reputation and performance of REITs;

the attractiveness of REITs as compared to other investment vehicles;

our financial condition and the results of our operations;

the perception of our growth and earnings potential;

dividend payment rates and the form of the payment;

increases in market rates, which may lead purchasers of our common stock to demand a higher yield; and

changes in financial markets and national economic and general market conditions.

S-4

Use of proceeds

We intend to use the net proceeds from the sale of common stock to which this prospectus supplement relates for working capital and general corporate purposes, including without limitation the acquisition or development of student housing properties (including possible joint ventures or portfolio or asset acquisitions) as suitable opportunities arise, and the reduction of debt.

We may temporarily invest the net proceeds hereof prior to use in interest-bearing accounts and short-term, interest-bearing securities as is consistent with our intention to maintain our qualification for taxation as a REIT. Such investments may include, for example, obligations of the Government National Mortgage Association, other government and governmental agency securities, certificates of deposit and interest-bearing bank deposits.

An affiliate of KeyBanc Capital Markets Inc. is acting as lender, administrative agent, swing line bank and issuing bank under our revolving credit facility. Affiliates of each other Agent are also lenders under our revolving credit facility. To the extent that we use the net proceeds from this offering to repay amounts we have borrowed or may borrow or re-borrow in the future under this facility, those lenders will receive their pro rata portion of any of the proceeds from this offering that we use to repay any such amounts.

Price range of common stock

Our common stock is listed and traded on the NYSE under the symbol ACC. As of March 7, 2013, there were 104,776,745 shares of common stock issued and outstanding, held by approximately 31,300 holders of record. The following table sets forth, for the periods indicated, the high and low sale prices in dollars on the NYSE for our common stock and the distributions we declared with respect to the periods indicated.

Share price		
High	Low	&nbs