

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): September 1, 2020

MID-AMERICA APARTMENT COMMUNITIES, INC.

(Exact name of registrant as specified in its charter)

TENNESSEE
(State or Other Jurisdiction of incorporation)

001-12762
(Commission File Number)

62-1543819
(I.R.S. Employer Identification No.)

MID-AMERICA APARTMENTS, L.P.

(Exact name of registrant as specified in its charter)

TENNESSEE
(State or Other Jurisdiction of incorporation)

333-190028-01
(Commission File Number)

62-1543816
(I.R.S. Employer Identification No.)

6815 Poplar Avenue, Suite 500
Germantown, Tennessee
(Address of Principal Executive Offices)

38138
(Zip Code)

(901) 682-6600
(Registrant's telephone number, including area code)

N/A
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13 e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$.01 per share (Mid-America Apartment Communities, Inc.)	MAA	New York Stock Exchange
8.50% Series I Cumulative Redeemable Preferred Stock, \$.01 par value per share (Mid-America Apartment Communities, Inc.)	MAA*I	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

ITEM 7.01 Regulation FD Disclosure.

The presentation furnished as Exhibit 99.1 to this Current Report on Form 8-K (this “Report”) will be made available to investors beginning September 1, 2020, after the market closes.

The information included in this Report under this Item 7.01 (including Exhibit 99.1 hereto) is being furnished and shall not be deemed to be filed for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of Section 18, nor shall it be incorporated by reference into a filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except as shall be expressly set forth by specific reference in such filing. The information included in this Report under this Item 7.01 (including Exhibit 99.1 hereto) will not be deemed an admission as to the materiality of any information required to be disclosed solely to satisfy the requirements of Regulation FD.

ITEM 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit Number	Description
99.1	Investor Presentation: “Capital Markets Update: September 2020”
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

MID-AMERICA APARTMENT COMMUNITIES, INC.

Date: September 1, 2020

/s/Albert M. Campbell, III

Albert M. Campbell, III

Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

MID-AMERICA APARTMENTS, L.P.

By: Mid-America Apartment Communities, Inc., its general partner

Date: September 1, 2020

/s/Albert M. Campbell, III

Albert M. Campbell, III

Executive Vice President and Chief Financial Officer
(Principal Financial Officer)



Capital Markets Update

September 2020



FORWARD-LOOKING STATEMENTS

This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, with respect to our expectations for future periods. Forward-looking statements do not discuss historical fact, but instead include statements related to expectations, projections, intentions or other items related to the future. Such forward-looking statements include, without limitation, statements regarding the potential impact of the COVID-19 pandemic on our business, statements regarding expected operating performance and results, property stabilizations, property acquisition and disposition activity, joint venture activity, development and renovation activity and other capital expenditures, and capital raising and financing activity, as well as lease pricing, revenue and expense growth, occupancy, interest rate and other economic expectations. Words such as "expects," "anticipates," "intends," "plans," "believes," "seeks," "estimates," and variations of such words and similar expressions are intended to identify such forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors, as described below, which may cause our actual results, performance or achievements to be materially different from the results of operations, financial conditions or plans expressed or implied by such forward-looking statements. Although we believe that the assumptions underlying the forward-looking statements contained herein are reasonable, any of the assumptions could be inaccurate, and therefore such forward-looking statements included in this presentation may not prove to be accurate. In light of the significant uncertainties inherent in the forward-looking statements included herein, the inclusion of such information should not be regarded as a representation by us or any other person that the results or conditions described in such statements or our objectives and plans will be achieved.

The following factors, among others, could cause our actual results, performance or achievements to differ materially from those expressed or implied in the forward-looking statements: the COVID-19 pandemic and measures taken or that may be taken by federal, state and local governmental authorities to combat the spread of the disease; inability to generate sufficient cash flows due to unfavorable economic and market conditions, changes in supply and/or demand, competition, uninsured losses, changes in tax and housing laws, or other factors; exposure, as a multifamily focused REIT, to risks inherent in investments in a single industry and sector; adverse changes in real estate markets, including, but not limited to, the extent of future demand for multifamily units in our significant markets, barriers of entry into new markets which we may seek to enter in the future, limitations on our ability to increase rental rates, competition, our ability to identify and consummate attractive acquisitions or development projects on favorable terms, our ability to consummate any planned dispositions in a timely manner on acceptable terms, and our ability to reinvest sale proceeds in a manner that generates favorable returns; failure of new acquisitions to achieve anticipated results or be efficiently integrated; failure of development communities to be completed within budget and on a timely basis, if at all, to lease-ups anticipated or to achieve anticipated results; unexpected capital needs; changes in operating costs, including real estate taxes, utilities and insurance costs; inability to obtain appropriate insurance coverage at reasonable rates, or at all, or losses from catastrophes in excess of our insurance coverage; ability to obtain financing at favorable rates, if at all, and refinance existing debt as it matures; level and volatility of interest or capitalization rates or capital market conditions; price volatility, dislocations and liquidity disruptions in the financial markets and the resulting impact on financing; the effect of any rating agency actions on the cost and availability of new debt financing; the effect of the phase-out of the London Interbank Offered Rate, or LIBOR, as a variable rate debt benchmark by the end of 2021 and the transition to a different benchmark interest rate; significant decline in market value of real estate serving as collateral for mortgage obligations; significant change in the mortgage financing market that would cause single-family housing, either as an owned or rental product, to become a more significant competitive product; our ability to continue to satisfy complex rules in order to maintain our status as a REIT for federal income tax purposes, the ability of MAALP to satisfy the rules to maintain its status as a partnership for federal income tax purposes, the ability of our taxable REIT subsidiaries to maintain their status as such for federal income tax purposes, and our ability and the ability of our subsidiaries to operate effectively within the limitations imposed by these rules; inability to attract and retain qualified personnel; cyber liability or potential liability for breaches of our or our service providers' information technology systems, or business operations disruptions; potential liability for environmental contamination; adverse legislative or regulatory developments; extreme weather, natural disasters, disease outbreak and public health events; legal proceedings relating to various issues, which, among other things, could result in a class action lawsuit; compliance costs associated with numerous federal, state and local laws and regulations, including those costs associated with laws requiring access for disabled persons; and other risks identified in reports we file with the Securities and Exchange Commission from time to time, including those discussed under the heading "Risk Factors" in our most recently filed Annual Report on Form 10-K and subsequent Quarterly Reports on Form 10-Q. We undertake no duty to update or revise any forward-looking statements appearing in this presentation to reflect events, circumstances or changes in expectations after the date of this presentation.

REGULATION G

This presentation contains certain non-GAAP financial measures within the meaning of the Securities Exchange Act of 1934, as amended. Our definitions of such non-GAAP financial measures and reconciliations to the most directly comparable GAAP measures can be found in the accompanying Appendix and under the "Filings & Financials - Quarterly Results" navigation tab on the "For Investors" page of our website at www.maa.com.



Rent Collections Update (as of August 31, 2020)



Strong cash collections continue into August; rent deferral requests are declining

RESIDENTIAL RENTS As of August 31, 2020	Q2		JULY		AUGUST	
	\$000S	% OF TOTAL BILLED	\$000S	% OF TOTAL BILLED	\$000S	% OF TOTAL BILLED
TOTAL BILLED	\$371,246		\$124,201		\$124,874	
CASH COLLECTED	\$367,652	99.0%	\$122,752	98.8%	\$123,077	98.6%*
DEFERRED PAYMENTS OUTSTANDING ¹	\$1,521	0.4%	\$251	0.2%	\$240	0.2%

*For comparability, **August** rent cash collections of **98.6%** on the last day of the month compares to **98.3%** at month end for **July** rents billed and **97.1%** at month end for **June** rents billed.

¹ Pursuant to a lease amendment signed by residents who were financially impacted by the COVID-19 pandemic.

Same Store Pricing, Occupancy, and Operating Expense Update (as of August 31, 2020)

	SAME STORE	Q2-20	JUL-20	AUG-20
EFFECTIVE LEASES	NEW LEASE^{1,2} AVG Pricing Growth Lease Over Lease	-3.7%	-2.8%	-1.8%
	RENEWAL^{2,3} AVG Pricing Growth Lease Over Lease	5.7%	3.4%	3.7%
	BLENDED² AVG Pricing Growth Lease Over Lease	1.3%	0.4%	1.1%
SIGNED LEASES	NEW LEASE² AVG Pricing Growth Lease Over Lease	-3.8%	-1.8%	-0.7%
	RENEWAL² AVG Pricing Growth Lease Over Lease	3.9%	4.7%	5.1%
	BLENDED² AVG Pricing Growth Lease Over Lease	0.3%	1.1%	1.8%
	Average Physical OCCUPANCY	95.4%	95.4%	95.7%

Same Store OPERATING EXPENSES



Same Store EXPENSE GROWTH DRIVERS: Primary



Same Store EXPENSE GROWTH DRIVERS: Other



¹ Represents new leases that went into effect during the month; lease price is typically set on average 28 days ahead of lease start date
² Includes the impact of concessions
³ Represents renewals that went into effect during the month; lease price is typically set on average 60 days ahead of lease start date

Market Diversification and Submarket Balance across the Sunbelt Region

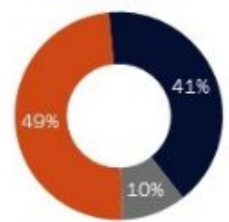
TOP 20 MARKETS

Market	% 2Q 2020 SS NOI
Atlanta, GA	13.0%
Dallas, TX	8.9%
Charlotte, NC	6.9%
Austin, TX	6.7%
Washington, DC	6.7%
Tampa, FL	6.5%
Orlando, FL	6.2%
Nashville, TN	4.6%
Houston, TX	4.5%
Raleigh/Durham, NC	4.4%
Fort Worth, TX	4.0%
Jacksonville, FL	3.3%
Phoenix, AZ	3.2%
Charleston, SC	2.7%
Richmond, VA	2.2%
Savannah, GA	2.1%
Greenville, SC	1.6%
Memphis, TN	1.5%
Birmingham, AL	1.3%
San Antonio, TX	1.2%

TOTAL 91.5%

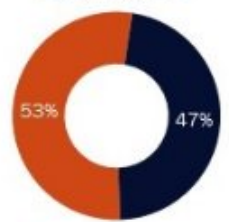


DIVERSIFIED WITHIN SUBMARKETS¹



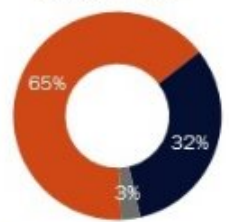
■ Inner Loop ■ Suburban/Satellite City ■ Downtown/CBD

DIVERSIFIED IN PRICE POINTS^{1,2}



■ A to A+ ■ B to B+

DIVERSIFIED IN ASSET TYPES^{1,3}



■ Garden ■ Mid-Rise ■ High Rise

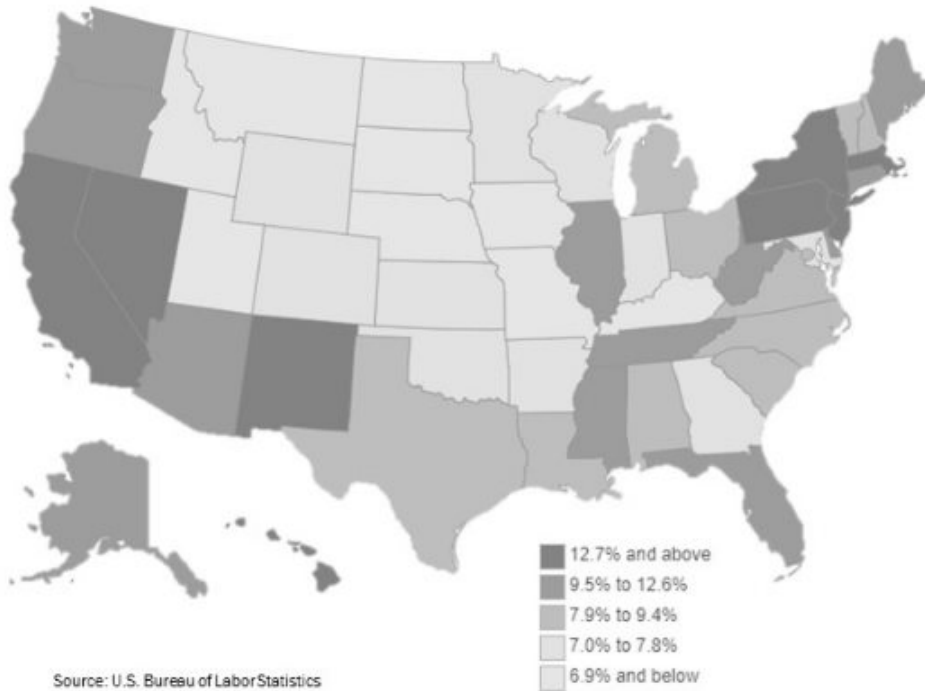


¹ Based on gross asset value at 6/30/2020 for total multifamily portfolio
² Average effective rent/unit for 2Q 2020 of \$1,325 or higher for A to A+ and below \$1,325 for B to B+ for total multifamily portfolio

³ Garden style = 3 stories or less; Mid-rise = 4 to 9 stories; High rise = 10+ stories
 Source: Company and Company 2Q 2020 Earnings Release Supplemental

Current Unemployment Backdrop

On a weighted average of same store NOI by state, the July unemployment rate for MAA's portfolio was **8.8%** versus the national average of **10.2%**



Source: U.S. Bureau of Labor Statistics

[MAA PORTFOLIO] STATE UNEMPLOYMENT RATES		
STATE	% SAME STORE NOI ¹	RATE
Texas	25.3%	8.0%
Florida	18.0%	11.3%
Georgia	15.1%	7.6%
North Carolina	11.3%	8.5%
Tennessee	6.7%	9.5%
All Other	23.6%	8.6%

¹ Based on Q2 2020 NOI for the same store portfolio

High Quality Resident Profile + Affordable Rents = Solid Collections Performance and Upside Opportunity

PRIMARY EMPLOYMENT SECTORS FOR EXISTING RESIDENTS

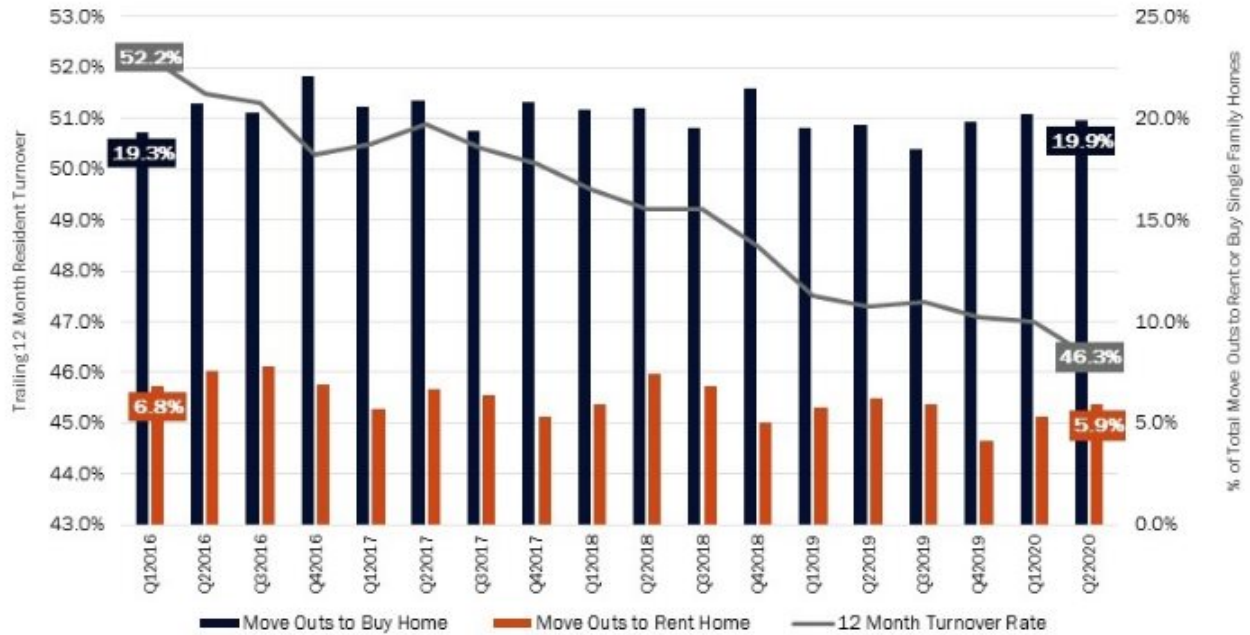
										
	Professional Services	Healthcare	Finance/Banking/Insurance	Retail	Education	Technology	Restaurants/Food Service	Hospitality	Real Estate	Government
Total Portfolio	13%	13%	9%	9%	8%	7%	5%	4%	4%	4%

SAME STORE RESIDENT PROFILE IN TOP MARKETS

	Q2 2020 EFFECTIVE RENT/UNIT	AVG RESIDENT INCOME	RENT/INCOME	AVG RESIDENT AGE	% SINGLE	TOP 5 EMPLOYMENT SECTORS				
						1	2	3	4	5
Atlanta, GA	\$1,462	\$83,531	21.0%	36	81%					
Dallas, TX	\$1,310	\$77,343	20.3%	36	84%					
Charlotte, NC	\$1,251	\$70,502	21.3%	37	81%					
Austin, TX	\$1,277	\$69,666	22.0%	38	79%					
Washington, DC	\$1,809	\$94,424	23.0%	38	78%				MILITARY	
Tampa, FL	\$1,493	\$80,358	22.3%	41	79%					
Orlando, FL	\$1,468	\$78,853	22.3%	40	68%					
Nashville, TN	\$1,311	\$71,478	22.0%	38	80%					
Raleigh/Durham, NC	\$1,140	\$65,150	21.0%	38	80%					
Houston, TX	\$1,223	\$72,814	20.2%	38	82%					

Continued Low Resident Turnover

Resident Turnover and Move Outs to Rent or Buy Single Family Homes



- Resident **turnover continues to decrease**, reaching record lows in Q2 2020.
- **Move outs to buy** a single family home or **rent** a single family home remain consistent at approximately **20%** and **6%** of all move outs, respectively.

Technology Advances Enhance Operations and Add Value

Smart Home Technology Roll-out In Progress

2019 Test and 2020 Expansion

- Tests at 15 properties in 2019 were well received
- Mobile control of lights, thermostat and security as well as leak monitoring provides additional value to residents
- Additional synergy opportunities in repairs and maintenance, capex, and vacant and house electric charges
- **This program was halted in March due to COVID-19 after installing 8K units but started back up in July with installation on turns**
- Expect to install in 20K-24K units by the end of 2020 with most of the revenue benefit in 2021



Double Play Bulk Internet Roll-out In Progress

High-Speed Internet added to Bulk Cable Program

- Program initiated in the back half of 2019 adds high-speed internet access at discounted price to residents
- Opportunity exists for approximately half of the Same Store Portfolio
- Expect contracts to be in place for all available units by the end of 2020, with NOI opportunity building as leases expire or renew
- Projected 2020 growth impact of roughly 50bps to revenue, expense, and NOI

Other Programs Recently Completed or Currently in Review/Testing Phase

- New and Improved Single Operating Platform
- Improvements to Intranet, Digital Content and Training for Employees
- Enhanced Online Recruiting Tools
- Utility Monitoring Enhancements
- SightPlan - Mobile Inspections for Service Technicians
- Enhanced Company Website and Data Analysis
- Artificial Intelligence, Chat, CRM, and Prospect Engagement Tools

MAA's Technology Supports Touch-Free Transactions through our Virtual and Self Touring Options and Online Leasing Process

Unit Interior Upgrades Will Drive Higher Value over Next Two to Three Years

Approximately 25,000 units redeveloped during past 3 years

OPPORTUNITY

Approximately 11,000 units (including legacy PPS portfolio) remaining for redevelopment across same store portfolio with potential to create additional rent growth value.

SCOPE

Redevelopments are **performed on turn** at select communities (properties remain in Same Store group), minimizing down time and allowing us to continually refine the program for real-time improvements

Standard program includes kitchen and bath upgrades

- Stainless appliances
- Counter top replacement
- Updated cabinetry
- Plumbing and light fixture updates
- Flooring

Reduced from original expectation of 7,000 - 8,000 units

RESULTS

	2017A	2018A	2019A	2020F
Production	8,375	8,155	8,329	4,000-5,000
Average Per Unit Cost	\$5,463	\$6,138	\$5,876	\$6,000-\$7,000
Average Rent Increase	8.8%	10.5%	9.8%	9%-10%



Post Parkside, Orlando, FL

MAA REDEVELOPMENT PIPELINE Pipeline of Units Yet to be Redeveloped

Currently Identified Redevelopment Opportunity

11K
units of
opportunity

	Legacy MAA	Legacy CLP	Legacy PPS	Total MAA
Units	2,952	2,787	5,300	11,039
Capital	\$13.3M	\$12.6M	\$43.6M	\$69.5M
Incremental Revenue	\$2.8M	\$2.6M	\$9.4M	\$14.8M

Future Value Opportunity

Revenue	At 5.0% Cap Rate	Net Value Creation
\$14.8M	\$296.0M	\$226.5M

Top 10 2020 Markets For Redevelopment

- | | |
|---------------|--------------------|
| Atlanta, GA | Washington, DC |
| Dallas, TX | Phoenix, AZ |
| Charlotte, NC | Nashville, TN |
| Tampa, FL | Memphis, TN |
| Orlando, FL | Raleigh/Durham, NC |



Repositioning Select Properties to Drive Additional Value

Property Repositioning Program

Thoughtful Upgrades to Maximize Revenue

- Program differentiated from kitchen/bath redevelopment – includes upgrade of amenities, exteriors and common areas to keep pace with market demand
- Candidates evaluated on location, potential for rent growth, competition and incoming supply
- 8 properties planned for 2020
- Approximate 2020 investment of \$20M with benefit expected in 2021 (average 8% cash on cash return)



Unused Rooftop



Potential for Rooftop Lounge-Similar to Comps (pictured example: Post Midtown Atlanta rooftop terrace)



CASE STUDY

Post Parkside | Orlando

Leverage Location and Views of Lake Eola



- Property located in highly desirable downtown area overlooking Lake Eola; high foot traffic; grocery, restaurants, events within walking distance; demographics and demand favorable to support upgrade
- Current rooftop unused; existing leasing office small, not ideally located; common amenities and exteriors in need of update and expansion
- Evaluate repurposing rooftop as resident lounge area
- Evaluate moving and expanding current leasing center for maximum visibility, accessibility and functionality
- Evaluate addition of package room and parcel pending solution
- Evaluate improvements to existing resident amenities including pool area as well as other exterior updates
- Currently greater than 20% delta between rents of the subject property and its immediate comparable property set

Development Program Supports Balanced and Diversified Portfolio Strategy

Current **\$460 million** development pipeline includes diversified product and markets

Expected
Completion
4Q 2021



The Robinson, Orlando, FL

Expected
Completion
4Q 2020



MAA Frisco Bridges II, Dallas, TX

Expected
Completion
2Q 2021



Novel Midtown, Phoenix, AZ

Expected
Completion
4Q 2021



Westglenn, Denver, CO

Expected
Completion
4Q 2021



Sand Lake, Orlando, FL

Development Pipeline and Lease-ups Poised To Deliver Value

- Established history and success of disciplined capital deployment will govern growth through new development
- Design and investment managed from an owner/operator perspective; long-term margins optimized
- Spread between forecasted cost basis and current cap rates supports value accretion of approximately \$123M from the current pipeline¹

ACTIVE DEVELOPMENTS AT 6/30/2020

PROPERTY	MSA	TOTAL UNITS	TOTAL EXP COST (IN MILLIONS)	EXPECTED INITIAL OCCUPANCY	EXPECTED STABILIZATION ²
MAA Frisco Bridges II	Dallas, TX	348	\$ 69.0	2Q 2020	1Q 2022
Novel Midtown ³	Phoenix, AZ	345	\$ 82.0	1Q 2021	4Q 2022
Westglenn	Denver, CO	306	\$ 84.5	2Q 2021	4Q 2022
The Robinson	Orlando, FL	369	\$ 99.0	2Q 2021	1Q 2023
Long Point	Houston, TX	308	\$ 57.0	3Q 2021	1Q 2023
Sand Lake ⁴	Orlando, FL	264	\$ 68.0	2Q 2021	1Q 2023
TOTAL ACTIVE DEVELOPMENTS		1,940	\$ 459.5		

6.1%
AVERAGE EXPECTED
STABILIZED NOI YIELD

\$28M - \$29M
TOTAL EXPECTED STABILIZED
INCREMENTAL NOI

ACTIVE LEASE-UPS AT 6/30/2020

PROPERTY	MSA	TOTAL UNITS	TOTAL COST (IN MILLIONS)	PHYSICAL OCCUPANCY	EXPECTED STABILIZATION ²
The Greene	Greenville, SC	271	\$ 72.2	77.5%	4Q 2020
Copper Ridge II	Fort Worth, TX	168	\$ 25.8	40.5%	2Q 2021
TOTAL ACTIVE LEASE-UPS		439	\$ 98.0	63.3%	

5.8%
AVERAGE BLENDED
STABILIZED NOI YIELD

\$5.0M - \$6.0M
TOTAL EXPECTED STABILIZED
INCREMENTAL NOI

Source: Company 2Q 2020 Earnings Release Supplemental

¹ Based on 5.0% Cap Rate; includes 2Q 2020 development and lease-up pipeline

² Communities are considered stabilized after achieving 90% occupancy for 90 days

³ MAA owns 80% of the joint venture that owns this property

⁴ MAA owns 95% of the joint venture that owns this property



Strong Balance Sheet and Manageable Debt Maturity Profile

CREDIT METRICS AT 6/30/2020

	MAA	SECTOR AVG ^{2,3}
Total debt / adjusted total assets ¹	31.2%	33.5%
Total secured debt / adjusted total assets ¹	4.3%	5.1%
Unencumbered NOI / total NOI	91.1%	91.6%
Net Debt / Adjusted EBITDAre ⁴	4.69x ⁵	5.32x
Consolidated income available for debt service to total annual debt service charge ^{1,2}	5.30x	5.31x
Weighted average maturity of debt (in years)	7.0	8.4

¹ MAA calculations as specifically defined in Mid-America Apartments, L.P.'s debt agreements.

² Sector average represents publicly disclosed sector equivalent.

³ Sector constituents include AVB, CPT, EQR, ESS and UDR; data is from 2Q 2020 company filings.

⁴ Adjusted EBITDAre in this calculation represents the trailing twelve month period ended June 30, 2020. A reconciliation of the following items and an expanded discussion of their respective components can be found in the accompanying appendix: (i) EBITDA, EBITDAre and Adjusted EBITDAre to Net Income; and (ii) Net Debt to Unsecured notes payable and Secured notes payable.

DEBT MATURITY PROFILE (\$ IN MILLIONS) AT 6/30/2020



Bond deal completed in August moves our weighted average maturity of debt to 7.8 years



¹ Debt excluding unsecured revolving credit facility and unsecured commercial paper program.

Strong Culture Serving All Stakeholders

Our long-term commitment to sustainability and responsibly managing our relationships is an essential part of how we provide exceptional service and value for our stakeholders. We are dedicated to continuous progress and have established an ESG council of executive and senior department heads focused on tracking and enhancing our environmental, social and governance efforts.



Environmental Stewardship

CONSERVING RESOURCES

- Low-flow toilets and WaterSense plumbing fixtures
- Smart irrigation and water use efficiency audits
- Landscape innovations minimizing turf and using drought tolerant plant material
- Utility monitoring systems

REDUCING WASTE

- On-site trash recycling options for residents
- Trash compaction to reduce pick-ups
- Online leasing and communication tools
- Vendor partnerships to incorporate including use of eco-friendly/recycled product

INCREASING ENERGY EFFICIENCY

- Reduced watt, high performance lighting fixtures in community breezeways and common areas
- Routine maintenance and audits of HVAC systems and upgrades to efficient equipment
- Energy Star rated appliances
- Smart thermostats
- Energy Star/green building certifications



Social Responsibility

EMPOWERING ASSOCIATES

- Competitive compensation and benefits packages, recognition programs, and growth opportunities with goal to retain diverse talent
- Ongoing education and training opportunities
- The latest technology and proven systems
- Associate engagement including internal communications, reviews and surveys
- Inclusive Diversity Council

CARING FOR RESIDENTS

- Responsive service program and routine resident surveys
- Online resident portal for ease of transactions, service request submission and communication
- Property amenities to promote healthy lifestyles
- Ongoing resident engagement and education

REACHING THE COMMUNITY

- Corporate charity, Open Arms Foundation, provides temporary housing to families who must travel for medical treatment. Over 3,000 families helped to date in over 50 MAA homes. Employee volunteers manage and fund raise.



Corporate Governance

BUILDING CONFIDENCE

- Corporate Governance Guidelines encompassing board and committee structure, director and executive officer standards and stock ownership requirements
- Code of conduct and ethical standards applying to all MAA associates and directors
- Human Rights Statement and Vendor Code of Conduct
- Governance practices overseeing policies and standards related to shareholder rights and proxy access
- Performance-based, equity compensation aligning executive goals with the long-term best interests of our shareholders
- Transparency and accountability of financial reporting, auditing and internal controls through risk oversight and anonymous submission platform
- Strong governance ratings from Green Street Advisors and Institutional Shareholder Services

APPENDIX

At June 30, 2020



- Reconciliation of Non-GAAP Financial Measures
- Definitions of Non-GAAP Financial Measures and Other Key Terms

Reconciliation of Non-GAAP Financial Measures

RECONCILIATION OF FFO, CORE FFO, CORE AFFO AND FAD TO NET INCOME AVAILABLE FOR MAA COMMON SHAREHOLDERS

Amounts in thousands, except per share and unit data

	Three months ended June 30,		Six months ended June 30,	
	2020	2019	2020	2019
Net income available for MAA common shareholders	\$ 74,140	\$ 60,995	\$ 109,866	\$ 123,733
Depreciation and amortization of real estate assets	125,668	122,323	250,514	243,533
(Gain) loss on sale of depreciable real estate assets	(2)	—	27	13
Depreciation and amortization of real estate assets of real estate joint venture	153	166	305	311
Net income attributable to noncontrolling interests	2,666	2,224	3,970	4,522
Funds from operations attributable to the Company	202,625	185,708	364,682	372,112
(Income) loss on embedded derivative in preferred shares ⁽¹⁾	(11,693)	(4,594)	15,945	(4,070)
(Gain) loss on sale of non-depreciable real estate assets	(5)	(297)	371	(9,260)
(Gain) loss from unconsolidated limited partnerships, net of tax ⁽¹⁾⁽²⁾	(4,262)	179	(4,185)	324
Net casualty (gain) loss and other settlement proceeds ⁽¹⁾	(151)	(309)	696	(1,853)
Loss (gain) on debt extinguishment ⁽¹⁾	—	47	(1)	55
Non-routine legal costs and settlements ⁽¹⁾	—	200	40	1,016
COVID-19 related costs ⁽¹⁾	2,411	—	2,607	—
Mark-to-market debt adjustment ⁽²⁾	(58)	(86)	(92)	(171)
Core funds from operations	188,867	180,848	380,063	358,153
Recurring capital expenditures	(25,118)	(24,358)	(39,692)	(36,918)
Core adjusted funds from operations	163,749	156,490	340,371	321,235
Redevelopment capital expenditures	(10,075)	(14,826)	(24,023)	(27,271)
Revenue enhancing capital expenditures	(8,447)	(9,813)	(16,375)	(17,852)
Commercial capital expenditures	(1,143)	(1,037)	(1,538)	(2,466)
Other capital expenditures	(5,086)	(4,187)	(10,676)	(8,164)
Funds available for distribution	\$ 138,998	\$ 126,627	\$ 287,759	\$ 265,492
Dividends and distributions paid	\$ 118,407	\$ 113,373	\$ 236,744	\$ 226,644
Weighted average common shares - diluted	114,438	114,087	114,482	113,994
FFO weighted average common shares and units - diluted	118,423	118,139	118,383	118,079
Earnings per common share - diluted:				
Net income available for common shareholders	\$ 0.65	\$ 0.53	\$ 0.96	\$ 1.09
Funds from operations per Share - diluted	\$ 1.71	\$ 1.57	\$ 3.08	\$ 3.15
Core funds from operations per Share - diluted	\$ 1.59	\$ 1.53	\$ 3.21	\$ 3.03
Core adjusted funds from operations per Share - diluted	\$ 1.38	\$ 1.32	\$ 2.88	\$ 2.72



⁽¹⁾ Included in Other non-operating (income) expense in the Consolidated Statements of Operations.

⁽²⁾ For the three and six months ended June 30, 2020, \$5.0 million and \$4.9 million, respectively, of gains from unconsolidated limited partnerships are offset by \$0.7 million of income tax expense.

⁽³⁾ Included in Interest expense in the Consolidated Statements of Operations.

Reconciliation of Non-GAAP Financial Measures

RECONCILIATION OF NET OPERATING INCOME TO NET INCOME AVAILABLE FOR MAA COMMON SHAREHOLDERS

Dollars in thousands

	Three Months Ended			Six Months Ended	
	June 30, 2020	March 31, 2020	June 30, 2019	June 30, 2020	June 30, 2019
Net Operating Income					
Same Store NOI	\$ 242,713	\$ 249,287	\$ 238,016	\$ 492,000	\$ 475,854
Non-Same Store and Other NOI	12,842	15,639	15,232	28,481	29,195
Total NOI	255,555	264,926	253,248	520,481	505,049
Depreciation and amortization	(127,190)	(126,388)	(123,944)	(253,578)	(246,733)
Property management expenses	(11,730)	(14,643)	(13,454)	(26,373)	(27,296)
General and administrative expenses	(10,557)	(13,264)	(10,398)	(23,821)	(22,735)
Interest expense	(42,118)	(43,482)	(45,936)	(85,600)	(91,636)
Gain (loss) on sale of depreciable real estate assets	2	(29)	—	(27)	(13)
Gain (loss) on sale of non-depreciable real estate assets	5	(376)	297	(371)	9,260
Other non-operating income (expense)	14,643	(28,532)	4,575	(13,889)	4,694
Income tax expense	(1,200)	(667)	(682)	(1,867)	(1,323)
Income from real estate joint venture	318	407	435	725	832
Net income attributable to noncontrolling interests	(2,666)	(1,304)	(2,224)	(3,970)	(4,522)
Dividends to MAA Series I preferred shareholders	(922)	(922)	(922)	(1,844)	(1,844)
Net income available for MAA common shareholders	\$ 74,140	\$ 35,726	\$ 60,995	\$ 109,866	\$ 123,733

Reconciliation of Non-GAAP Financial Measures

RECONCILIATION OF EBITDA, EBITDAre AND ADJUSTED EBITDAre TO NET INCOME

Dollars in thousands

	Three Months Ended		Twelve Months Ended	
	June 30, 2020	June 30, 2019	June 30, 2020	December 31, 2019
Net income	\$ 77,728	\$ 64,141	\$ 352,199	\$ 366,618
Depreciation and amortization	127,190	123,944	503,688	496,843
Interest expense	42,118	45,936	173,811	179,847
Income tax expense	1,200	682	4,240	3,696
EBITDA	248,236	234,703	1,033,938	1,047,004
Gain on sale of depreciable real estate assets	(2)	—	(80,974)	(80,988)
Adjustments to reflect the Company's share of EBITDAre of unconsolidated affiliates	336	339	1,346	1,351
EBITDAre	248,570	235,042	954,310	967,367
(Gain) loss on embedded derivative in preferred shares ⁽¹⁾	(11,693)	(4,594)	2,129	(17,886)
Gain on sale of non-depreciable real estate assets	(5)	(297)	(2,416)	(12,047)
(Gain) loss from unconsolidated limited partnerships, net of tax ⁽²⁾⁽³⁾	(4,262)	179	(7,463)	(2,954)
Net casualty gain and other settlement proceeds ⁽¹⁾	(151)	(309)	(841)	(3,390)
Loss on debt extinguishment ⁽¹⁾	—	47	197	253
Non-routine legal costs and settlements ⁽¹⁾	—	200	1,300	2,276
COVID-19 related costs ⁽¹⁾	2,411	—	2,607	—
Mark-to-market debt adjustment ⁽²⁾	(58)	(86)	(177)	(256)
Adjusted EBITDAre	\$ 234,812	\$ 230,162	\$ 949,646	\$ 933,363

(1) Included in Other non-operating (income) expense in the Consolidated Statements of Operations.

(2) For the three and twelve months ended June 30, 2020, \$5.0 million and \$9.1 million, respectively, of gains from unconsolidated limited partnerships are offset by \$0.7 million and \$1.6 million, respectively, of income tax expense. For the twelve months ended December 31, 2019, \$3.6 million of gains from unconsolidated limited partnerships are offset by \$0.9 million of income tax expense.

(3) Included in Interest expense in the Consolidated Statements of Operations.

Reconciliation of Non-GAAP Financial Measures

RECONCILIATION OF NET DEBT TO UNSECURED NOTES PAYABLE AND SECURED NOTES PAYABLE

Dollars in thousands

	June 30, 2020	December 31, 2019
Unsecured notes payable	\$ 3,849,784	\$ 3,828,201
Secured notes payable	622,824	626,397
Total debt	4,472,608	4,454,598
Cash and cash equivalents	(19,667)	(20,476)
1031(b) exchange proceeds included in Restricted cash ⁽¹⁾	—	(33,843)
Net Debt	<u>\$ 4,452,941</u>	<u>\$ 4,400,279</u>

(1) Included in Restricted cash in the Consolidated Balance Sheets.

RECONCILIATION OF GROSS ASSETS TO TOTAL ASSETS

Dollars in thousands

	June 30, 2020	December 31, 2019
Total assets	\$ 11,131,313	\$ 11,230,450
Accumulated depreciation	3,206,943	2,955,253
Gross Assets	<u>\$ 14,338,256</u>	<u>\$ 14,185,703</u>

RECONCILIATION OF GROSS REAL ESTATE ASSETS TO REAL ESTATE ASSETS, NET

Dollars in thousands

	June 30, 2020	December 31, 2019
Real estate assets, net	\$ 10,938,702	\$ 10,987,128
Accumulated depreciation	3,206,943	2,955,253
Cash and cash equivalents	19,667	20,476
1031(b) exchange proceeds included in Restricted cash ⁽¹⁾	—	33,843
Gross Real Estate Assets	<u>\$ 14,165,312</u>	<u>\$ 13,996,700</u>

(1) Included in Restricted cash in the Consolidated Balance Sheets.

Definitions of Non-GAAP Financial Measures

Adjusted EBITDAre

For purposes of calculations in this release, Adjusted Earnings Before Interest, Income Taxes, Depreciation and Amortization for real estate, or Adjusted EBITDAre, represents EBITDAre further adjusted for items that are not considered part of MAA's core operations such as adjustments related to the fair value of the embedded derivative in the MAA Series I preferred shares, gain or loss on sale of non-depreciable assets, adjustments for gains or losses from unconsolidated limited partnerships, net casualty gain or loss, gain or loss on debt extinguishment, non-routine legal costs and settlements, COVID-19 related costs and mark-to-market debt adjustments. As an owner and operator of real estate, MAA considers Adjusted EBITDAre to be an important measure of performance from core operations because Adjusted EBITDAre does not include various income and expense items that are not indicative of operating performance. MAA's computation of Adjusted EBITDAre may differ from the methodology utilized by other companies to calculate Adjusted EBITDAre. Adjusted EBITDAre should not be considered as an alternative to Net income as an indicator of operating performance.

Core Adjusted Funds from Operations (Core AFFO)

Core AFFO is composed of Core FFO less recurring capital expenditures. Core AFFO should not be considered as an alternative to Net income available for MAA common shareholders as an indicator of operating performance. As an owner and operator of real estate, MAA considers Core AFFO to be an important measure of performance from operations because Core AFFO measures the ability to control revenues, expenses and recurring capital expenditures.

Core Funds from Operations (Core FFO)

Core FFO represents FFO as adjusted for items that are not considered part of MAA's core business operations such as adjustments related to the fair value of the embedded derivative in the MAA Series I preferred shares, gain or loss on sale of non-depreciable assets, adjustments for gains or losses from unconsolidated limited partnerships, net casualty gain or loss, gain or loss on debt extinguishment, non-routine legal costs and settlements, COVID-19 related costs and mark-to-market debt adjustments. While MAA's definition of Core FFO may be similar to others in the industry, MAA's methodology for calculating Core FFO may differ from that utilized by other REITs and, accordingly, may not be comparable to such other REITs. Core FFO should not be considered as an alternative to Net income available for MAA common shareholders as an indicator of operating performance. MAA believes that Core FFO is helpful in understanding its core operating performance between periods in that it removes certain items that by their nature are not comparable over periods and therefore tend to obscure actual operating performance.

EBITDA

For purposes of calculations in this release, Earnings Before Interest, Income Taxes, Depreciation and Amortization, or EBITDA, is composed of net income plus depreciation and amortization, interest expense, and income taxes. As an owner and operator of real estate, MAA considers EBITDA to be an important measure of performance from core operations because EBITDA does not include various expense items that are not indicative of operating performance. EBITDA should not be considered as an alternative to Net income as an indicator of operating performance.

EBITDAre

For purposes of calculations in this release, Earnings Before Interest, Income Taxes, Depreciation and Amortization for real estate, or EBITDAre, is composed of EBITDA as adjusted for the gain or loss on sale of depreciable real estate assets and plus adjustments to reflect MAA's share of EBITDAre of unconsolidated affiliates. As an owner and operator of real estate, MAA considers EBITDAre to be an important measure of performance from core operations because EBITDAre does not include various expense items that are not indicative of operating performance. While MAA's definition of EBITDAre is in accordance with NAREIT's definition, it may differ from the methodology utilized by other companies to calculate EBITDAre. EBITDAre should not be considered as an alternative to Net income as an indicator of operating performance.

Funds Available for Distribution (FAD)

FAD is composed of Core FFO less total capital expenditures, excluding development spending and property acquisitions. FAD should not be considered as an alternative to Net income available for MAA common shareholders as an indicator of operating performance. As an owner and operator of real estate, MAA considers FAD to be an important measure of performance from core operations because FAD measures the ability to control revenues, expenses and total capital expenditures.

Definitions of Non-GAAP Financial Measures

Funds From Operations (FFO)

FFO represents net income available for MAA common shareholders (calculated in accordance with GAAP) excluding gains or losses on disposition of operating properties and asset impairment, plus depreciation and amortization of real estate assets, net income attributable to noncontrolling interests, and adjustments for joint ventures. Because net income attributable to noncontrolling interests is added back, FFO, when used in this document, represents FFO attributable to the Company. While MAA's definition of FFO is in accordance with NAREIT's definition, it may differ from the methodology for calculating FFO utilized by other companies and, accordingly, may not be comparable to such other companies. FFO should not be considered as an alternative to Net income available for MAA common shareholders as an indicator of operating performance. MAA believes that FFO is helpful in understanding operating performance in that FFO excludes depreciation and amortization of real estate assets. MAA believes that GAAP historical cost depreciation of real estate assets is generally not correlated with changes in the value of those assets, whose value does not diminish predictably over time, as historical cost depreciation implies.

Gross Assets

Gross Assets represents Total assets plus Accumulated depreciation. MAA believes that Gross Assets can be used as a helpful tool in evaluating its balance sheet positions. MAA believes that GAAP historical cost depreciation of real estate assets is generally not correlated with changes in the value of those assets, whose value does not diminish predictably over time, as historical cost depreciation implies.

Gross Real Estate Assets

Gross Real Estate Assets represents Real estate assets, net plus Accumulated depreciation and Cash and cash equivalents. MAA believes that Gross Real Estate Assets can be used as a helpful tool in evaluating its balance sheet positions. MAA believes that GAAP historical cost depreciation of real estate assets is generally not correlated with changes in the value of those assets, whose value does not diminish predictably over time, as historical cost depreciation implies.

Net Debt

Net Debt represents Unsecured notes payable and Secured notes payable less Cash and cash equivalents. MAA believes Net Debt is a helpful tool in evaluating its debt position.

Net Operating Income (NOI)

Net Operating Income represents Rental and other property revenues less Total property operating expenses, excluding depreciation and amortization, for all properties held during the period, regardless of their status as held for sale. NOI should not be considered as an alternative to Net income available for MAA common shareholders. MAA believes NOI by market is a helpful tool in evaluating the operating performance within MAA's markets because it measures the core operations of property performance by excluding corporate level expenses and other items not related to property operating performance.

Same Store NOI

Same Store NOI represents Rental and other property revenues less Total property operating expenses, excluding depreciation and amortization, for all properties classified within the Same Store Portfolio during the period. Same Store NOI should not be considered as an alternative to Net income available for MAA common shareholders. MAA believes Same Store NOI is a helpful tool in evaluating the operating performance within MAA's markets because it measures the core operations of property performance by excluding corporate level expenses and other items not related to property operating performance.

Non-Same Store and Other NOI

Non-Same Store and Other NOI represents Rental and other property revenues less Total property operating expenses, excluding depreciation and amortization, for all properties classified within the Non-Same Store and Other Portfolio during the period. Non-Same Store and Other NOI should not be considered as an alternative to Net income available for MAA common shareholders. MAA believes Non-Same Store and Other NOI is a helpful tool in evaluating the operating performance within MAA's markets because it measures the core operations of property performance by excluding corporate level expenses and other items not related to property operating performance.

Definitions of Other Key Terms

Average Effective Rent per Unit

Average Effective Rent per Unit represents the average of gross rent amounts after the effect of leasing concessions for occupied units plus prevalent market rates asked for unoccupied units, divided by the total number of units. Leasing concessions represent discounts to the current market rate. MAA believes average effective rent is a helpful measurement in evaluating average pricing. It does not represent actual rental revenue collected per unit.

Average Physical Occupancy

Average Physical Occupancy represents the average of the daily physical occupancy for the respective period.

Development Communities

Communities remain identified as development until certificates of occupancy are obtained for all units under development. Once all units are delivered and available for occupancy, the community moves into the Lease-up Communities portfolio.

Lease-up Communities

New acquisitions acquired during lease-up and newly developed communities remain in the Lease-up Communities portfolio until stabilized. Communities are considered stabilized after achieving at least 90% occupancy for 90 days.

Non-Same Store and Other Portfolio

Non-Same Store and Other Portfolio includes recently acquired communities, communities in development or lease-up, communities that have been identified for disposition, communities that have undergone a significant casualty loss, stabilized communities that do not meet the requirements defined by the Same Store Portfolio, retail properties and commercial properties.

Same Store Portfolio

MAA reviews its Same Store Portfolio at the beginning of each calendar year, or as significant transactions or events warrant. Communities are generally added into the Same Store Portfolio if they were owned and stabilized at the beginning of the previous year. Communities are considered stabilized after achieving at least 90% occupancy for 90 days. Communities that have been approved by MAA's Board of Directors for disposition are excluded from the Same Store Portfolio. Communities that have undergone a significant casualty loss are also excluded from the Same Store Portfolio.

Unencumbered NOI

Unencumbered NOI represents NOI generated by unencumbered assets (as defined in MAALP's bond covenants).