MID AMERICA APARTMENT COMMUNITIES INC
Form 10-K
February 21, 2014

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-K

R	ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 For the fiscal year ended December 31, 2013
OR	
o	TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 For the transition period from __________ to ___________

Commission File Number 001-12762 (Mid-America Apartment Communities, Inc.)
Commission File Number 333-190028-01 (Mid-America Apartments, L.P.)

MID-AMERICA APARTMENT COMMUNITIES, INC.
MID-AMERICA APARTMENTS, L.P.
(Exact name of registrant as specified in its charter)

Tennessee (Mid-America Apartment Communities, Inc.)	62-1543819
Tennessee (Mid-America Apartments, L.P.)	62-1543816
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification Number)

6584 Poplar Avenue, Memphis, Tennessee, 38138
(Address of principal executive offices) (Zip Code)
Registrant's telephone number, including area code: (901) 682-6600

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

Title of each class	Name of each exchange on which registered
Common Stock, par value $.01 per share (Mid-America Apartment Communities, Inc.)	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Mid-America Apartment Communities, Inc.	YES R	No o
Mid-America Apartments, L.P.	YES o	No R

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Mid-America Apartment Communities, Inc.	YES o	No R
Mid-America Apartments, L.P.	YES o	No R

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding
12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Mid-America Apartment Communities, Inc.	YES R	No o
Mid-America Apartments, L.P.	YES R	No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and
posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and
post such files).

Mid-America Apartment Communities, Inc.	YES R	No o
Mid-America Apartments, L.P.	YES R	No o

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's
knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large
accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Mid-America Apartment Communities, Inc.

Large accelerated filer R	Accelerated filer o	Non-accelerated filer o	Smaller reporting company o
	(Do not check if a smaller reporting company)		

Mid-America Apartments, L.P.

Large accelerated filer o	Accelerated filer o	Non-accelerated filer R	Smaller reporting company o
	(Do not check if a smaller reporting company)		

Indicate by check mark whether the registrant is a shell company (as defined in
Rule 12b-2 of the Exchange Act).

Mid-America Apartment Communities, Inc.	YES o	No R
Mid-America Apartments, L.P.	YES o	No R

The aggregate market value of the 42,736,134 shares of the registrant's common stock held by non-affiliates of Mid-America Apartment Communities, Inc. was approximately $2,896,227,801 based on the closing price of $67.77 as reported on the New York Stock Exchange on June 28, 2013. This calculation excludes shares of common stock held by the registrant's officers and directors and each person known by the registrant to beneficially own more than 5% of the registrant's outstanding shares, as such persons may be deemed to be affiliates. This determination of affiliate status should not be deemed conclusive for any other purpose. As of February 18, 2014 there were 74,969,790 shares of Mid-America Apartment Communities, Inc. common stock outstanding.

There is no public trading market for the partnership units of Mid-America Apartments, L.P. As a result, an aggregate market value of the partnership units of Mid-America Apartments, L.P. cannot be determined.

Documents Incorporated by Reference

Portions of the proxy statement for the annual shareholders meeting of Mid-America Apartment Communities, Inc. to be held on May 22, 2014 are incorporated by reference into Part III of this report. We expect to file our proxy statement within 120 days after December 31, 2013.

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MID-AMERICA APARTMENT COMMUNITIES, INC.
MID-AMERICA APARTMENTS, L.P.

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Explanatory Note

This report combines the annual reports on Form 10-K for the year ended December 31, 2013 of Mid-America Apartment Communities, Inc., a Tennessee corporation and Mid-America Apartments, L.P., a Tennessee limited partnership, of which Mid-America Apartment Communities, Inc. is the sole general partner. Unless the context otherwise requires, all references in this report to “MAA” refers only to Mid-America Apartment Communities, Inc., and not any of its consolidated subsidiaries. Unless the context otherwise requires, all references in this Report to "we," "us," "our," or the "Company" refer collectively to Mid-America Apartment Communities, Inc., together with its consolidated subsidiaries, including the Mid-America Apartments, L.P. Unless the context otherwise requires, the references in this Report to the “Operating Partnership” or “MAALP” refer to Mid-America Apartments, L.P. together with its consolidated subsidiaries. “Common stock” refers to the common stock of MAA and “shareholders” means the holders of shares of MAA’s common stock. The limited partnership interests of the Operating Partnership are referred to as “OP Units” and the holders of the OP Units are referred to as “unitholders”. This combined Form 10-K is being filed separately by MAA and MAALP.

As of December 31, 2013, MAA owned 74,830,726 units (or approximately 94.7%) of the limited partnership interests of the Operating Partnership. MAA conducts substantially all of its business and holds substantially all of its assets through the Operating Partnership, and by virtue of its ownership of the OP Units and being the Operating Partnership's sole general partner, MAA has the ability to control all of the day-to-day operations of the Operating Partnership.

We believe combining the annual reports on Form 10-K of MAA and the Operating Partnership, including the notes to the consolidated financial statements, into this single report results in the following benefits:

- enhances investors' understanding of MAA and the Operating Partnership by enabling investors to view the business as a whole in the same manner that management views and operates the business;
- eliminates duplicative disclosure and provides a more streamlined and readable presentation since a substantial portion of the disclosure in this report applies to both MAA and the Operating Partnership; and
- creates time and cost efficiencies through the preparation of one combined report instead of two separate reports.

Management operates MAA and the Operating Partnership as one business. The management of the Company is comprised of individuals who are officers of MAA and employees of the Operating Partnership. We believe it is important to understand the few differences between MAA and the Operating Partnership in the context of how MAA and the Operating Partnership operate as a consolidated company. MAA and the Operating Partnership are structured as an "umbrella partnership REIT," or UPREIT. MAA's interest in the Operating Partnership entitles MAA to share in cash distributions from, and in the profits and losses of, the Operating Partnership in proportion to MAA's percentage interest therein and entitles MAA to vote on substantially all matters requiring a vote of the limited partners. MAA's only material asset is its ownership of limited partner interests in the Operating Partnership; therefore, MAA does not conduct business itself, other than acting as the sole general partner of the Operating Partnership, issuing public equity from time-to-time and guaranteeing certain debt of the Operating Partnership.The Operating Partnership holds, directly or indirectly, all of our real estate assets. Except for net proceeds from public equity issuances by MAA, which are contributed to the Operating Partnership in exchange for limited partner interests, the Operating Partnership generates the capital required by the Company's business through the Operating Partnership's operations, direct or indirect incurrence of indebtedness and issuance of partnership units.

The presentation of MAA's shareholders' equity and the Operating Partnership's capital are the principal areas of difference between the consolidated financial statements of MAA and those of the Operating Partnership. MAA's shareholders' equity may include shares of preferred stock, shares of common stock, additional paid-in capital, cumulative earnings, cumulative distributions, noncontrolling interest, preferred units, treasury shares, accumulated

other comprehensive income and redeemable common units. The Operating Partnership's capital may include common capital and preferred capital of the general partner (MAA), limited partners' preferred capital, limited partners' noncontrolling interest, accumulated other comprehensive income and redeemable common units. Redeemable common units represent the number of outstanding limited partnership units as of the date of the applicable balance sheet, valued at the greater of the closing market price of MAA's common stock or the aggregate value of the individual partners' capital balances. Each redeemable unit may be redeemed by the holder thereof for either cash equal to the fair market value of one share of common stock of MAA at the time of such redemption or, at the option of MAA, one share of common stock of MAA.

In order to highlight the material differences between MAA and the Operating Partnership, this Report includes sections that separately present and discuss areas that are materially different between MAA and the Operating Partnership, including:

- the selected financial data in Item 6 of this report;

- the consolidated financial statements in Item 8 of this report;
- certain accompanying notes to the financial statements, including Note 3 - Earnings per Common Share of MAA and Note 4 - Earnings per OP Unit of MAALP; Note 12 - Shareholders' Equity of MAA and Note 13 - Partners' Capital of MAALP; and Note 21 - Selected Quarterly Financial Information of MAA (Unaudited) and Note 22 - Selected Quarterly Financial Information of MAALP (Unaudited);
- the controls and procedures in Item 9A of this report; and
- the certifications of the Chief Executive Officer and Chief Financial Officer of MAA included as Exhibits 31 and 32 to this report.

In the sections that combine disclosure for MAA and the Operating Partnership, this report refers to actions or holdings as being actions or holdings of the Company. Although the Operating Partnership (directly or indirectly through one of its subsidiaries) is generally the entity that enters into contracts, holds assets and issues debt, management believes this presentation is appropriate for the reasons set forth above and because the business is one enterprise and we operate the business through the Operating Partnership.

PART I

Risks Associated with Forward Looking Statements

We consider this and other sections of this Annual Report on Form 10-K to 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, or the Exchange Act, 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 concerning property acquisitions and dispositions, joint venture activity, development and renovation activity as well as other capital expenditures, capital raising activities, rent and expense growth, occupancy, financing activities and interest rate and other economic expectations and statements about the benefits of our merger with Colonial Properties Trust, or Colonial. Words such as “expects,” “anticipates,” “intends,” “plans,” “believes,” “seeks,” “estimates,” and variations of such words and similar expre are intended to identify such forward-looking statements. Such statements involve known and unknown risks, uncertainties and other factors which may cause the 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. Such factors include, among other things, unanticipated adverse business developments affecting us, or our properties, adverse changes in the real estate markets and general and local economies and business conditions. 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 report 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 future results to differ materially from those expressed in the forward-looking statements:

- inability to generate sufficient cash flows due to 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;
- difficulty in integrating Colonial’s operations, systems and personnel with ours and certain uncertainties associated with our ability to sell our commercial asset portfolio;
- adverse changes in real estate markets, including, but not limited to, the extent of future demand for multifamily units in our primary 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, if at all, within budget and on a timely basis or to lease-up as anticipated;
- unexpected capital needs;
- changes in operating costs, including real estate taxes, utilities and insurance costs;
- 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;
- loss of hedge accounting treatment for interest rate swaps or interest rate caps;
- the continuation of the good credit of our interest rate swap and cap providers;
- 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;

- 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 the Operating Partnership 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;
- potential liability for environmental contamination;
- adverse legislative or regulatory tax changes;

- litigation and compliance costs associated with laws requiring access for disabled persons; and
- other risks identified in this annual report on Form 10-K and, from time to time, in other reports we file with the Securities and Exchange Commission, or the SEC, or in other documents that we publicly disseminate.

We undertake no obligation to publicly update or revise these forward-looking statements to reflect events, circumstances or changes in expectations after the date of this report.

ITEM 1. BUSINESS

Overview

MAA is a multi-family focused self-administered and self-managed REIT. We own, operate, acquire and selectively develop apartment communities primarily located in the Sunbelt region of the United States. Our activities include full or partial ownership and operation of 275 multi-family properties and 5 commercial properties as of December 31, 2013, located in Alabama, Arizona, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, Missouri, Nevada, North Carolina, South Carolina, Tennessee, Texas and Virginia.

As of December 31, 2013, we owned or maintained a partial ownership in the following properties:

Multifamily:

Consolidated Properties	Units	Unconsolidated Properties	Units	Total Properties	Total Units
270	82,197	5	1,444	275	83,641

Commercial:

Consolidated Properties	Sq. Ft. [(1)]	Unconsolidated Properties	Sq. Ft.	Total Properties	Total Sq. Ft.
4	1,124,596	1	29,971	5	1,154,567

[(1)] Includes spaced owned by anchor tenants.

Our business is conducted principally through the Operating Partnership. We are the sole general partner of the Operating Partnership, holding 74,830,726 common units of partnership interest, or OP units, comprising a 94.7% partnership interest in the operating partnership as of December 31, 2013.

MAA was formed in Tennessee in 1994. Our corporate offices are located at 6584 Poplar Avenue, Memphis, Tennessee 38138 and our telephone number is (901) 682-6600. As of December 31, 2013, we had 2,151 full-time employees and 90 part-time employees.

Merger of MAA and Colonial

On October 1, 2013, MAA completed its previously announced merger with Colonial. Pursuant to the merger agreement, Martha Merger Sub, LP, or OP Merger Sub, a wholly-owned indirect subsidiary of the Operating Partnership, merged with and into Colonial Realty Limited Partnership, which we refer to as Colonial LP, with Colonial LP being the surviving entity of the merger and becoming a wholly-owned indirect subsidiary of our Operating Partnership, which is referred to as the partnership merger. The partnership merger was part of the transactions contemplated by the previously announced agreement and plan of merger entered into on June 3, 2013 among MAA, our Operating Partnership, OP Merger Sub, Colonial, and Colonial LP pursuant to which MAA and Colonial combined through a merger of Colonial with and into MAA, with MAA surviving the merger, which is referred to as the parent merger. We refer to the parent merger, together with the partnership merger, as the Merger in this Annual Report on Form 10-K. Under the terms of the merger agreement, each common share of beneficial interest in Colonial, or Colonial common share, was converted into the right to receive 0.36 of a newly issued share of MAA common stock. In addition, each limited partner interest in Colonial LP designated as a “Class A Unit” and a “Partnership Unit” under the limited partnership agreement of Colonial LP, which we refer to in this Report as Colonial LP units, issued and outstanding immediately prior to the effectiveness of the partnership merger was converted into common units in our Operating Partnership at the 0.36 conversion rate.

The net assets and results of operations of Colonial are included in our consolidated financial statements from the closing date, October 1, 2013, through December 31, 2013, the end of our fiscal year.

Reporting Segments

As of December 31, 2013, we owned or had an ownership interest in 275 multifamily apartment communities located in 14 states from which we derived all significant sources of earnings and operating cash flows. Additionally, we owned five commercial properties in two states. Senior management evaluates performance and determines resource allocations by reviewing apartment communities individually and in the following reportable operating segments:

- Large market same store communities are generally communities in markets with a population of at least 1 million and at least 1% of the total public multifamily REIT units that we have owned and that have been stabilized for at least a full 12 months and have not been classified as held for sale. Communities are considered stabilized after achieving and maintaining at least 90% occupancy for 90 days.
- Secondary market same store communities are generally communities in markets with populations of more than 1 million but less than 1% of the total public multifamily REIT units or markets with populations of less than 1 million that we have owned and that have been stabilized for at least a full 12 months and have not been classified as held for sale. Communities are considered stabilized after achieving and maintaining at least 90% occupancy for 90 days.
- Non same store communities and other generally includes commercial properties, recent acquisitions, communities in development or lease-up and communities that have been classified as held for sale.

On the first day of each calendar year, we determine the composition of our same store operating segments for that year, which allows us to evaluate full period-over-period operating comparisons. For financial reporting purposes, the operating results of the Colonial assets that we acquired in the Merger are within the "non-same store communities and other" reporting segment. The legacy Colonial assets will not be eligible to be included in same store segments until January 1, 2015. We utilize net operating income, or NOI, in evaluating the performance. Total NOI represents total 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. We believe NOI is a helpful tool in evaluating the operating performance of our segments because it measures the core operations of property performance by excluding corporate level expenses and other items not related to property operating performance. During 2013, we added 13 communities to our same store portfolio and moved 11 communities to our non-same store and other segment. In addition, as a result of the Merger, we added 115 wholly-owned apartment communities and 4 commercial properties to our non-same store and other segment.

A summary of segment operating results for 2013, 2012 and 2011 is included in Item 8. Financial Statements and Supplementary Data – Notes to Consolidated Financial Statements, Note 19. Additionally, segment operating performance for such years is discussed in Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations”, in this Annual Report on Form 10-K.

Business Objectives

Our primary business objectives are to protect and grow existing property values, to maintain a stable and increasing cash flow that will fund our dividend through all parts of the real estate investment cycle, and to create shareholder value by growing in a disciplined manner. To achieve these objectives, we intend to continue to pursue the following goals and strategies:

- effectively and efficiently operate our existing properties with an intense property and asset management focus and a decentralized structure;
- manage real estate cycles by taking an opportunistic approach to buying, selling, renovating and developing apartment communities;
- diversify investment capital across both large and secondary markets to achieve a growing and less volatile operating performance; and
- actively manage our capital structure to help enhance predictability of earnings and dividends.

2013 Highlights

- Completed the Merger.
- Core Funds From Operations, or Core FFO, for the year was $4.94 per diluted share and unit.
-

Completed our inaugural unsecured public bond offering through the Operating Partnership. The Operating Partnership issued $350 million of ten year senior unsecured notes at a coupon rate of 4.3% and an issuance price of 99.047%.

- Acquired four communities, totaling 1,137 units, during the year and sold nine communities, totaling 2,108 units.
- A joint venture in which we had a 50% interest sold Colonial Town Park, a 450,000 square foot retail center located in Smyrna, Tennessee.
- Completed the construction of two development communities during the year, and had five communities, containing 1,461 units, remaining under construction at the end of the year.

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- Completed the renewal of our unsecured credit facility during the third quarter, increasing the borrowing capacity to $500 million with room for additional expansion to $800 million.

Operations Strategy

Our goal is to generate our return on investment collectively and in each apartment community by increasing revenues, controlling operating expenses, maintaining high occupancy levels and reinvesting as appropriate. The steps taken to meet these objectives include:

- providing management information and improved customer services through technology innovations;
- utilizing systems to enhance property managers' ability to optimize revenue by adjusting rental rates in response to local market conditions and individual unit amenities;
- developing new ancillary income programs aimed at offering new services to residents, including cable, on which we generate revenue;
- implementing programs to control expenses through investment in cost-saving initiatives, including measuring and passing on to residents the cost of various expenses, including water and other utility costs;
- analyzing individual asset productivity performances to identify best practices and improvement areas;
- proactively maintaining the physical condition of each property through ongoing capital investments;
- improving the "curb appeal" of the apartment communities through extensive landscaping and exterior improvements, and repositioning apartment communities from time-to-time to enhance or maintain market positions;
- aggressively managing lease expirations to align with peak leasing traffic patterns and to maximize productivity of property staffing;
- allocating additional capital, including capital for selective interior and exterior improvements;
- compensating employees through performance-based compensation and stock ownership programs; and
- maintaining a hands-on management style and "flat" organizational structure that emphasizes senior management's continued close contact with the market and employees.

We believe that our decentralized operating structure capitalizes on specific market knowledge, provides greater personal accountability than a centralized structure and is beneficial in the acquisition and redevelopment processes. To support this decentralized operational structure, senior and executive management, along with various asset management functions, are proactively involved in supporting and reviewing property management through extensive reporting processes and frequent on-site visitations. To maximize the amount of information shared between senior and executive management and the properties on a real time basis, we utilize a web-based property management system. The system contains property and accounting modules that allow for operating efficiencies, continued expense control, provide for various expanded revenue management practices, and improve the support provided to on-site property operations. We use a "yield management" pricing program that helps our property managers optimize rental revenues, and we also utilize purchase order and accounts payable software to provide improved controls and management information.

Investment in new technologies continue to drive operating efficiencies in our business and help us to better meet the changing needs of our residents. Since its launch in October 2012, our residents have been utilizing our web-based resident internet portal on our website. Our residents have the ability to conduct business with us 24 hours a day, 7 days a week. In February 2013, we completed the roll out of online leasing renewals throughout our portfolio. As a result of transforming our operations through technology, resident's satisfaction improved, and our operating teams have become more efficient. Web-based technologies have also resulted in declining marketing and advertising costs, improved cash management, and better pricing management of our available apartments.

In 2013, the features and functionality of our website, http://www. maac.com, were enhanced to increase a user's engagement and search capability. Improvements included a new responsive website design, new photography,

enhancements to the online web forms and improved layout of the individual MAA community homepages. We also overhauled our mobile applications. These overall enhancements have increased our web visitor traffic year-over-year to almost 2.2 million visitors in 2013, an increase of 34%, with mobile traffic at 1.2 million visitors, an increase of 173%.

Acquisition Strategy

One of our growth strategies is to acquire apartment communities that are located in large or secondary markets primarily throughout the Sunbelt region of the United States. Acquisitions (and dispositions) also help us achieve our desired product mix, geographic diversification or rebalance our portfolio. Portfolio growth allows for fixed general and administrative costs to be a smaller percentage of the overall community net operating income. We have extensive experience and research-

based skills in the acquisition of multifamily communities. We will continue to evaluate opportunities that arise, and will utilize this strategy to increase the number of apartment communities in strong and growing markets.

The following apartment communities, in addition to the 115 properties encompassing 34,370 units acquired through the Merger, were acquired for our wholly-owned portfolio during the year ended December 31, 2013:

Property	Location	Number of Units	Date Purchased
Milstead Village	Kennesaw (Atlanta), Georgia	310	February 1, 2013
Village Oaks [(1)]	Temple Terrace (Tampa), Florida	1	March 14, 2013
Greenwood Forest	Greenwood Forest (Houston), Texas	316	May 1, 2013
Station Square at Cosner's Corner	Fredericksburg, Virginia	260	May 21, 2013
Seasons at Celebrate Virginia II	Fredericksburg, Virginia	251	November 1, 2013
		1,138	

(1) On August 27, 2008, we purchased 215 units of the 234-unit Village Oaks apartments located in Temple Terrace, Florida, a suburb of Tampa. The remaining 19 units had previously been sold as condominiums, and it is our intent to acquire these units if and when they become available and operate them as apartment rentals with the rest of the community. During the remainder of 2008, we acquired four of the remaining 19 units. We acquired an additional seven units in 2009, three units in 2010, two units in 2011, and one unit in 2012.

Disposition Strategy

We sell assets that no longer meet our long-term strategy or when market conditions are favorable, and we redeploy the proceeds from those sales to develop, redevelop and acquire communities and to rebalance our portfolio across or within geographic regions. This also allows us to realize a portion of the value created through our investments and provides additional liquidity. We are then able to redeploy the net proceeds from our dispositions in lieu of raising that amount of capital externally. When we decide to sell a community, we generally solicit competing bids from unrelated parties for these individual assets and consider the sales price and other key terms of each proposal. During 2013, we disposed of nine communities totaling 2,108 units.

Development Strategy

Periodically, we invest in limited expansion development projects generally through fee-based development agreements using fixed price or cost controlled construction contracts. These contracts can have variability to cover any project cost overruns that may occur. Some development agreements require that cost overruns are contractually shared with the developer up to a specified level, while other development agreements stipulate that cost overruns are the responsibility of the developer. While we seek opportunistic new development investments offering attractive long-term investment returns, we do not currently intend to expand into development in a significant way. We expect our investment in new development will remain a smaller component of overall growth as compared to growth through acquiring existing properties. During 2013, we incurred $53.0 million in development costs.

The following multifamily projects were under development as of December 31, 2013 (dollars in thousands):

Project:	Location	Total Units	Total Square Feet	Units Completed	Cost to Date	Budgeted Cost	Estimated Cost Per Unit	Expected Completion
Colonial Reserve at South End	Charlotte, North Carolina	353	276,400	179	$50,900	$59,300	$168	1st Quarter 2014
Colonial Grand at Randal Lakes	Orlando, Florida	462	435,700	330	$49,800	$57,000	$123	1st Quarter 2014
Colonial Grand at Lake Mary III	Orlando, Florida	132	140,000	—	$9,100	$16,100	$122	2nd Quarter 2014
220 Riverside	Jacksonville, Florida	294	250,800	—	$17,200	$40,500	$138	4th Quarter 2014
Colonial Grand at Bellevue II	Nashville, Tennessee	220	244,000	—	$7,500	$30,100	$137	4th Quarter 2014

Redevelopment Strategy

Beginning in 2005, we began an initiative of upgrading a significant number of our existing apartment communities in key markets across our portfolio. We focus on both interior unit upgrades and shared exterior amenities above and beyond routine capital upkeep in markets that we believe continue to have growth potential and can support the increased rent. During the year ended December 31, 2013, we renovated 2,576 units for a total of $11.3 million at an average rental rate that we believe was approximately 11% above the normal market rate increase.

Capital Structure Strategy

We use a combination of debt and equity sources to fund our portfolio of assets, focused on producing low costs combined with a flexible capital structure. We focus on improving the net present value of our assets by generating cash flows from our portfolio of investments above the estimated total cost of debt and equity capital. We routinely make new investments when we believe it will be accretive to shareholder value. We maintain a capital structure that we believe allows us to proactively source potential investment opportunities in the marketplace. We have structured our debt maturity schedule to avoid significant exposure in any given year and to be able to opportunistically access both secured and unsecured debt markets when appropriate.

At December 31, 2013, 42% of our total capitalization consisted of borrowings, including 22% under our secured borrowings and 20% under our unsecured credit facilities or unsecured senior notes. We currently intend to target our total debt to a range of approximately 40% to 45% of the undepreciated book value of our assets. Our charter and bylaws do not limit our debt levels and our Board of Directors can modify this policy at any time, which could allow us to become more highly leveraged. We may also issue new equity to maintain our debt within the target range. Covenants in our credit facilities limit our net-debt (total debt less cash on hand) to undepreciated book value to 60%. As of December 31, 2013, our ratio of net-debt to undepreciated book value was approximately 42%.

We continuously review opportunities for lowering our cost of capital and increasing net present value per share. We have received an investment grade rating from all three major rating agencies. These ratings support our plan to broaden our capital sources to include additional unsecured debt in order to take advantage of lower cost of capital in the public bond market. We evaluate opportunities to repurchase shares when we believe that our share price is significantly below our net present value. We also look for opportunities where we can acquire or develop apartment communities, selectively funded or partially funded by sales of equity securities, when appropriate opportunities arise. We will also opportunistically seek to lower our cost of capital through issuing, refinancing or redeeming preferred

stock.

We have entered into sales agreements to sell shares of our common stock, from time-to-time in at-the-market offerings or negotiated transactions through controlled equity offering programs, or ATMs. We terminated our agreement with Cantor Fitzgerald & Co., Raymond James & Associates, Inc. and Merrill Lynch, Pierce, Fenner & Smith Incorporated on February 7, 2013, and on February 25, 2013, as amended and restated on November 19, 2013, we entered into distribution agreements with J.P. Morgan Securities, LLC, BMO Capital Markets Corp., KeyBanc Capital Markets Inc. and UBS Securities LLC to sell up to 4,500,000 shares of our common stock with materially the same terms as our previous ATM agreements. As of December 31, 2013, there were 4,134,989 shares remaining under the ATM program.

The following are the issuances of common stock which have been made through these ATM agreements through December 31, 2013:

	Number of Shares Sold	Net Proceeds	Net Average Sales Price	Gross Proceeds	Gross Average Sales Price
2006	194,000	$11,481,292	$59.18	$11,705,010	$60.34
2007	323,700	$18,773,485	$58.00	$19,203,481	$59.32
2008	1,955,300	$103,588,759	$52.98	$105,554,860	$53.98
2009	763,000	$32,774,757	$42.96	$33,283,213	$43.62
2010	5,077,201	$274,576,677	$54.08	$278,468,323	$54.85
2011	3,303,273	$204,534,677	$61.92	$207,650,656	$62.86
2012	1,155,511	$75,863,040	$65.65	$77,019,121	$66.65
2013	365,011	$24,753,492	$67.82	$25,067,009	$68.67
Total	13,136,996	$746,346,179	$56.81	$757,951,673	$57.70

We also have a direct stock purchase plan, which allows for the optional cash purchase of common stock of at least $250, but not more than $5,000 in any given month, free of brokerage commissions and charges. We, in our absolute discretion, may grant waivers to allow for optional cash payments in excess of $5,000. During the year ended December 31, 2013, we issued a total of 1,068 shares through the optional cash purchase feature of our direct stock purchase plan, resulting in net proceeds of $68,613.

On March 2, 2012, we closed on an underwritten public offering of 1,955,000 shares of common stock. UBS Investment Bank and Jefferies & Company, Inc. acted as joint bookrunning managers. This transaction resulted in net proceeds of $120.1 million. No such issuances occurred during 2011 or 2013.

Share Repurchase Program

In 1999, our Board of Directors approved an increase in the number of shares of our common stock authorized to be repurchased to 4 million shares. As of December 31, 2013, we had repurchased a total of approximately 1.9 million shares (8% of the shares of common stock and common units outstanding as of the beginning of the repurchase program). From time-to-time, we intend to repurchase shares when we believe that shareholder value would be enhanced. Factors affecting this determination include, among others, the share price and expected rates of return. No shares were repurchased from 2002 through 2013 under this plan.

Competition

All of our apartment communities are located in areas that include other apartment communities. Occupancy and rental rates are affected by the number of competitive apartment communities in a particular area. The owners of competing apartment communities may have greater resources than us, and the managers of these apartment communities may have more experience than our management. Moreover, single-family rental housing, manufactured housing, condominiums and the new and existing home markets provide housing alternatives to potential residents of apartment communities.

Competition for new residents is generally intense across all of our markets. Some competing communities offer features that our communities do not have. Competing communities can use concessions or lower rents to obtain temporary competitive advantages. Also, some competing communities are larger or newer than our communities. The competitive position of each community is different depending upon many factors including sub-market supply and demand. In addition, other real estate investors compete with us to acquire existing properties and to develop new

properties. These competitors include insurance companies, pension and investment funds, public and private real estate companies, investment companies and other public and private apartment REITs, some of which may have greater resources, or lower capital costs, than we do.

We believe that, in general, we are well-positioned to compete effectively for residents and investments. We believe our competitive advantages include:

- a fully integrated organization with property management, development, redevelopment, acquisition, marketing, sales and financing expertise;

- scalable operating and support systems, which include automated systems to meet the changing electronic needs of our residents and to effectively focus on our internet marketing efforts;
- access to sources of capital;
- geographic diversification with a presence in 47 markets across the country; and
- significant presence in many of our major markets that allows us to be a local operating expert.

Moving forward, we will continue to optimize lease management, improve expense control, increase resident retention efforts and align employee incentive plans with our bottom line performance. We believe this plan of operation, coupled with the portfolio's strengths in targeting renters across a geographically diverse platform, should position us for continued operational upside in spite of a weak economic environment. We also make capital improvements to both our apartment communities and individual apartments on a regular basis in order to maintain a competitive position in each individual market.

Environmental Matters

As part of the normal acquisition process, we obtain environmental studies on our apartment communities from various outside environmental engineering firms. As part of the due diligence process for the Colonial Merger, we reviewed the existing environmental studies and other related documents outlining any potential risk on these properties. The purpose of these studies is to identify potential sources of contamination at the apartment communities and to assess the status of environmental regulatory compliance. These studies generally include historical reviews of the apartment communities, reviews of certain public records, preliminary investigations of the sites and surrounding properties, inspection for the presence of asbestos, poly-chlorinated biphenyls, or PCBs, and underground storage tanks and the preparation and issuance of written reports. Depending on the results of these studies, more invasive procedures, such as soil sampling or ground water analysis, will be performed to investigate potential sources of contamination. These studies must be satisfactorily completed before we take ownership of an acquisition community; however, no assurance can be given that the studies or additional documents reviewed identify all significant environmental problems. See "Risk Factors - Risks Relating to Our Real Estate Investements and our Operations - Environmental problems are possible and can be costly."

The environmental studies we received have not revealed any material environmental liabilities. We are not aware of any existing conditions that would currently be considered a material environmental liability. Nevertheless, it is possible that the studies do not reveal all environmental liabilities or that there are material environmental liabilities of which we are not aware. Moreover, no assurance can be given concerning future laws, ordinances or regulations, or the potential introduction of hazardous or toxic substances by neighboring properties or residents.

We believe that our properties are in compliance in all material respects with all applicable federal, state and local ordinances and regulations regarding hazardous or toxic substances and other environmental matters.

Website Access to Our Reports

Both MAA and the Operating Partnership file annual and periodic reports with the SEC. All filings made by MAA and the Operating Partnership with the SEC may be copied or read at the SEC's Public Reference Room at 100 F Street NE, Washington, DC 20549. Information on the operation of the Public Reference Room may be obtained by calling the SEC at 1-800-SEC-0330. The SEC also maintains an internet site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC as we do. The website is http://www.sec.gov.

Additionally, a copy of this Annual Report on Form 10-K, along with our Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and any amendments to the aforementioned filings, are available on our website free of charge.

The filings can be found on the "For Investors" page under "SEC Filings and Reports". Our website also contains our Corporate Governance Guidelines, Code of Business Conduct and Ethics and the charters of the committees of the Board of Directors. These items can be found on the "For Investors" page under "Corporate Overview and Governance Documents". Our website address is http://www.maac.com. Reference to our website does not constitute incorporation by reference of the information contained on the site and should not be considered part of this document. All of the aforementioned materials may also be obtained free of charge by contacting our Legal Department, 6584 Poplar Avenue, Memphis, TN 38138.

Tax Matters

MAA has elected to be taxed as a REIT under the Internal Revenue Code of 1986, as amended, or the Code. To continue to qualify as a REIT, MAA must continue to meet certain tests which, among other things, generally require that our assets consist primarily of real estate assets, our income be derived primarily from real estate assets, and that we distribute at least 90% of our REIT taxable income (other than our net capital gains) to our shareholders annually. If MAA maintains its

qualification as a REIT, MAA generally will not be subject to U.S. federal income taxes at the corporate level on its net income to the extent it distributes such net income to its shareholders annually. Even if MAA continues to qualify as a REIT, it will continue to be subject to certain federal, state and local taxes on its income and its property. In 2013, MAA paid total distributions of $2.78 per share of common stock to its shareholders, which was above the 90% REIT distribution requirement.

Inflation

We believe that the direct effects of inflation on our operations have been immaterial. While the impact of inflation primarily impacts our results through wage pressures, property taxes, utilities and material costs, substantially all of our leases are for a term of one year or less, which generally enables us to compensate for any inflationary effects by increasing rents on our apartments. Although an escalation in energy and food costs could have a negative impact on our residents and their ability to absorb rent increases, we do not believe this has had a material impact on our results for the year ended December 31, 2013.

Insurance

We carry comprehensive general liability coverage on our communities, with limits of liability customary within the multi-family apartment industry to insure against liability claims and related defense costs. We are also insured, with limits of liability customary within the multi-family apartment industry, against the risk of direct physical damage in amounts necessary to reimburse us on a replacement cost basis for costs incurred to repair or rebuild each property, including loss of rental income during the reconstruction period.

Recent Developments

Acquisitions

On January 15, 2014, we closed on the purchase of the 312-unit Grand Cypress apartment community located in Cypress (Houston), Texas. This property was previously a part of our Mid-America Multifamily Fund II, LLC, or Fund II, one of our joint ventures.

On January 31, 2014, we closed on the purchase of the 250-unit Venue at Stonebridge Ranch apartment community located in McKinney (Dallas), Texas. This property was previously a part of our Fund II Joint Venture.

Dispositions

On January 15, 2014, we closed on the sale of the 285-unit Willow Creek apartment community located in Columbus, Georgia.

ITEM 1A. RISK FACTORS

In addition to the other information contained in this Annual Report on Form 10-K, we have identified the following additional risks and uncertainties that may have a material adverse effect on our business prospects, financial condition or results of operations. Investors should carefully consider the risks described below before making an investment decision. Our business faces significant risks and the risks described below may not be the only risks we face. Additional risks not presently known to us or that we currently believe are immaterial may also significantly impair our business operations. If any of these risks occur, our business prospects, results of operations or financial condition could suffer, the market price of our common stock and the trading price of our debt securities could decline and you could lose all or part of your investment in our common stock or debt securities.

RISKS RELATING TO THE COLONIAL MERGER

We have incurred and expect to incur substantial expenses related to the Merger.

We have incurred and expect to incur substantial expenses in connection with the Merger and integrating Colonial's business, operations, networks, systems, technologies, policies and procedures with ours. There are a large number of systems that are in the process of being integrated, including property management, revenue management, resident payment, credit screening, lease administration, website content management, purchasing, accounting, payroll, fixed assets and financial reporting. Moreover, there are a number of factors beyond our control that could affect the total amount or the timing of these integration expenses. Many of the expenses that will be incurred, by their nature, are difficult to estimate accurately at the present time. As a result, expenses associated with the Merger could, particularly in the near term, exceed the savings that we expect to achieve from the elimination of duplicative expenses and the realization of economies of scale and cost savings related to the integration of the businesses.

We may be unable to integrate Colonial's businesses with ours successfully or realize the anticipated synergies and other benefits of the Merger or do so within the anticipated timeframe.

Because Colonial was a public company, we expect to benefit from the elimination of duplicative costs associated with supporting Colonial's public company platform and the leveraging of our technology and systems. These savings are expected to be realized upon full integration, which is expected to occur over the 18-month period following the closing of the Merger. However, we are required to devote significant management attention and resources to integrating the business practices and operations of Colonial with our business practices and operations. Potential difficulties we may encounter in the integration process include the following:

- the inability to successfully combine the businesses of Colonial with ours in a manner that permits us to achieve the cost savings anticipated to result from the Merger, which would result in the anticipated benefits of the Merger not being realized in the time frame currently anticipated or at all;
- the complexities associated with managing the combined businesses out of several different locations and integrating personnel from the two companies;
- the additional complexities of combining two companies with different histories, cultures, regulatory restrictions, markets and customer bases;
- potential unknown or unforeseen liabilities, increased expenses, delays or regulatory conditions associated with Colonial, Colonial LP or the Merger; and
- performance shortfalls as a result of the diversion of management's attention caused by integrating Colonial's operations with our operations.

For all these reasons, you should be aware that it is possible that the integration process could result in the distraction of our management, the disruption of our ongoing business or inconsistencies in our operations, services, standards,

controls, procedures and policies, any of which could adversely affect our ability to maintain relationships with tenants, vendors and employees or to achieve the anticipated benefits of the Merger, or could otherwise adversely affect our business, results of operations, financial condition and prospects.

We may be unable to retain key employees as a result of the Merger.

Our success will depend in part upon the ability to retain key former employees of Colonial, as well as our key employees. Key employees may depart because of, among other things, issues relating to the combination of the two companies, uncertainty and difficulty of integration or a desire not to remain with us following the Merger. Accordingly, no assurance can be given that we will be able to retain key employees to the same extent as in the past.

The Merger resulted in changes to MAA's board of directors that may affect our strategy going forward.

The composition of MAA's board of directors changed as a result of the Merger. MAA's board of directors now consists of twelve members, including all seven directors from MAA's board of directors prior to the Merger and five directors who were members of the Colonial board of trustees prior to the Merger. This new composition of MAA's board of directors may affect our business strategy and operations going forward.

Our future results will suffer if we do not effectively manage our expanded operations following the Merger.

We have expanded our operations as a result of the Merger and intend to continue to expand our operations through additional acquisitions of properties, some of which may involve complex challenges. Our future success will depend, in part, upon our ability to manage the integration of the Colonial operations and our expansion opportunities, each of which may pose substantial challenges for us to integrate new operations into our existing business in an efficient and timely manner, and upon our ability to successfully monitor our operations, costs, regulatory compliance and service quality, and to maintain other necessary internal controls. There is no assurance that our expansion or acquisition opportunities will be successful, or that we will realize any operating efficiencies, cost savings, revenue enhancements, synergies or other benefits from any future acquisitions we may complete.

We may incur adverse tax consequences if Colonial failed to qualify as a REIT for U.S. federal income tax purposes; and if that occurs, it may have a material adverse effect on our consolidated results of operations and financial condition.

Prior to the Merger, Colonial operated in a manner intended to allow it to qualify as a REIT for U.S. federal income tax purposes under the Code. As discussed in Exhibit 99.1 to our Current Report on Form 8-K filed with the SEC on September 16, 2013, qualification as a REIT involves the application of highly technical and complex Code provisions for which there are only limited judicial and administrative interpretations and Colonial's qualification as a REIT prior to the Merger was generally subject to the same requirements, risks and uncertainties as described in such Exhibit 99.1. Moreover, the complexity of these provisions and of the applicable Treasury Regulations that have been promulgated under the Code is greater in the case of a REIT that holds its assets through a partnership (such as we do and Colonial did prior to the Merger). The determination of various factual matters and circumstances not entirely within a REIT's control may affect its ability to qualify as a REIT.

If Colonial is determined to have lost its REIT status at any time prior to the Merger, MAA will face serious tax consequences and material tax liabilities. Because MAA owns no material assets other than its ownership interest in the Operating Partnership, the Operating Partnership and its subsidiaries would likely be required to provide cash to MAA to satisfy any such tax liabilities, which would substantially reduce the Operating Partnership's available cash, including cash available to pay its indebtedness or make distributions to its limited partners or MAA's shareholders because, among other things:

- MAA would be required to pay U.S. federal income tax on Colonial's prior net income at regular corporate rates for the years it did not qualify for taxation as a REIT (and, for such years, Colonial would not be allowed a deduction for dividends paid to its former shareholders in computing its taxable income);
- Colonial could be subject to the federal alternative minimum tax and possibly increased state and local taxes for such periods; and
- Unless Colonial is entitled to relief under applicable statutory provisions, neither it nor any "successor" company could elect to be taxed as a REIT until the fifth taxable year following the year during which it was disqualified.

MAA is liable for any taxes payable by Colonial for any periods prior to the Merger. In addition, if Colonial failed to qualify as a REIT but we nonetheless qualified as a REIT, in the event of a taxable disposition of a former Colonial

asset during the ten years following the Merger we would be subject to corporate tax with respect to any built-in gain inherent in such asset as of the date of the Merger. In addition, under the "investment company" rules under Section 368 of the Code, if both MAA and Colonial were "investment companies" under such rules, the failure of either Colonial or us to have qualified as a REIT could cause the Merger to be taxable to us and our shareholders. As a result of all these factors, Colonial's failure to have qualified as a REIT could jeopardize our qualification as a REIT and require our Operating Partnership to provide material amounts of cash to us to satisfy our additional tax liabilities and therefore have a material adverse effect on our financial condition, results of operations, business and prospects and our ability to make payments on our indebtedness or distributions to our shareholders.

RISKS RELATED TO OUR REAL ESTATE INVESTMENTS AND OUR OPERATIONS

Economic slowdown in the United States and downturns in the housing and real estate markets may adversely affect our financial condition and results of operations.

There have been significant declines in economic growth, both in the United States and globally. Both the real estate industry and the broader United States economy have experienced unfavorable conditions, which adversely affected our business. Factors such as weakened economies and related reduction in spending, falling home prices and job losses, price volatility, and/or dislocations and liquidity disruptions in the financial and credit markets could, among other things, impede the ability of our tenants and other parties with which we conduct business to perform their contractual obligations, which could lead to an increase in defaults by our tenants and other contracting parties, which could adversely affect our revenues. Furthermore, our ability to lease our properties at favorable rates, or at all, could be adversely affected by increases in supply and deterioration in multifamily markets and is partially dependent upon the overall level of spending in the economy, which is adversely affected by, among other things, job losses and unemployment levels, recession, personal debt levels, downturns in the housing market, stock market volatility and uncertainty about the future. With regard to our ability to lease our multifamily properties, the increasing rental of excess for-sale condominiums and single family homes, which increases the supply of multifamily units and housing alternatives, may reduce our ability to lease our multifamily units and depress rental rates in certain markets. When we experience a downturn, we cannot predict how long demand and other factors in the real estate market will remain unfavorable, but if the markets remain weak over extended periods of time or deteriorate significantly, our ability to lease our properties or our ability to increase or maintain rental rates in certain markets may weaken, which would adversely affect our revenues.

Failure to generate sufficient cash flows could limit our ability to make payments on our debt and to pay distributions to shareholders and unitholders.

Our ability to make payments on our debt and to make distributions depends on our ability to generate cash flow in excess of operating costs and capital expenditure requirements and/or to have access to the markets for debt and equity financing. Funds from operations and the value of our apartment communities may be insufficient because of factors that are beyond our control. Such events or conditions could include:

- competition from other apartment communities;
- overbuilding of new apartment units or oversupply of available apartment units in our markets, which might adversely affect apartment occupancy or rental rates and/or require rent concessions in order to lease apartment units;
- conversion of condominiums and single family houses to rental use;
- weakness in the overall economy which lowers job growth and the associated demand for apartment housing;
- increases in operating costs (including real estate taxes and insurance premiums) due to inflation and other factors, which may not be offset by increased rental rates;
- inability to initially, or subsequently after lease terminations, rent apartments on favorable economic terms;
- failure of development communities to be completed, if at all, within budget and on a timely basis or to lease up as anticipated;
- changes in governmental regulations and the related costs of compliance;
- changes in laws including, but not limited to, tax laws and housing laws including the enactment of rent control laws or other laws regulating multifamily housing;
- withdrawal of government support of apartment financing through its financial backing of the Federal National Mortgage Association, or the Federal Home Loan Mortgage Corporation;
- an uninsured loss, including those resulting from a catastrophic storm, earthquake, or act of terrorism;
-

changes in interest rate levels and the availability of financing, borrower credit standards, and down-payment requirements which could lead renters to purchase homes (if interest rates decrease and home loans are more readily available) or increase our acquisition and operating costs (if interest rates increase and financing is less readily available); and
- the relative illiquidity of real estate investments.

At times, we rely on external funding sources to fully fund the payment of distributions to shareholders and our capital investment program, including our existing property developments. While we have sufficient liquidity to permit distributions at current rates through additional borrowings, if necessary, any significant and sustained deterioration in operations could result in our financial resources being insufficient to make payments on our debt and to pay distributions to shareholders at the current rate, in which event we would be required to reduce the distribution rate. Any decline in our funds from operations could adversely affect our ability to make distributions to our shareholders or to meet our loan covenants and could have a material adverse effect on our stock price or the trading price of our debt securities.

Our operations are concentrated in the Sunbelt Region of the United States, in particular the state of Texas; we are subject to general economic conditions in the regions in which we operate.

Approximately 39.5% of our portfolio is centered in our top five markets: Dallas, Texas; Atlanta, Georgia; Austin, Texas; Raleigh/Durham, North Carolina; and Charlotte, North Carolina. Our performance could be adversely affected by economic conditions in, and other factors relating to, these geographic areas, including supply and demand for apartments in these areas, zoning and other regulatory conditions and competition from other communities and alternative forms of housing. In particular our performance is disproportionately influenced by job growth and unemployment. To the extent the aforementioned general economic conditions, job growth and unemployment in any of these markets deteriorate or any of these areas experiences natural disasters, the value of the portfolio, our results of operations and our ability to make distributions to our shareholders and pay amounts due on our debt could be materially adversely affected.

Substantial competition among multifamily communities and real estate companies may adversely affect our rental revenues and development and acquisition opportunities.

There are numerous other multifamily communities and real estate companies, many of which have greater financial and other resources than we have, within the market area of each of our communities that compete with us for residents and development and acquisition opportunities. The number of competitive multifamily communities and real estate companies in these areas could have a material effect on (1) our ability to rent the apartments and the rents charged, and (2) development and acquisition opportunities. The activities of these competitors could cause us to pay a higher price for a new property than we otherwise would have paid or may prevent us from purchasing a desired property at all, which could have a material adverse effect on us and our ability to make distributions to our shareholders and pay amounts due on our debt.

We may be adversely affected by new laws and regulations.

The current United States administration and Congress have enacted, or called for consideration of, proposals relating to a variety of issues, including with respect to health care, financial regulation reform, climate control, executive compensation and others. We believe that these and other potential proposals could have varying degrees of impact on us ranging from minimal to material. At this time, we are unable to predict with certainty what level of impact specific proposals could have on us.

Certain rulemaking and administrative efforts that may have an impact on us focus principally on the areas perceived as contributing to the global financial crisis and the continuing economic downturn. These initiatives have created uncertainty regarding the basic rules governing the real estate industry and many other businesses. The federal legislative response in this area culminated in the enactment on July 21, 2010 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, or the Dodd-Frank Act. Many of the provisions of the Dodd-Frank Act have extended implementation periods and delayed effective dates and will require extensive rulemaking by regulatory authorities; thus, the impact on us may not be known for an extended period of time. The Dodd-Frank Act, including future rules implementing its provisions and the interpretation of those rules, along with other legislative and regulatory proposals that are proposed or pending in the United States Congress, may limit our revenues, impose fees or taxes on us, and/or intensify the regulatory framework in which we operate in ways that are not currently identifiable.

Changing laws, regulations and standards relating to corporate governance and public disclosure in particular, including certain provisions of the Dodd-Frank Act and the rules and regulations promulgated thereunder, have created uncertainty for public companies like ours and could significantly increase the costs and risks associated with accessing the United States public markets. Because we are committed to maintaining high standards of internal control over financial reporting, corporate governance and public disclosure, our management team will need to

devote significant time and financial resources to comply with these evolving standards for public companies. We intend to continue to invest appropriate resources to comply with both existing and evolving standards, and this investment has resulted and will likely continue to result in increased general and administrative expenses and a diversion of management time and attention from revenue generating activities to compliance activities.

Breaches of our data security could materially harm our business and reputation.

We collect and retain certain personal information provided by our tenants and employees. While we have implemented a variety of security measures to protect the confidentiality of this information and periodically review and improve our security measures, there can be no assurance that we will be able to prevent unauthorized access to this information. Any breach of our data security measures and loss of this information may result in legal liability and costs

(including damages and penalties), as well as damage to our reputation, that could materially and adversely affect our business and financial performance.

We may not realize the anticipated benefits of past or future acquisitions, and the failure to integrate acquired communities and new personnel successfully could create inefficiencies.

We have selectively acquired in the past, and if presented with attractive opportunities we intend to selectively acquire in the future, apartment communities that meet our investment criteria. Our acquisition activities and their success are subject to the following risks:

- we may be unable to obtain financing for acquisitions on favorable terms or at all;
- even if we are able to finance the acquisition, cash flow from the acquisition may be insufficient to meet our required principal and interest payments on the acquisition;
- even if we enter into an acquisition agreement for an apartment community, we may be unable to complete the acquisition after incurring certain acquisition-related costs;
- we may incur significant costs and divert management attention in connection with the evaluation and negotiation of potential acquisitions, including potential acquisitions that we are subsequently unable to complete;
- when we acquire an apartment community, we may invest additional amounts in it with the intention of increasing profitability, and these additional investments may not produce the anticipated improvements in profitability; and
- we may be unable to quickly and efficiently integrate acquired apartment communities and new personnel into our existing operations, and the failure to successfully integrate such apartment communities or personnel will result in inefficiencies that could adversely affect our expected return on our investments and our overall profitability.

We are subject to certain risks associated with selling apartment communities, which could limit our operational and financial flexibility.

We periodically dispose of apartment communities that no longer meet our strategic objectives, but adverse market conditions may make it difficult to sell apartment communities like the ones we own. We cannot predict whether we will be able to sell any property for the price or on the terms we set, or whether any price or other terms offered by a prospective purchaser would be acceptable to us. We also cannot predict the length of time needed to find a willing purchaser and to close the sale of a property. Furthermore, we may be required to expend funds to correct defects or to make improvements before a property can be sold. These conditions may limit our ability to dispose of properties and to change our portfolio promptly in order to meet our strategic objectives, which may in turn have a material adverse effect on our financial condition and the market value of our securities. We are also subject to the following risks in connection with sales of our apartment communities:

- a significant portion of the proceeds from our overall property sales may be held by intermediaries in order for some sales to qualify as like-kind exchanges under Section 1031 of the Code, so that any related capital gain can be deferred for federal income tax purposes. As a result, we may not have immediate access to all of the cash proceeds generated from our property sales; and
- federal tax laws limit our ability to profit on the sale of communities that we have owned for less than two years, and this limitation may prevent us from selling communities when market conditions are favorable.

Environmental problems are possible and can be costly.

Under various federal, state and local laws, ordinances and regulations, a current or previous owner or operator of real estate may be liable for the costs of removal or remediation of certain hazardous or toxic substances in, on, around or under such property. Such laws often impose such liability without regard to whether the owner or operator knew of, or was responsible for, the presence of such hazardous or toxic substances. The presence of, or failure to remediate

properly, hazardous or toxic substances may adversely affect the owner's or operator's ability to sell or rent the affected property or to borrow using the property as collateral. Persons who arrange for the disposal or treatment of hazardous or toxic substances may also be liable for the costs of removal or remediation of hazardous or toxic substances at a disposal or treatment facility, whether or not the facility is owned or operated by the person. Certain environmental laws impose liability for release of asbestos-containing materials into the air, and third parties may also seek recovery from owners or operators of real property for personal injury associated with asbestos-containing materials and other hazardous or toxic substances. Federal and state laws also regulate the operation and subsequent removal of certain underground storage tanks. In connection with the current or former ownership (direct or indirect), operation, management, development or control of real property, we may be considered an owner or operator of such communities or as having arranged for the disposal or treatment of hazardous or toxic substances and,

therefore, may be potentially liable for removal or remediation costs, as well as certain other costs, including governmental fines, and claims for injuries to persons and property.

Our current policy is to obtain a Phase I environmental study on each property we seek to acquire, which generally does not involve invasive techniques such as soil or ground water sampling, and to proceed accordingly. We cannot assure you, however, that the Phase I environmental studies or other environmental studies undertaken with respect to any of our current or future communities will reveal:

- all or the full extent of potential environmental liabilities;
- that any prior owner or operator of a property did not create any material environmental condition unknown to us;
- that a material environmental condition does not otherwise exist as to any one or more of such communities; or
- that environmental matters will not have a material adverse effect on us and our ability to make distributions to our shareholders and pay amounts due on our debt.

Certain environmental laws impose liability on a previous owner of property to the extent that hazardous or toxic substances were present during the prior ownership period. A transfer of the property does not relieve an owner of such liability. Thus, we may have liability with respect to communities previously sold by our predecessors or by us.

There have been a number of lawsuits against owners and managers of multifamily communities alleging personal injury and property damage caused by the presence of mold in residential real estate. Some of these lawsuits have resulted in substantial monetary judgments or settlements. Insurance carriers have reacted to these liability awards by excluding mold related claims from standard policies and pricing mold endorsements separately. We have obtained a separate pollution insurance policy that covers mold-related claims and have adopted programs designed to minimize the existence of mold in any of our communities as well as guidelines for promptly addressing and resolving reports of mold. To the extent not covered by our pollution policy, the presence of mold could expose us to liability from residents and others if property damage, health concerns, or allegations thereof, arise.

Changes in the system for establishing United States accounting standards may materially and adversely affect our reported results of operations.

Accounting for public companies in the United States has historically been conducted in accordance with GAAP. GAAP is established by the Financial Accounting Standards Board, or FASB, an independent body whose standards are recognized by the SEC as authoritative for publicly held companies. The International Accounting Standards Board, or IASB, is a London-based independent board established in 2001 and charged with the development of International Financial Reporting Standards, or IFRS. IFRS generally reflects accounting practices that prevail in Europe and in developed nations around the world.

IFRS differs in material respects from GAAP. Among other things, IFRS has historically relied more on “fair value” models of accounting for assets and liabilities than GAAP. “Fair value” models are based on periodic revaluation of assets and liabilities, often resulting in fluctuations in such values as compared to GAAP, which relies more frequently on historical cost as the basis for asset and liability valuation.

It is unclear at this time if or how the SEC will transition from GAAP to IFRS. Switching to a new method of accounting and adopting IFRS will be a complex undertaking. We may need to develop new systems and controls based on the principles of IFRS. Since these are new endeavors, and the precise requirements of the pronouncements ultimately adopted are not now known, the magnitude of costs associated with this conversion is uncertain. We are currently evaluating the impact of the adoption of IFRS on our financial position and results of operations. Such evaluation cannot be completed, however, without more clarity regarding the specific IFRS standards that will be adopted. Until there is more certainty with respect to the IFRS standards to be adopted, prospective investors should

consider that our conversion to IFRS could have a material adverse effect on our reported results of operations.

Losses from catastrophes may exceed our insurance coverage.

We carry comprehensive liability and property insurance on our communities and intend to obtain similar coverage for communities we acquire in the future. Some losses, generally of a catastrophic nature, such as losses from floods, hurricanes or earthquakes, are subject to limitations, and thus may be uninsured. We exercise our discretion in determining amounts, coverage limits and deductibility provisions of insurance, with a view to maintaining appropriate insurance on our investments at a reasonable cost and on suitable terms. If we suffer a substantial loss, our insurance coverage may not be sufficient to pay the full current market value or current replacement value of our lost investment. Inflation, changes in building codes and

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ordinances, environmental considerations and other factors also might make it infeasible to use insurance proceeds to replace a property after it has been damaged or destroyed.

Increasing real estate taxes and insurance costs may negatively impact operating results.

As a result of our substantial real estate holdings, the cost of real estate taxes and insuring our apartment communities is a significant component of expense. Real estate taxes and insurance premiums are subject to significant increases and fluctuations, which can be widely outside of our control. If the costs associated with real estate taxes and insurance should rise, our financial condition could be negatively impacted, and our ability to pay our dividend could be affected.

We may experience increased costs arising from health care reform.

In March 2010, the United States government enacted comprehensive health care reform legislation which, among other things, includes guaranteed coverage requirements, eliminates pre-existing condition exclusions and annual and lifetime maximum limits, restricts the extent to which policies can be rescinded and imposes new and significant taxes on health insurers and health care benefits. The legislation imposes implementation effective dates extending through 2020, and many of the changes require additional guidance from government agencies or federal regulations. Therefore, due to the phased-in nature of the implementation and the lack of interpretive guidance, in some cases, it is difficult to determine at this time what impact the health care reform legislation will have on our financial results. Possible adverse effects of the health reform legislation include increased costs, exposure to expanded liability and requirements for us to revise ways in which we provide healthcare and other benefits to our employees. In addition, our results of operations, financial position and cash flows could be materially adversely affected.

Compliance or failure to comply with laws requiring access to our properties by disabled persons could result in substantial cost.

The Americans with Disabilities Act, the Fair Housing Act of 1988 and other federal, state and local laws generally require that public accommodations be made accessible to disabled persons. Noncompliance could result in the imposition of fines by the government or the award of damages to private litigants. These laws may require us to modify our existing communities. These laws may also restrict renovations by requiring improved access to such buildings by disabled persons or may require us to add other structural features that increase our construction costs. Legislation or regulations adopted in the future may impose further burdens or restrictions on us with respect to improved access by disabled persons. We cannot ascertain the costs of compliance with these laws, which may be substantial.

Development and construction risks could impact our profitability.

As of December 31, 2013, we had five development communities under construction totaling 1,461 units. We have completed 509 units for the development projects as of December 31, 2013. Our development and construction activities are subject to the following risks:

- we may be unable to obtain, or face delays in obtaining, necessary zoning, land-use, building, occupancy and other required governmental permits and authorizations, which could result in increased development costs, could delay initial occupancy dates for all or a portion of a development community, and could require us to abandon our activities entirely with respect to a project for which we are unable to obtain permits or authorizations;
- yields may be less than anticipated as a result of delays in completing projects, costs that exceed budget and/or higher than expected concessions for lease up and lower rents than pro forma;
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bankruptcy of developers in our development projects could impose delays and costs on us with respect to the development of our communities and may adversely affect our financial condition and results of operations;

- we may abandon development opportunities that we have already begun to explore, and we may fail to recover expenses already incurred in connection with exploring such opportunities;
- we may be unable to complete construction and lease-up of a community on schedule, or incur development or construction costs that exceed our original estimates, and we may be unable to charge rents that would compensate for any increase in such costs;
- occupancy rates and rents at a newly developed community may fluctuate depending on a number of factors, including market and economic conditions, preventing us from meeting our profitability goals for that community; and
- when we sell to third parties communities or properties that we developed or renovated, we may be subject to warranty or construction defects that are uninsured or exceed the limit of our insurance.

RISKS RELATED TO OUR INDEBTEDNESS AND FINANCING ACTIVITIES

Our substantial indebtedness could adversely affect our financial condition and results of operations.

As of December 31, 2013, the amount of our total debt was approximately $3.47 billion. We may incur additional indebtedness in the future in connection with, among other things, our acquisition, development and operating activities.

The degree of our leverage creates significant risks, including the following:

- we may be required to dedicate a substantial portion of our funds from operations to servicing our debt and our cash flow may be insufficient to make required payments of principal and interest;
- we may be subject to prepayment penalties if we elect to repay our indebtedness prior to the stated maturity date;
- debt service obligations will reduce funds available for distribution to our shareholders and funds available for acquisitions, development and redevelopment;
- we may be more vulnerable to economic and industry downturns than our competitors that have less debt;
- we may be limited in our ability to respond to changing business and economic conditions; and
- we may default on our indebtedness, which could result in acceleration of those obligations, assignment of rents and leases and loss of properties to foreclosure.

If any one of these events were to occur, our financial condition and results of operations could be materially and adversely affected.

We may be unable to renew, repay or refinance our outstanding debt.

We are subject to the normal risks associated with debt financing, including the risk that our cash flow will be insufficient to meet required payments of principal and interest, the risk that indebtedness on our communities, or unsecured indebtedness, will not be able to be renewed, repaid or refinanced when due or that the terms of any renewal or refinancing will not be as favorable as the existing terms of such indebtedness. If we were unable to refinance our indebtedness on acceptable terms, or at all, we might be forced to dispose of one or more of our communities on disadvantageous terms, which might result in losses to us. Such losses could have a material adverse effect on us and our ability to make distributions to our shareholders and pay amounts due on our debt. Furthermore, if a property is mortgaged to secure payment of indebtedness and we are unable to meet mortgage payments, the mortgagee could foreclose upon the property, appoint a receiver and receive an assignment of rents and leases or pursue other remedies, all with a consequent loss of our revenues and asset value. Foreclosures could also create taxable income without accompanying cash proceeds, thereby hindering our ability to meet the REIT distribution requirements of the Code.

Rising interest rates would increase the cost of our variable rate debt.

We have incurred and expect in the future to incur indebtedness that bears interest at variable rates. Accordingly, increases in interest rates would increase our interest costs, which could have a material adverse effect on us and our ability to make distributions to our shareholders and pay amounts due on our debt or cause us to be in default under certain debt instruments. In addition, an increase in market interest rates may lead holders of our shares of common stock to demand a higher yield on their shares from distributions by us, which could adversely affect the market price for our common stock.

We may incur additional debt in the future.

We currently fund the acquisition and development of multifamily apartment communities partially through borrowings (including our revolving credit facility) as well as from other sources such as sales of communities which no longer meet our investment criteria. Our organizational documents do not contain any limitation on the amount of indebtedness that we may incur. Accordingly, subject to limitations on indebtedness set forth in various loan agreements and the indentures governing our senior notes, we could become more highly leveraged, resulting in an increase in debt service, which could have a material adverse effect on us and our ability to make distributions to our shareholders and pay amounts due on our debt and in an increased risk of default on our obligations.

The restrictive terms of certain of our indebtedness may cause acceleration of debt payments.

At December 31, 2013, we had outstanding borrowings of approximately $3.47 billion. Our indebtedness contains financial covenants as to minimum net worth, interest coverage ratios, maximum secured debt, and total debt to capital, among others. In the event that an event of default occurs, our lenders may declare borrowings under the respective loan agreements to

be due and payable immediately, which could have a material adverse effect on us and our ability to make distributions to our shareholders and pay amounts due on our debt.

A change in United States government policy with regard to Fannie Mae and Freddie Mac could impact our financial condition.

Fannie Mae and Freddie Mac are a major source of financing for multifamily real estate in the United States. We utilize loan programs sponsored by these entities as one source of capital to finance our growth and our operations. On February 11, 2011, the Obama Administration released a report to Congress which included options, among others, to gradually shrink and eventually shut down Fannie Mae and Freddie Mac. We do not know when or if Fannie Mae or Freddie Mac will restrict their support of lending to the multifamily industry or to us in particular. As of December 31, 2013, 19% of our outstanding debt was borrowed through credit facilities provided by or credit-enhanced by Fannie Mae or Freddie Mac with agency rate-based maturities ranging from 2014 through 2018. In 2013, we decreased the indebtedness outstanding on our Fannie Mae and Freddie Mac credit facilities from $803.3 million on December 31, 2012 to $651.8 million on December 31, 2013. We added $799.2 million of unsecured senior notes, decreased borrowings under unsecured lines of credit by $23.0 million, and added an additional $400.0 million of unsecured term loans. A decision by the U.S. government to eliminate or downscale Fannie Mae or Freddie Mac or to reduce government support for multifamily housing more generally may adversely affect interest rates, capital availability, development of multifamily communities and the value of multifamily residential real estate and, as a result, may adversely affect us and our growth and operations.

Failure to hedge effectively against interest rates may adversely affect results of operations.

From time-to-time we may seek to manage our exposure to interest rate volatility by using interest rate hedging arrangements, such as interest rate cap agreements and interest rate swap agreements. These agreements involve risks, such as the risk that the counterparties may fail to honor their obligations under these arrangements, that these arrangements may not be effective in reducing our exposure to interest rate changes and that a court could rule that such an agreement is not legally enforceable. Hedging may reduce overall returns on our investments. Failure to hedge effectively against interest rate changes could have a material adverse effect on us and our ability to make distributions to our shareholders and pay amounts due on our debt.

A downgrade in our credit ratings could have a material adverse effect on our business, financial condition and results of operations.

We have a significant amount of debt outstanding. We are currently assigned corporate credit ratings from each of the three ratings agencies based on their evaluation of our creditworthiness. These ratings are based on a number of factors, which included their assessment of our financial strength, liquidity, capital structure, asset quality, and sustainability of cash flow and earnings. If our credit ratings are downgraded or other negative action is taken, we could be required to pay additional interest and fees on our outstanding borrowings. In addition, a downgrade may adversely impact our ability to borrow secured and unsecured debt and otherwise limit our access to capital, which could adversely affect our business, financial condition and results of operations.

Issuances of additional debt or equity may adversely impact our financial condition.

Our capital requirements depend on numerous factors, including the occupancy and turnover rates of our apartment communities, development and capital expenditures, costs of operations and potential acquisitions. We cannot accurately predict the timing and amount of our capital requirements. If our capital requirements vary materially from our plans, we may require additional financing sooner than anticipated. Accordingly, we could become more leveraged, resulting in increased risk of default on our obligations and in an increase in our debt service requirements,

both of which could adversely affect our financial condition and ability to access debt and equity capital markets in the future. If we issue additional equity securities to obtain additional financing, the interest of our existing shareholders could be diluted.

RISKS RELATED TO MAA'S ORGANIZATION AND OWNERSHIP OF ITS STOCK

MAA's ownership limit restricts the transferability of its capital stock.

MAA's charter limits ownership of its capital stock by any single shareholder to 9.9% of the value of all outstanding shares of its capital stock, both common and preferred, unless approved by its Board of Directors. The charter also prohibits anyone from buying shares if the purchase would result in it losing REIT status. This could happen if a share transaction results in fewer than 100 persons owning all of its shares or in five or fewer persons, applying certain broad attribution rules of the

Code, owning 50% or more of its shares. If you acquire shares in excess of the ownership limit or in violation of the ownership requirements of the Code for REITs, MAA:

- will consider the transfer to be null and void;
- will not reflect the transaction on its books;
- may institute legal action to enjoin the transaction;
- will not pay dividends or other distributions with respect to those shares;
- will not recognize any voting rights for those shares;
- will consider the shares held in trust for its benefit; and
- will either direct you to sell the shares and turn over any profit to MAA, or MAA will redeem the shares. If MAA redeems the shares, you will be paid a price equal to the lesser of:

the principal price paid for the shares by the holder,
a price per share equal to the market price (as determined in the manner set forth in its charter) of the applicable capital stock,
the market price (as so determined) on the date such holder would, but for the restrictions on transfers set forth in its charter, be deemed to have acquired ownership of the shares and
the maximum price allowed under Tennessee Greenmail Act (such price being the average of the highest and lowest closing market price for the shares during the 30 trading days preceding the purchase of such shares or, if the holder of such shares has commenced a tender offer or has announced an intention to seek control of MAA, during the 30 trading days preceding the commencement of such tender offer or the making of such announcement).

The redemption price may be paid, at MAA's option, by delivering one common unit (subject to adjustment from time to time in the event of, among other things, stock splits, stock dividends, or recapitalizations affecting its common stock or certain mergers, consolidations or asset transfers by MAA) issued by the Operating Partnership for each Excess Share being redeemed.

If you acquire shares in violation of the limits on ownership described above:

- you may lose your power to dispose of the shares;
- you may not recognize profit from the sale of such shares if the market price of the shares increases; and
- you may be required to recognize a loss from the sale of such shares if the market price decreases.

Provisions of MAA's charter and Tennessee law may limit the ability of a third party to acquire control of MAA.

Ownership Limit

The 9.9% ownership limit discussed above may have the effect of precluding acquisition of control of MAA by a third party without the consent of our Board of Directors.

Preferred Stock

MAA's charter authorizes our Board of Directors to issue up to 20,000,000 shares of preferred stock. The Board of Directors may establish the preferences and rights of any preferred shares issued. The issuance of preferred stock could have the effect of delaying or preventing someone from taking control of MAA, even if a change in control were in MAA shareholders’ best interests. As of December 31, 2013, no shares of preferred stock were issued and outstanding.

Tennessee Anti-Takeover Statutes

As a Tennessee corporation, MAA is subject to various legislative acts, which impose restrictions on and require compliance with procedures designed to protect shareholders against unfair or coercive mergers and acquisitions. These statutes may delay or prevent offers to acquire MAA and increase the difficulty of consummating any such offers, even if MAA's acquisition would be in MAA shareholders’ best interests.

Market interest rates and low trading volume may have an adverse effect on the market value of MAA's common shares.

The market price of shares of a REIT may be affected by the distribution rate on those shares, as a percentage of the price of the shares, relative to market interest rates. If market interest rates increase, prospective purchasers of MAA's shares may expect a higher annual distribution rate. Higher interest rates would not, however, result in more funds for MAA to distribute and, in fact, would likely increase MAA's borrowing costs and potentially decrease funds available for distribution. This could cause the market price of MAA's common shares to go down. In addition, although MAA's common shares are listed on The New York Stock Exchange, or NYSE, the daily trading volume of MAA's shares may be lower than the trading volume for other industries. As a result, MAA's investors who desire to liquidate substantial holdings may find that they are unable to dispose of their shares in the market without causing a substantial decline in the market value of the shares.

Changes in market conditions or a failure to meet the market’s expectations with regard to our results of operations and cash distributions could adversely affect the market price of MAA's common shares.

We believe that the market value of a REIT’s equity securities is based primarily upon the market’s perception of the REIT’s growth potential and its current and potential future cash distributions, and is secondarily based upon the real estate market value of the underlying assets. For that reason, MAA's shares may trade at prices that are higher or lower than the net asset value per share. To the extent we retain operating cash flow for investment purposes, working capital reserves or other purposes, these retained funds, while increasing the value of our underlying assets, may not correspondingly increase the market price of MAA's common shares. In addition, we are subject to the risk that our cash flow will be insufficient to pay distributions to MAA's shareholders. Our failure to meet the market’s expectations with regard to future earnings and cash distributions would likely adversely affect the market price of MAA's shares.

The stock markets, including NYSE, on which MAA lists its common shares, have experienced significant price and volume fluctuations. As a result, the market price of MAA's common shares could be similarly volatile, and investors in MAA's common shares may experience a decrease in the value of their shares, including decreases unrelated to our operating performance or prospects. Among the market conditions that may affect the market price of MAA's publicly traded securities are the following:

- our financial condition and operating performance and the performance of other similar companies;
- actual or anticipated differences in our quarterly and annual operating results;
- changes in our revenues or earnings estimates or recommendations by securities analysts;
- publication of research reports about us or our industry by securities analysts;
- additions and departures of key personnel;
- inability to access the capital markets;
- strategic decisions by us or our competitors, such as acquisitions, dispositions, spin-offs, joint ventures, strategic investments or changes in business strategy;
- the issuance of additional shares of MAA's common stock, or the perception that such sales may occur, including under MAA's at-the-market controlled equity offering programs;
- the reputation of REITs generally and the reputation of REITs with portfolios similar to ours;
- the attractiveness of the securities of REITs in comparison to securities issued by other entities (including securities issued by other real estate companies);
- an increase in market interest rates, which may lead prospective investors to demand a higher distribution rate in relation to the price paid for MAA's shares;
- the passage of legislation or other regulatory developments that adversely affect us or our industry;
- speculation in the press or investment community;
- actions by institutional shareholders or hedge funds;

- changes in accounting principles;
- terrorist acts; and
- general market conditions, including factors unrelated to our performance.

In the past, securities class action litigation has often been instituted against companies following periods of volatility in their stock price. This type of litigation could result in substantial costs and divert our management's attention and resources.

RISKS RELATED TO THE OPERATING PARTNERSHIP'S ORGANIZATION AND OWNERSHIP OF OP UNITS

The Operating Partnership's existing unitholders have limited approval rights, which may prevent the Operating Partnership's sole general partner, MAA, from completing a change of control transaction that may be in the best interests of all unitholders and of all the shareholders of MAA.

MAA may not engage in a sale or other disposition of all or substantially all of the assets of the Operating Partnership, dissolve the Operating Partnership or, upon the occurrence of certain triggering events, take any action that would result in any unitholder realizing taxable gain, without the approval of the holders of a majority of the outstanding OP Units held by holders other than MAA or its affiliates, or Class A OP Units. The right of the holders of our Class A OP Units to vote on these transactions could limit MAA's ability to complete a change of control transaction that might otherwise be in the best interest of all of our unitholders and all shareholders of MAA.

In certain circumstances, certain of the Operating Partnership's unitholders must approve the Operating Partnership's sale of certain properties contributed by the unitholders.

In certain circumstances as detailed in the partnership agreement of the Operating Partnership, the Operating Partnership may not sell or otherwise transfer certain properties unless a specified percentage of the limited partners who were partners in the limited partnership holding such properties at the time of its acquisition by us approves such sale or transfer. The exercise of these approval rights by the Operating Partnership's unitholders could delay or prevent the Operating Partnership from completing a transaction that may be in the best interest of all of the Operating Partnership's unitholders and all shareholders of MAA.

MAA, its officers and directors have substantial influence over the Operating Partnership's affairs.

MAA, as the Operating Partnership's sole general partner and acting through its officers and directors, has a substantial influence on the Operating Partnership's affairs. MAA, its officers and directors could exercise their influence in a manner that is not in the best interest of the Operating Partnership's unitholders. Also, MAA owns approximately 94.7% of the OP Units and as such, will have substantial influence on the outcome of any matters submitted to the Operating Partnership's unitholders for approval.

Market interest rates and low trading volume may have an adverse effect on the market value of MAA's common stock, which would affect the redemption price of the OP Units.

The market price of shares of a REIT may be affected by the distribution rate on those shares, as a percentage of the price of the shares, relative to market interest rates. If market interest rates increase, prospective purchasers of MAA's shares may expect a higher annual distribution rate. Higher interest rates would not, however, result in more funds for MAA to distribute and, in fact, would likely increase MAA's borrowing costs and potentially decrease funds available for distribution. This could cause the market price of MAA's common stock to go down, which would reduce the price received upon redemption of any OP Units, or if MAA so elects, the value of MAA's common stock received in lieu of cash upon redemption of such OP Units. In addition, although MAA's stock is listed on the NYSE, the daily trading volume of MAA's shares may be lower than the trading volume for companies in other industries. As a result, MAA's investors who desire to liquidate substantial holdings may find that they are unable to dispose of their shares in the market without causing a substantial decline in the market value of the shares.

Changes in market conditions or a failure to meet the market’s expectations with regard to MAA's results of operations and cash distributions could adversely affect the market price of MAA's common stock, which may reduce the amount of cash available to the Operating Partnership to meet its obligations.

As discussed above under "Risks Related to MAA's Organization and Ownership of its Stock," changes in market conditions or a failure to meet the market's expectations with regard to MAA's results of operations and cash distributions could adversely affect the market price of MAA's common stock. In addition, the Operating Partnership is subject to the risk that its cash flow will be insufficient to service its debt and to pay distributions to its unitholders, which may cause MAA to not have the funds to service its debt or to pay dividends to its shareholders. MAA's failure to meet the market's expectations with regard to future results of operations and cash distributions would likely adversely affect the market price of its shares and thus potentially reduce MAA's ability to contribute funds from issuances down to the Operating Partnership, resulting in a lower level of cash available for investment or to service our debt or to make distributions to the Operating Partnership's unitholders.

RISKS RELATED TO TAX LAWS

Failure to qualify as a REIT would cause us to be taxed as a corporation, which would significantly reduce funds available for distribution to shareholders.

If MAA fails to qualify as a REIT for federal income tax purposes, it will be subject to federal income tax on its taxable income at regular corporate rates (subject to any applicable alternative minimum tax). In addition, unless MAA is entitled to relief under applicable statutory provisions, it would be ineligible to make an election for treatment as a REIT for the four taxable years following the year in which MAA loses its qualification. The additional tax liability resulting from the failure to qualify as a REIT would significantly reduce or eliminate the amount of funds available for distribution to MAA's shareholders. Furthermore, MAA would no longer be required to make distributions to its shareholders. Thus, MAA's failure to qualify as a REIT could also impair its ability to expand its business and raise capital, and would adversely affect the value of its common stock.

MAA believes that it is organized and qualified as a REIT, and MAA intends to operate in a manner that will allow it to continue to qualify as a REIT. However, MAA cannot assure you that it is qualified as a REIT, or that MAA will remain qualified in the future. This is because qualification as a REIT involves the application of highly technical and complex provisions of the Code for which there are only limited judicial and administrative interpretations and involves the determination of a variety of factual matters and circumstances not entirely within MAA's control. In addition, future legislation, new regulations, administrative interpretations or court decisions may significantly change the tax laws or the application of the tax laws with respect to qualification as a REIT for federal income tax purposes or the federal income tax consequences of this qualification.

Even if MAA qualifies as a REIT, we will be subject to certain federal, state and local taxes on our income and property and on taxable income that MAA does not distribute to its shareholders. In addition, MAA may hold certain assets and engage in certain activities that a REIT could not engage in directly through its taxable REIT subsidiaries, or TRSs, and will be subject to federal income tax at regular corporate rates on the income of those subsidiaries.

The Operating Partnership may fail to be treated as a partnership for federal income tax purposes.

We believe that the Operating Partnership qualifies, and has so qualified since its formation, as a partnership for federal income tax purposes and not as a publicly traded partnership taxable as a corporation. No assurance can be provided, however, that the Internal Revenue Service, or IRS will not challenge the treatment of the Operating Partnership as a partnership for federal income tax purposes or that a court would not sustain such a challenge. If the IRS were successful in treating the Operating Partnership as a corporation for federal income tax purposes, then the taxable income of the Operating Partnership would be taxable at regular corporate income tax rates. In addition, the treatment of the Operating Partnership as a corporation would cause MAA to fail to qualify as a REIT. See "Failure to qualify as a REIT would cause us to be taxed as a corporation, which would significantly reduce funds available for distribution to shareholders" above.

ITEM 1B. UNRESOLVED STAFF COMMENTS.

None.

ITEM 2. PROPERTIES.

We seek to acquire newer apartment communities and those with opportunities for repositioning through capital additions and management improvement located in the Sunbelt region of the United States that are primarily appealing to middle income residents with the potential for above average growth and return on investment.

Approximately 59% of our apartment units are located in the Georgia, Florida, Tennessee, and Texas markets. Our strategic focus is to provide our residents high quality apartment units in attractive community settings, characterized by extensive landscaping and attention to aesthetic detail. We utilize our experience and expertise in maintenance, landscaping, marketing and management to effectively reposition many of the apartment communities we acquire to raise occupancy levels and per unit average rents.

The following table sets forth certain historical information for the apartment communities we owned at December 31, 2013:

Property	Location	Year Complete	Year Manage-ment Commenced	Report-able Seg-ment	Number of Units	Approx-imate Rentable Area (Square Footage)	Aver-age Unit Size (Square Foot-age)	Monthly Average Rent per Unit at December 31, 2013 (19)	Average Occupancy Percent at December 31, 2013 (20)	Monthly Effective Rent per Unit at December 31, 2013 (21)
100% Owned Properties										
Birchall at Ross Bridge	Birmingham, AL	2009	2011	(5)	240	283,680	1,182	$1,255.03	95.42%	$1,242.41
CV at Inverness	Birmingham, AL	1986/87/90/97	2013	(6)	586	508,648	868	$638.49	94.20%	$635.85
CG at Riverchase Trails	Birmingham, AL	1996	2013	(6)	346	328,008	948	$789.84	99.13%	$786.43
CV at Trussville	Birmingham, AL	1996	2013	(6)	376	410,216	1,091	$800.06	94.41%	$784.92
Eagle Ridge	Birmingham, AL	1986	1998	(5)	200	181,600	908	$775.65	98.50%	$768.63
CG at Traditions	Gulf Shores, AL	2008	2013	(6)	324	321,732	993	$690.88	93.52%	$686.64
Abbington Place	Huntsville, AL	1987	1998	(5)	152	162,792	1,071	$645.53	95.39%	$634.68
CG at Edgewater	Huntsville, AL	1990/99	2013	(6)	500	543,000	1,086	$718.38	95.40%	$712.76
Paddock Club Huntsville	Huntsville, AL	1993	1997	(5)	392	441,000	1,125	$764.21	95.41%	$760.94
CG at Madison	Madison, AL	1999	2013	(6)	336	354,480	1,055	$779.16	94.05%	$772.53
CV at Ashford Place	Mobile, AL	1983	2013	(6)	168	145,656	867	$600.34	97.62%	$589.22
CV at Huntleigh Woods	Mobile, AL	1978	2013	(6)	233	198,749	853	$570.58	92.27%	$553.32
Paddock Club Montgomery	Montgomery, AL	1999	1998	(5)	208	246,272	1,184	$796.87	96.15%	$784.18
Cypress Village	Orange Beach, AL	2008	2013	(6)	96	206,016	2,146	$1,400.34	96.88%	$1,370.52
CG at Liberty Park	Vestavia Hills, AL	2000	2013	(6)	300	338,700	1,129	$1,107.38	92.33%	$1,094.11
Subtotal Alabama					4,457	4,670,549	1,048	$788.27	95.13%	$779.84

Calais Forest	Little Rock, AR	1987	1994	(5)	260	195,000	750	$744.47	97.69%	$744.47
Napa Valley	Little Rock, AR	1984	1996	(5)	240	183,120	763	$679.62	97.08%	$679.62
Palisades at Chenal Valley	Little Rock, AR	2006	2011	(5)	248	319,672	1,289	$1,115.29	95.16%	$1,103.67
The Ridge at Chenal Valley	Little Rock, AR	2012	2011	(6)	312	340,080	1,090	$1,056.12	95.19%	$1,048.19
Westside Creek I & II	Little Rock, AR	1985	1997	(5)	308	304,612	989	$785.55	95.13%	$783.56
Subtotal Arkansas					1,368	1,342,484	981	$880.64	95.98%	$876.28
Edge at Lyon's Gate	Phoenix, AZ	2007	2008	(4)	312	299,208	959	$873.12	96.15%	$871.52
Sky View Ranch	Gilbert, AZ	2007	2009	(4)	232	225,272	971	$872.42	97.41%	$867.68
Talus Ranch	Phoenix, AZ	2005	2006	(4)	480	437,280	911	$728.15	94.17%	$706.27
CG at Inverness Commons	Mesa, AZ	2002	2013	(6)	300	306,000	1,020	$806.74	95.33%	$777.94
CG at Scottsdale	Scottsdale, AZ	1999	2013	(6)	180	201,600	1,120	$1,018.37	96.11%	$998.77
CG at OldTown Scottsdale North	Scottsdale, AZ	1995	2013	(6)	264	264,792	1,003	$956.25	94.32%	$949.01
CG at OldTown Scottsdale South	Scottsdale, AZ	1994	2013	(6)	208	205,920	990	$949.84	95.67%	$932.75
Subtotal Arizona					1,976	1,940,072	982	$860.16	95.39%	$845.11
Tiffany Oaks	Altamonte Springs, FL	1985	1996	(4)	288	232,704	808	$815.36	96.18%	$808.29
Indigo Point	Brandon, FL	1989	2000	(5)	240	194,640	811	$852.49	96.67%	$844.08
Paddock Club Brandon	Brandon, FL	1998	1997	(4)	440	528,440	1,201	$991.14	95.91%	$983.93
CG at Lakewood Ranch	Bradenton, FL	1999	2013	(6)	288	301,536	1,047	$1,203.21	98.26%	$1,184.89
Preserve at Coral Square	Coral Springs, FL	1996	2004	(5)	480	570,720	1,189	$1,429.18	93.13%	$1,419.84
Anatole	Daytona Beach, FL	1986	1995	(5)	208	150,384	723	$765.63	95.19%	$762.05
Paddock Club Gainesville	Gainesville, FL	1999	1998	(5)	264	326,304	1,236	$951.90	95.83%	$946.55
The Retreat at Magnolia Parke	Gainesville, FL	2009	2011	(5)	204	206,244	1,011	$994.05	96.57%	$987.71

CG at Heathrow	Heathrow, FL	1997	2013	(6)	312	353,184	1,132	$1,018.21	95.19%	$999.28

Atlantic Crossing	Jacksonville, FL	2008	2011	(4)	200	248,200	1,241	$1,195.89	92.00	%	$1,176.36
Cooper's Hawk	Jacksonville, FL	1987	1995	(4)	208	218,400	1,050	$873.51	96.15	%	$860.04
Hunter's Ridge at Deerwood	Jacksonville, FL	1987	1997	(4)	336	295,008	878	$840.31	96.73	%	$831.85
Lakeside	Jacksonville, FL	1985	1996	(4)	416	346,112	832	$755.85	97.60	%	$754.80
Lighthouse at Fleming Island	Jacksonville, FL	2003	2003	(4)	501	556,110	1,110	$953.61	94.81	%	$926.30
Paddock Club Mandarin	Jacksonville, FL	1998	1998	(4)	288	334,656	1,162	$948.79	94.79	%	$923.30
St. Augustine I	Jacksonville, FL	1987	1995	(4)	400	319,600	799	$751.73	94.75	%	$738.70
St. Augustine II	Jacksonville, FL	2008	1995	(4)	124	118,544	956	$973.47	100.00	%	$967.46
Tattersall at Tapestry Park	Jacksonville, FL	2009	2011	(4)	279	307,458	1,102	$1,285.44	92.83	%	$1,266.88
Woodhollow	Jacksonville, FL	1986	1997	(4)	450	379,350	843	$770.07	97.56	%	$764.49
Paddock Club Lakeland	Lakeland, FL	1989	1997	(5)	464	502,048	1,082	$767.43	95.26	%	$761.95
CG at Oval Park	Lake Mary, FL	2013	2013	(6)	108	111,780	1,035	$1,218.19	93.52	%	$1,173.96
CG at Town Park	Lake Mary, FL	2005	2013	(6)	456	535,344	1,174	$1,069.91	96.49	%	$1,054.31
CG at Town Park Reserve	Lake Mary, FL	2004	2013	(6)	80	77,440	968	$1,195.61	96.25	%	$1,186.97
CG at Lake Mary	Lake Mary, FL	2012	2013	(6)	232	236,640	1,020	$1,164.01	93.10	%	$1,137.83
Paddock Park Ocala	Ocala, FL	1987	1997	(5)	480	493,440	1,028	$715.57	95.00	%	$709.07
Retreat at Lake Nona	Orlando, FL	2006	2012	(6)	394	421,186	1,069	$1,059.88	95.94	%	$1,050.47
CG at Heather Glen	Orlando, FL	2000	2013	(6)	448	523,264	1,168	$1,090.02	96.65	%	$1,073.28
Park Crest at Innisbrook	Palm Harbor, FL	2000	2009	(4)	432	461,808	1,069	$1,024.16	94.68	%	$1,020.86
The Club at Panama Beach	Panama City, FL	2000	1998	(5)	254	283,718	1,117	$1,012.57	91.73	%	$998.48
CV at Twin Lakes	Sanford, FL	2005	2013	(6)	460	417,680	908	$859.36	94.78	%	$834.37
Paddock Club Tallahassee	Tallahassee, FL	1992	1997	(5)	304	329,536	1,084	$864.64	94.74	%	$848.49
Belmere	Tampa, FL	1984	1994	(4)	210	202,440	964	$870.13	96.19	%	$870.13
Links at Carrollwood	Tampa, FL	1980	1998	(4)	230	213,210	927	$944.62	96.09	%	$941.76
Village Oaks	Tampa, FL	2005	2008	(6)	234	279,864	1,196	$1,096.52	96.15	%	$1,077.46
CG at Hampton Preserve	Tampa, FL	2012	2013	(6)	486	515,160	1,060	$1,032.10	92.18	%	$1,022.29
CG at Seven Oaks	Wesley Chapel, FL	2004	2013	(6)	318	301,782	949	$940.04	98.74	%	$935.50
CG at Windermere	Windermere, FL	2009	2013	(6)	280	283,920	1,014	$1,198.44	98.57	%	$1,182.12

Subtotal Florida					11,796	12,177,854	1,017	$977.27	94.43	%	$964.53
Allure at Brookwood	Atlanta, GA	2008	2012	(6)	349	344,463	987	$1,373.67	88.25	%	$1,341.17
Allure in Buckhead Village	Atlanta, GA	2002	2012	(6)	230	225,170	979	$1,229.36	93.91	%	$1,223.99
Sanctuary at Oglethorpe	Atlanta, GA	1994	2008	(4)	250	287,500	1,150	$1,478.14	94.00	%	$1,468.05
Bradford Pointe	Augusta, GA	1986	1997	(5)	192	156,288	814	$724.89	97.92	%	$718.86
Westbury Creek	Augusta, GA	1984	1997	(5)	120	107,160	893	$654.59	95.83	%	$654.59
Fountain Lake	Brunswick, GA	1983	1997	(5)	113	128,820	1,140	$727.09	90.27	%	$722.96
Whisperwood	Columbus, GA	1986	1997	(5)	1,008	1,188,432	1,179	$834.04	88.99	%	$815.61
Willow Creek	Columbus, GA	1974	1997	(5)	285	246,810	866	$609.08	94.74	%	$604.32
Terraces at Fieldstone	Conyers, GA	1999	1998	(4)	316	375,092	1,187	$849.02	90.19	%	$839.63
Prescott	Duluth, GA	2001	2004	(4)	384	411,648	1,072	$859.36	95.31	%	$858.08
CG at Berkeley Lake	Duluth, GA	1998	2013	(6)	180	244,260	1,357	$969.57	96.67	%	$959.38
CG at River Oaks	Duluth, GA	1992	2013	(6)	216	276,264	1,279	$920.70	98.61	%	$908.80
CG at River Plantation	Duluth, GA	1994	2013	(6)	232	310,416	1,338	$909.98	97.41	%	$902.13
CG at McDaniel Farm	Duluth, GA	1997	2013	(6)	425	450,925	1,061	$832.73	95.76	%	$821.20
CG at Pleasant Hill	Duluth, GA	1996	2013	(6)	502	502,000	1,000	$779.92	94.62	%	$766.63
CG at Mount Vernon	Dunwoody, GA	1997	2013	(6)	213	257,091	1,207	$1,158.26	98.59	%	$1,152.57
Lanier	Gainesville, GA	1998	2005	(4)	344	396,288	1,152	$872.89	95.35	%	$862.30
Lake Club	Gainesville, GA	2001	2005	(4)	313	359,950	1,150	$819.04	90.73	%	$809.86

CG at Shiloh	Kennesaw, GA	2002	2013	(6)	498	533,358	1,071	$825.86	92.57	%	$818.73
Milstead Village	Kennesaw, GA	1998	2008	(6)	310	356,190	1,149	$970.69	96.77	%	$953.04
Austin Chase	Macon, GA	1996	1997	(5)	256	293,120	1,145	$800.21	92.97	%	$763.78
The Vistas	Macon, GA	1985	1997	(5)	144	153,792	1,068	$682.69	96.53	%	$665.31
CG at Barrett Creek	Marietta, GA	1999	2013	(6)	332	310,088	934	$817.97	98.19	%	$807.96
CG at Godley Station	Pooler, GA	2001	2013	(6)	312	337,272	1,081	$910.45	91.99	%	$894.72
CG at Godley Lake	Pooler, GA	2008	2013	(6)	288	269,568	936	$853.83	94.79	%	$849.49
Avala at Savannah Quarters	Savannah, GA	2009	2011	(5)	256	278,016	1,086	$962.72	95.70	%	$948.00
Georgetown Grove	Savannah, GA	1997	1998	(5)	220	239,800	1,090	$915.82	93.64	%	$905.78
CG at Hammocks	Savannah, GA	1997	2013	(6)	308	323,708	1,051	$1,008.96	94.16	%	$1,002.88
CV at Greentree	Savannah, GA	1984	2013	(6)	194	165,288	852	$669.85	94.85	%	$663.99
CV at Huntington	Savannah, GA	1986	2013	(6)	147	121,128	824	$778.20	97.28	%	$724.89
CV at Marsh Cove	Savannah, GA	1983	2013	(6)	188	197,212	1,049	$780.09	96.28	%	$770.90
Oaks at Wilmington Island	Savannah, GA	1999	2006	(5)	306	333,846	1,091	$987.59	93.14	%	$983.44
Huntington Chase	Warner Robins, GA	1997	2000	(5)	200	221,400	1,107	$799.49	96.00	%	$760.65
Southland Station	Warner Robins, GA	1988	1997	(5)	304	355,984	1,171	$721.44	97.04	%	$694.49
Terraces at Townelake	Woodstock, GA	1999	1998	(4)	502	568,264	1,132	$803.48	92.43	%	$799.32
Subtotal Georgia					10,437	11,326,611	1,085	$884.24	93.97	%	$871.42
Fairways at Hartland	Bowling Green, KY	1996	1997	(5)	240	251,040	1,046	$818.58	88.33	%	$799.72
Grand Reserve Lexington	Lexington, KY	2000	1999	(5)	370	432,900	1,170	$977.76	93.24	%	$937.68
Lakepointe	Lexington, KY	1986	1994	(5)	118	90,742	769	$671.66	97.46	%	$671.66
Mansion, The	Lexington, KY	1989	1994	(5)	184	138,736	754	$698.77	96.20	%	$693.85
Village, The	Lexington, KY	1989	1994	(5)	252	182,700	725	$693.87	92.86	%	$681.18
Stonemill Village	Louisville, KY	1985	1994	(5)	384	324,864	846	$762.18	95.05	%	$757.89
Subtotal Kentucky					1,548	1,420,982	918	$796.89	93.54	%	$780.68
Crosswinds	Jackson, MS	1989	1996	(5)	360	443,160	1,231	$830.57	93.89	%	$819.49
Pear Orchard	Jackson, MS	1985	1994	(5)	389	337,263	867	$829.88	97.17	%	$827.48
Reflection Pointe	Jackson, MS	1986	1988	(5)	296	248,344	839	$853.49	91.55	%	$846.58
Lakeshore Landing	Ridgeland, MS	1974	1994	(5)	196	174,244	889	$753.48	93.37	%	$708.80

Savannah Creek	Southaven, MS	1989	1996	(5)	204	237,252	1,163	$825.73	94.12 %	$816.88
Sutton Place	Southaven, MS	1991	1996	(5)	253	268,180	1,060	$781.48	96.05 %	$758.78
Subtotal Mississippi					1,698	1,708,443	1,006	$817.61	94.52 %	$803.91
Market Station	Kansas City, MO	2010	2012	(6)	323	314,925	975	$1,230.43	93.19 %	$1,217.46
Subtotal Missouri					323	314,925	975	$1,230.43	93.19 %	$1,217.46
CV at Beaver Creek	Apex, NC	2007	2013	(6)	316	308,732	977	$870.61	93.99 %	$844.19
Hermitage at Beechtree	Cary, NC	1988	1997	(4)	194	169,750	875	$826.78	93.81 %	$816.52
Waterford Forest	Cary, NC	1996	2005	(4)	384	377,472	983	$797.03	94.01 %	$795.68
1225 South Church I	Charlotte, NC	2010	2010	(6)	196	162,680	830	$2,112.97	97.45 %	$1,184.67
1225 South Church II	Charlotte, NC	2010	2010	(6)	210	175,140	834	$2,218.21	95.71 %	$1,327.26
CG at Ayrsley	Charlotte, NC	2008	2013	(6)	368	371,680	1,010	$911.42	94.57 %	$902.98
CG at Ayrsley II	Charlotte, NC	2013	2013	(6)	81	79,866	986	$956.89	96.30 %	$953.25
CG at Beverly Crest	Charlotte, NC	1996	2013	(6)	300	279,900	933	$846.53	96.00 %	$833.02
CG at Legacy Park	Charlotte, NC	2001	2013	(6)	288	300,672	1,044	$850.44	92.71 %	$838.99
CG at Mallard Creek	Charlotte, NC	2005	2013	(6)	252	232,596	923	$864.26	98.81 %	$858.18
CG at Mallard Lake	Charlotte, NC	1998	2013	(6)	302	300,792	996	$878.79	96.69 %	$871.02
CG at University Center	Charlotte, NC	2005	2013	(6)	156	167,076	1,071	$853.77	97.44 %	$851.53
CV at Chancellor Park	Charlotte, NC	1999	2013	(6)	340	326,740	961	$782.62	97.65 %	$768.91

CV at Charleston Place	Charlotte, NC	1986	2013	(6)	214	172,484	806	$619.78	94.86 %	$611.52
CV at Greystone	Charlotte, NC	1998/2000	2013	(6)	408	387,192	949	$668.83	95.34 %	$663.19
CV at South Tryon	Charlotte, NC	2002	2013	(6)	216	236,088	1,093	$822.53	95.83 %	$820.87
CV at Stone Point	Charlotte, NC	1986	2013	(6)	192	172,992	901	$745.92	94.79 %	$722.58
CV at Timber Crest	Charlotte, NC	2000	2013	(6)	282	273,540	970	$703.22	96.81 %	$690.10
Enclave	Charlotte, NC	2008	2013	(6)	85	107,695	1,267	$1,758.54	94.12 %	$1,698.10
CG at Cornelius	Cornelius, NC	2009	2013	(6)	236	252,048	1,068	$936.02	96.61 %	$905.34
CG at Patterson Place	Durham, NC	1997	2013	(6)	252	238,644	947	$876.73	94.05 %	$865.61
CV at Woodlake	Durham, NC	1996	2013	(6)	266	255,094	959	$775.11	96.24 %	$739.86
CV at Deerfield	Durham, NC	1985	2013	(6)	204	198,084	971	$865.18	94.61 %	$851.76
CG at Research Park	Durham, NC	2002	2013	(6)	370	384,430	1,039	$868.72	93.51 %	$856.35
CG at Autumn Park	Greensboro, NC	2001/04	2013	(6)	402	410,040	1,020	$753.92	96.27 %	$730.38
CG at Huntersville	Huntersville, NC	2008	2013	(6)	250	248,000	992	$934.42	94.80 %	$918.74
CV at Matthews	Matthews, NC	2008	2013	(6)	270	255,690	947	$822.80	95.19 %	$817.80
CG at Matthews Commons	Matthews, NC	2008	2013	(6)	216	203,256	941	$965.68	93.06 %	$962.08
CG at Arringdon	Morrisville, NC	2003	2013	(6)	320	311,360	973	$878.59	94.38 %	$853.51
CG at Brier Creek	Raleigh, NC	2010	2013	(6)	364	401,128	1,102	$952.75	94.78 %	$946.02
CG at Brier Falls	Raleigh, NC	2008	2013	(6)	350	381,850	1,091	$989.09	94.57 %	$976.50
CG at Crabtree Valley	Raleigh, NC	1997	2013	(6)	210	209,580	998	$816.50	94.29 %	$809.52
Hue	Raleigh, NC	2009	2010	(4)	208	185,744	893	$1,438.20	94.23 %	$1,376.58
CG at Trinity Commons	Raleigh, NC	2000/02	2013	(6)	462	484,176	1,048	$866.29	94.16 %	$851.17
The Preserve at Brier Creek	Raleigh, NC	2004	2006	(4)	450	519,300	1,154	$1,027.47	93.11 %	$1,021.72
Providence at Brier Creek	Raleigh, NC	2007	2008	(4)	313	297,037	949	$906.30	94.89 %	$898.93
CG at Wilmington	Wilmington, NC	1998/2002	2013	(6)	390	356,070	913	$729.90	94.10 %	$703.74
Corners, The	Winston-Salem, NC	1982	1993	(5)	240	173,520	723	$610.06	94.17 %	$603.02
CV at Glen Eagles	Winston-Salem, NC	1990/2000	2013	(6)	310	312,170	1,007	$648.17	97.74 %	$638.54
CV at Mill Creek	Winston-Salem, NC	1984	2013	(6)	220	209,660	953	$566.77	95.45 %	$546.64
Subtotal North Carolina					11,087	10,889,968	954	$909.76	92.36 %	$862.46
CG at Desert Vista	North Las Vegas, NV	2009	2013	(6)	380	338,200	890	$761.73	91.32 %	$726.31
CG at Palm Vista	North Las Vegas, NV	2007	2013	(6)	341	349,184	1,024	$819.85	96.48 %	$778.27
Subtotal Nevada					721	687,384	953	$789.22	93.76 %	$750.88

Colony at South Park	Aiken, SC	1982	1997	(5)	184	174,800	950	$755.17	91.30 %	$752.71
Woodwinds	Aiken, SC	1988	1997	(5)	144	165,168	1,147	$729.48	95.83 %	$725.12
Tanglewood	Anderson, SC	1980	1994	(5)	168	146,664	873	$652.86	95.24 %	$652.86
CG at Cypress Cove	Charleston, SC	2001	2013	(6)	264	304,128	1,152	$1,039.56	95.08 %	$1,018.75
CV at Hampton Pointe	Charleston, SC	1986	2013	(6)	304	314,640	1,035	$857.98	97.04 %	$844.38
CG at Quarterdeck	Charleston, SC	1987	2013	(6)	230	218,960	952	$1,017.79	97.83 %	$1,008.97
CV at Westchase	Charleston, SC	1985	2013	(6)	352	258,016	733	$704.00	97.44 %	$694.15
River's Walk	Charleston, SC	2013	2013	(6)	270	248,400	920	$1,392.79	93.70 %	$1,334.60
Fairways, The	Columbia, SC	1992	1994	(5)	240	213,840	891	$722.58	93.75 %	$714.91
Paddock Club Columbia	Columbia, SC	1991	1997	(5)	336	378,672	1,127	$793.85	92.56 %	$794.65
CV at Windsor Place	Goose Creek, SC	1985	2013	(6)	224	213,472	953	$748.15	95.09 %	$736.54
Highland Ridge	Greenville, SC	1984	1995	(5)	168	134,904	803	$616.74	93.45 %	$611.78
Howell Commons	Greenville, SC	1987	1997	(5)	348	275,616	792	$639.08	95.69 %	$638.81
Paddock Club Greenville	Greenville, SC	1996	1997	(5)	208	231,504	1,113	$787.42	90.87 %	$780.09
Park Haywood	Greenville, SC	1983	1993	(5)	208	158,704	763	$662.65	94.71 %	$650.31
Spring Creek	Greenville, SC	1985	1995	(5)	208	179,504	863	$689.56	88.94 %	$678.74

Runaway Bay	Mt. Pleasant, SC	1988	1995	(5)	208	177,840	855	$1,143.46	93.27 %	$1,143.46
CG at Commerce Park	North Charleston, SC	2008	2013	(6)	312	306,384	982	$867.04	95.83 %	$844.11
535 Brookwood	Simpsonville, SC	2008	2010	(5)	256	254,464	994	$905.49	90.23 %	$901.32
Park Place	Spartanburg, SC	1987	1997	(5)	184	195,224	1,061	$704.42	91.85 %	$689.58
Farmington Village	Summerville, SC	2007	2007	(5)	280	309,120	1,104	$939.97	95.36 %	$939.97
CV at Waters Edge	Summerville, SC	1985	2013	(6)	204	187,680	920	$735.52	94.61 %	$712.42
Subtotal South Carolina					5,300	5,047,704	952	$831.83	94.26 %	$820.70
Hamilton Pointe	Chattanooga, TN	1989	1992	(5)	361	256,310	710	$673.89	96.95 %	$673.89
Hidden Creek	Chattanooga, TN	1987	1988	(5)	300	260,400	868	$657.02	95.67 %	$649.81
Steeplechase	Chattanooga, TN	1986	1991	(5)	108	98,712	914	$788.75	94.44 %	$783.51
Windridge	Chattanooga, TN	1984	1997	(5)	174	238,728	1,372	$1,003.30	95.40 %	$999.43
Bradford Chase	Jackson, TN	1987	1994	(5)	148	121,360	820	$681.97	92.57 %	$653.43
Oaks, The	Jackson, TN	1978	1993	(5)	100	87,500	875	$658.04	91.00 %	$658.04
Post House Jackson	Jackson, TN	1987	1989	(5)	150	161,700	1,078	$712.84	92.67 %	$710.96
Post House North	Jackson, TN	1987	1989	(5)	145	141,375	975	$701.80	93.10 %	$687.76
Woods at Post House	Jackson, TN	1997	1995	(5)	122	118,706	973	$745.30	97.54 %	$744.18
Greenbrook	Memphis, TN	1978	1988	(5)	1,037	944,707	911	$652.48	97.49 %	$641.46
Kirby Station	Memphis, TN	1978	1994	(5)	371	309,043	833	$790.74	95.15 %	$781.56
Lincoln on the Green	Memphis, TN	1992	1994	(5)	618	540,132	874	$769.79	95.63 %	$761.93
Park Estate	Memphis, TN	1974	1977	(5)	82	106,764	1,302	$1,108.94	98.78 %	$1,108.94
Reserve at Dexter Lake	Memphis, TN	2000	1998	(5)	740	807,340	1,091	$888.70	93.65 %	$886.26
Paddock Club Murfreesboro	Murfreesboro, TN	1999	1998	(4)	240	281,760	1,174	$959.96	95.42 %	$958.71
Aventura at Indian Lake Village	Nashville, TN	2010	2011	(4)	300	291,000	970	$1,044.40	96.00 %	$1,032.64
Avondale at Kennesaw	Nashville, TN	2008	2010	(4)	288	283,392	984	$962.42	94.10 %	$952.22
Brentwood Downs	Nashville, TN	1986	1994	(4)	286	220,220	770	$900.69	94.41 %	$898.91
CG at Bellevue	Nashville, TN	1996	2013	(6)	349	344,812	988	$955.19	98.57 %	$929.16
Grand View Nashville	Nashville, TN	2001	1999	(4)	433	523,497	1,209	$1,087.58	95.15 %	$1,072.76
Monthaven Park	Nashville, TN	2000	2004	(4)	456	427,728	938	$906.53	96.27 %	$896.01
Park at Hermitage	Nashville, TN	1987	1995	(4)	440	392,480	892	$756.51	94.55 %	$748.94
Venue at Cool Springs	Nashville, TN	2012	2010	(6)	428	457,960	1,070	$1,492.38	92.99 %	$1,489.49
Verandas at Sam Ridley	Nashville, TN	2009	2010	(4)	336	391,104	1,164	$981.38	96.73 %	$979.27
Subtotal Tennessee					8,012	7,806,730	974	$868.48	95.44 %	$860.44
Northwood	Arlington, TX	1980	1998	(4)	270	224,100	830	$688.87	94.44 %	$688.87
Balcones Woods	Austin, TX	1983	1997	(4)	384	313,728	817	$886.27	94.27 %	$886.27
CG at Canyon Creek	Austin, TX	2008	2013	(6)	336	349,104	1,039	$966.28	92.26 %	$953.41

CG at Canyon Pointe	Austin, TX	2003	2013	(6)	272	262,208	964	$913.95	95.59	%	$898.62
CG at Double Creek	Austin, TX	2013	2013	(6)	296	277,944	939	$1,102.73	95.61	%	$1,045.05
CG at Onion Creek	Austin, TX	2009	2013	(6)	300	312,600	1,042	$1,050.62	96.67	%	$1,028.77
Grand Reserve at Sunset Valley	Austin, TX	1996	2004	(4)	210	194,460	926	$1,115.42	95.24	%	$1,114.07
CV at Quarry Oaks	Austin, TX	1996	2013	(6)	533	459,979	863	$837.28	92.87	%	$813.12
CG at Wells Branch	Austin, TX	2008	2013	(6)	336	321,888	958	$938.78	95.54	%	$924.61
Legacy at Western Oaks	Austin, TX	2002	2009	(6)	479	467,504	976	$1,160.96	95.41	%	$1,159.01
Silverado	Austin, TX	2003	2006	(4)	312	303,264	972	$1,003.80	94.23	%	$995.34
Stassney Woods	Austin, TX	1985	1995	(4)	288	248,832	864	$833.28	94.44	%	$823.02
Travis Station	Austin, TX	1987	1995	(4)	304	244,720	805	$737.56	94.08	%	$729.29
Woods, The	Austin, TX	1977	1997	(4)	278	214,060	770	$1,150.63	95.32	%	$1,131.67
CV at Shoal Creek	Bedford, TX	1996	2013	(6)	408	381,888	936	$828.02	95.83	%	$820.84

CV at Willow Creek	Bedford, TX	1996	2013	(6)	478	426,854	893	$788.97	96.65	%	$768.43
CG at Hebron	Carrollton, TX	2011	2013	(6)	312	352,248	1,129	$1,162.31	94.23	%	$1,134.55
CG at Silverado	Cedar Park, TX	2005	2013	(6)	238	239,666	1,007	$926.44	94.12	%	$923.10
CG at Silverado Reserve	Cedar Park, TX	2005	2013	(6)	256	266,240	1,040	$1,041.25	93.36	%	$1,037.08
Courtyards at Campbell	Dallas, TX	1986	1998	(4)	232	168,664	727	$804.26	96.98	%	$804.26
Deer Run	Dallas, TX	1985	1998	(4)	304	206,720	680	$682.70	97.70	%	$682.70
Grand Courtyard	Dallas, TX	2000	2006	(4)	390	343,980	882	$937.02	95.90	%	$936.50
Legends at Lowe's Farm	Dallas, TX	2008	2011	(4)	456	425,904	934	$1,097.28	96.05	%	$1,095.63
CR at Medical District	Dallas, TX	2007	2013	(6)	278	241,582	869	$1,111.87	94.96	%	$1,088.95
Watermark	Dallas, TX	2002	2004	(4)	240	205,200	855	$932.84	94.17	%	$903.71
CV at Main Park	Duncanville, TX	1984	2013	(6)	192	180,288	939	$810.30	96.35	%	$800.38
CG at Bear Creek	Euless, TX	1998	2013	(6)	436	395,016	906	$885.28	96.56	%	$879.20
CG at Fairview	Fairview, TX	2012	2013	(6)	256	258,048	1,008	$1,066.30	93.36	%	$1,040.39
La Valencia at Starwood	Frisco, TX	2009	2010	(4)	270	267,840	992	$1,223.07	94.81	%	$1,223.07
CR at Frisco Bridges	Frisco, TX	2013	2013	(6)	252	210,420	835	$1,091.35	72.22	%	$1,076.45
CV at Grapevine	Grapevine, TX	1985	2013	(6)	450	387,450	861	$760.26	95.56	%	$748.54
CV at North Arlington	Fort Worth, TX	1985	2013	(6)	240	190,560	794	$576.29	96.67	%	$564.86
Greenwood Forest	Houston, TX	1994	2008	(6)	316	310,944	984	$901.56	97.78	%	$899.98
Legacy Pines	Houston, TX	2000	2003	(4)	308	283,360	920	$1,000.48	93.83	%	$997.61
Park Place (Houston)	Houston, TX	1996	2007	(4)	229	207,016	904	$1,074.11	97.38	%	$1,067.56
Ranchstone	Houston, TX	1996	2007	(4)	220	193,160	878	$955.55	94.55	%	$954.42
Reserve at Woodwind Lakes	Houston, TX	1999	2006	(4)	328	316,192	964	$922.73	95.43	%	$911.91
Cascade at Fall Creek	Humble, TX	2007	2008	(4)	246	227,796	926	$1,008.48	91.46	%	$1,000.67
Chalet at Fall Creek	Humble, TX	2006	2007	(4)	268	260,228	971	$975.77	93.28	%	$973.02
Bella Casita at Las Colinas	Irving, TX	2007	2010	(4)	268	258,352	964	$1,094.26	96.27	%	$1,085.57
Remington Hills	Irving, TX	1984	2013	(4)	362	346,434	957	$840.22	94.48	%	$798.35
CR at Las Colinas	Irving, TX	2006	2013	(6)	306	277,848	908	$1,178.83	94.12	%	$1,162.26
CG at Valley Ranch	Irving, TX	1997	2013	(6)	396	462,132	1,167	$1,144.33	97.22	%	$1,121.50
Lane at Towne Crossing	Mesquite, TX	1983	1994	(4)	384	277,632	723	$667.99	95.05	%	$667.99
CV at Oakbend	Lewisville, TX	1997	2013	(6)	426	382,974	899	$823.82	95.77	%	$809.84
CV at Vista Ridge	Lewisville, TX	1985	2013	(6)	300	237,600	792	$679.07	94.67	%	$676.09
Times Square at Craig Ranch	McKinney, TX	2009	2010	(4)	313	320,512	1,024	$1,163.03	92.33	%	$1,155.38
Highwood	Plano, TX	1983	1998	(4)	196	156,212	797	$882.57	96.43	%	$882.57

Los Rios Park	Plano, TX	2000	2003	(4)	498	470,112	944	$943.28	93.17	%	$933.66
Boulder Ridge	Roanoke, TX	1999	2005	(4)	494	442,624	896	$966.87	90.08	%	$946.40
Copper Ridge	Roanoke, TX	2009	2008	(4)	245	229,810	938	$1,076.74	97.14	%	$1,065.88
CG at Ashton Oaks	Round Rock, TX	2009	2013	(6)	362	307,338	849	$881.59	94.20	%	$869.32
CG at Round Rock	Round Rock, TX	1997	2013	(6)	422	429,596	1,018	$952.47	97.16	%	$948.03
CV at Sierra Vista	Round Rock, TX	1999	2013	(6)	232	205,552	886	$795.53	95.69	%	$795.48
Alamo Ranch	San Antonio, TX	2009	2011	(5)	340	270,640	796	$904.93	94.41	%	$868.59
Haven at Blanco	San Antonio, TX	2010	2012	(6)	436	463,468	1,063	$1,137.62	95.18	%	$1,134.32
Stone Ranch at Westover Hills	San Antonio, TX	2008	2009	(5)	400	334,400	836	$946.46	96.25	%	$939.92
Cypresswood Court	Spring, TX	1984	1994	(4)	208	160,576	772	$725.47	97.12	%	$723.71
Villages at Kirkwood	Stafford, TX	1996	2004	(4)	274	244,682	893	$977.03	93.80	%	$977.03
Green Tree Place	Woodlands, TX	1984	1994	(4)	200	152,200	761	$795.94	94.00	%	$793.44
Subtotal Texas					19,263	17,572,349	912	$942.02	94.70	%	$930.79
Adalay Bay	Chesapeake, VA	2002	2012	(6)	240	246,240	1,026	$1,255.68	92.08	%	$1,242.82

CV at Greenbrier	Fredericksburg, VA	1980	2013	(6)	258	216,720	840	$878.07	94.96 %	$874.80
Seasons at Celebrate I	Fredericksburg, VA	2011	2011	(6)	232	233,160	1,005	$1,332.68	93.97 %	$1,324.67
Seasons to Celebrate II	Fredericksburg, VA	2013	2013	(6)	251	248,239	989	$1,326.92	80.88 %	$1,315.12
Station Square at Cosner's Corner	Fredericksburg, VA	2013	2013	(6)	260	268,580	1,033	$1,352.12	86.15 %	$1,341.88
CV at Hampton Glen	Glen Allen, VA	1986	2013	(6)	232	177,712	766	$853.99	96.98 %	$845.83
CV at West End	Glen Allen, VA	1987	2013	(6)	224	156,352	698	$779.70	97.77 %	$774.47
Township	Hampton, VA	1987	1995	(5)	296	248,048	838	$939.01	97.64 %	$934.94
CV at Tradewinds	Hampton, VA	1988	2013	(6)	284	280,024	986	$854.19	92.96 %	$819.11
CV at Waterford	Midlothian, VA	1989	2013	(6)	312	288,912	926	$877.65	97.76 %	$867.54
Ashley Park	Richmond, VA	1988	2013	(5)	272	194,480	715	$695.79	95.96 %	$685.57
CV at Chase Gayton	Richmond, VA	1984	2013	(6)	328	311,272	949	$854.51	94.21 %	$833.11
Hamptons at Hunton Park	Richmond, VA	2003	2011	(5)	300	309,600	1,032	$1,266.89	94.33 %	$1,257.60
CV at Harbour Club	Virginia Beach, VA	1988	2013	(6)	213	193,191	907	$850.78	94.84 %	$846.78
Subtotal Virginia					3,702	3,372,530	911	$1,004.77	93.68 %	$933.36
Subtotal 100% Owned Properties					81,688	80,278,585	977	$907.05	94.26 %	$890.49
Joint Venture Properties										
Belterra	Fort Worth, TX	2006	2013	(6)	288	278,208	966	$1,013.85	92.36 %	$939.84
Ansley Village	Macon, GA	2007	2009	(6)	294	324,282	1,103	$784.34	92.18 %	$767.00
Grand Cypress	Cypress, TX	2008	2010	(6)	312	280,488	899	$1,099.79	96.47 %	$1,099.79
Venue at Stonebridge Ranch	McKinney, TX	2000	2010	(6)	250	214,000	856	$947.70	93.20 %	$939.83
Verandas at Southwood	Tallahassee, FL	2003	2011	(6)	300	341,700	1,139	$1,040.80	88.33 %	$1,020.45
Subtotal Joint Venture Properties					1,444	1,438,678	996	$979.84	92.52 %	$955.95
Total 100% Owned and Joint Venture Properties					83,132	81,717,263	977	$908.31	94.23 %	$891.62

(1) Monthly average rent per unit represents the average of gross monthly rent amounts charged for occupied units plus prevalent market rents asked for unoccupied units in the property, divided by the total number of units in the property. This information is provided to represent average pricing for the period and does not represent actual rental revenue collected per unit.

(2) Average Occupancy is calculated by dividing the number of units occupied at each property by the total number of units at each property.

(3) Effective rent per unit is equal to the average of gross rent amounts after the effect of leasing concessions for occupied units plus prevalent market rates asked for unoccupied units in the property, divided by the total number of units in the property. Leasing concessions represent discounts to the current market rate. These discounts may be offered from time-to-time by a property for various reasons, including to assist with the initial lease-up of a newly developed property or as a response to a property's local market economics. Concessions are not part of our standard rent offering. Concessions for the year ended December 31, 2013 were $5.3 million. As of December 31,

2013 approximately 13.0% of total leases were subject to concessions. Effective rent is provided to represent average pricing for the period and does not represent actual rental revenue collected per unit.

(4) Large market same store reportable segment.

(5) Secondary market same store reportable segment.

(6) Non-same store reportable segment.

Mortgage/Bond Financing

As of December 31, 2013, we had approximately $1.2 billion of indebtedness collateralized, secured, and outstanding as set forth below:

Property	Location	Encumbrances at December 31, 2013 Mortgage/Bond Principal (000's)		Interest Rate			Maturity Date	
100% Owned Properties								
Eagle Ridge	Birmingham, AL	$—	(1)			(1)		(1)
Abbington Place	Huntsville, AL	—	(1)			(1)		(1)
CG at Edgewater	Huntsville, AL	28,462		3.750	%		6/1/2019	
CG at Madison	Madison, AL	23,102		3.750	%		6/1/2019	
Paddock Club Montgomery	Montgomery, AL	—	(1)			(1)		(1)
CG at Liberty Park	Vestavia Hills, AL	18,531		3.700	%		2/27/2019	
Tiffany Oaks	Altamonte Springs, FL	—	(1)			(1)		(1)
Indigo Point	Brandon, FL	—	(1)			(1)		(1)
Preserve at Coral Square	Coral Springs, FL	—	(3)			(3)		(3)
Anatole	Daytona Beach, FL	6,758	(6)(17)	0.867	%	(6)(17)	5/20/2031	(6)(17)
CG at Heathrow	Heathrow, FL	21,412		3.700	%		2/27/2019	
Lighthouse at Fleming Island	Jacksonville, FL	—	(1)			(1)		(1)
St. Augustine	Jacksonville, FL	13,235	(16)(17)	0.867	%	(16)(17)	5/20/2031	(16)(17)
St. Augustine II	Jacksonville, FL	—	(1)			(1)		(1)
Woodhollow	Jacksonville, FL	—	(1)			(1)		(1)
Paddock Club Lakeland	Lakeland, FL	—	(1)			(1)		(1)
CG at Town Park	Lake Mary, FL	33,818		3.750	%		6/1/2019	
Paddock Park Ocala	Ocala, FL	6,570	(2)(17)	0.867	%	(2)(17)	5/20/2031	(2)(17)
Park Crest at Innisbrook	Palm Harbor, FL	29,574		4.430	%		10/1/2020	
CV at Twin Lakes	Sanford, FL	26,243		4.065	%		7/1/2020	
Belmere	Tampa, FL	—	(1)			(1)		(1)
CG at Seven Oaks	Wesley Chapel, FL	21,274		3.750	%		6/1/2019	
Sanctuary at Oglethorpe	Atlanta, GA	23,500		6.210	%		12/1/2015	
Westbury Creek	Augusta, GA	3,428	(11)(17)	0.867	%	(11)(17)	5/20/2033	(11)(17)
Prescott	Duluth, GA	—	(4)			(4)		(4)
CG at River Oaks	Duluth, GA	11,992		3.750	%		6/1/2019	
CG at Mount Vernon	Dunwoody, GA	15,936		3.700	%		2/27/2019	
Lanier	Gainesville, GA	15,558		5.300	%		3/1/2014	
Lake Club	Gainesville, GA	—	(4)			(4)		(4)
CG at Shiloh	Kennesaw, GA	31,663		3.700	%		2/27/2019	
CG at Barrett Creek	Marietta, GA	19,772		3.750	%		6/1/2019	
CG at Godley Station	Pooler, GA	14,747		5.000	%		6/1/2025	
Georgetown Grove	Savannah, GA	—	(3)			(3)		(3)
Oaks at Wilmington Island	Savannah, GA	—	(3)			(3)		(3)
Huntington Chase	Warner Robins, GA	—	(3)			(3)		(3)
Grand Reserve Lexington	Lexington, KY	—	(1)			(1)		(1)

Mansion, The	Lexington, KY	—	(1)	(1)	(1)

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Village, The	Lexington, KY	—	(1)			(1)		(1)
Crosswinds	Jackson, MS	—	(1)			(1)		(1)
Pear Orchard	Jackson, MS	—	(1)			(1)		(1)
Reflection Pointe	Jackson, MS	5,692	(7)(17)	0.867	%	(7)(17)	5/20/2031	(7)(17)
Savannah Creek	Southaven, MS	—	(1)			(1)		(1)
Hermitage at Beechtree	Cary, NC	—	(1)			(1)		(1)
Waterford Forest	Cary, NC	—	(4)			(4)		(4)
CG at Beverly Crest	Charlotte, NC	16,111		3.700	%		2/27/2019	
CG at Mallard Creek	Charlotte, NC	16,250		3.700	%		2/27/2019	
CG at Mallard Lake	Charlotte, NC	18,342		3.700	%		2/27/2019	
CV at Greystone	Charlotte, NC	14,559		3.750	%		6/1/2019	
CV at Timber Crest	Charlotte, NC	12,142		3.099	%		8/15/2015	
CG at Patterson Place	Durham, NC	15,971		3.700	%		2/27/2019	
CG at Huntersville	Huntersville, NC	15,239		3.750	%		6/1/2019	
CV at Matthews	Matthews, NC	14,923		2.630	%		3/29/2016	
CG at Arringdon	Morrisville, NC	20,087		3.700	%		2/27/2019	
CG at Brier Creek	Raleigh, NC	26,502		3.700	%		2/27/2019	
CG at Crabtree Valley	Raleigh, NC	10,950		3.700	%		2/27/2019	
CG at Trinity Commons	Raleigh, NC	31,769		3.400	%		4/1/2018	
CG at Wilmington	Wilmington, NC	27,105		2.330	%		4/1/2015	
Colony at South Park	Aiken, SC	—	(1)			(1)		(1)
Fairways, The	Columbia, SC	7,488	(8)(17)	0.867	%	(8)(17)	5/20/2031	(8)(17)
Paddock Club Columbia	Columbia, SC	—	(1)			(1)		(1)
Howell Commons	Greenville, SC	—	(1)			(1)		(1)
Paddock Club Greenville	Greenville, SC	—	(1)			(1)		(1)
Park Haywood	Greenville, SC	—	(1)			(1)		(1)
Runaway Bay	Mt. Pleasant, SC	8,365	(5)(17)	8.670	%	(5)(17)	5/20/2031	(5)(17)
535 Brookwood	Simpsonville, SC	13,413		4.430	%		10/1/2020	
Farmington Village	Summerville, SC	15,200		3.550	%		1/1/2016	
Hamilton Pointe	Chattanooga, TN	—	(1)			(1)		(1)
Hidden Creek	Chattanooga, TN	—	(1)			(1)		(1)
Steeplechase	Chattanooga, TN	—	(1)			(1)		(1)
Windridge	Chattanooga, TN	5,383	(12)(17)	0.867	%	(12)(17)	5/20/2033	(12)(17)
Post House Jackson	Jackson, TN	4,919	(17)(18)	0.867	%	(17)(18)	5/20/2031	(17)(18)
Post House North	Jackson, TN	3,267	(9)(17)	0.867	%	(9)(17)	5/20/2031	(9)(17)
Greenbrook	Memphis, TN	27,853		4.110	%		9/1/2017	
Kirby Station	Memphis, TN	—	(1)			(1)		(1)
Lincoln on the Green	Memphis, TN	—	(1)			(1)		(1)
Avondale at Kennesaw	Nashville, TN	18,484		4.430	%		10/1/2020	
CG at Bellevue	Nashville, TN	23,143		4.065	%		7/1/2020	
Monthaven Park	Nashville, TN	—	(3)			(3)		(3)
Park at Hermitage	Nashville, TN	6,645	(13)(17)	0.867	%	(13)(17)	5/20/2031	(13)(17)
Verandas at Sam Ridley	Nashville, TN	22,749		4.430	%		10/1/2020	
CG at Canyon Creek	Austin, TX	16,160		3.750	%		9/14/2019	
Grand Reserve at Sunset Valley	Austin, TX	—	(3)			(3)		(3)
CV at Quarry Oaks	Austin, TX	27,898		3.700	%		2/27/2019	
Legacy at Western Oaks	Austin, TX	31,591		3.510	%		2/1/2017	

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Silverado	Austin, TX	—	(3)			(3)		(3)
Stassney Woods	Austin, TX	4,050	(14)(17)	0.867	%	(14)(17)	5/20/2031	(14)(17)
Travis Station	Austin, TX	3,585	(15)(17)	0.867	%	(15)(17)	5/20/2031	(15)(17)
CV at Shoal Creek	Bedford, TX	23,713		3.700	%		2/27/2019	
CV at Willow Creek	Bedford, TX	27,479		3.700	%		2/27/2019	
Grand Courtyard	Dallas, TX	—	(3)			(3)		(3)
Watermark	Dallas, TX	—	(4)			(4)		(4)
CG at Bear Creek	Euless, TX	25,038		3.700	%		2/27/2019	
La Valencia at Starwood	Frisco, TX	21,718		4.590	%		3/10/2018	
Greenwood Forest	Houston, TX	18,536		1.770	%		6/1/2014	
Legacy Pines	Houston, TX	—	(4)			(4)		(4)
Ranchstone	Houston, TX	—	(3)			(3)		(3)
Reserve at Woodwind Lakes	Houston, TX	11,285		5.930	%		6/15/2015	
Chalet at Fall Creek	Humble, TX	—	(3)			(3)		(3)
Bella Casita at Las Colinas	Irving, TX	—	(4)			(4)		(4)
CG at Valley Ranch	Irving, TX	26,243		4.065	%		7/1/2020	
CV at Oakbend	Lewisville, TX	22,527		3.700	%		2/27/2019	
CG at Round Rock	Round Rock, TX	25,456		3.700	%		2/27/2019	
CV at Sierra Vista	Round Rock, TX	11,333		3.700	%		2/27/2019	
Stone Ranch at Westover Hills	San Antonio, TX	19,061		5.490	%		3/1/2020	
Cypresswood Court	Spring, TX	—	(4)			(4)		(4)
Villages at Kirkwood	Stafford, TX	—	(3)			(3)		(3)
Green Tree Place	Woodlands, TX	—	(4)			(4)		(4)
CV at West End	Glen Allen, VA	13,112		3.700	%		2/27/2019	
Township	Hampton, VA	10,430	(10)(17)	0.867	%	(10)(17)	5/20/2031	(10)(17)
Subtotal 100% Owned		$1,107,341						
Joint Venture Properties								
Ansley Village	Macon, GA	15,823		4.894	%		5/1/2017	
Grand Cypress	Cypress, TX	16,711		5.307	%		8/5/2017	
Venue at Stonebridge Ranch	McKinney, TX	15,026		4.250	%		12/10/2017	
Verandas at Southwood	Tallahassee, FL	21,171		5.110	%		3/1/2016	
Belterra	Fort Worth,TX	18,945						
Subtotal Joint Venture Properties		$87,676						
Total 100% Owned and Joint Venture Properties		$1,195,017						

(1) Encumbered by a $571.8 million Fannie Mae facility, with $345.8 million available and $345.8 million outstanding with a variable interest rate of 1.33% on which there exist four interest rate swap agreements totaling $125 million at an average rate of 4.62% and six interest rate caps totaling $165 million at an average rate of 4.58% at December 31, 2013.

(2) Encumbered by $6.6 million in bonds on which there exists a $6.6 million interest rate cap of 6.00% which terminates on October 24, 2017.

(3) Encumbered by a $200 million Freddie Mac facility, with $198.2 million available and an outstanding balance of $198.2 million and a variable interest rate of 0.73% on which there exists seven interest rate swap agreements totaling $94 million at an average rate of 4.58% and a $15 million interest rate cap of 5% at December 31, 2013.

(4) Encumbered by a $128 million loan with an outstanding balance of $128 million and a fixed interest rate of 5.08% which matures on June 10, 2021.

(5) Encumbered by $8.4 million in bonds on which there exists a $8.4 million interest rate cap of 4.50% which terminates on March 1, 2014.

(6) Encumbered by $6.8 million in bonds on which there exists a $6.8 million interest rate cap of 6.00% and maturing on October 15, 2017.

(7) Encumbered by $5.7 million in bonds on which there exists a $5.7 million interest rate cap of 6.00% which terminates on October 31, 2017.

(8) Encumbered by $7.5 million in bonds on which there exists a $7.5 million interest rate cap of 6.00% which terminates on October 31, 2017.

(9) Encumbered by $3.3 million in bonds on which there exists a $3.3 million interest rate cap of 6.00% which terminates on October 31, 2017.
(10) Encumbered by $10.4 million in bonds on which there exists a $10.4 million interest rate cap of 6.00% and maturing on October 15, 2017.
(11) Encumbered by $3.4 million in bonds with $0.5 million having a variable rate of 0.908% and $2.9 million with a variable rate of 0.867% on which there exists a $2.9 million interest rate cap of 6.00% which terminates on May 31, 2018.
(12) Encumbered by $5.4 million in bonds, $0.5 million having a variable rate of 0.908% and $4.9 million with a variable rate of 0.867% on which there exists a $4.9 million interest rate cap of 6.00% which terminates on May 31, 2018.
(13) Encumbered by $6.6 million in bonds on which there exists a $6.6 million interest rate cap of 6.00% which terminates on November 15, 2016.
(14) Encumbered by $4.1 million in bonds on which there exists a $4.1 million interest rate cap of 6.00% which terminates on November 15, 2016.
(15) Encumbered by $3.6 million in bonds on which there exists a $3.6 million interest rate cap of 6.00% which terminates on November 15, 2016.
(16) Encumbered by $13.2 million in bonds on which exists a $13.2 million interest rate cap of 4.50% which terminates on March 1, 2014.
(17) Also encumbered by a $17.9 million FNMA facility maturing on March 1, 2014 with a variable interest rate of 0.80% on which there exists a $11.7 million interest rate cap of 5.00% which terminates on March 1, 2014, and a $6.2 million interest rate cap of 4.50% which terminates on March 1, 2014.
(18) Encumbered by $4.9 million in bonds on which there exists a $4.9 million interest rate cap of 4.50% which terminates on March 1, 2014.

ITEM 3. LEGAL PROCEEDINGS.

Regatta Litigation

The Company (by virtue of the Merger) and Colonial LP, along with multiple other parties, are named defendants in lawsuits arising out of alleged construction deficiencies with respect to condominium units at Regatta at James Island in Charleston, South Carolina. Regatta at James Island property was developed by certain of the Company's subsidiaries and constructed by Colonial Construction Services, LLC. The condominiums were constructed in 2006 and all 212 units were sold. The lawsuits, one filed on behalf of the condominium homeowners association and one filed by three of the unit owners (purportedly on behalf of all unit owners), were filed in South Carolina state court (Charleston County) in August 2012, against various parties involved in the development and construction of the Regatta at James Island property, including the contractors, subcontractors, architect, developer, and product manufacturers. The plaintiffs are seeking damages resulting primarily from alleged construction deficiencies, but the amount plaintiffs seek to recover has not been disclosed. The lawsuits are currently in discovery. The Company is continuing to investigate the matter and evaluate its options and intends to vigorously defend itself against these claims. No assurance can be given that the matter will be resolved favorably to the Company. The Company has included in its loss contingency an estimate of probable loss in connection with this matter, but currently cannot reasonably estimate any further possible loss, or any range of reasonably possible loss, in connection with this matter.

Plantation Point Litigation

The Company (by virtue of the Merger) and Colonial LP, along with multiple other parties, are named defendants in a lawsuit arising out of alleged construction deficiencies with respect to condominium units at Plantation Point in Bluffton, South Carolina. Plantation Point was previously owned and operated by Colonial LP as a multi-family rental project by the name of the Ashley Plantation apartments. Colonial LP sold the property in 2005 to a third party, which

then converted the property to condominiums and sold all 414 units. The lawsuit, filed on behalf of the condominium homeowners association and a class of unit owners, was filed in South Carolina state court (Beaufort County) in September 2011, against various parties involved in the development, construction and conversion of the Plantation Point property, including the contractors, subcontractors, architect, developer, and product manufacturers. The plaintiffs are seeking $24.7 million in damages resulting from, among other things, alleged construction deficiencies and misleading sales practices attributed to the third-party seller. The lawsuit is currently in discovery. The Company is continuing to investigate the matter and evaluate its options and intends to vigorously defend itself against these claims. No assurance can be given that the matter will be resolved favorably to the Company. The Company has included in its loss contingency an estimate of probable loss in connection with this matter, but currently cannot reasonably estimate any further possible loss, or any range of reasonably possible loss, in connection with this matter.

Williams Litigation

On June 19, 2013, a putative class action was filed in the Circuit Court for Jefferson County, Alabama captioned Williams v. Colonial Properties Trust, et al., No. 01-CV-2013-902416.00 (the “Williams Litigation”), seeking, among other things, to enjoin the previously announced combination of MAA and Colonial in accordance with the terms of the Agreement and Plan of Merger, dated June 3, 2013, by and among MAA, the Operating Partnership, Martha Merger Sub, LP, Colonial and Colonial LP. The complaint names as defendants Colonial, the ten members of Colonial’s board of trustees, Colonial LP,

MAA, the Operating Partnership and OP Merger Sub. The original complaint contained two counts: The first alleges that Colonial's trustees breached their fiduciary duties of care and loyalty in agreeing to the proposed merger because, among other things, they engaged in an unfair process, failed to maximize the Colonial shareholders' consideration, and agreed to preclusive deal protection devices. The second count, against Colonial LP, MAA, the Operating Partnership and OP Merger Sub, alleges that those parties "aided and abetted" the alleged breaches of fiduciary duties by Colonial's trustees. In addition to the injunction of the merger, the complaint seeks, among other things, to recover Plaintiff's attorneys' fees and costs, but it does not make a claim for monetary damages. On August 2, 2013, Plaintiff filed an amended complaint that re-asserted Plaintiff's earlier claims and added a new claim that the Colonial trustees breached their duty of candor by not providing Colonial shareholders full and complete disclosures regarding the merger. On August 14, 2013, the parties to the Williams Litigation reached an agreement in principle to settle the Williams Litigation, in which (a) defendants agreed to make certain additional disclosures in the joint proxy statement/prospectus related to the merger, and (b) the parties agreed that they would use their best efforts to agree upon, execute and present to the court a stipulation of settlement which would, among other things, (i) provide for the conditional certification of a non-opt out settlement class pursuant to Alabama Rules of Civil Procedure 23(b)(1) and (b)(2) consisting generally of all record and beneficial holders of the common stock of Colonial from June 3, 2013 through and including the date of the closing of the parent merger (the "Settlement Class") (ii) release all claims that members of the Settlement Class may have that were alleged in the Williams Litigation or otherwise arising out of or relating in any manner to the merger and (iii) dismiss the Williams Litigation with prejudice. The proposed settlement, including the payment by Colonial (or its successors) of Plaintiff's attorneys' fees awarded by the Court, is subject to, among other things, confirmatory discovery, agreement to a stipulation of settlement, and final court approval following notice to the Settlement Class. Based on the terms of the agreement in principle reached in the Williams Litigation, the Company will not pay any monetary damages to the Settlement Class and the only monetary obligation will be the payment of Plaintiff's attorneys' fees, to the extent approved by the Court, up to an immaterial amount agreed to by the parties.

On December 3, 2013, following the confirmatory discovery contemplated in the agreement in principle reached on August 14, 2013, the parties to the Williams Litigation executed a Stipulation of Settlement. On December 6, 2013, Plaintiff filed an unopposed motion for preliminary approval of class action settlement ("Motion for Preliminary Approval"), which attached as an exhibit the executed Stipulation of Settlement. On December 13, 2013, the Court held a hearing on Plaintiff's Motion for Preliminary Approval and preliminarily approved the Settlement and issued an Order for Notice and Scheduling of Hearing on Settlement ("Order"). In the Order, the Court set the final Settlement approval hearing for March 6, 2014 and also directed that notice of the Settlement and preliminary approval be sent to all Settlement Class members within ten business days. Such notice was sent out to Settlement Class members as set forth in the Order.

ITEM 4. MINE SAFETY DISCLOSURES.

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES.

Mid-America Apartment Communities, Inc.

MAA's common stock has been listed and traded on the NYSE under the symbol "MAA" since its initial public offering in February 1994. On February 18, 2014, the reported last sale price of our common stock on the NYSE was $67.95 per share, and there were approximately 2,241 holders of record of the common stock. MAA believes it has a significantly larger number of beneficial owners of its common stock. The following table sets forth the quarterly high and low intra-day sales prices of MAA's common stock and the dividends declared by MAA with respect to the periods indicated.

	Sales Prices		Dividends	Dividends	
	High	Low	Paid	Declared	
2013:					
First Quarter	$70.84	$64.54	$0.6950	$0.6950	
Second Quarter	$74.94	$60.88	$0.6950	$0.6950	
Third Quarter	$69.99	$60.19	$0.6950	$0.6950	
Fourth Quarter	$67.63	$59.23	$0.6950	$0.7300	(1)
2012:					
First Quarter	$67.11	$57.96	$0.6600	$0.6600	
Second Quarter	$70.22	$64.67	$0.6600	$0.6600	
Third Quarter	$70.21	$64.81	$0.6600	$0.6600	
Fourth Quarter	$66.68	$60.38	$0.6600	$0.6950	

(1) Generally, MAA's Board of Directors declares dividends prior to the quarter in which they are paid. The dividend of $0.730 per share declared in the fourth quarter of 2013 was paid on January 31, 2014 to shareholders of record on January 15, 2014.

MAA's quarterly dividend rate is currently $0.730 per common share. MAA's Board of Directors reviews and declares the dividend rate quarterly. Actual dividends made by MAA will be affected by a number of factors, including, but not limited to, the gross revenues received from the apartment communities, our operating expenses, the interest expense incurred on borrowings and unanticipated capital expenditures.

MAA expects to make future quarterly distributions to shareholders; however, future distributions by MAA will be at the discretion of its Board of Directors and will depend on our actual funds from operations, our financial condition, capital requirements, the annual distribution requirements under the REIT provisions of the Code and such other factors as MAA's Board of Directors deems relevant.

Direct Stock Purchase and Distribution Reinvestment Plan

We have established the Direct Stock Purchase and Distribution Reinvestment Plan, or DRSPP, under which holders of common stock, preferred stock and limited partnership interests in the Operating Partnership can elect to automatically reinvest their distributions in additional shares of common stock. The plan also allows for the optional purchase of common stock of at least $250, but not more than $5,000 in any given month, free of brokerage commissions and charges. In our absolute discretion, we may grant waivers to allow for optional cash payments in

excess of $5,000. To fulfill our obligations under the DRSPP, we may either issue additional shares of common stock or repurchase common stock in the open market. We may elect to sell shares under the DRSPP at up to a 5% discount.

In 2013, 2012, and 2011, we had the following issuances through our DRSPP:

	2013	2012	2011
Shares	10,924	14,260	509,116
Discount	— %	— %	2 %

The following table provides information with respect to compensation plans under which our equity securities are authorized for issuance as of December 31, 2013:

	Number of Securities to be Issued upon Exercise of Outstanding Options, Warrants and Rights (a)(1)	Weighted Average Exercise Price of Outstanding Options Warrants and Rights (b)(1)	Number of Securities Remaining Available for Future Issuance under Equity Compensation Plans (excluding securities reflected in column (a)) (c)(2)
Equity compensation plans approved by security holders	377,547	$58.48	280,437
Equity compensation plans not approved by security holders	N/A	N/A	N/A
Total	377,547	$58.48	280,437

(1) Columns (a) and (b) above do not include 73,715 shares of restricted stock that are subject to vesting requirements which were issued through our 2004 Stock Plan or 92,088 shares of common stock that have been purchased by employees through the Employee Stock Purchase Plan. See Item 8. Financial Statements and Supplementary Data - Notes to Consolidated Financial Statements, Note 5 for more information on these plans.

(2) Column (c) above includes 222,525 shares available to be issued under our 2013 Stock Plan and 57,912 shares available to be issued under our Employee Stock Purchase Plan. See Item 8. Financial Statements and Supplementary Data - Notes to Consolidated Financial Statements, Note 5 for more information on these plans.

The outstanding options noted in the chart above were issued in exchange for outstanding Colonial options during the Colonial merger.

Mid-America Apartments, L.P.

Operating Partnership Units

There is no established public trading market for Mid-America Apartments, L.P.'s OP Units. From time-to-time we issue shares of our common stock in exchange for OP Units tendered to the Operating Partnership, for redemption in accordance with the provisions of the Operating Partnership's limited partnership agreement. At December 31, 2013, there were 79,058,110 OP Units outstanding in the Operating Partnership, of which 74,830,726 OP Units, or 94.7%, were owned by MAA and 4,227,384 OP Units, or 5.3% were owned by limited partners. Under the terms of the Operating Partnership's limited partnership agreement, the limited partner holders of OP Units have the right to require the Operating Partnership to redeem all or a portion of the OP Units held by the holder in exchange for one share of

common stock in MAA per one OP Unit or a cash payment based on the market value of our common stock at the time of redemption, at the option of MAA. During the year ended December 31, 2013, we issued a total of 78,918 shares of common stock upon redemption of OP Units.

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Comparison of Five-year Cumulative Total Returns

The following graph compares the cumulative total returns of the shareholders of MAA since December 31, 2008 with the S&P 500 Index and the FTSE NAREIT Equity REIT Index prepared by the National Association of Real Estate Investment Trusts, or NAREIT. The graph assumes that the base share price for our common stock and each index is $100 and that all dividends are reinvested. The performance graph is not necessarily indicative of future investment performance.

	Dec '08	Dec '09	Dec '10	Dec '11	Dec '12	Dec '13
MAA	$100.00	$139.31	$191.81	$196.61	$212.02	$207.37
S&P500	$100.00	$126.46	$145.51	$148.59	$172.37	$228.19
FTSE NAREIT Equity Index	$100.00	$127.99	$163.78	$177.36	$209.39	$214.56

Purchases of Equity Securities

The following chart shows our repurchases of shares for the three-month period ended December 31, 2013:

MAA Purchases of Equity Securities

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares That May Yet be Purchased Under the Plans or Programs (1)
October 1, 2013 - October 31, 2013	—	$—	—	2,138,000
November 1, 2013 - November 30, 2013	—	$—	—	2,138,000
December 1, 2013 - December 31, 2013	—	$—	—	2,138,000
Total	—	$—	—	2,138,000

(1) This number reflects the amount of shares of MAA's common stock that were available for purchase under our 4,000,000 share repurchase program authorized by our Board of Directors in 1999.

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ITEM 6. SELECTED FINANCIAL DATA.

The following table sets forth selected financial data on a historical basis for Mid-America Apartment Communities, Inc. and Mid-America Apartments, L.P. As previously discussed, the assets, liabilities, and results of operations of Colonial are included in both MAA and the Operating Partnership's selected financial data from the closing date of the merger, October 1, 2013, through the end of our fiscal year, December 31, 2013. This data should be read in conjunction with the consolidated financial statements and notes thereto and “Management's Discussion and Analysis of Financial Condition and Results of Operations” included elsewhere in this Annual Report on Form 10-K.

Mid-America Apartment Communities, Inc.
Selected Financial Data
(Dollars in thousands, except per share data)

	Year Ended December 31,				
	2013	2012	2011	2010	2009
Operating Data:					
Total operating revenues	$634,734	$475,888	$409,782	$359,582	$336,600
Expenses:					
Property operating expenses	253,314	194,149	173,563	154,885	140,908
Depreciation and amortization	186,979	121,211	106,009	93,592	85,838
Acquisition expense	1,393	1,581	3,319	2,512	950
Property management and general and administrative expenses	38,652	35,043	38,096	29,766	27,978
Merger related expenses	32,403	—	—	—	—
Integration related expenses	5,102	—	—	—	—
Income from continuing operations before non-operating items	116,891	123,904	88,795	78,827	80,926
Interest and other non-property income	488	430	802	903	385
Interest expense	(75,915)	(57,937)	(56,383)	(53,564)	(54,178)
Loss on debt extinguishment/modification	(426)	(654)	(755)	—	(140)
Amortization of deferred financing costs	(3,063)	(3,552)	(2,902)	(2,627)	(2,374)
Net casualty (loss) gain after insurance and other settlement proceeds	(143)	(6)	(619)	314	34
Gain on sale of non-depreciable assets	—	45	1,084	—	15
Gain on properties acquired from joint ventures	—	—	—	752	—
Income before income tax expense	37,832	62,230	30,022	24,605	24,668
Income tax expense	(893)	(803)	(727)	(623)	(562)
Income from continuing operations before gain (loss) from real estate joint ventures	36,939	61,427	29,295	23,982	24,106
Gain (loss) from real estate joint ventures	338	(223)	(593)	(1,149)	(816)
Income from continuing operations	37,277	61,204	28,702	22,833	23,290
Discontinued operations:					
Income from discontinued operations before gain (loss) on sale	5,158	6,986	9,730	8,044	11,282
Gain (loss) on sale of discontinued operations	76,844	41,635	12,799	(2)	4,649
Consolidated net income	119,279	109,825	51,231	30,875	39,221
Net income attributable to noncontrolling interests	3,998	4,602	2,410	1,114	2,010
Net income attributable to MAA	115,281	105,223	48,821	29,761	37,211
Preferred dividend distributions	—	—	—	6,549	12,865
Premiums and original issuance costs associated with the redemption of preferred stock	—	—	—	5,149	—
Net income available for MAA common shareholders	$115,281	$105,223	$48,821	$18,063	$24,346

Per Share Data:

Weighted average shares outstanding (in thousands):					
Basic	50,677	41,039	36,995	31,856	28,341
Effect of dilutive stock options and partnership units (1)	2,439	1,898	2,092	2,363	7
Diluted	53,116	42,937	39,087	34,219	28,348
Calculation of Earnings per share - basic:					
Income from continuing operations, adjusted	$36,112	$58,737	$27,413	$10,551	$9,602
Income from discontinued operations, adjusted	79,061	46,392	21,375	7,545	14,555
Net income attributable to common shareholders, adjusted	$115,173	$105,129	$48,788	$18,096	$24,157
Earnings per share - basic:					
Income from continuing operations available for common shareholders	$0.71	$1.42	$0.74	$0.33	$0.34
Discontinued property operations	1.56	1.14	0.58	0.24	0.51
Net income available for common shareholders	$2.27	$2.56	$1.32	$0.57	$0.85
Calculation of Earnings per share - diluted:					
Income from continuing operations, adjusted	$37,277	$61,204	$28,702	$11,135	$9,535
Income from discontinued operations, adjusted	82,002	48,621	22,529	8,042	14,595
Net income attributable to common shareholders, adjusted	$119,279	$109,825	$51,231	$19,177	$24,130
Earnings per share - diluted:					
Income from continuing operations available for common shareholders	$0.70	$1.43	$0.73	$0.33	$0.34
Discontinued property operations	1.55	1.13	0.58	0.23	0.51
Net income available for common shareholders	$2.25	$2.56	$1.31	$0.56	$0.85
Dividends declared (2)	$2.8150	$2.6750	$2.5425	$2.4725	$2.4600
Balance Sheet Data:					
Real estate owned, at cost	$7,694,618	$3,734,544	$3,396,934	$2,958,765	$2,707,300
Real estate assets, net	$6,556,303	$2,694,071	$2,423,808	$2,084,863	$1,933,863
Total assets	$6,841,925	$2,751,068	$2,530,468	$2,176,048	$1,986,826
Total debt	$3,472,718	$1,673,848	$1,649,755	$1,500,193	$1,399,596
Noncontrolling interest	$166,726	$31,058	$25,131	$22,125	$22,660
Total MAA shareholders' equity and redeemable stock	$2,951,861	$918,765	$722,368	$522,267	$433,368
Other Data (at end of period):					
Market capitalization (shares and units) (3)	$4,801,990	$2,852,113	$2,558,107	$2,353,115	$1,671,036
Ratio of total debt to total capitalization (4)	42.0 %	37.0 %	39.2 %	38.9 %	45.6 %

Number of communities, including joint venture ownership interest (5)	275	166	167	157	147
Number of apartment units, including joint venture ownership interest (5)	83,641	49,591	49,133	46,310	43,604

(1) See Earnings per common share of MAA note in Item 8. Financial Statements and Supplementary Data - Notes to Consolidated Financial Statements, Note 3 of this report.
(2) Beginning in 2006, at their regularly scheduled meetings, our Board of Directors began routinely declaring dividends for payment in the following quarter. This can result in dividends declared during a calendar year being different from dividends paid during a calendar year.
(3) Market capitalization includes all series of preferred shares (value based on $25 per share liquidation preference) and common shares, regardless of classification on balance sheet, as well as partnership units (value based on common stock equivalency).
(4) Total capitalization is market capitalization plus total debt.
(5) Property and apartment unit totals have not been adjusted to exclude properties held for sale.

Mid-America Apartments, L.P.
Selected Financial Data
(Dollars in thousands, except per unit data)

	Year Ended December 31,				
	2013	2012	2011	2010	2009
Operating Data:					
Total operating revenues	$634,734	$475,888	$409,782	$359,582	$336,600
Expenses:					
Property operating expenses	253,314	194,149	173,563	154,885	140,908
Depreciation and amortization	186,979	121,211	106,009	93,592	85,838
Acquisition expense	1,393	1,581	3,319	2,512	950
Property management and general and administrative expenses	38,652	35,043	38,096	29,766	27,978
Merger related expenses	32,403	—	—	—	—
Integration related expenses	5,102	—	—	—	—
Income from continuing operations before non-operating items	116,891	123,904	88,795	78,827	80,926
Interest and other non-property income	488	430	802	903	385
Interest expense	(75,915)	(57,937)	(56,383)	(53,564)	(54,178)
Loss on debt extinguishment/modification	(426)	(654)	(755)	—	(140)
Amortization of deferred financing costs	(3,063)	(3,552)	(2,902)	(2,627)	(2,374)
Net casualty (loss) gain after insurance and other settlement proceeds	(143)	(6)	(619)	314	34
Gain on sale of non-depreciable assets	—	45	1,084	—	15
Gain on properties acquired from joint ventures	—	—	—	752	—
Income before income tax expense	37,832	62,230	30,022	24,605	24,668
Income tax expense	(893)	(803)	(727)	(623)	(562)
Income from continuing operations before gain (loss) from real estate joint ventures	36,939	61,427	29,295	23,982	24,106
Gain (loss) from real estate joint ventures	338	(223)	(593)	(1,149)	(816)
Income from continuing operations	37,277	61,204	28,702	22,833	23,290
Discontinued operations:					
Income from discontinued operations before gain (loss) on sale	4,747	6,201	9,087	7,460	10,894
Gain (loss) on sale of discontinued operations	65,520	41,635	12,799	(2)	4,649
Net income attributable to Mid-America Apartments, L.P.	107,544	109,040	50,588	30,291	38,833
Preferred distributions	—	—	—	6,549	12,865
Premiums and original issuance costs associated with the redemption of preferred units	—	—	—	5,149	—
Net income available for Mid-America Apartments, L.P. common unitholders	$107,544	$109,040	$50,588	$18,593	$25,968
Per Unit Data:					
Weighted average units outstanding (in thousands):					
Basic	53,075	42,911	39,051	34,186	30,840
Effect of dilutive stock options and partnership units (1)	88	64	100	121	7

Diluted	53,163	42,975	39,151	34,307	30,847
Calculation of Earnings per unit - basic:					
Income from continuing operations, adjusted	$37,244	$61,151	$28,681	$11,148	$10,341
Income from discontinued operations, adjusted	70,205	47,795	21,876	7,480	15,440
Net income available for common unitholders	$107,449	$108,946	$50,557	$18,628	$25,781
Earnings per unit - basic:					
Income from continuing operations available for common unitholders	$0.70	$1.43	$0.73	$0.33	$0.34
Income from discontinued property operations available for common unitholders	1.32	1.11	0.56	0.21	0.50
Net income available for common unitholders	$2.02	$2.54	$1.29	$0.54	$0.84
Calculation of Earnings per unit - diluted:					
Income from continuing operations, adjusted	$37,277	$61,204	$28,702	$11,135	$10,341
Income from discontinued operations, adjusted	70,267	47,836	21,886	7,458	15,486
Net income available for common unitholders	$107,544	$109,040	$50,588	$18,593	$25,827
Earnings per unit - diluted:					
Income from continuing operations available for common unitholders	$0.70	$1.43	$0.73	$0.33	$0.34
Discontinued property operations	1.32	1.11	0.56	0.21	0.50
Net income available for common unitholders	$2.02	$2.54	$1.29	$0.54	$0.84
Distributions declared, per unit (2)	$2.8150	$2.6750	$2.5425	$2.4725	$2.4600
Balance Sheet Data:					
Real estate owned, at cost	$7,694,618	$3,721,028	$3,383,883	$2,946,009	$2,694,695
Real estate assets, net	$6,556,303	$2,688,549	$2,418,198	$2,078,984	$1,927,567
Total assets	$6,841,925	$2,745,278	$2,524,792	$2,170,097	$1,980,458
Total debt	$3,472,718	$1,673,848	$1,649,755	$1,500,193	$1,399,596
Total Operating Partnership capital and redeemable units	$3,118,568	$943,720	$709,871	$510,510	$422,295
Other Data (at end of period):					
Number of communities, including joint venture ownership interest (3)	275	165	166	156	146
Number of apartment units, including joint venture ownership interest (3)	83,641	49,335	48,877	46,054	43,348

(1) See Earnings Per OP Unit of MAALP note in Item 8. Financial Statements and Supplementary Data - Notes to Consolidated Financial Statements, Note 4 of this report.
(2) Beginning in 2006, at their regularly scheduled meetings, the Board of Directors began routinely declaring distributions for payment in the following quarter. This can result in distributions declared during a calendar year being different from distributions paid during a calendar year.
(3) Property and apartment unit totals have not been adjusted to exclude properties held for sale.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion analyzes the financial condition and results of operations of both MAA and the Operating Partnership, of which the MAA is the sole general partner and in which MAA owned a 94.7% limited partner interest as of December 31, 2013. MAA conducts all of its business through the Operating Partnership and the Operating Partnership's various subsidiaries.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

A critical accounting policy is one that is both important to our financial condition and results of operations and that involves some degree of uncertainty. The following discussion and analysis of financial condition and results of operations are based upon our consolidated financial statements and the notes thereto, which have been prepared in accordance with United States generally accepted accounting principles, or GAAP. The preparation of financial statements in conformity with GAAP requires management to make a number of estimates and assumptions that affect the reported amounts and disclosures in the consolidated financial statements. On an ongoing basis, we evaluate our estimates and assumptions based upon historical experience and various other factors and circumstances. We believe that our estimates and assumptions are reasonable under the circumstances; however, actual results may differ from these estimates and assumptions.

We believe that the estimates and assumptions listed below are most important to the portrayal of our financial condition and results of operations because they require the greatest subjective determinations and form the basis of accounting policies deemed to be most critical. These critical accounting policies include revenue recognition, capitalization of expenditures and depreciation and amortization of assets, acquisition of real estate assets, impairment of long-lived assets, including goodwill, fair value of derivative financial instruments and loss contingencies.

Revenue Recognition and Real Estate Sales

We primarily lease multifamily residential apartments under operating leases generally with terms of one year or less. Rental revenues are recognized using a method that represents a straight-line basis over the term of the lease and other revenues are recorded when earned.

We record gains and losses on real estate sales in accordance with accounting standards governing the sale of real estate. For sale transactions meeting the requirements for the full accrual method, we remove the assets and liabilities from our Consolidated Balance Sheets and record the gain or loss in the period the transaction closes. For properties contributed to joint ventures, MAA records gains on the partial sale in proportion to the outside partners' interest in the venture.

Capitalization of expenditures and depreciation and amortization of assets

We carry real estate assets at depreciated cost. Depreciation and amortization is computed on a straight-line basis over the estimated useful lives of the related assets, which range from 8 to 40 years for land improvements and buildings, 5 years for furniture, fixtures, and equipment, 3 to 5 years for computers and software, and 6 months for acquired leases, all of which are subjective determinations. Repairs and maintenance costs are expensed as incurred while significant improvements, renovations and replacements are capitalized. The cost to complete any deferred repairs and maintenance at properties acquired by us in order to elevate the condition of the property to our standards are capitalized as incurred.

Acquisition of real estate assets

We account for our acquisitions of investments in real estate in accordance with ASC 805-10, Business Combinations, which requires the fair value of the real estate acquired to be allocated to the acquired tangible assets, consisting of land, building and furniture, fixtures and equipment, and identified intangible assets, consisting of the value of in-place leases.

We allocate the purchase price to the fair value of the tangible assets of an acquired property, which includes the land, building, and furniture, fixtures, and equipment, determined by valuing the property as if it were vacant, based on management's determination of the relative fair values of these assets. Management determines the as-if-vacant fair value of a property using methods similar to those used by independent appraisers. These methods include using stabilized Net Operating Income, or NOI, and market specific capitalization and discount rates. The purchase price is also allocated to any debt and other liabilities that are assumed as part of the transaction.

In allocating the fair value of identified intangible assets of an acquired property, the in-place leases are valued based on current rent rates and time and cost to lease a unit. Management concluded that the residential leases acquired on each of its property acquisitions are approximately at market rates since the lease terms generally do not extend beyond one year.

For larger, portfolio style acquisitions, like the Merger, management engages a third party valuation specialist to assist with the fair value assessment, which includes an allocation of the purchase price. Similar to management's methods, the third party uses cash flow analysis as well as an income approach and a market approach to determine the fair value of assets. The third party uses stabilized NOI and market specific capitalization and discount rates. Management reviews the inputs used by the third party specialist as well as the allocation of the purchase price provided by the third party to ensure reasonableness and that the procedures are performed in accordance with management's policy. The initial allocation of the purchase price is based on management’s preliminary assessment, which may differ when final information becomes available. Subsequent adjustments made to the initial purchase price allocation, if any, are made within the allocation period, which typically does not exceed one year.

Impairment of long-lived assets, including goodwill

We account for long-lived assets in accordance with the provisions of accounting standards for the impairment or disposal of long-lived assets and evaluate our goodwill for impairment under accounting standards for goodwill and other intangible assets. We evaluate goodwill for impairment on at least an annual basis, or more frequently if a goodwill impairment indicator is identified. We periodically evaluate long-lived assets, including investments in real estate and goodwill, for indicators that would suggest that the carrying amount of the assets may not be recoverable. The judgments regarding the existence of such indicators are based on factors such as operating performance, market conditions and legal factors.

Long-lived assets, such as real estate assets, equipment and purchased intangibles subject to amortization, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized by the amount by which the carrying amount of the asset exceeds the fair value of the asset. Assets to be disposed of are separately presented on the balance sheet and reported at the lower of the carrying amount or fair value less costs to sell, and are no longer depreciated. The assets and liabilities of properties classified as held for sale are presented separately in the appropriate asset and liability sections of the balance sheet.

Goodwill is tested annually for impairment, and is tested for impairment more frequently if events and circumstances indicate that the asset might be impaired. An impairment loss for goodwill is recognized to the extent that the carrying amount exceeds the implied fair value of goodwill. This determination is made at the reporting unit level and consists of two steps. First, we determine the fair value of a reporting unit and compare it to its carrying amount. In the apartment industry, the primary method used for determining fair value is to divide annual operating cash flows by an appropriate capitalization rate. We determine the appropriate capitalization rate by reviewing the prevailing rates in a property’s market or submarket. Second, if the carrying amount of a reporting unit exceeds its fair value, an impairment loss is recognized for any excess of the carrying amount of the reporting unit’s goodwill over the implied fair value of that goodwill. The implied fair value of goodwill is determined by allocating the fair value of the reporting unit in a manner similar to a purchase price allocation in accordance with accounting standards for business combinations. The residual fair value after this allocation is the implied fair value of the reporting unit goodwill.

Fair value of derivative financial instruments

We utilize certain derivative financial instruments, primarily interest rate swaps and interest rate caps, during the normal course of business to manage, or hedge, the interest rate risk associated with our variable rate debt or as hedges in anticipation of future debt transactions to manage well-defined interest rate risk associated with the transaction.

In order for a derivative contract to be designated as a hedging instrument, changes in the hedging instrument must be highly effective at offsetting changes in the hedged item. The historical correlation of the hedging instruments and the underlying hedged items are assessed before entering into the hedging relationship and on a quarterly basis thereafter, and have been found to be highly effective.

We measure ineffectiveness using the change in the variable cash flows method or the hypothetical derivative method for interest rate swaps and the hypothetical derivative method for interest rate caps for each reporting period through the term of the hedging instruments. Any amounts determined to be ineffective are recorded in earnings if in an overhedged position.

The change in fair value of the interest rate swaps and the intrinsic value or fair value of interest rate caps designated as cash flow hedges are recorded to accumulated other comprehensive income in the statement of shareholders' equity.

The valuation of our derivative financial instruments is determined using widely accepted valuation techniques, including discounted cash flow analysis on the expected cash flows of each derivative. The fair values of interest rate swaps are determined using the market standard methodology of netting the discounted future fixed cash payments and the discounted expected variable cash receipts. The variable cash receipts are based on an expectation of future interest rates (forward curves) derived from observable market interest rate curves. The fair values of interest rate caps are determined using the market standard methodology of discounting the future expected cash receipts that would occur if variable interest rates rise above the strike rate of the interest rate caps. The variable interest rates used in the calculation of projected receipts on the interest rate cap are based on an expectation of future interest rates derived from observable market interest rate curves and volatilities. Additionally, we incorporate credit valuation adjustments to appropriately reflect both our own nonperformance risk and the respective counterparty's nonperformance risk in the fair value measurements. Changes in the fair values of our derivatives are primarily the result of fluctuations in interest rates. See Item 8. Financial Statements and Supplementary Data – Notes to Consolidated Financial Statements, Notes 7 and 8 for further discussion.

Loss Contingencies

The outcomes of claims, disputes and legal proceedings including those described in Item 3 — Legal Proceedings of this Form 10-K are subject to significant uncertainty. We record an accrual for loss contingencies when a loss is probable and the amount of the loss can be reasonably estimated. We review these accruals quarterly and makes revisions based on changes in facts and circumstances. When a loss contingency is not both probable and reasonably estimable, we do not accrue the loss. However, if the loss (or an additional loss in excess of the accrual) is at least a reasonable possibility and material, then we disclose a reasonable estimate of the possible loss, or range of loss, if such reasonable estimate can be made. If we cannot make a reasonable estimate of the possible loss, or range of loss, then that is disclosed.

The assessment of whether a loss is probable or a reasonable possibility, and whether the loss or range of loss is reasonably estimable, often involve a series of complex judgments about future events. Among the factors that we consider in this assessment, including with respect to the matters disclosed in Item 3 — Legal Proceedings of this Form 10-K, are the nature of existing legal proceedings and claims, the asserted or possible damages or loss contingency (if reasonably estimable), the progress of the matter, existing law and precedent, the opinions or views of legal counsel and other advisers, our experience in similar matters, the facts available to us at the time of assessment, and how we intend to respond, or have responded, to the proceeding or claim. Our assessment of these factors may change over time as individual proceedings or claims progress. For matters where we are not currently able to reasonably estimate a range of reasonably possible loss, the factors that have contributed to this determination include the following: (i) the damages sought are indeterminate; (ii) the proceedings are in the early stages; (iii) the matters involve novel or unsettled legal theories or a large or uncertain number of actual or potential cases or parties; and/or (iv) discussions with the parties in matters that are expected ultimately to be resolved through negotiation and settlement have not reached the point where we believe a reasonable estimate of loss, or range of loss, can be made. In such instances, we believe that there is considerable uncertainty regarding the timing or ultimate resolution of such matters, including a possible eventual loss or business impact, if any.

OVERVIEW OF THE YEAR ENDED DECEMBER 31, 2013

As noted earlier, on October 1, 2013, we consummated the Merger and acquired all of Colonial's net assets. As a result of the Merger, the results of operations for 2013 include 12 months of results for MAA and three months of results for Colonial. Our December 31, 2013 balance sheets include the combined assets and liabilities of MAA and

Colonial. All properties acquired from Colonial have been placed in our Non-Same Store operating segment, as the properties are recent acquisitions and have not been owned and stabilized for at least 12 months.

We experienced an increase in income from continuing operations in 2013 as increases in revenues outpaced increases in expenses. The increases in revenues came from a 5.1% increase in our large market same store segment, a 2.8% increase in our secondary market same store segment and a 478.8% increase in our non-same store and other segment, which was primarily a result of the Merger. The increase in expense came from a 2.7% increase in our large market same store segment, a 2.1% increase in our secondary market same store segment and a 479.0% increase in our non-same store and other segment, which was primarily the result of the Merger. Our same store portfolio represents those communities that have been held and have been stabilized for at least 12 months. Communities excluded from the same store portfolio would include recent acquisitions, communities being developed or in lease-up, communities undergoing extensive renovations, and communities identified as discontinued operations. The drivers of these increases are discussed below in the results of operations section.

As discussed above, all properties acquired through the Merger have been placed in our Non-Same Store operating segment. Based on Colonial's same store classification of its properties prior to the Merger, properties acquired from Colonial experienced an increase in revenue of 3.3%, an increase in property operating expenses of 2.4%, and an increase in NOI of 3.8% based on the three months ended December 31, 2013 compared to the three months ended December 31, 2012, which covers a period of time for which MAA's management was not involved.

We have grown externally during the past three years by following our acquisition strategy to invest in large and mid-sized growing markets in the Sunbelt region of the United States. Apart from the Merger, we acquired eleven properties for our 100% owned portfolio in 2011, seven in 2012 and four in 2013. We also purchased one property through one of our joint ventures in 2011. We did not purchase any properties through our joint ventures in 2012 or 2013. Offsetting some of this increased revenue stream were two property dispositions in 2011, nine dispositions in 2012, and nine dispositions in 2013.

The following table shows our multifamily real estate assets as of 2013, 2012, and 2011:

	2013	2012	2011
Properties	275	166	167
Units	83,641	49,591	49,133
Development Units	1,461	774	950
Average Effective Monthly Rent/Unit, excluding lease-up and development	$883.40	$855.71	$793.46
Occupancy, excluding lease-up and development	94.9 %	95.1 %	95.1 %

See discussion of same store average rent per unit and occupancy comparisons in the Trends section below.

In addition to the multi-family assets detailed above, we also owned or owned an interest in five commercial properties totaling 1.2 million square feet of leasable space.

Average effective monthly rent per unit is equal to 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. We believe average effective monthly rent is a helpful measurement in evaluating average pricing. It does not represent actual rental revenue collected per unit.

The following is a discussion of our consolidated financial condition and results of operations for the years ended December 31, 2013, 2012, and 2011. This discussion should be read in conjunction with all of the consolidated financial statements included in this Annual Report on Form 10-K.

RESULTS OF OPERATIONS

As a result of the Merger, the results of operations for 2013 include twelve months of results for MAA and three months of results for Colonial. Our December 31, 2013 balance sheet includes the combined assets and liabilities of MAA and Colonial.

Comparison of the Year Ended December 31, 2013, to the Year Ended December 31, 2012

Property Revenues

The following table shows our property revenues by segment for the years ended December 31, 2013 and December 31, 2012 (dollars in thousands):

	Year Ended December 31, 2013	Year Ended December 31, 2012	Increase	Percentage Increase	
Large Market Same Store	$256,141	$243,721	$12,420	5.1	%
Secondary Market Same Store	207,572	201,834	5,738	2.8	%
Non-Same Store and Other	170,374	29,434	140,940	478.8	%
Total	$634,087	$474,989	$159,098	33.5	%

The increases in property revenues from our large market same store and secondary market same store groups are primarily a result of increased average rent per unit of 3.9%. The increase in property revenues from our non-same store and other group is primarily due to the addition of the Colonial portfolio as a result of the Merger.

Property Operating Expenses

Property operating expenses include costs for property personnel, property personnel bonuses, building repairs and maintenance, real estate taxes and insurance, utilities, landscaping and depreciation and amortization. The following table shows our property operating expenses by segment for the years ended December 31, 2013 and December 31, 2012 (dollars in thousands):

	Year Ended December 31, 2013	Year Ended December 31, 2012	Increase	Percentage Increase	
Large Market Same Store	$103,416	$100,661	$2,755	2.7	%
Secondary Market Same Store	83,785	82,070	1,715	2.1	%
Non-Same Store and Other	66,113	11,418	54,695	479.0	%
Total	$253,314	$194,149	$59,165	30.5	%

The increase in property operating expenses from our large market same store group is primarily a result of increases in real estate taxes, general liability insurance, and contract labor, with real estate taxes being the largest component. The increase in property operating expenses from our secondary market same store group is primarily a result of increases in real estate taxes, general liability insurance, and commissions, with real estate taxes being the largest component. The increase in property operating expenses from our non-same store and other group is primarily due to the addition of the Colonial portfolio as a result of the merger.

Depreciation and Amortization

The following table shows our depreciation and amortization expense by segment for the years ended December 31, 2013 and December 31, 2012 (dollars in thousands):

	Year Ended December 31, 2013	Year Ended December 31, 2012	Increase	Percentage Increase	
Large Market Same Store	$60,329	$59,914	$415	0.7	%
Secondary Market Same Store	50,362	49,871	491	1.0	%
Non-Same Store and Other	76,288	11,426	64,862	567.7	%
Total	$186,979	$121,211	$65,768	54.3	%

The increases in depreciation and amortization expense from our large market same store and secondary market same store groups resulted from asset additions made during the normal course of business. The increase in depreciation and amortization expense from our non-same store and other group is primarily due to the addition of the Colonial portfolio as a result of the merger.

General and Administrative

General and Administrative expense for the year ended December 31, 2013 was approximately $15.6 million, an increase of $1.8 million from the year ended December 31, 2012. The majority of the increase was related to an increase in tax preparation fees, audit fees, and stock incentives.

Merger and Integration Costs

Merger related expenses for the acquisition of Colonial were approximately $32.4 million for the year ended December 31, 2013. We also incurred integration related expenses of $5.1 million for the year ended December 31, 2013. There were no merger related expenses or integration related expenses for the year ended December 31, 2012.

Interest Expense

Interest expense for the year ended December 31, 2013 was approximately $75.9 million, an increase of $18.0 million from the year ended December 31, 2012. The increase was primarily the result of an increase in our average debt outstanding from the year ended December 31, 2012 to the year ended December 31, 2013 of approximately $451.6 million, due primarily to the assumption of Colonial's debt as a result of the Merger.

Discontinued Operations

Income from discontinued operations before gain on sale for the year ended December 31, 2013 was approximately $5.1 million, a decrease of $1.9 million from the year ended December 31, 2012. The decrease is driven by the fact that the properties sold in 2013 had lower net income than the properties sold in 2012.

We recorded a gain on sale of discontinued operations of $76.8 million and $41.6 million for the years ended December 31, 2013 and December 31, 2012, respectively. The increase in the gain is caused by the proceeds being greater than the net book value of the properties in 2013 compared to 2012.

Net Income Attributable to Noncontrolling Interests

Net income attributable to noncontrolling interests for the year ended December 31, 2013 was approximately $4.0 million, a decrease of $0.6 million from the year ended December 31, 2012.

Net Income Attributable to MAA

Primarily as a result of the foregoing, net income attributable to MAA increased by approximately $10.1 million in the year ended December 31, 2013 from the year ended December 31, 2012.

Comparison of the Year Ended December 31, 2012, to the Year Ended December 31, 2011

Property Revenues

The following table shows our property revenues by segment for the years ended December 31, 2012 and December 31, 2011 (dollars in thousands):

	Year Ended December 31, 2012	Year Ended December 31, 2011	Increase	Percentage Increase	
Large Market Same Store	$243,721	$219,068	$24,653	11.3	%
Secondary Market Same Store	201,834	183,087	18,747	10.2	%
Non-Same Store and Other	29,434	6,610	22,824	345.3	%
Total	$474,989	$408,765	$66,224	16.2	%

The increases in property revenues from our large market same store and secondary market same store groups are primarily a result of increased average rent per unit of approximately 5.0%. The increase in property revenues from our non-same store and other group is primarily a result of acquisitions.

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Property Operating Expenses

Property operating expenses include costs for property personnel, property personnel bonuses, building repairs and maintenance, real estate taxes and insurance, utilities, landscaping and depreciation and amortization. The following table shows our property operating expenses by segment for the years ended December 31, 2012 and December 31, 2011 (dollars in thousands):

	Year Ended December 31, 2012	Year Ended December 31, 2011	Increase	Percentage Increase	
Large Market Same Store	$100,661	$93,883	$6,778	7.2	%
Secondary Market Same Store	82,070	76,489	5,581	7.3	%
Non-Same Store and Other	11,418				