

Nontraded REIT Industry Review: Second Quarter 2015

Landmark Apartment Trust, Inc.

The Company was initially formed in 2005 as NNN Apartment REIT, a public, non-traded REIT with the objective of purchasing and holding a diverse portfolio of apartment communities with strong and stable cash flow and growth potential in select U.S. metro areas. The Sponsor was NNN Realty Advisors. The REIT raised \$201.2 million during its offering period. By 2014 it owned 88 multifamily properties with 27,437 units. It paid distributions at the rate of 6.0% annually based upon the initial offering price of \$10.00 per share until Q3 2011 and at a rate of 3.0% annually thereafter.

The REIT has institutional affiliations, including with iStar, The Blackstone Group L.P., DeBartolo Development LLC, and OPSEU Pension Trust. In 2013, the REIT issued preferred stock to affiliates of iStar and Blackstone for net proceeds of approximately \$209.8 million to help finance its acquisition of 19 properties comprising 6,202 units. In connection with these ongoing relationships, each of iStar, Blackstone and DeBartolo has a representative who serves on the board of directors.

Proposed Listing

On July 2, 2015, the Company filed a Prospectus for an IPO of Class A common stock and applied to have the Class A common stock listed on the New York Stock Exchange ("NYSE") under the symbol "LAT." Prior to the completion of the offering, the Company intends to recapitalize its outstanding common stock via a reverse stock split, creating three new classes of common stock (Class B-1, Class B-2, Class B-3) which will be paid to each outstanding share of Class A common stock. These shares of Class B common stock will not be listed on the NYSE until certain dates in the future to be determined. The recapitalization will be effected on a pro rata basis and will not affect any stockholder's proportionate ownership of outstanding stock.

Pre-Listing Portfolio

As of June 30, 2015, the Company consolidated 73 properties, including six properties held through consolidated joint ventures, with an aggregate of 22,116 apartment units, which had an aggregate gross carrying value of \$1.8 billion. As of June 30, 2015, it also managed 11 properties, six of which are owned by Timbercreek Fund and have an aggregate of 1,991 apartment units at June 30, 2015. The remaining five properties, which have an aggregate of 1,780 apartment units, are owned by one or more third parties. Since June 30, 2015, one of the managed third party properties has been sold.

Key Highlights

- Fundraising time – 60 months
- Closed period – 47 months (as of June 30, 2015)
- Total – 8 years, 11 months (as of June 30, 2015)
- As of June 30, 2015, the REIT had 25,788,316 common shares outstanding and total assets of \$1,687 million.
- In addition to common stock, the REIT had 17,446,385 shares of 8.75% Series D and 6,154,722 shares of 9.25% Series E cumulative non-convertible redeemable preferred stock outstanding.

About Sponsor

From its founding until December 31, 2010, the REIT was externally advised by Grubb. & Ellis Apartment REIT Advisor, LLC. From 2011 until August 3, 2012, the REIT was externally advised by ROC REIT Advisors, LLC. On that date, the advisor was internalized.

Other nontraded REIT programs:

- None