



COMPANY UPDATE / ESTIMATE CHANGES

Key Metrics

ACC - NYSE (as of 9/27/2017)	\$44.14
Price Target	NA
52-Week Range	\$43.98 - \$52.53
Shares & Units Outstanding (mm) (6/17)	138
Market Cap. (\$mm)	\$6,091
3-Mo. Average Daily Volume (000)	641
Institutional Ownership	NA
Debt/Total Market Capital (6/17)	26.5%
Dividend	\$1.76
Dividend Yield	4.0%
Interest Coverage (6/17)	4.3x

FFOM Per Share FY 12/31

	2016	Prior 2017E	Curr. 2017E	Prior 2018E	Curr.
1Q	\$0.62		\$0.62 A	\$0.69	\$0.68
2Q	\$0.54		\$0.53 A	\$0.58	\$0.57
3Q	\$0.45	\$0.47	\$0.44	\$0.50	\$0.49
4Q	\$0.65	\$0.73	\$0.73	\$0.74	\$0.72
Year	\$2.27	\$2.35	\$2.31	\$2.50	\$2.45
P/FFOM	19.4x		19.1x		18.0x

Quarterly FFOM per share may not add up to annual amounts due to the impact of rounding and the timing of stock offerings.

Revenue (\$mm)

	2016	Prior 2017E	Curr. 2017E	Prior 2018E	Curr. 2018E
1Q	\$200		\$193 A	\$220	\$218
2Q	\$186		\$179 A	\$204	\$199
3Q	\$196	\$197	\$195	\$218	\$215
4Q	\$204	\$226	\$228	\$238	\$237
Year	\$786	\$794	\$795	\$880	\$869

*Previous revenue numbers have not been restated.

Company Description: American Campus Communities, headquartered in Austin, Texas, is a REIT that owns or manages 197 student housing properties containing approximately 128,700 beds throughout the United States as of June 30, 2017. ACC also develops properties for its own portfolio and third party owners.

REITs

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American Campus Communities, Inc.

ACC -- NYSE – Neutral -- 3

Company Update

- **Earlier this week, ACC provided a leasing update.** As of September 24, ACC's same store wholly owned portfolio was 96.6% leased compared to 97.2% a year ago, with a 2.9% projected rental rate increase. Fifty seven of the company's 60 same store markets exceeded ACC's expectations, while softness in three markets caused the company to fall short of leasing expectations.
- **The company expects to incur approximately \$2.0 to \$2.5 million of expenses this year as result of Hurricanes Harvey and Irma.**
- **ACC recently entered into an agreement to recapitalize and ultimately acquire seven student housing properties for an aggregate \$590.6 million from Core Space/DRW Portfolio.** Four of these properties are already built, while three are under construction for a Fall 2018 opening. All of the properties are in Power- 5 conference markets and state flagship markets. The average distance to campus for this portfolio is 0.2 miles. Average student enrollment at the universities these properties are located in is 35,000 students with the existing purpose built student housing supply serving only 13% of total enrollment, as compared to an average 22% for ACC's current portfolio.

Based on the items listed above we have adjusted our FFOM per share estimates for 2017 and 2018. We continue to rate ACC Neutral. Our rating is based on valuation only, as we like the fundamentals of the company.

Note Important Disclosures on Pages 2 - 3.
Note Analyst Certification on Page 2.

Suitability

We assign shares of American Campus Communities a suitability rating of 3 on our scale of 1 - 4 (1=most conservative, 4=most aggressive). Our rating is based on the company's lack of property type diversification offset by what we view as a strong balance sheet.

Risks and Considerations

Risks to owning shares of ACC include external factors beyond the company's control or internal factors. We believe these risk factors include general economic conditions, rising construction costs, weather, inability to achieve financing on favorable terms, increased competition, a decline in college enrollment, a change in university housing policy, etc. These factors could have an impact on ACC's FFOM.

Annual yield is calculated by dividing the distribution amount by the current market price of the security. For US income tax purposes, the Company may classify all or a portion of its distributions as dividends or other non-dividend distributions. Note that for some investors, for US income tax purposes all or a portion of the Company's 2016 dividend or distribution was treated as return of capital and not as "dividend income" as reflected on the IRS Form 1099-Div for the 2016 tax year. The Company generally makes a final determination regarding the proper tax treatment of distributions after calendar year end. We urge each shareholder to consult with his or her own tax advisor to determine the tax consequences of the distributions received, including any state, local or foreign tax considerations.

Additional information is available upon request.

Analyst Certification

I, Carol L. Kemple, hereby certify that the views expressed in this research report accurately reflect my personal views about the subject company (ies) and it's (their) securities. I also certify that I have not been, am not, and will not be receiving direct or indirect compensation in exchange for expressing the specific recommendation(s) in this report.

Important Disclosures

Hilliard Lyons' analysts receive bonus compensation based on Hilliard Lyons' profitability. They do not receive direct payments from investment banking activity.

Investment Ratings

Buy - We believe the stock has significant total return potential in the coming 12 months.

Long-term Buy - We believe the stock is an above average holding in its sector, and expect solid total returns to be realized over a longer time frame than our Buy rated issues, typically 2-3 years.

Neutral - We believe the stock is an average holding in its sector, is currently fully valued, and may be used as a source of funds if better opportunities arise.

Underperform - We believe the stock is vulnerable to a price set back in the next 12 months.

Suitability Ratings

- 1 - A large cap, core holding with a solid history
- 2 - A historically secure company which could be cyclical, has a shorter history than a "1" or is subject to event driven setbacks
- 3 - An above average risk/reward ratio could be due to small size, lack of product diversity, sporadic earnings or high leverage
- 4 - Speculative, due to small size, inconsistent profitability, erratic revenue, volatility, low trading volume or a narrow customer or product base



Rating	Hilliard Lyons Recommended Issues		Investment Banking Provided in Past 12 Mo.	
	# of Stocks Covered	% of Stocks Covered	Banking	No Banking
Buy	40	32%	10%	90%
Hold/Neutral	77	62%	8%	92%
Sell	8	6%	0%	100%

As of 6 September 2017

Other Disclosures

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