

Preferred Apartment Communities, Inc. Announces Acquisition of a "Class A" Office Tower in Raleigh, North Carolina Through its Subsidiary, Preferred Office Properties, LLC

ATLANTA, July 25, 2019 /PRNewswire/ -- Preferred Apartment Communities, Inc. (NYSE: APTS) ("PAC" or the "Company") today announced that it acquired CapTrust Tower, a 300,389 square foot office building located in the North Hills submarket of Raleigh, North Carolina. Developed in 2010, the 16-story property includes nine levels of office space atop a six-level parking podium and popular ground floor retail. The property is currently 100% leased with more than seven years of contractual, weighted average term remaining under the leases. Kane Realty Corporation will lease and manage the building.

PAC acquired CapTrust Tower through its subsidiary, Preferred Office Properties. Boone DuPree, President and Chief Executive Officer for Preferred Office Properties, stated: "Raleigh is a strategic market for the Company, and this 'core' profile acquisition grows our local presence and offers entry into the high performing North Hills submarket, which is a one-of-a-kind environment with unmatched walkable amenities for our customers." Mr. DuPree added, "We are excited to expand our business in this way, and to continue our relationship with premier local developer and operator, Kane Realty."

This acquisition increases the Preferred Office Properties portfolio to approximately 2.9 million square feet. The Company financed the acquisition utilizing a non-recourse first mortgage loan from John Hancock. The first mortgage loan is for a ten-year term and is interest-only for the full term. There are no loan guaranties provided by PAC or our operating partnership.

About Preferred Office Properties

Preferred Office Properties, LLC is a subsidiary of Preferred Apartment Communities Inc., formed in 2016 to invest in Class A office properties across the U.S. Preferred Office Properties, LLC sources portfolio assets through acquisitions of operating properties, development, and structured financing. Learn more at www.prefoffice.com.

About Preferred Apartment Communities, Inc.

Preferred Apartment Communities, Inc. is a Maryland corporation formed primarily to own and operate multifamily properties and, to a lesser extent, own and operate student housing properties, grocery anchored shopping centers and strategically located, well leased class A office buildings in select targeted markets throughout the United States. As part of our business strategy, we may enter into forward purchase contracts or purchase options for to-be-built multifamily communities and we may make real estate related loans, provide deposit arrangements, or provide performance assurances, as may be necessary or appropriate, in connection with the development of multifamily communities. As a secondary strategy, we may acquire or originate senior mortgage loans, subordinate loans or real estate loans secured by interests in multifamily properties, membership or partnership interests in multifamily properties and other multifamily related assets and invest a lesser portion of our assets in other real estate related investments, including other income-producing property types, senior mortgage loans, subordinate loans or real estate loans secured by interests in other income-producing property types, membership or partnership interests in other income-producing property types as determined by our manager as appropriate for us. At March 31, 2019, the Company was the approximate 98.0% owner of Preferred Apartment Communities Operating Partnership, L.P., the Company's operating partnership. Preferred Apartment Communities, Inc. has elected to be taxed as a real estate investment trust under the Internal Revenue Code of 1986, as amended, commencing with its tax year ended December 31, 2011. Learn more at www.pacaps.com.

About Kane Realty Corporation

Kane Realty Corporation (KRC) is a full service real estate development and management company focused on office, retail, multi-family and mixed-use properties of the highest quality. Based in Raleigh, NC since 1978, KRC is dedicated to the goal of creating irresistible places where people will naturally want to gather. Through meticulous attention to detail in every aspect of the property from design and construction management to leasing and property management, Kane's mission is to build places that improve the quality of life of their businesses, their employees, residents and visitors. For more information, please visit KaneRealtyCorp.com.

Additional Information

The SEC has declared effective the registration statement (including prospectus) filed by the Company for each

of the offerings to which this communication may relate. Before you invest, you should read the final prospectus, and any prospectus supplements, forming a part of the registration statement and other documents the Company has filed with the SEC for more complete information about the Company and the offering to which this communication may relate. In particular, you should carefully read the risk factors described in the final prospectus and in any related prospectus supplement and in the documents incorporated by reference in the final prospectus and any related prospectus supplement to which this communication may relate. You may obtain these documents for free by visiting EDGAR on the SEC website at www.sec.gov. Alternatively, the Company or its dealer manager, Preferred Capital Securities, LLC, with respect to PAC's mShares Redeemable Preferred Stock Offering and Series A Redeemable Preferred Stock and Warrant Unit Offering, will arrange to send you a prospectus if you request it by calling Leonard A. Silverstein at (770) 818-4100, 3284 Northside Parkway NW, Suite 150, Atlanta, Georgia 30327.

The mShares Redeemable Preferred Stock Offering prospectus, dated January 19, 2017, can be accessed through the following link:

<https://www.sec.gov/Archives/edgar/data/1481832/000148183217000008/a424prospectus-mshares1.htm>

The Series A Redeemable Preferred Stock and Warrant Unit Offering prospectus, dated March 16, 2017, can be accessed through the following link:

<https://www.sec.gov/Archives/edgar/data/1481832/000148183217000061/a424prospectus-15bseriesar.htm>

SOURCE Preferred Apartment Communities, Inc.

For further information: Preferred Apartment Communities, Inc., Leonard A. Silverstein, 770-818-4147, President and Chief Operating Officer, Email: lsilverstein@pacapts.com

Additional assets available online:  [Photos \(2\)](#)