

Preferred Apartment Communities, Inc. Announces a Joint Venture Investment in a Grocery-Anchored Shopping Center Through its Wholly-Owned Indirect Subsidiary, New Market Properties, LLC

ATLANTA, Aug. 19, 2019 /PRNewswire/ -- Preferred Apartment Communities, Inc. (NYSE: APTS) ("PAC" or the "Company") announced that on August 16, 2019 it made an approximate 90% equity investment in a joint venture with Crosland Southeast (based in Charlotte, North Carolina) to acquire Fairfield Shopping Center, a grocery-anchored shopping center in Virginia Beach, Virginia. The 243,031 square foot Fairfield Shopping Center is anchored by Food Lion and TJ Maxx. The center is located in a densely populated submarket of Virginia Beach, Virginia with over 129,000 residents within a three-mile radius with average household incomes of \$87,000. This high-barrier-to-entry location is strategically positioned at the corner of Kempsville Road and Providence Road that together have traffic counts of over 55,000 vehicles per day.

PAC made this investment through its wholly-owned indirect subsidiary New Market Properties, LLC. Joel T. Murphy, President and Chief Executive Officer of New Market said, "Fairfield Shopping Center marks our entry into the Hampton Roads MSA. We now own 50 grocery-anchored centers consistent with our strategy to acquire well-positioned grocery-anchored centers in suburban Sunbelt and Mid-Atlantic markets with strong demographics that are anchored by market leading grocers." Michael Aide, Senior Vice President, Director of Investments of New Market added, "We are excited to partner with Crosland Southeast, a highly respected owner/developer of retail and commercial space with extensive market knowledge of Hampton Roads. Partnering on this asset brings combined experiences and deep tenant relationships to this well-located value-add opportunity."

The acquisition also fits well into Crosland Southeast's growing portfolio of high barrier to entry retail and mixed-use assets with value-add opportunity. "We are thrilled to partner on this acquisition with New Market Properties, a savvy institutional owner and operator of high quality grocery anchored assets," says Bobby Speir, Vice President of Acquisitions for Crosland Southeast. "We look forward to leveraging our collective expertise to reposition Fairfield Shopping Center into a best in class neighborhood center."

The joint venture financed the acquisition of Fairfield Shopping Center utilizing a first mortgage loan from BB&T.

About New Market Properties, LLC

New Market Properties, LLC is a wholly-owned indirect subsidiary of Preferred Apartment Communities, Inc. and is focused on the grocery anchored shopping center sector. New Market currently owns and operates a portfolio of grocery anchored shopping centers in nine states. New Market's strategy is to prudently grow and operate its existing portfolio throughout the Mid-Atlantic, Southeast and Texas. New Market targets high quality suburban markets with dominant grocers such as Publix, Kroger, Harris Teeter, Tom Thumb, HEB and Giant Food.

About Crosland Southeast

Crosland Southeast has a long history of developing award-winning retail and mixed-use projects throughout the Southeast, with its founding members serving as former partners of the 74-year-old Crosland LLC. Today, Crosland Southeast strives to build on its legacy by investing in retail and mixed-use acquisitions, and developing grocery, single-tenant and high-quality mixed-use assets that epitomize place-making at its finest. For more information, please visit www.croslandsoutheast.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, all 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 June 30, 2019, the Company was the approximate 98.1% 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.pacapts.com.

Forward-Looking Statements

This press release may 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. These statements may be identified by the use of forward-looking terminology such as "may", "trend", "will", "expects", "plans", "estimates", "anticipates", "projects", "intends", "believes", "goals", "objectives", "outlook" and similar expressions. Because such statements include risks, uncertainties and contingencies, actual results may differ materially from the expectations, intentions, beliefs, plans or predictions of the future expressed or implied by such forward-looking statements. These risks, uncertainties and contingencies include, but are not limited to, those disclosed in PAC's filings with the Securities and Exchange Commission. PAC undertakes no obligation to update these forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events, except as may be required by law.

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 \(1\)](#)