L&B LANDandBUILDINGS

Land & Buildings Issues Open Letter to Shareholders of American Campus Communities

Highlights Need for More Aggressive Strategy at ACC in Order to Reverse Prolonged Underperformance and Close Gap Between Share Price and Net Asset Value

Calls on ACC to Accelerate Asset Sales, Enhance Investor Communications, Improve Margins, and Implement a Plan to Return Capital to Shareholders to Drive Shares to NAV

Announces Intent to Nominate a Shareholder Representative Given Need for Additional Board Change After Last Year's Cooperation Agreement and Company-Driven Refresh Has Proven Insufficient

L&B to Host a Conference Call on Thursday, December 16th at 10:00 am ET

Stamford, CT (December 13, 2021) – Today Land & Buildings Investment Management, LLC (together with its affiliates, "Land & Buildings"), a significant shareholder of American Campus Communities ("ACC," or the "Company") (NYSE: ACC), announced it has sent an open letter to the shareholders of ACC highlighting the need for additional fresh perspectives on the Board of Directors (the "Board") given the Company's consistent inability to close its gap to net asset value and deliver for shareholders. Land & Buildings also announced its intent to nominate a shareholder representative for election at the Company's 2022 Annual Meeting of Shareholders.

Land & Buildings will be hosting a conference call on Thursday, December 16th at 10:00 am ET to discuss the contents of its letter. Click here to register.

The full letter is below:

Dear American Campus Communities Shareholders,

It had been our sincere hope that following our cooperation agreement and subsequent changes to the Board this past January, the tide would turn at ACC. Instead, the Company has continued to trade at a material discount to its net asset value, has continued to make strategic missteps and shareholders have continued to suffer inferior returns. It is evident that further change is needed at ACC in order to hold management accountable and bring the necessary urgency to strategic planning – which is why we intend to nominate a shareholder representative to the Board. We truly want to see ACC reverse course and unlock value for shareholders, but we and other shareholders can no longer trust in the current Board and management team to do it on their own.

The Untapped Opportunity at ACC

As the nation's largest developer, owner and manager of high-quality student housing communities, ACC should be set up to thrive. We have seen year-after-year that demand for student housing remains strong in almost any environment. ACC's portfolio, focused on core pedestrian modern assets primarily at top-tier public four-year universities, is well-positioned – with significant enrollment growth and declining new supply growth forecasted over the next five years in the Company's markets.[1] Further, the value of a college degree has never been higher, with the gap between the lifetime earnings power of people with and without a college degree currently over $1 million.[2]

Despite these favorable dynamics, ACC has continued to trade at a substantial discount to the private market value of its assets. The Company is currently trading at an implied cap rate of nearly 5%, compared to the 3.75%-4.25% private market range, translating to 30%+ potential upside to current NAV. And this gap is likely to only widen further as cap rates continue to compress, with more institutional money pouring into the student housing sector than ever before and valuations and transaction activity increasing.

The questions ACC investors are asking are simple: 1) what strategic actions are the current Board and management team taking to capitalize on these trends? and 2) what have they done to instill confidence in investors that the actions they take will close the discount to NAV and drive attractive earnings and NAV growth in the future?

Continued Underperformance and Mismanagement

When we entered into a cooperation agreement with ACC at the end of last January, we had misgivings considering that the three directors added were all candidates put forward by ACC and there remained no true investor representative on the Board. However, we were hopeful that the changes instituted would be sufficient to reverse the track record of mismanagement and underperformance at the Company, particularly given our past respect for Cydney Donnell and her appointment as Chairwoman. Unfortunately, our hopes were misplaced.

Since our agreement, ACC's total shareholder returns have continued to lag peers – underperforming by 18% versus apartments and 13% versus proxy peers. This troubling pattern has been consistent over the past 1-, 3-, 5-, and 10-years. Consider the following:

Total Returns	Trailing 10 Years	Trailing 5 Years	Trailing 3 Years	Trailing 1 Years	Since Coorperation Agreement
American Campus Communities	109%	42%	42%	33%	38%
ACC Underperformance vs. Apartments	**-109%**	**-45%**	**-11%**	**-20%**	**-18%**
ACC Underperformance vs. Proxy Peer Average	**-340%**	**-74%**	**-31%**	**-27%**	**-13%**

Note: Data through 12/10/2021; Cooperation Agreement announced 01/27/2021 after market close; Apartments defined as BBREAPT Index on Bloomberg; Proxy Peers defined in ACC 2021 Proxy Statement

In our view, this underperformance stems primarily from several key failures:

- **Disappointing cash flow and NAV growth –** The student housing business at ACC has enjoyed steady net operating income (NOI) growth – albeit below peers. Inexplicably though, funds from

[1] RealPage, National Center for Education Statistic
[2] US Bureau of Labor Statistics

operations (FFO) per share has seen meager growth. Further, NAV growth has materially lagged apartment peers, with apartment REIT NAVs on average growing approximately twice as fast over the past 10 years according to leading third-party analysts. These issues are directly tied to poor capital allocation in our view, as well as operational issues such as mushrooming G&A.

- **Capital allocation missteps –** ACC's poor capital allocation includes a disappointing track record on acquisition integration, a consistently overleveraged balance sheet and missed development yield targets. ACC's often high cost of capital, self-inflicted in our view, has made its growth ambitions difficult to pencil accretively, though has not stopped the Company from pursuing investments. Just this past summer, the Company issued equity at a steep discount to Land & Building's estimated NAV, issuing a "mea culpa" almost immediately once challenged by analysts on the Company's 2Q21 earnings call, claiming their "own opinion of NAV is changing, which certainly changes that calculus a little bit."

- **Investor communication failures –** For years, ACC's management team has over-promised and under-delivered – consistently missing their own guidance and target ranges. In the eight years prior to the pandemic, the Company only achieved the midpoint of its long-term 3 – 6% same-store NOI growth range once. In fact, every year since 2013, the Company has seen its FFO/share earnings estimates decline and on average by double-digits.[3] Yet another example is the repeated promises to keep leverage ratios low, which the Company has seemingly ignored each time in favor of another new investment opportunity.

- **Bloated expense structure –** ACC has consistently failed to rein in costs. G&A expense has more than doubled since 2013, while revenue has only grown by 43% through 2019 (with 2021 revenue still expected to below pre-pandemic peaks). Additionally, the Company has missed its same-store expense guidance 75% of the time since 2012 (excluding the pandemic).[4]

It has become clear to us that true shareholder representation is desperately needed in the boardroom to instill accountability, help reverse the Company's prolonged underperformance and ensure the interests of shareholders always remain paramount.

More Aggressive Strategic Measures Are Needed at ACC

The past year has shown us that for ACC to unlock the value of its well-positioned portfolio and to finally begin delivering for shareholders, more significant strategic changes are needed. In our view, ACC needs to move quickly to take the following actions:

1. Accelerate asset sales – In the past, ACC has not been able to aggressively pursue asset sales in a way that has delivered real value for shareholders. Given the excellent current transaction market for student housing properties, the ample pool of potential buyers looking to invest in this space,

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[3] Bloomberg

[4] Company Filings

and the fact that the Company is still trading at a discount to NAV, it is clear ACC must finally implement a divestment plan that investors can have faith in and return capital to shareholders.

2. Reduce G&A expenses and grow margins – As we have outlined above, ACC's G&A expense growth has impaired its results and harmed shareholders while NOI margins are likely not optimized given the Company has so often missed its own expectations. A full review and independent assessment of costs and potential synergies across the Company should be undertaken.

3. Continue to improve investor communication – Admittedly, we have seen some positive momentum in this area since the cooperation agreement last year. However, given the years of damage that ACC has done to its credibility with the investment community, messaging needs to be an area of continued focus and oversight moving forward. We think the addition of a shareholder representative on the Board is a critical next step.

4. Return capital to shareholders – ACC has historically resisted any type of share buyback program or other forms of returning capital to shareholders. On the Company's 3Q18 earnings call, the Company said it would not consider buybacks or a "fundamental shift" in strategy until the discount to NAV becomes persistent. It appears we have reached that point.

5. Continuously evaluate all strategic options – As we have made clear, there is tremendous investor interest right now in the student housing sector – value that is not reflected in ACC's share price. We are by no means arguing that the only path forward for ACC is an immediate sale of the entire company. That said, it is the duty of any board that finds itself in a situation like ACC's to be constantly open to exploring all options to maximize value, including a sale.

Further Board Change and Shareholder Alignment is Needed

When our agreement and the changes to the Board were announced last January, the reaction was highly positive:

- "Our Quick Thoughts – ACC announced a Cooperation Agreement… includes the addition of three new independent Board members and the formation of a Board committee focused on capital allocation. We view both as positive steps for the company... Improving Capital Allocation is the Top Priority … Board Refreshment is a Positive – …we are in favor of adding fresh and diverse perspectives and like the additional public REIT experience added…" – Citi, 1/27/21

- "…the changes are a positive for shareholders. Similar to other residential REITs, ACC's long-tenured board is due for a refresh. The changes should also help bring incremental discipline on the capital allocation front…the changes are a win for shareholders. ACC's board needed more independent voices…"— Green Street, 1/27/21

Unfortunately, this past year has proven that this level of change was not enough. The Company needs a truly objective perspective in the boardroom to hold management accountable and bring the necessary urgency to strategic planning. Therefore, we intend on nominating a shareholder representative for election at the 2022 Annual Meeting. While we remain open to constructive engagement with the

Company, it is clear that this year's half measures will not be enough to finally deliver the value that ACC shareholders deserve.

Sincerely,

Jonathan Litt

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