CAMDEN PROPERTY TRUST
Form 10-K
February 19, 2016
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K
(Mark One)

ý	ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2015
OR

¨	TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to
Commission file number: 1-12110

CAMDEN PROPERTY TRUST
(Exact name of registrant as specified in its charter)

Texas	76-6088377
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
11 Greenway Plaza, Suite 2400 Houston, Texas	77046
(Address of principal executive offices)	(Zip Code)

Registrant’s telephone number, including area code: (713) 354-2500
Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Shares of Beneficial Interest, $.01 par value	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:
None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ý No ¨
Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ¨ No ý
Indicate by check mark whether registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ý No ¨
Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ý No ¨
Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form

10-K. ý

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act (check one):

Large accelerated filer ý	Accelerated filer ¨
Non-accelerated filer ¨ (Do not check if a smaller reporting company)	Smaller reporting company ¨

Indicate by check mark whether the registrant is a shell company (as defined in the Rule 12b-2 of the Act). Yes ¨ No ý

The aggregate market value of voting and non-voting common equity held by non-affiliates of the registrant was $6,381,496,192 based on a June 30, 2015 share price of $74.28.

On February 12, 2016, 86,927,591 common shares of the registrant were outstanding, net of treasury shares and shares held in our deferred compensation arrangements.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's Proxy Statement in connection with its Annual Meeting of Shareholders to be held May 13, 2016 are incorporated by reference in Part III.

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PART I

Item 1. Business

General

Formed on May 25, 1993, Camden Property Trust, a Texas real estate investment trust ("REIT"), is primarily engaged in the ownership, management, development, redevelopment, acquisition, and construction of multifamily apartment communities. Unless the context requires otherwise, "we," "our," "us," and the "Company" refer to Camden Property Trust and its consolidated subsidiaries. Our multifamily apartment communities are referred to as "communities," "multifamily communities," "properties," or "multifamily properties" in the following discussion.

Our corporate offices are located at 11 Greenway Plaza, Suite 2400, Houston, Texas 77046 and our telephone number is (713) 354-2500. Our website is located at www.camdenliving.com. On our website we make available free of charge our annual, quarterly, and current reports, and amendments to such reports, filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, as soon as reasonably practicable after we electronically file such material with, or furnish it to, the Securities and Exchange Commission (the "SEC"). We also make available, free of charge on our website, our Guidelines on Governance, Code of Business Conduct and Ethics, Code of Ethical Conduct for Senior Financial Officers, and the charters of each of our Audit, Compensation, and Nominating and Corporate Governance Committees. Copies are also available, without charge, from Investor Relations, 11 Greenway Plaza, Suite 2400, Houston, Texas 77046. References to our website in this report are provided as a convenience and do not constitute, and should not be viewed as, an incorporation by reference of the information contained on, or available through our website, therefore such information should not be considered part of this report.

Our annual, quarterly, and current reports, proxy statements, and other information are electronically filed with the SEC. You may read and copy any materials we file with the SEC at the SEC's Public Reference Room at 100 F Street, NE, Washington, D.C. 20549. Please contact the SEC at 1-800-SEC-0330 for further information about the operation of the SEC's Public Reference Room. The SEC also maintains a website at www.sec.gov which contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC.

Narrative Description of Business

As of December 31, 2015, we owned interests in, operated, or were developing 180 multifamily properties comprised of 62,649 apartment homes across the United States. Of the 180 properties, eight properties were under construction and when completed will consist of a total of 2,857 apartment homes. We also own land holdings which we may develop into multifamily communities in the future.

Operating and Business Strategy

We believe producing consistent earnings growth through property operations, development and acquisitions, achieving market balance, and recycling capital are crucial factors to our success. We rely heavily on our sophisticated property management capabilities and innovative operating strategies to help us maximize the earnings potential of our communities.

Real Estate Investments and Market Balance. We believe we are well positioned in our current markets and have the expertise to take advantage of new opportunities as they arise. These capabilities, combined with what we believe is a conservative financial structure, should allow us to concentrate our growth efforts toward selective opportunities to enhance our strategy of having a geographically diverse portfolio of assets which meet the requirements of our residents.

We continue to operate in our core markets which we believe provides an advantage due to economies of scale. We believe, where possible, it is best to operate with a strong base of properties in order to benefit from the personnel allocation and the market strength associated with managing multiple properties in the same market. However, consistent with our goal of generating sustained earnings growth, we intend to selectively dispose of properties and redeploy capital for various strategic reasons, including if we determine a property cannot meet long-term earnings growth expectations.

We try to maximize capital appreciation of our properties by investing in markets characterized by conditions favorable to multifamily property appreciation. These markets generally feature the following:

- Strong economic growth leading to household formation and job growth, which in turn should support higher demand for our apartments; and
- An attractive quality of life, which may lead to higher demand and retention for our apartments and allow us to more readily increase rents.

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Subject to market conditions, we intend to continue to seek opportunities to develop, redevelop and acquire existing communities. We also intend to evaluate our operating property and land development portfolio and plan to continue our practice of selective dispositions as market conditions warrant and opportunities arise.

We expect to strengthen our capital and liquidity positions by continuing to focus on our core fundamentals which we believe are generating positive cash flows from operations, maintaining appropriate debt levels and leverage ratios, and controlling overhead costs. We anticipate meeting our near-term liquidity requirements through a combination of one or more of the following: cash flow generated from operations, draws on our unsecured credit facility or other short-term borrowings, proceeds from property dispositions, the use of debt and equity offerings under our automatic shelf registration statement, equity issued from our at-the-market ("ATM") share offering program, other unsecured borrowings and secured mortgages.

Sophisticated Property Management. We believe the depth of our organization enables us to deliver quality services, promote resident satisfaction, and retain residents, thereby increasing our operating revenues and reducing our operating expenses. We manage our properties utilizing a staff of professionals and support personnel, including certified property managers, experienced apartment managers and leasing agents, and trained apartment maintenance technicians. Our on-site personnel are trained to deliver high-quality services to our residents, and we strive to motivate our on-site employees through incentive compensation arrangements based upon property operational results, rental rate increases, occupancy levels, and level of new leases and lease renewals achieved.

Operations. We believe an intense focus on operations is necessary to realize consistent, sustained earnings growth. Ensuring resident satisfaction, increasing rents as market conditions allow, maximizing rent collections, maintaining property occupancy at optimal levels, and controlling operating costs comprise our principal strategies to maximize property financial results. We believe our web-based property management and revenue management systems strengthen on-site operations and allow us to quickly adjust rental rates as local market conditions change. Lease terms are generally staggered based on vacancy exposure by apartment type so lease expirations are matched to each property's seasonal rental patterns. We generally offer leases ranging from six to fifteen months with individual property marketing plans structured to respond to local market conditions. In addition, we conduct ongoing customer service surveys to help ensure timely response to residents' changing needs and a high level of satisfaction.

Investments in Joint Ventures. We have entered into, and may continue in the future to enter into, joint ventures or partnerships, including limited liability companies, through which we own an indirect economic interest in less than 100% of the community or land owned directly by the joint venture or partnership. We currently have three discretionary investment funds (the “funds”), two of which are closed to future investments, and the third of which we formed in March 2015 for future multifamily investments of up to $450 million. See Note 8, “Investments in Joint Ventures,” and Note 13, “Commitments and Contingencies,” in the notes to Consolidated Financial Statements for further discussion of our investments in joint ventures.

Competition

There are numerous housing alternatives which compete with our communities in attracting residents. Our properties compete directly with other multifamily properties as well as condominiums and single-family homes which are available for rent or purchase in the markets in which our communities are located. This competitive environment could have a material adverse effect on our ability to lease apartment homes at our present communities or any newly developed or acquired community, as well as in the rents charged.

Employees

At December 31, 2015, we had approximately 1,750 employees, including executive, administrative, and community personnel. Our employee headcount has historically not varied significantly throughout the year.

Qualification as a Real Estate Investment Trust

As of December 31, 2015, we met the qualification of a REIT under Sections 856-860 of the Internal Revenue Code of 1986, as amended (the “Code”). As a result, we, with the exception of our taxable REIT subsidiaries, will not be subject to federal income tax to the extent we continue to meet certain requirements of the Code.

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Item 1A. Risk Factors

In addition to the other information contained in this Form 10-K, the following risk factors should be considered carefully in evaluating our business. Our business, financial condition, or results of operations could be materially adversely affected by any of these risks.

Risks Associated with Capital Markets, Credit Markets, and Real Estate

Volatility in capital and credit markets, or other unfavorable changes in economic conditions, either nationally or regionally in one or more of the markets in which we operate, could adversely impact us.

The capital and credit markets are subject to volatility and disruption. We therefore may not be able to obtain new debt financing or refinance our existing debt on favorable terms or at all, which would adversely affect our liquidity, our ability to make distributions to shareholders, acquire and dispose of assets and continue our development activities. Other weakened economic conditions, including job losses, high unemployment levels, stock market volatility, and uncertainty about the future, could adversely affect rental rates and occupancy levels. Unfavorable changes in economic conditions may have a material adverse impact on our cash flows and operating results.

Additional key economic risks which may adversely affect conditions in the markets in which we operate include the following:

- local conditions, such as an oversupply of apartments or other housing available for rent, or a reduction in demand for apartments in the area;
- declines in the financial condition of our tenants, which may make it more difficult for us to collect rents from some tenants;
- declines in market rental rates;
- low mortgage interest rates and home pricing, making alternative housing more affordable;
- government or builder incentives which enable home buyers to put little or no money down, making alternative housing options more attractive;
- regional economic downturns, including, but not limited to, business layoffs, downsizing and increased unemployment, which may impact one or more of our geographical markets; and
- increased operating costs, if these costs cannot be passed through to residents.

Short-term leases expose us to the effects of declining market rents.

Our apartment leases are generally for a term of fifteen months or less. As these leases typically permit the residents to leave at the end of the lease term without penalty, our rental revenues are impacted by declines in market rents more quickly than if our leases were for longer terms.

Competition could limit our ability to lease apartments or increase or maintain rental income.

There are numerous housing alternatives which compete with our properties in attracting residents. Our properties compete directly with other multifamily properties as well as condominiums and single-family homes which are available for rent or purchase in the markets in which our properties are located. This competitive environment could have a material adverse effect on our ability to lease apartment homes at our present properties or any newly developed or acquired property, as well as on the rents realized.

We face risks associated with land holdings and related activities.

We hold land for future development and may in the future acquire additional land holdings. The risks inherent in purchasing, owning, and developing land increase as demand for apartments, or rental rates, decrease. Real estate markets are highly uncertain and, as a result, the value of undeveloped land may fluctuate significantly. In addition, carrying costs can be significant and can result in losses or reduced profitability. As a result, we hold certain land, and may in the future acquire additional land, in our development pipeline at a cost we may not be able to fully recover or at a cost which may preclude our developing a profitable multifamily community. If there are subsequent changes in the fair market value of our land holdings which we determine is less than the carrying basis of our land holdings reflected in our financial statements plus estimated costs to sell, we may be required to take future impairment charges which would reduce our net income.

Potential reforms to Fannie Mae and Freddie Mac could adversely affect us.

There is significant uncertainty surrounding the futures of Fannie Mae and Freddie Mac. Through their lender originator networks, Fannie Mae and Freddie Mac are significant lenders both to us and to buyers of our properties. Fannie Mae and Freddie Mac have a mandate to support multifamily housing through their financing activities and any changes to their mandates, further reductions in their size or the scale of their activities, or loss of their key personnel could have a significant impact on us and may, among other things, lead to lower values for our assets and higher interest rates on our borrowings. Fannie Mae's and Freddie Mac's regulator has set overall volume limits on most of Fannie Mae's and Freddie Mac's lending activities. The regulator in the future could require Fannie Mae and Freddie Mac to focus more of their lending activities on small borrowers or properties the regulator deems affordable, which may or may not include our assets, which could also adversely impact us.

Risks Associated with Our Operations

Development, redevelopment and construction risks could impact our profitability.

We intend to continue to develop, redevelop and construct multifamily apartment communities for our portfolio. In 2016, we expect to incur costs between approximately $190 million and $210 million related to the construction of eight consolidated projects. Additionally, during 2016, we expect to incur costs between approximately $45 million and $55 million related to the start of new development activities and between approximately $19 million and $23 million related to redevelopment of existing properties. Our development, redevelopment and construction activities may be exposed to a number of risks which may increase our construction costs and decrease our profitability, including the following:

- inability to obtain, or delays in obtaining, necessary zoning, land-use, building, occupancy, and other required permits and authorizations;
- increased materials and labor costs, problems with contractors or subcontractors, or other costs including those costs due to errors and omissions which occur in the design or construction process;
- inability to obtain financing with favorable terms;
- inability to complete construction and lease-up of a community on schedule;
- forecasted occupancy and rental rates may differ from the actual results; and
- the incurrence of costs related to the abandonment of development opportunities which we have pursued and subsequently deemed unfeasible.

Our inability to successfully implement our development, redevelopment and construction strategy could adversely affect our results of operations and our ability to satisfy our financial obligations and pay distributions to shareholders.

One of our wholly-owned subsidiaries is engaged in the business of providing general contracting services under construction contracts entered into between it and third parties (which may include our nonconsolidated affiliates). The terms of those construction contracts generally require this subsidiary to estimate the time and costs to complete a project, and to assume the risk these estimates may be greater than anticipated. As a result, profitability on those contracts is dependent on the ability to accurately predict such factors. The time and costs necessary to complete a project may be affected by a variety of factors, including those listed above, many of which are beyond this subsidiary’s control. In addition, the terms of those contracts generally require this subsidiary to warrant its work for a period of time during which it may be required to repair, replace, or rebuild non-conforming work. Further, trailing liabilities, based on various legal theories such as claims of negligent construction, may result from such projects, and these trailing liabilities may go on for a number of years depending on the length of the statute of repose in the applicable jurisdictions.

Investments through joint ventures and discretionary funds involve risks not present in investments in which we are the sole investor.

We have invested and may continue to invest as a joint venture partner in joint ventures. These investments involve risks, including the possibility the other joint venture partner may: have business goals which are inconsistent with ours, possess the ability to take or force action or withhold consent contrary to our requests, or become insolvent and require us to assume and fulfill the joint venture’s financial obligations. We and our joint venture partner may each have the right to initiate a buy-sell arrangement, which could cause us to sell our interest, or acquire our joint venture partner's interest, at a time when we otherwise would not have entered into such a transaction. Each joint venture agreement is individually negotiated, and our ability to operate, finance, or dispose of a community in our sole discretion may be limited to varying degrees depending on the terms of the joint venture agreement.

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The risks associated with our discretionary funds, which we manage as the general partner and advisor, include, but are not limited to, the following:

- one of our wholly-owned subsidiaries is the general partner of the funds and has unlimited liability for the third-party debts, obligations, and liabilities of the funds pursuant to partnership law;
- investors in the funds (other than us), by majority vote, may remove our subsidiary as the general partner of the funds with or without cause and the funds' advisory boards, by a majority vote of their members, may remove our subsidiary as the general partner of the funds at any time for cause;
- while we have broad discretion to manage the funds and make investment decisions on behalf of the funds, the investors or the funds' advisory boards must approve certain matters, and as a result we may be unable to make certain investments or implement certain decisions on behalf of the funds which we consider beneficial;
- our ability to dispose of all or a portion of our investments in the funds is subject to significant restrictions; and
- we may be liable if the funds fail to comply with various tax or other regulatory matters.

Competition could adversely affect our ability to acquire properties.

We expect other real estate investors, including insurance companies, pension and investment funds, private investors, and other multifamily REITs, will compete with us to acquire additional operating properties. This competition could increase prices for the type of properties we would likely pursue and adversely affect our ability to acquire these properties or achieve the expected profitability of such properties upon acquisition.

Our acquisition strategy may not produce the cash flows expected.

We may acquire additional operating properties on a selective basis. Our acquisition activities are subject to a number of risks, including, but not limited to, the following:

- we may not be able to successfully integrate acquired properties into our existing operations;
- our estimates of the costs, if any, of repositioning or redeveloping the acquired property may prove inaccurate;
- the expected occupancy, rental rates and operating expenses may differ from the actual results;
- we may not be able to obtain adequate financing; and
- we may not be able to identify suitable candidates on terms acceptable to us and may not achieve expected returns or other benefits as a result of integration challenges, such as personnel and technology.

Tax matters, including failure to qualify as a REIT, could have adverse consequences.

We may not continue to qualify as a REIT in the future. The Internal Revenue Service may challenge our qualification as a REIT for prior years and new legislation, regulations, administrative interpretations, or court decisions may change the tax laws or the application of the tax laws with respect to qualification as a REIT or the federal tax consequences of such qualification.

For any taxable year we fail to qualify as a REIT and do not qualify under statutory relief provisions:

- we would be subject to federal income tax on our taxable income at regular corporate rates, including any applicable alternative minimum tax;
- we would be disqualified from treatment as a REIT for the four taxable years following the year in which we failed to qualify, thereby reducing our net income, including any distributions to shareholders, as we would be required to pay significant income taxes for the year or years involved; and
- our ability to expand our business and raise capital would be impaired, which may adversely affect the value of our common shares.

We may face other tax liabilities in the future which may impact our cash flow. These potential tax liabilities may be calculated on our income or property values at either the corporate or individual property levels. Any additional tax expense incurred would decrease the cash available for cash distributions to our common shareholders and non-controlling interest holders. Additionally, in order for us to continue to qualify as a REIT we must meet a number of organizational and operational requirements, including a requirement to distribute annual dividends to our shareholders equal to a minimum of 90% of our adjusted taxable income.

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If a transaction intended to qualify as a Section 1031 Exchange is later determined to be taxable, we may face adverse consequences, and if the laws applicable to such transactions are amended or repealed, we may not be able to dispose of properties on a tax deferred basis. From time to time we dispose of properties in transactions intended to qualify as Section 1031 Exchanges. Intermediary agents of Section 1031 Exchange transactions typically handle large sums of money in trusts. Misappropriation of funds by one of these agents could have a material negative impact on our results of operations. Additionally, misappropriation of funds could result in the disposal of the property not qualifying for a tax deferred basis and adversely affect our financial condition. It is also possible the qualification of a transaction as a Section 1031 Exchange could be successfully challenged and determined to be currently taxable. In such case, our taxable income and earnings and profits would increase, which could increase the dividend income to our shareholders by reducing any return of capital they received. In some circumstances, we may be required to pay additional dividends or, in lieu of additional dividends, corporate income tax, possibly including interest and penalties. As a result, we may be required to borrow funds in order to pay additional dividends or taxes and the payment of such taxes could cause us to have less cash available to distribute to our shareholders. In addition, if a Section 1031 Exchange were later to be determined to be taxable, we may be required to amend our tax returns for the applicable year in question, including any information reports we sent our shareholders.

Litigation risks could affect our business.

As a publicly-traded owner, developer and manager of multifamily properties, we may incur liability based on various conditions at our properties and the buildings thereon, and we also have become and in the future may become involved in legal proceedings, including consumer, employment, tort or commercial litigation, which if decided adversely to or settled by us, and not adequately covered by insurance, could result in liability which is material to our financial condition or results of operations.

Losses from catastrophes may exceed our insurance coverage.

We carry comprehensive property and liability insurance on our properties, which we believe is of the type and amount customarily obtained on similar real property assets by similar types of owners. We intend to obtain similar coverage for properties we acquire or develop in the future. However, some losses, generally of a catastrophic nature, such as losses from floods, hurricanes, or earthquakes, may be subject to coverage limitations. We exercise our discretion in determining amounts, coverage limits, and deductible provisions of insurance to maintain appropriate insurance on our investments at a reasonable cost and on suitable terms. If we suffer a catastrophic loss, our insurance coverage may not be sufficient to pay the full current market value or current replacement value of our lost investment, as well as the anticipated future revenues from the property. Inflation, changes in building codes and ordinances, environmental considerations, and other factors also may reduce the feasibility of using insurance proceeds to replace a property after it has been damaged or destroyed.

A cybersecurity incident and other technology disruptions could negatively impact our business.

We use technology in substantially all aspects of our business operations. We also use mobile devices, social networking, outside vendors and other online activities to connect with our employees, suppliers and residents. Such uses give rise to potential cybersecurity risks, including security breach, espionage, system disruption, theft and inadvertent release of information. Our business involves the storage and transmission of numerous classes of sensitive and confidential information and intellectual property, including residents' and suppliers' personal information, private information about employees, and financial and strategic information about us. Further, as we pursue our strategy to grow through acquisitions and developments and to pursue new initiatives to improve our operations, we are also expanding our information technologies, resulting in a larger technological presence and corresponding exposure to cybersecurity risk. If we fail to assess and identify cybersecurity risks associated with our operations, we may become increasingly vulnerable to such risks. Additionally, the measures we have implemented to prevent security breaches and cyber incidents may not be effective. The theft, destruction, loss, misappropriation, or release of sensitive data, confidential information or intellectual property, or interference with our information technology systems or the technology systems of third parties on which we rely, could result in business disruption, negative publicity, brand damage, violation of privacy laws, loss of residents, potential liability and competitive disadvantage, any of which could result in a material adverse effect on our financial condition or results of operations.

Our third-party service providers are primarily responsible for the security of their own information technology environments and in certain instances, we rely significantly on third-party service providers to supply and store our sensitive data in a secure manner. All of these third parties face risks relating to cybersecurity similar to ours which could disrupt their businesses and therefore adversely impact us. While we provide guidance and specific requirements in some cases, we do not directly control any of such parties' information technology security operations, or the amount of investment they place in guarding against cybersecurity threats. Accordingly, we are subject to any flaws in or breaches to their information technology systems or those which they operate for us, which could have a material adverse effect on our financial condition or results of operations.

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Risks Associated with Our Indebtedness and Financing

We have significant debt, which could have adverse consequences.

As of December 31, 2015, we had outstanding debt of approximately $2.7 billion. This indebtedness could have adverse consequences, including, but not limited to:

- if a property is mortgaged to secure payment of indebtedness, and if we are unable to meet our mortgage obligations, we could sustain a loss as a result of foreclosure on the mortgaged property;
- our vulnerability to general adverse economic and industry conditions is increased; and
- our flexibility in planning for, or reacting to, changes in business and industry conditions is limited.

The mortgages on our properties subject to secured debt, our unsecured credit facilities, and the indenture under which our unsecured debt was issued, contain customary restrictions, requirements, and other limitations, as well as certain financial and operating covenants including maintenance of certain financial ratios. Maintaining compliance with these provisions could limit our financial flexibility. A default in these provisions, if uncured, could require us to repay the indebtedness before the scheduled maturity date, which could adversely affect our liquidity and increase our financing costs.

Insufficient cash flows could limit our ability to make required payments for debt obligations or pay distributions to shareholders.

Substantially all of our income is derived from rental and other income from our multifamily communities. As a result, our performance depends in large part on our ability to collect rent from residents, which could be negatively affected by a number of factors, including, but not limited to, the following:

- delay in resident lease commencements;
- decline in occupancy;
- failure of residents to make rental payments when due;
- the attractiveness of our properties to residents and potential residents;
- our ability to adequately manage and maintain our communities;
- competition from other available apartments and housing alternatives;
- changes in market rents; and
- increases in operating expenses.

Cash flow could be insufficient to meet required payments of principal and interest with respect to debt financing. In order for us to continue to qualify as a REIT we must meet a number of organizational and operational requirements, including a requirement to distribute annual dividends to our shareholders equal to a minimum of 90% of our adjusted taxable income. This requirement limits the cash available to meet required principal payments on our debt.

Issuances of additional debt may adversely impact our financial condition.

Our capital requirements depend on numerous factors, including the rental and occupancy rates of our multifamily properties, minimum dividend requirements to our equity holders, development, redevelopment and other capital expenditures, costs of operations, and potential acquisitions. If our capital requirements vary materially from our plans, we may require additional financing earlier than anticipated. If we issue more debt, we could become more leveraged, resulting in increased risk of default on our obligations and an increase in our debt service requirements, both of which could adversely affect our financial condition and ability to access debt and equity capital markets in the future.

We may be unable to renew, repay, or refinance our outstanding debt.

We are subject to the risk that indebtedness on our properties or our unsecured indebtedness will not be renewed, repaid, or refinanced when due or the terms of any renewal or refinancing will not be as favorable as the existing terms of such indebtedness. If we are unable to refinance our indebtedness on acceptable terms, or at all, we might be forced to dispose of one or more of the properties on disadvantageous terms, which might result in losses to us. Such losses could have a material adverse effect on us and our ability to make distributions to our shareholders and pay amounts due on our debt. Furthermore, if a property is mortgaged to secure payment of indebtedness and we are unable to meet mortgage payments, the mortgagee could foreclose on the property, appoint a receiver and exercise rights under an assignment of rents and leases, or pursue other

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remedies, all with a consequent loss of our revenues and asset value. Foreclosures could also create taxable income without accompanying cash proceeds, thereby hindering our ability to meet the REIT distribution requirements of the Code.

Variable rate debt is subject to interest rate risk.

We have mortgage debt with varying interest rates dependent upon various market indexes. In addition, we have an unsecured credit facility and an unsecured short-term borrowing facility bearing interest at variable rates on all amounts drawn on the facilities. We may incur additional variable rate debt in the future. Increases in interest rates on variable rate debt would increase our interest expense, unless we make arrangements which hedge the risk of rising interest rates, which would adversely affect net income and cash available for payment of our debt obligations and distributions to shareholders.

Failure to maintain our current credit ratings could adversely affect our cost of funds, related margins, liquidity, and access to capital markets.

Moody’s, Fitch, and Standard & Poor's, the major debt rating agencies, routinely evaluate our debt and have given us ratings of Baa1 with positive outlook, BBB+ with positive outlook, and BBB+ with stable outlook, respectively, on our senior unsecured debt. These ratings are based on a number of factors, which include their assessment of our financial strength, liquidity, capital structure, asset quality, and sustainability of cash flow and earnings. Due to changes in market conditions, we may not be able to maintain our current credit ratings, which could adversely affect our cost of funds and related margins, liquidity, and access to capital markets.

Risks Associated with Our Shares

Share ownership limits and our ability to issue additional equity securities may prevent takeovers beneficial to shareholders.

For us to maintain our qualification as a REIT, we must have 100 or more shareholders during the year and not more than 50% in value of our outstanding shares may be owned, directly or indirectly, by five or fewer individuals. As defined for federal income tax purposes, the term “individuals” includes a number of specified entities. To minimize the possibility of us failing to qualify as a REIT under this test, our declaration of trust includes restrictions on transfers of our shares and ownership limits. The ownership limits, as well as our ability to issue other classes of equity securities, may delay, defer, or prevent a change in control. These provisions may also deter tender offers for our common shares which may be attractive to you or limit your opportunity to receive a premium for your shares which might otherwise exist if a third party were attempting to effect a change in control transaction.

Our share price will fluctuate.

The market price and trading volume of our common shares are subject to fluctuation due to general market conditions, the risks discussed in this report and other matters, including, but not limited to, the following:

- operating results which vary from the expectations of securities analysts and investors;
- investor interest in our property portfolio;
- the reputation and performance of REITs;
- the attractiveness of REITs as compared to other investment vehicles;
- the results of our financial condition and operations;
- the perception of our growth and earnings potential;
- minimum dividend requirements;
- increases in market interest rates, which may lead purchasers of our common shares to demand a higher yield; and
- changes in financial markets and national and regional economic and general market conditions.

The form, timing and amount of dividend distributions in future periods may vary and be impacted by economic and other considerations.

The form, timing and amount of dividend distributions will be declared at the discretion of our Board of Trust Managers and will depend on actual cash from operations, our financial condition, capital requirements, the annual distribution requirements under the REIT provisions of the Code and other factors as the Board of Trust Managers may consider relevant. The Board of Trust Managers may modify the form, timing and amount of dividends from time to time.

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None.

Item 2. Properties

The Properties

Our properties typically consist of mid-rise buildings or two and three story buildings in a landscaped setting and provide residents with a variety of amenities common to multifamily rental properties.

Operating Properties (including properties held through unconsolidated joint ventures)

The 172 operating properties in which we owned interests and operated at December 31, 2015 averaged 949 square feet of living area per apartment home. For the year ended December 31, 2015, no single operating property accounted for greater than 1.7% of our total revenues. Our operating properties had a weighted average occupancy rate of approximately 96% for each of the years ended December 31, 2015 and 2014, and an average monthly rental revenue per apartment home of $1,302 and $1,230 for the years ended December 31, 2015 and 2014, respectively. Resident lease terms generally range from six to fifteen months. At December 31, 2015, 152 of our operating properties had over 200 apartment homes, with the largest having 1,005 apartment homes. Our operating properties have an average age of 12 years. Our operating properties were constructed and placed in service as follows:

Year Placed in Service	Number of Operating Properties
2011-2015	22
2006-2010	38
2001-2005	31
1996-2000	47
1991-1995	17
1986-1990	12
Prior to 1986	5

Property Table

The following table sets forth information with respect to our 172 operating properties at December 31, 2015:

OPERATING PROPERTIES

Property and Location	Year Placed in Service	Average Apartment Size (Sq. Ft.)	Number of Apartments	2015 Average Occupancy (1)		2015 Average Monthly Rental Rate per Apartment (2)
ARIZONA						
Phoenix/Scottsdale						
Camden Copper Square	2000	786	332	95.5	%	$ 1,035
Camden Foothills (3)	2014	1,032	220	93.7		1,422
Camden Hayden (3)	2015	1,043	234	92.0		1,486
Camden Legacy	1996	1,067	428	95.3		1,095
Camden Montierra	1999	1,071	249	96.4		1,236
Camden Pecos Ranch	2001	924	272	96.1		951
Camden San Marcos	1995	984	320	95.5		1,097
Camden San Paloma	1993/1994	1,042	324	96.2		1,107
Camden Sotelo	2008/2012	1,303	170	93.2		1,455
CALIFORNIA						
Los Angeles/Orange County						
Camden Crown Valley	2001	1,009	380	95.0		1,856
Camden Glendale (4)	2015	882	303	Lease-up		2,365
Camden Harbor View	2004	975	538	96.2		2,269
Camden Main and Jamboree (5)	2008	1,011	290	97.0		1,962
Camden Martinique	1986	794	714	94.1		1,584
Camden Parkside	1972	836	421	96.1		1,478
Camden Sea Palms	1990	891	138	96.4		1,747
San Diego/Inland Empire						
Camden Landmark	2006	982	469	95.3		1,423
Camden Old Creek	2007	1,037	350	96.9		1,803
Camden Sierra at Otay Ranch	2003	962	422	95.7		1,702
Camden Tuscany	2003	896	160	96.7		2,339
Camden Vineyards	2002	1,053	264	96.2		1,383
COLORADO						
Denver						
Camden Belleview Station	2009	888	270	94.8		1,327
Camden Caley	2000	925	218	97.3		1,259
Camden Denver West	1997	1,015	320	95.4		1,476
Camden Flatirons (4)	2015	960	424	Lease-up		1,425
Camden Highlands Ridge	1996	1,149	342	95.3		1,509
Camden Interlocken	1999	1,010	340	96.7		1,401
Camden Lakeway	1997	932	451	96.2		1,306
WASHINGTON DC METRO						
Camden Ashburn Farm	2000	1,062	162	96.2		1,508
Camden Clearbrook	2007	1,048	297	94.2		1,382
Camden College Park (5)	2008	942	508	93.6		1,546
Camden Dulles Station	2009	978	382	96.5		1,617

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OPERATING PROPERTIES

Property and Location	Year Placed in Service	Average Apartment Size (Sq. Ft.)	Number of Apartments	2015 Average Occupancy (1)		2015 Average Monthly Rental Rate per Apartment (2)
Camden Fair Lakes	1999	1,056	530	96.6	%	$ 1,688
Camden Fairfax Corner	2006	934	489	95.7		1,740
Camden Fallsgrove	2004	996	268	94.7		1,742
Camden Grand Parc	2002	674	105	96.4		2,400
Camden Lansdowne	2002	1,006	690	96.3		1,462
Camden Largo Town Center	2000/2007	1,027	245	94.1		1,593
Camden Monument Place	2007	856	368	95.9		1,518
Camden NoMa	2014	770	321	94.3		2,123
Camden Potomac Yard	2008	835	378	96.3		1,988
Camden Roosevelt	2003	856	198	94.8		2,589
Camden Russett	2000	992	426	95.7		1,445
Camden Silo Creek	2004	975	284	97.0		1,475
Camden South Capitol (6)	2013	821	276	94.1		2,092
Camden Summerfield	2008	957	291	95.8		1,628
Camden Summerfield II	2012	936	187	94.2		1,629
FLORIDA						
Southeast Florida						
Camden Aventura	1995	1,108	379	96.1		1,868
Camden Boca Raton (3)	2014	843	261	95.7		1,875
Camden Brickell	2003	937	405	97.3		1,993
Camden Doral	1999	1,120	260	96.7		1,793
Camden Doral Villas	2000	1,253	232	96.8		1,884
Camden Las Olas	2004	1,043	420	96.4		1,968
Camden Plantation	1997	1,201	502	97.0		1,502
Camden Portofino	1995	1,112	322	96.8		1,507
Orlando						
Camden Hunter’s Creek	2000	1,075	270	96.9		1,185
Camden Lago Vista	2005	955	366	96.3		1,035
Camden LaVina	2012	970	420	94.9		1,121
Camden Lee Vista	2000	937	492	96.2		1,000
Camden Orange Court	2008	817	268	96.4		1,230
Camden Renaissance	1996/1998	899	578	94.8		916
Camden Town Square	2012	986	438	95.6		1,182
Camden Waterford Lakes (6)	2013	971	300	94.5		1,236
Camden World Gateway	2000	979	408	96.2		1,112
Tampa/St. Petersburg						
Camden Bay	1997/2001	943	760	95.4		998
Camden Lakes	1982/1983	732	688	95.6		834
Camden Montague	2012	975	192	95.6		1,168
Camden Preserve	1996	942	276	95.7		1,230
Camden Royal Palms	2006	1,017	352	96.2		1,054
Camden Visconti (6)	2007	1,125	450	96.1		1,193
Camden Westchase Park	2012	993	348	95.3		1,298

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OPERATING PROPERTIES

Property and Location	Year Placed in Service	Average Apartment Size (Sq. Ft.)	Number of Apartments	2015 Average Occupancy (1)	2015 Average Monthly Rental Rate per Apartment (2)
Camden Westshore	1986	728	278	96.7 %	$ 971
Camden Woods	1986	1,223	444	96.6	966
GEORGIA					
Atlanta					
Camden Brookwood	2002	912	359	96.2	1,241
Camden Creekstone	2002	990	223	95.6	1,127
Camden Deerfield	2000	1,187	292	95.4	1,268
Camden Dunwoody	1997	1,007	324	96.1	1,160
Camden Fourth Ward	2014	847	276	95.2	1,551
Camden Midtown Atlanta	2001	935	296	94.4	1,287
Camden Paces (4)	2015	1,407	379	Lease-up	2,533
Camden Peachtree City	2001	1,027	399	95.4	1,143
Camden Phipps (6)	1996	1,018	234	96.2	1,472
Camden Shiloh	1999/2002	1,143	232	96.5	1,106
Camden St. Clair	1997	999	336	96.1	1,192
Camden Stockbridge	2003	1,009	304	95.8	858
Camden Vantage	2010	901	592	96.0	1,236
NEVADA					
Las Vegas					
Camden Bel Air	1988/1995	943	528	94.5	770
Camden Breeze	1989	846	320	95.5	789
Camden Canyon	1995	987	200	95.7	940
Camden Commons	1988	936	376	95.8	814
Camden Cove	1990	898	124	96.1	766
Camden Del Mar	1995	986	560	95.8	1,000
Camden Fairways	1989	896	320	95.4	939
Camden Hills	1991	439	184	95.6	543
Camden Legends	1994	792	113	96.1	862
Camden Palisades	1991	905	624	95.0	762
Camden Pines	1997	982	315	95.3	869
Camden Pointe	1996	983	252	95.8	780
Camden Summit	1995	1,187	234	95.5	1,154
Camden Tiara	1996	1,043	400	95.2	923
Camden Vintage	1994	978	368	95.3	749
NORTH CAROLINA					
Charlotte					
Camden Ballantyne	1998	1,045	400	96.2	1,189
Camden Cotton Mills	2002	905	180	96.4	1,439
Camden Dilworth	2006	857	145	97.1	1,386
Camden Fairview	1983	1,036	135	97.5	1,109
Camden Foxcroft	1979	940	156	96.3	955
Camden Grandview	2000	1,057	266	96.4	1,583
Camden Sedgebrook	1999	972	368	96.6	1,024

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OPERATING PROPERTIES

Property and Location	Year Placed in Service	Average Apartment Size (Sq. Ft.)	Number of Apartments	2015 Average Occupancy (1)		2015 Average Monthly Rental Rate per Apartment (2)
Camden Simsbury	1985	874	100	96.9	%	$ 1,091
Camden South End Square	2003	882	299	96.8		1,332
Camden Southline (4) (6)	2015	831	266	Lease-up		1,392
Camden Stonecrest	2001	1,098	306	96.7		1,237
Camden Touchstone	1986	899	132	97.1		926
Raleigh						
Camden Asbury Village (6)	2009	1,009	350	96.3		1,083
Camden Crest	2001	1,013	438	93.0		972
Camden Governor’s Village	1999	1,046	242	94.8		964
Camden Lake Pine	1999	1,066	446	96.1		996
Camden Manor Park	2006	966	484	95.5		987
Camden Overlook	2001	1,060	320	96.1		1,117
Camden Reunion Park	2000/2004	972	420	94.6		867
Camden Westwood	1999	1,027	354	94.7		933
TEXAS						
Austin						
Camden Amber Oaks (6)	2009	862	348	95.9		990
Camden Amber Oaks II (6)	2012	910	244	95.2		1,080
Camden Brushy Creek (6)	2008	882	272	95.8		1,030
Camden Cedar Hills	2008	911	208	96.3		1,168
Camden Gaines Ranch	1997	955	390	95.9		1,302
Camden Huntingdon	1995	903	398	95.3		1,015
Camden La Frontera (3)	2015	901	300	95.3		1,108
Camden Lamar Heights (3)	2015	838	314	96.1		1,332
Camden Shadow Brook (6)	2009	909	496	95.9		1,068
Camden Stoneleigh	2001	908	390	95.7		1,168
Corpus Christi						
Camden Breakers	1996	868	288	95.1		1,169
Camden Copper Ridge	1986	775	344	92.8		879
Camden Miramar (7)	1994-2014	494	1,005	73.8		1,074
Camden South Bay (6)	2007	1,055	270	95.3		1,262
Dallas/Fort Worth						
Camden Addison	1996	942	456	96.0		1,047
Camden Belmont	2010/2012	945	477	95.4		1,379
Camden Buckingham	1997	919	464	96.6		1,085
Camden Centreport	1997	911	268	96.5		1,008
Camden Cimarron	1992	772	286	96.5		1,040
Camden Design District (6)	2009	939	355	96.9		1,306
Camden Farmers Market	2001/2005	932	904	95.5		1,190
Camden Henderson	2012	967	106	96.6		1,496
Camden Legacy Creek	1995	831	240	96.9		1,104
Camden Legacy Park	1996	871	276	96.5		1,119
Camden Panther Creek (6)	2009	946	295	95.8		1,109

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OPERATING PROPERTIES

Property and Location	Year Placed in Service	Average Apartment Size (Sq. Ft.)	Number of Apartments	2015 Average Occupancy (1)	2015 Average Monthly Rental Rate per Apartment (2)
Camden Riverwalk (6)	2008	982	600	95.2 %	$ 1,318
Camden Valley Park	1986	743	516	96.6	954
Houston					
Camden City Centre	2007	932	379	95.7	1,649
Camden City Centre II	2013	868	268	96.7	1,718
Camden Cypress Creek (6)	2009	993	310	95.2	1,250
Camden Downs at Cinco Ranch (6)	2004	1,075	318	95.4	1,266
Camden Grand Harbor (6)	2008	959	300	94.8	1,186
Camden Greenway	1999	861	756	96.5	1,416
Camden Heights (6)	2004	927	352	95.0	1,547
Camden Holly Springs	1999	934	548	94.6	1,251
Camden Midtown	1999	844	337	95.3	1,701
Camden Northpointe (6)	2008	940	384	95.8	1,091
Camden Oak Crest	2003	870	364	95.4	1,114
Camden Park	1995	866	288	94.0	1,097
Camden Plaza	2007	915	271	96.6	1,572
Camden Post Oak	2003	1,200	356	92.6	2,581
Camden Royal Oaks	2006	923	236	97.7	1,280
Camden Royal Oaks II	2012	1,054	104	95.6	1,489
Camden Spring Creek (6)	2004	1,080	304	94.5	1,236
Camden Stonebridge	1993	845	204	94.8	1,101
Camden Sugar Grove	1997	921	380	95.3	1,126
Camden Travis Street	2010	819	253	96.0	1,609
Camden Vanderbilt	1996/1997	863	894	95.4	1,459
Camden Whispering Oaks	2008	934	274	95.0	1,269
Camden Woodson Park (6)	2008	916	248	96.3	1,161
Camden Yorktown (6)	2008	995	306	94.8	1,182

(1) Represents average physical occupancy for the year except as noted.

(2) The average monthly rental rate per apartment incorporates vacant units and tenant concessions calculated on a straight-line basis over the life of the lease.

(3) Development property stabilized during 2015—average occupancy calculated from date at which occupancy exceeded 90% through December 31, 2015.

(4) Property under lease-up at December 31, 2015.

(5) Property 100% owned at December 31, 2015. We previously owned the property through a fully consolidated joint venture in which we owned a 99.9% interest. We purchased the remaining interest from an unaffiliated third party in 2015.

(6) Property owned through an unconsolidated joint venture in which we currently own a 31.3% interest. The remaining interest is owned by an unaffiliated third party.

(7) Miramar is a student housing project for Texas A&M at Corpus Christi. Average occupancy includes summer months which are normally subject to high vacancies.

Item 3. Legal Proceedings

None.

Item 4. Mine Safety Disclosures

None.

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PART II

Item 5. Market for Registrant's Common Equity, Related Shareholder Matters and Issuer Purchases of Equity Securities

The high and low closing prices per share of our common shares, as reported on the New York Stock Exchange composite tape under the symbol "CPT," and distributions per share declared for the quarters indicated are as follows:

	High	Low	Distributions
2015 Quarters:			
First	$80.92	$72.37	$0.70
Second	79.11	73.03	0.70
Third	81.28	69.45	0.70
Fourth	79.04	73.56	0.70
2014 Quarters:			
First	$67.59	$57.64	$0.66
Second	72.08	66.69	0.66
Third	75.51	67.83	0.66
Fourth	77.87	68.47	0.66

In the first quarter of 2016, the Company's Board of Trust Managers increased the quarterly dividend rate from $0.70 to $0.75 per common share. Future dividend payments are paid at the discretion of the Board of Trust Managers and depend on cash flows generated from operations, the Company's financial condition and capital requirements, distribution requirements under the REIT provisions of the Internal Revenue Code of 1986, as amended, and other factors which may be deemed relevant by our Board of Trust Managers. Assuming similar dividend distributions for the remainder of 2016, our annualized dividend rate for 2016 would be $3.00.

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This graph assumes the investment of $100 on December 31, 2010 and quarterly reinvestment of dividends. (Source: SNL Financial LC)

	Years Ended December 31,				
Index	2011	2012	2013	2014	2015
Camden Property Trust	$119.25	$135.25	$117.29	$158.15	$170.68
FTSE NAREIT Equity	108.29	127.85	131.01	170.49	175.94
S&P 500	102.11	118.45	156.82	178.28	180.75
Russell 2000	95.82	111.49	154.78	162.35	155.18

As of February 11, 2016, there were approximately 432 shareholders of record and approximately 37,571 beneficial owners of our common shares.

In May 2012, we created an ATM share offering program through which we could, but had no obligation to, sell common shares having an aggregate offering price of up to $300 million (the "2012 ATM program"), in amounts and at times as we determined, into the existing trading market at current market prices as well as through negotiated transactions. During the year ended December 31, 2013, we issued approximately 0.6 million common shares at an average price of $73.73 per share for total net consideration of approximately $40.0 million. During the year ended December 31, 2014, we issued approximately 0.7 million common shares at an average price of $74.60 per share for total net consideration of approximately $50.5 million under the 2012 ATM program. These amounts were used for general corporate purposes, which included repayment of outstanding balances on our unsecured credit facility and short-term borrowings, and funding for development, redevelopment, and capital improvement activities. The 2012 ATM program was terminated in the fourth quarter of 2014, and no further common shares are available for sale under this program.

In November 2014, we created an ATM share offering program through which we can, but have no obligation to, sell common shares having an aggregate offering price of up to $331.3 million (the "2014 ATM program"), in amounts and at times as we determine, into the existing trading market at current market prices as well as through negotiated transactions. During the year ended December 31, 2014, we issued approximately 0.2 million common shares at an average price of $76.28 per share for total net consideration of approximately $15.7 million. These amounts were used for general corporate purposes, which included funding for development, redevelopment, and capital improvement projects. There were no shares sold during the year ended December 31, 2015 under the 2014 ATM program. We intend to use the remaining net proceeds from any future sales under the 2014 ATM program for general corporate purposes, which may include funding for development, redevelopment, and capital improvement projects, financing for acquisitions, the redemption or other repurchase of outstanding debt or equity securities, reducing future borrowings under our unsecured credit facilities, and the repayment of other indebtedness. As of the date of this filing, we had common shares having an aggregate offering price of up to $315.3 million remaining available for sale under the 2014 ATM program. Actual sales from time to time may depend on a variety of factors including, among others, market conditions, the trading price of our common shares, and determinations by management of the appropriate sources of funding for us.

See Part III, Item 12, for a description of securities authorized for issuance under equity compensation plans.

In January 2008, our Board of Trust Managers approved an increase of the April 2007 repurchase plan to allow for the repurchase of up to $500 million of our common equity securities through open market purchases, block purchases, and privately negotiated transactions. Under this program, we repurchased 4.3 million shares for a total of approximately $230.2 million from April 2007 through December 31, 2008 and there have not been any shares repurchased subsequent to that date. As of the date of this filing, the remaining dollar value of our common equity securities authorized to be repurchased under the program was approximately $269.8 million.

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Item 6. Selected Financial Data

The following table provides selected financial data relating to our historical financial condition and results of operations as of and for each of the years ended December 31, 2011 through 2015. This data should be read in conjunction with Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the consolidated financial statements and related notes.

COMPARATIVE SUMMARY OF SELECTED FINANCIAL AND PROPERTY DATA

	Year Ended December 31,				
(in thousands, except per share amounts and property data)	2015	2014	2013	2012	2011
Operating Data (a)					
Total property revenues	$892,928	$843,978	$788,851	$698,318	$599,401
Total property expenses	321,716	305,308	285,691	256,430	230,212
Total non-property income	7,332	14,611	21,197	16,407	21,395
Total other expenses	428,866	415,224	392,478	373,254	352,627
Income from continuing operations attributable to common shareholders	249,315	292,089	151,594	154,116	7,383
Net income attributable to common shareholders	249,315	292,089	336,364	283,390	49,379
Earnings per common share from continuing operations:					
Basic	$2.77	$3.29	$1.70	$1.81	$0.09
Diluted	2.76	3.27	1.69	1.79	0.09
Total earnings per common share:					
Basic	$2.77	$3.29	$3.82	$3.35	$0.67
Diluted	2.76	3.27	3.78	3.30	0.66
Distributions declared per common share	$2.80	$2.64	$2.52	$2.24	$1.96
Balance Sheet Data (at end of year)					
Total real estate assets, at cost (b)	$7,858,354	$7,485,088	$7,114,336	$6,749,523	$5,875,515
Total assets (c)	6,037,612	6,043,981	5,619,354	5,372,666	4,610,532
Notes payable (c)	2,724,687	2,730,613	2,517,979	2,497,962	2,420,569
Non-qualified deferred compensation share awards	79,364	68,134	47,180	—	—
Perpetual preferred units	—	—	—	—	97,925
Equity	2,892,896	2,888,409	2,760,181	2,626,708	1,827,768
Other Data					
Cash flows provided by (used in):					
Operating activities	$423,238	$418,528	$404,291	$324,267	$244,834
Investing activities	(293,308)	(325,886)	(258,985)	(527,685)	(187,364)
Financing activities	(273,231)	43,482	(154,181)	174,928	(172,886)
Funds from operations – diluted (d)	414,497	378,043	368,321	313,337	207,535
Adjusted funds from operations – diluted (d)	350,328	318,189	301,291	250,292	153,830
Property Data					
Number of operating properties (at the end of year) (e)	172	168	170	193	196
Number of operating apartment homes (at end of year) (e)	59,792	58,948	59,899	65,775	66,997
Number of operating apartment homes (weighted average) (f)	52,006	52,833	54,181	54,194	50,905
	$1,431	$1,331	$1,270	$1,207	$1,142

Weighted average monthly total property revenue per apartment home					
Properties under development (at end of period)	8	13	14	9	10

(a) Excludes discontinued operations. See Note 2, "Summary of Significant Accounting Policies and Recent Accounting Pronouncements," and Note 7, "Acquisitions, Dispositions, Impairment, and Discontinued Operations," in the notes to Consolidated Financial Statements for further discussion of discontinued operations.

(b) Includes properties held for sale at net book value at December 31, 2014, 2012 and 2011.

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(c) All periods presented have been changed to reflect our adoption of Accounting Standards Update 2015-03 (“ASU 2015-03”), “Simplifying the Presentation of Debt Issuance Costs” (as supplemented by Accounting Standards Update 2015-15 [“ASU 2015-15”], “Presentation and Subsequent Measurement of Debt Issuance Costs Associated with Line-of-Credit Arrangements”) at December 31, 2015, which required retrospective application.

(d) Management considers Funds from Operations (“FFO”) and adjusted FFO ("AFFO") to be appropriate measures of the financial performance of an equity REIT. The National Association of Real Estate Investment Trusts (“NAREIT”) currently defines FFO as net income (computed in accordance with accounting principles generally accepted in the United States of America (“GAAP”)), excluding gains (or losses) associated with previously depreciated operating properties, real estate depreciation and amortization, impairments of depreciable assets, and adjustments for unconsolidated joint ventures. Our calculation of diluted FFO also assumes conversion of all potentially dilutive securities, including certain non-controlling interests, which are convertible into common shares. We consider FFO to be an appropriate supplemental measure of operating performance because, by excluding gains or losses on dispositions of operating properties, and depreciation, FFO can assist in the comparison of the operating performance of a company’s real estate investments between periods or to different companies. AFFO is calculated utilizing FFO less recurring capitalized expenditures which are necessary to help preserve the value of and maintain the functionality at our communities. We also consider AFFO to be a useful supplemental measure because it is frequently used by analysts and investors to evaluate a REIT's operating performance between periods or different companies. Our definition of recurring capital expenditures may differ from other REITs, and there can be no assurance our basis for computing this measure is comparable to other REITs. To facilitate a clear understanding of our consolidated historical operating results, we believe FFO and AFFO should be examined in conjunction with net income attributable to common shareholders as presented in the consolidated statements of income and comprehensive income and data included elsewhere in this report. FFO and AFFO are not defined by GAAP and should not be considered alternatives to net income attributable to common shareholders as an indication of our operating performance. Additionally, FFO and AFFO as disclosed by other REITs may not be comparable to our calculation. See "Funds from Operations and Adjusted FFO" in Item 7 "Management's Discussion and Analysis of Financial Condition and Results of Operations" for reconciliations of net income attributable to common shareholders to FFO and AFFO.

(e) Includes properties held for sale at December 31, 2014, 2012 and 2011.

(f) Excludes apartment homes owned in joint ventures.

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Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion should be read in conjunction with the consolidated financial statements and notes appearing elsewhere in this report. Historical results and trends which might appear in the consolidated financial statements should not be interpreted as being indicative of future operations.

We consider portions of this report to be "forward-looking" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, both as amended, with respect to our expectations for future periods. Forward-looking statements do not discuss historical fact, but instead include statements related to expectations, projections, intentions, or other items relating to the future; forward-looking statements are not guarantees of future performance, results, or events. Although we believe the expectations reflected in our forward-looking statements are based upon reasonable assumptions, we can give no assurance our expectations will be achieved. Any statements contained herein which are not statements of historical fact should be deemed forward-looking statements. Reliance should not be placed on these forward-looking statements as these statements are subject to known and unknown risks, uncertainties, and other factors beyond our control and could differ materially from our actual results and performance.

Factors which may cause our actual results or performance to differ materially from those contemplated by forward-looking statements include, but are not limited to, the following:

- Volatility in capital and credit markets, or other unfavorable changes in economic conditions, either nationally or regionally in one or more of the markets in which we operate, could adversely impact us;
- Short-term leases expose us to the effects of declining market rents;
- Competition could limit our ability to lease apartments or increase or maintain rental income;
- We face risks associated with land holdings and related activities;
- Potential reforms to Fannie Mae and Freddie Mac could adversely affect us;
- Development, redevelopment and construction risks could impact our profitability;
- Investments through joint ventures and discretionary funds involve risks not present in investments in which we are the sole investor;
- Competition could adversely affect our ability to acquire properties;
- Our acquisition strategy may not produce the cash flows expected;
- Tax matters, including failure to qualify as a REIT, could have adverse consequences;
- Litigation risks could affect our business;
- Losses from catastrophes may exceed our insurance coverage;
- A cybersecurity incident and other technology disruptions could negatively impact our business;
- We have significant debt, which could have adverse consequences;
- Insufficient cash flows could limit our ability to make required payments for debt obligations or pay distributions to shareholders;
- Issuances of additional debt may adversely impact our financial condition;
- We may be unable to renew, repay, or refinance our outstanding debt;
- Variable rate debt is subject to interest rate risk;
- Failure to maintain our current credit ratings could adversely affect our cost of funds, related margins, liquidity, and access to capital markets;
- Share ownership limits and our ability to issue additional equity securities may prevent takeovers beneficial to shareholders;
- Our share price will fluctuate; and
- The form, timing and amount of dividend distributions in future periods may vary and be impacted by economic and other considerations.

These forward-looking statements represent our estimates and assumptions as of the date of this report, and we assume no obligation to update or supplement forward-looking statements because of subsequent events.

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Executive Summary

We are primarily engaged in the ownership, management, development, redevelopment, acquisition, and construction of multifamily apartment communities. As of December 31, 2015, we owned interests in, operated, or were developing 180 multifamily properties comprised of 62,649 apartment homes across the United States as detailed in the following Property Portfolio table. In addition, we own other land holdings which we may develop into multifamily apartment communities in the future.

Property Operations

Our results for the year ended December 31, 2015 reflect an increase in same store revenues of 5.2% as compared to 2014. We believe this increase was due to the continuation of improving economic conditions, including job growth, favorable demographics, a manageable supply of new multifamily housing, and in part to more individuals choosing to rent versus buy as evidenced by the moderating level of homeownership rates, all of which have resulted in higher rental rates and average occupancy levels. We believe U.S. economic and employment growth is likely to continue during the remainder of 2016 and the supply of new multifamily homes, although increasing, will likely remain at manageable levels. If economic conditions were to worsen, our operating results could be adversely affected.

Construction Activity

At December 31, 2015, we had eight projects under construction to be comprised of 2,857 apartment homes, with initial occupancy scheduled to occur within the next 23 months. As of December 31, 2015, we estimate the additional cost to complete the construction of the eight projects to be approximately $310.1 million.

Acquisitions

During the year ended December 31, 2015, we acquired three land parcels comprised of 58.1 acres of land located in Phoenix, Arizona, Los Angeles, California and Gaithersburg, Maryland for approximately $59.1 million.

Dispositions

During the year ended December 31, 2015, we sold three operating properties comprised of 1,376 apartment homes located in Austin, Texas and Tampa and Brandon, Florida for approximately $147.4 million and we recognized a gain of approximately $104.0 million relating to these property sales. We also sold two land holdings adjacent to operating properties in Dallas and Houston, Texas for approximately $1.1 million and recognized a gain of approximately $0.3 million.

Future Outlook

Subject to market conditions, we intend to continue to seek opportunities to develop, redevelop and acquire existing communities. We also intend to evaluate our operating property and land development portfolio and plan to continue our practice of selective dispositions as market conditions warrant and opportunities arise. We expect to strengthen our capital and liquidity positions by continuing to focus on our core fundamentals which we believe are generating positive cash flows from operations, maintaining appropriate debt levels and leverage ratios, and controlling overhead costs. We anticipate meeting our near-term liquidity requirements through a combination of one or more of the following: cash flows generated from operations, draws on our unsecured credit facility or other short-term borrowings, proceeds from property dispositions, the use of debt and equity offerings under our automatic shelf registration statement, equity issued from our ATM share offering program, other unsecured borrowings, and secured mortgages.

As of December 31, 2015, we had approximately $10.6 million in cash and cash equivalents, $225.0 million outstanding on our $600 million unsecured credit facility, $19.0 million outstanding on our $40 million unsecured short-term borrowing facility and, as of the date of this filing, we had common shares having an aggregate offering price of up to $315.3 million remaining available for sale under our 2014 ATM program. We believe payments on debt maturing in 2016 are manageable at approximately $19.0 million, which represents approximately 0.7% of our total outstanding debt and consists of amounts outstanding under our unsecured short-term borrowing facility. We believe we are well-positioned with a strong balance sheet and sufficient liquidity to cover near-term debt maturities and new development, redevelopment, and other capital funding requirements. We will, however, continue to assess and take further actions we believe are prudent to meet our objectives and capital requirements.

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Property Portfolio
Our multifamily property portfolio is summarized as follows:

	December 31, 2015		December 31, 2014	
	Apartment Homes	Properties	Apartment Homes	Properties
Operating Properties				
Houston, Texas	8,434	24	8,434	24
Washington, D.C. Metro	6,405	19	6,405	19
Dallas, Texas	5,243	13	5,243	13
Las Vegas, Nevada	4,918	15	4,918	15
Atlanta, Georgia	4,246	13	3,867	12
Tampa, Florida	3,788	9	4,880	11
Orlando, Florida	3,540	9	3,540	9
Austin, Texas	3,360	10	3,030	9
Raleigh, North Carolina	3,054	8	3,054	8
Los Angeles/Orange County, California	2,784	7	2,481	6
Southeast Florida	2,781	8	2,781	8
Charlotte, North Carolina	2,753	12	2,487	11
Phoenix, Arizona	2,549	9	2,315	8
Denver, Colorado	2,365	7	1,941	6
Corpus Christi, Texas	1,907	4	1,907	4
San Diego/Inland Empire, California	1,665	5	1,665	5
Total Operating Properties	59,792	172	58,948	168

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	December 31, 2015		December 31, 2014	
	Apartment Homes	Properties	Apartment Homes	Properties
Properties Under Construction				
Washington, D.C. Metro	862	2	—	—
Dallas, Texas	423	1	423	1
Phoenix, Arizona	380	1	614	2
Charlotte, North Carolina	323	1	589	2
Houston, Texas	315	1	315	1
Los Angeles/Orange County, California	287	1	590	2
Denver, Colorado	267	1	691	2
Austin, Texas	—	—	614	2
Atlanta, Georgia	—	—	379	1
Total Properties Under Construction	2,857	8	4,215	13
Total Properties	62,649	180	63,163	181
Less: Unconsolidated Joint Venture Properties (1)				
Houston, Texas	2,522	8	2,522	8
Austin, Texas	1,360	4	1,360	4
Dallas, Texas	1,250	3	1,250	3
Tampa, Florida	450	1	450	1
Raleigh, North Carolina	350	1	350	1
Orlando, Florida	300	1	300	1
Washington, D.C. Metro	276	1	276	1
Corpus Christi, Texas	270	1	270	1
Charlotte, North Carolina (2)	266	1	266	1
Atlanta, Georgia	234	1	234	1
Total Unconsolidated Joint Venture Properties	7,278	22	7,278	22
Total Properties Fully Consolidated	55,371	158	55,885	159

(1) Refer to Note 8, “Investments in Joint Ventures,” in the notes to Consolidated Financial Statements for further discussion of our joint venture investments.

(2) Represents a property under construction at December 31, 2014. Construction was completed in 2015. See Completed Construction in Lease-up below for details.

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Dispositions

During the year ended December 31, 2015, we sold three operating properties as follows:

Dispositions of Consolidated Operating Properties	Location	Number of Apartment Homes	Date of Disposition
Camden Ridgecrest	Austin, TX	284	1/15/2015
Camden Bayside	Tampa, FL	832	1/30/2015
Camden Providence Lakes	Brandon, FL	260	10/7/2015
Consolidated total		1,376	

Stabilized Communities

We generally consider a property stabilized once it reaches 90% occupancy. During the year ended December 31, 2015, stabilization was achieved at five consolidated operating properties as follows:

Stabilized Property and Location	Number of Apartment Homes	Date of Construction Completion	Date of Stabilization
Camden Boca Raton			
Boca Raton, FL	261	4Q14	2Q15
Camden La Frontera			
Round Rock, TX	300	1Q15	2Q15
Camden Lamar Heights			
Austin, TX	314	1Q15	2Q15
Camden Foothills			
Scottsdale, AZ	220	4Q14	3Q15
Camden Hayden			
Tempe, AZ	234	2Q15	4Q15
Consolidated total	1,329		

Completed Construction in Lease-Up

At December 31, 2015, we had three consolidated completed operating properties and one unconsolidated completed operating property in lease-up as follows:

($ in millions) Property and Location	Number of Apartment Homes	Cost Incurred (1)	% Leased at 1/24/2016	Date of Construction Completion	Estimated Date of Stabilization
Consolidated Operating Properties					
Camden Flatirons					
Denver, CO	424	$ 79.2	88 %	3Q15	2Q16
Camden Glendale					
Glendale, CA	303	113.2	69	3Q15	2Q16
Camden Paces					
Atlanta, GA	379	117.5	77	4Q15	3Q16
Consolidated total	1,106	$ 309.9			
Unconsolidated Operating Property					
Camden Southline					
Charlotte, NC	266	$ 47.2	91 %	4Q15	1Q16

(1) Excludes leasing costs, which are expensed as incurred.

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Properties Under Development and Land

Our consolidated balance sheet at December 31, 2015 included approximately $491.1 million related to properties under development and land. Of this amount, approximately $358.4 million related to our projects currently under construction. In addition, we had approximately $132.7 million primarily invested in land held for future development and land holdings, which included approximately $126.5 million related to projects we expect to begin constructing during the next two years, and approximately $6.2 million invested in land which we may develop in the future.

Communities Under Construction. At December 31, 2015, we had eight consolidated properties in various stages of construction as follows:

($ in millions) Property and Location	Number of Apartment Homes	Estimated Cost	Cost Incurred	Included in Properties Under Development	Estimated Date of Construction Completion	Estimated Date of Stabilization
Consolidated Communities Under Construction						
Camden Chandler (1) Chandler, AZ	380	$ 73.0	$ 66.4	$ 0.3	1Q16	4Q16
Camden Gallery Charlotte, NC	323	58.0	50.4	50.3	3Q16	1Q17
Camden Victory Park Dallas, TX	423	82.0	67.2	67.0	3Q16	1Q18
The Camden Los Angeles, CA	287	145.0	111.7	111.6	4Q16	2Q17
Camden Lincoln Station Denver, CO	267	56.0	18.2	18.2	2Q17	1Q18
Camden NoMa II Washington, DC	405	115.0	45.5	45.5	4Q17	4Q19
Camden Shady Grove Rockville, MD	457	116.0	51.4	51.4	1Q18	4Q19
Camden McGowen Station Houston, TX	315	90.0	14.1	14.1	2Q18	3Q19
Consolidated total	2,857	$ 735.0	$ 424.9	$ 358.4		

(1) Property in lease-up and was 62% leased at January 24, 2016.

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Development Pipeline Communities. At December 31, 2015, we had the following consolidated communities undergoing development activities:

($ in millions) Property and Location	Projected Homes	Total Estimated Cost (1)	Cost to Date
Camden Washingtonian Gaithersburg, MD	365	$90.0	$18.4
Camden North End (2)(3) Phoenix, AZ	1,069	225.0	38.3
Camden Buckhead Atlanta, GA	336	80.0	22.4
Camden Arts District Los Angeles, CA	354	150.0	13.0
Camden Conte (4) Houston, TX	519	170.0	21.0
Camden Atlantic Plantation, FL	286	62.0	13.4
Total	2,929	$777.0	$126.5

(1) Represents our estimate of total costs we expect to incur on these projects. However, forward-looking statements are not guarantees of future performance, results, or events. Although we believe these expectations are based upon reasonable assumptions, future events rarely develop exactly as forecasted, and estimates routinely require adjustment.

(2) Formerly known as Camden Mayo.

(3) Will be developed in three phases. The estimated units, estimated cost, and cost to date represent all phases.

(4) Will be developed in two phases. The estimated units, estimated cost, and cost to date represent both phases.

Land Holdings/Other. At December 31, 2015, we had the following investments in land:

($ in millions) Location	Acres	Cost to Date
Las Vegas, NV	19.6	$4.2
Tampa, FL	4.8	1.5
Other (1)	—	0.5
Total	24.4	$6.2

(1) Includes development opportunities in the early phase of the development process for which we either have an option to acquire land or enter into a leasehold interest, or for which we are the buyer under a contract to purchase land.

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Geographic Diversification

At December 31, 2015 and 2014, our real estate assets by various markets, excluding depreciation, investments in joint ventures and properties held for sale, were as follows:

($ in thousands)	2015			2014		
Washington, D.C. Metro	$1,433,339	18.3	%	$1,361,793	18.4	%
Los Angeles/Orange County, California	740,976	9.5		653,750	8.8	
Houston, Texas	730,576	9.3		707,894	9.5	
Atlanta, Georgia	615,972	7.9		585,066	7.9	
Southeast Florida	558,521	7.1		551,938	7.4	
Phoenix, Arizona	478,373	6.1		404,138	5.5	
Dallas, Texas	470,629	6.0		428,603	5.8	
Las Vegas, Nevada	437,059	5.6		423,284	5.7	
Orlando, Florida	387,547	5.0		382,012	5.1	
Denver, Colorado	383,280	4.9		358,854	4.8	
Charlotte, North Carolina	351,661	4.5		325,580	4.4	
San Diego/Inland Empire, California	328,381	4.2		326,550	4.4	
Tampa, Florida	315,643	4.0		333,723	4.5	
Raleigh, North Carolina	263,185	3.4		258,647	3.5	
Austin, Texas	229,306	2.9		224,399	3.0	
Corpus Christi, Texas	100,208	1.3		95,285	1.3	
Total	$7,824,656	100.0	%	$7,421,516	100.0	%

Results of Operations

Changes in revenues and expenses related to our operating properties from period to period are due primarily to the performance of stabilized properties in the portfolio, the lease-up of newly constructed properties, acquisitions, and dispositions. Where appropriate, comparisons of income and expense for communities included in continuing operations are made on a dollars-per-weighted average apartment home basis in order to adjust for such changes in the number of apartment homes owned during each period. Selected weighted averages for the years ended December 31 are as follows:

	2015		2014		2013	
Average monthly property revenue per apartment home	$1,431		$1,331		$1,270	
Annualized total property expenses per apartment home	$6,186		$5,779		$5,520	
Weighted average number of operating apartment homes owned 100%	52,006		52,833		51,759	
Weighted average occupancy of operating apartment homes owned 100% *	95.7	%	95.7	%	95.3	%

* Our one student housing community is excluded from this calculation.

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Property-Level Operating Results (1)

The following tables present the property-level revenues and property-level expenses, excluding discontinued operations, for the year ended December 31, 2015 as compared to 2014 and for the year ended December 31, 2014 as compared to 2013:

($ in thousands)	Apartment Homes at 12/31/2015	Year Ended December 31, 2015	2014	Change $	%
Property revenues:					
Same store communities	47,618	$810,293	$770,328	$39,965	5.2 %
Non-same store communities	3,790	59,413	30,397	29,016	95.5
Development and lease-up communities	3,963	14,548	1,295	13,253	*
Dispositions/other	—	8,674	41,958	(33,284)	(79.3)
Total property revenues	55,371	$892,928	$843,978	$48,950	5.8 %
Property expenses:					
Same store communities	47,618	$290,161	$276,003	$14,158	5.1 %
Non-same store communities	3,790	22,038	11,117	10,921	98.2
Development and lease-up communities	3,963	6,069	301	5,768	*
Dispositions/other	—	3,448	17,887	(14,439)	(80.7)
Total property expenses	55,371	$321,716	$305,308	$16,408	5.4 %

* Not a meaningful percentage.

(1) Same store communities are communities we owned and were stabilized as of January 1, 2014. Non-same store communities are stabilized communities not owned or stabilized as of January 1, 2014. Development and lease-up communities are non-stabilized communities we have acquired or developed since January 1, 2014. Dispositions/other includes operating properties sold subsequent to January 1, 2014, operating properties held for sale and also results from non-multifamily rental properties, below market lease amortization related to acquired communities, and expenses related to land holdings not under active development.

($ in thousands)	Apartment Homes at 12/31/2014	Year Ended December 31, 2014	2013	Change $	%
Property revenues:					
Same store communities	46,069	$730,488	$699,027	$31,461	4.5 %
Non-same store communities	5,386	84,440	61,761	22,679	36.7
Development and lease-up communities	4,430	3,546	—	3,546	*
Dispositions/other	—	25,504	28,063	(2,559)	(9.1)
Total property revenues	55,885	$843,978	$788,851	$55,127	7.0 %
Property expenses:					
Same store communities	46,069	$261,000	$251,331	$9,669	3.8 %
Non-same store communities	5,386	32,302	22,789	9,513	41.7
Development and lease-up communities	4,430	1,191	12	1,179	*
Dispositions/other	—	10,815	11,559	(744)	(6.4)
Total property expenses	55,885	$305,308	$285,691	$19,617	6.9 %

* Not a meaningful percentage.

(1) Same store communities are communities we owned and were stabilized as of January 1, 2013. Non-same store communities are stabilized communities not owned or stabilized as of January 1, 2013. Development and lease-up communities are non-stabilized communities we have acquired or developed since January 1, 2013. Dispositions/other includes operating properties sold subsequent to January 1, 2013, operating properties held for sale and also results from non-multifamily rental properties, below market lease amortization related to acquired

communities, and expenses related to land holdings not under active development.

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Same Store Analysis

Same store property revenues for the year ended December 31, 2015 increased approximately $40.0 million, or 5.2%, from 2014. Same store rental revenues for the year ended December 31, 2015 increased approximately $28.6 million, or 4.3%, from 2014, primarily due to a 4.1% increase in average rental rates. We believe the increase to rental revenue was due to the continuation of improving economic conditions, including job growth, favorable demographics, a manageable supply of new multifamily housing and more individuals choosing to rent versus buy as evidenced by the moderating level of homeownership rates, all of which have resulted in higher rental rates and average occupancy levels. Additionally, there was an $11.4 million increase in other property revenue during the year ended December 31, 2015 as compared to 2014, primarily due to increases in income from our bulk Internet rebilling program and miscellaneous fee income.

Same store property revenues for the year ended December 31, 2014 increased approximately $31.5 million, or 4.5%, from 2013. Same store rental revenues for the year ended December 31, 2014 increased approximately $27.1 million, or 4.5%, from 2013, primarily due to a 4.0% increase in average rental rates and an increase in average occupancy for our same store portfolio from 95.3% in 2013 to 95.8% in 2014. We believe the increase to rental revenue was due in part to the continuation of the improving economic conditions, including job growth, favorable demographics, a manageable supply of new multifamily housing and more individuals choosing to rent versus buy as evidenced by the moderating level of homeownership rates, all of which have resulted in higher rental rates and average occupancy levels. Additionally, there was a $4.4 million increase in other property revenue during the year ended December 31, 2014 as compared to 2013 primarily due to increases in miscellaneous income combined with ancillary income from our utility rebilling programs.

Property expenses from our same store communities increased approximately $14.2 million, or 5.1%, for the year ended December 31, 2015 as compared to 2014. The increase was primarily due to a $5.8 million, or 6.6%, increase in real estate taxes as a result of increased property valuations at a number of our communities as well as increased costs associated with our bulk Internet rebilling program.

Property expenses from our same store communities increased approximately $9.7 million, or 3.8%, for the year ended December 31, 2014 as compared to 2013. The increase was primarily due to a $4.3 million, or 5.7%, increase in real estate taxes as a result of higher property valuations and property tax rates at a number of our communities. The increase was also due to higher salaries and benefits primarily due to higher medical costs. The increase was also due to higher utility expenses and higher repairs and maintenance costs, and partially offset by a $1.1 million decrease in property insurance expenses due to lower self-insured losses and premiums for the year ended December 31, 2014 as compared to 2013.

Non-same Store and Development and Lease-up Analysis

Property revenues and property expenses from non-same store and development and lease-up communities increased approximately $42.3 million and $16.7 million, respectively, for the year ended December 31, 2015 as compared to 2014. These increases in revenues and expenses in our non-same store communities for 2015 as compared to 2014 were primarily due to the stabilization of one operating property in 2014 and five operating properties in 2015, and the acquisition of one operating property in 2014. These increases in revenues and expenses from our development and lease-up communities for 2015 as compared to 2014 were primarily due to the completion and partial lease up of three properties in 2015 and the partial lease up of one property which was under construction at December 31, 2015.

Property revenues and property expenses from non-same store and development and lease-up communities increased approximately $26.2 million and $10.7 million, respectively, for the year ended December 31, 2014 as compared to 2013. These increases in our non-same store communities for 2014 as compared to 2013 were primarily due to the acquisition of one operating property in 2014 and three operating properties in 2013. These increases were also due to revenues and expenses recognized in 2014 related to the stabilization of one operating property and 75 units at one of our consolidated operating properties in 2014, and the stabilization of three operating properties and an additional 75 units at one of our consolidated operating properties in 2013. The increases in revenues and expenses from our development and lease-up communities for 2014 as compared to 2013 were primarily due to the completion and partial lease up of two properties in 2014 and the partial lease up of four properties which were under construction at December 31, 2014.

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The following table details the impact of the foregoing on our revenues and expenses:

	For the year ended December 31,	
(in millions)	2015	2014
Revenues from non-same store stabilized properties	$22.3	$8.6
Revenues from development and lease-up properties	13.3	3.5
Revenues from acquisitions	4.5	12.8
Other	2.2	1.3
	$42.3	$26.2
Expenses from non-same store stabilized properties	$8.9	$2.4
Expenses from development and lease-up properties	5.8	1.2
Expenses from acquisitions	2.2	6.0
Other	(0.2)	1.1
	$16.7	$10.7

Dispositions/Other Property Analysis

Dispositions/other property revenues decreased approximately $33.3 million for the year ended December 31, 2015 as compared to 2014, and decreased approximately $2.6 million for the year ended December 31, 2014 as compared to 2013. The decrease in 2015 was primarily due to the disposition of five operating properties in 2014 and three operating properties in 2015. The decrease in 2014 was primarily due to a $0.9 million decrease in revenue from dispositions due to the timing of completion of the disposition of five operating properties in 2014. The decrease was also due to a lower below market lease amortization of approximately $0.9 million due to the timing of completion of the acquisition of operating properties in 2012 and 2013. Below market leases are generally amortized over approximately six months upon completion of an acquisition, which reflects the remaining average term of acquired leases. The decrease was also due to a decrease in other income of approximately $0.8 million for the year ended December 31, 2014 resulting from our non-multifamily rental properties.

Dispositions/other property expenses decreased approximately $14.4 million for the year ended December 31, 2015 as compared to 2014, and decreased approximately $0.7 million for the year ended December 31, 2014 as compared to 2013. The decrease in 2015 was primarily due to the disposition of five operating properties in 2014 and three operating properties in 2015. The decrease in 2014 was primarily due to lower property taxes expensed on land holdings on which we initiated development activities in the fourth quarter of 2013 as we start capitalizing expenses, including property taxes, on development properties at such time.

Non-Property Income

	Year Ended December 31,		Change		Year Ended December 31,		Change	
($ in thousands)	2015	2014	$	%	2014	2013	$	%
Fee and asset management	$6,999	$9,832	$(2,833)	(28.8)%	$9,832	$11,690	$(1,858)	(15.9)%
Interest and other income	597	842	(245)	(29.1)	842	1,217	(375)	(30.8)
Income (loss) on deferred compensation plans	(264)	3,937	(4,201)	(106.7)	3,937	8,290	(4,353)	(52.5)
Total non-property income	$7,332	$14,611	$(7,279)	(49.8)%	$14,611	$21,197	$(6,586)	(31.1)%

Fee and asset management income, which represents income related to property management of our joint ventures and fees from third-party construction projects, decreased approximately $2.8 million for the year ended December 31, 2015 as compared to 2014 and decreased approximately $1.9 million for the year ended December 31, 2014 as compared to 2013. The decrease for 2015 as compared to 2014 was primarily due to lower development and construction fees earned due to the timing of development communities started and completed by our funds during 2014 and 2015, and our increase in ownership interest in two of the funds from 20% to 31.3% effective December 23, 2014. We eliminate fee income provided by our funds to the extent of our ownership. The decrease for 2014 as compared to 2013 was primarily due to the sale of 18 operating properties by three of our unconsolidated joint ventures in 2013 and 2014. This decrease was also due to lower construction fees resulting from a reduced level of third-party construction activities and lower development and construction fees earned due to the timing of development communities started and completed by our funds during 2013 and 2014.

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Our deferred compensation plans recognized a loss of approximately $0.3 million in 2015 and recognized income of approximately $3.9 million and $8.3 million in 2014 and 2013, respectively. The net income (loss) for each period was related to the performance of the investments held in deferred compensation plans for participants and was directly offset by the expense (benefit) related to these plans, as discussed below.

Other Expenses

	Year Ended December 31,		Change		Year Ended December 31,		Change	
($ in thousands)	2015	2014	$	%	2014	2013	$	%
Property management	$23,761	$22,689	$1,072	4.7 %	$22,689	$21,774	$915	4.2 %
Fee and asset management	4,742	5,341	(599)	(11.2)	5,341	5,756	(415)	(7.2)
General and administrative	46,233	51,005	(4,772)	(9.4)	51,005	40,586	10,419	25.7
Interest	97,312	94,906	2,406	2.5	94,906	99,784	(4,878)	(4.9)
Depreciation and amortization	257,082	237,346	19,736	8.3	237,346	216,288	21,058	9.7
Expense (benefit) on deferred compensation plans	(264)	3,937	(4,201)	(106.7)	3,937	8,290	(4,353)	(52.5)
Total other expenses	$428,866	$415,224	$13,642	3.3 %	$415,224	$392,478	$22,746	5.8 %

Property management expense, which represents regional supervision and accounting costs related to property operations, increased approximately $1.1 million for the year ended December 31, 2015 as compared to 2014 and increased approximately $0.9 million for the year ended December 31, 2014 as compared to 2013. These increases were primarily due to increases in salaries, benefits, and incentive compensation expenses. Property management expenses were 2.7% of total property revenues for each of the years ended December 31, 2015 and 2014, and 2.8% of total property revenues for the year ended December 31, 2013.

Fee and asset management expense, which represents expenses related to property management of our joint ventures and fees from third-party construction projects, decreased approximately $0.6 million for the year ended December 31, 2015 as compared to 2014 and decreased approximately $0.4 million for the year ended December 31, 2014 as compared to 2013. The decrease for 2015 as compared to 2014 was primarily due to lower expenses directly related to lower net revenues resulting from our change in ownership interest in two of the funds effective December 23, 2014.

The decrease in fee and asset management expense for 2014 as compared to 2013 was primarily due to decreases in expenses relating to the sale of 18 operating properties by three of our unconsolidated joint ventures in 2013 and 2014. The decrease for 2014 as compared to 2013 was also due to lower expenses relating to the timing of communities started and completed by the funds during 2013 and 2014.

General and administrative expenses decreased approximately $4.8 million during the year ended December 31, 2015 as compared to 2014 and increased approximately $10.4 million during the year ended December 31, 2014 as compared to 2013. General and administrative expenses were 5.1%, 6.0% and 5.1% of total revenues, excluding income (loss) on deferred compensation plans, for the years ended December 31, 2015, 2014 and 2013, respectively. The decrease in 2015 as compared to 2014 was primarily due to approximately $10.0 million in one-time bonuses paid to employees in 2014 relating to the restructuring of the funds in December 2014. Excluding the $10.0 million one-time bonus in 2014, general and administrative expenses increased by approximately $5.2 million in 2015 as compared to 2014, which was primarily related to an increase in salaries, benefits and incentive compensation expenses, partially offset by a slight decrease in professional fees.

The increase in 2014 as compared to 2013 was primarily due to approximately $10.0 million in one-time bonuses paid to employees relating to the restructuring of the funds in December 2014. Excluding this one-time bonus, general and administrative expenses were 4.8% of total revenues, excluding income on deferred compensation plans, for the year ended December 31, 2014.

Interest expense increased approximately $2.4 million for the year ended December 31, 2015 as compared to 2014 and decreased approximately $4.9 million for the year ended December 31, 2014 as compared to 2013. The increase in interest expense in 2015 as compared to 2014 was primarily due to increased interest expense from the issuance of $250 million, 3.68% senior unsecured note payable in September 2014, and lower capitalized interest of approximately $2.9 million during the year ended December 31, 2015, resulting from lower average balances in our development pipeline. The increase in 2015 was also due to an increase in interest expense relating to borrowings on our unsecured credit facility and unsecured short-term

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borrowing facility as compared to the same period in 2014. The increase in 2015 was partially offset by the repayment of $250 million, 5.08% senior unsecured notes payable in June 2015 and the repayment of two secured notes payable in April and September of 2014.

The decrease in interest expense in 2014 as compared to 2013 was primarily due to higher capitalized interest in 2014 of approximately $6.5 million resulting from higher average balances in our development pipeline. The decrease was also due to the repayment of a secured note payable in April 2014, the repayment of a secured note payable in January 2013 and a net decrease in interest expense relating to the repayment in December 2013 of $200 million, 5.45% senior unsecured notes payable, which was partially offset by the concurrent issuance of $250 million, 4.36% senior unsecured notes payable. The decrease was also partially offset by an increase in interest expense relating to borrowings on our unsecured credit facility in 2014 as compared to 2013, and the issuance in September 2014 of $250 million, 3.68% senior unsecured notes payable.

Depreciation and amortization expense increased approximately $19.7 million during the year ended December 31, 2015 as compared to 2014 and increased approximately $21.1 million during the year ended December 31, 2014 as compared to 2013. The increase in 2015 as compared to 2014 was primarily due to the completion of units in our development pipeline, the completion of repositions, increases in capital improvements placed in service during 2014 and 2015, and the acquisition of one operating property in October 2014. The increase was partially offset by a decrease in depreciation expense related to the dispositions of five operating properties in 2014 and three operating properties in 2015.

The increase in depreciation and amortization expense in 2014 as compared to 2013 was primarily due to the acquisition of three operating properties during 2013 and one operating property during 2014. The increase was also due to the completion of units in our development pipeline, the completion of repositions during 2013 and 2014, and increases in capital improvements placed in service during 2013 and 2014.

Our deferred compensation plans recognized a benefit of approximately $0.3 million in 2015 and recognized expenses of approximately $3.9 million and $8.3 million in 2014 and 2013, respectively. The net expense (benefit) for each period was related to the performance of the investments held in deferred compensation plans for participants and was directly offset by the income (loss) related to these plans, as discussed in the non-property income, above.

Other

(in thousands)	Year Ended December 31, 2015	Year Ended December 31, 2014	Change $	Year Ended December 31, 2014	Year Ended December 31, 2013	Change $
Gain on sale of operating properties, including land	$104,288	$159,289	$(55,001)	$159,289	$698	$158,591
Impairment associated with land holdings	—	(1,152)	1,152	(1,152)	—	(1,152)
Equity in income of joint ventures	6,168	7,023	(855)	7,023	24,865	(17,842)
Income tax expense	(1,872)	(1,903)	31	(1,903)	(1,826)	(77)

The gain on sale of operating properties, including land, for the year ended December 31, 2015 was due to the sale of three operating properties located in Austin, Texas and Tampa and Brandon, Florida for a total gain on sale of operating properties of approximately $104.0 million. The gain was also due to the sale of two land holdings adjacent to operating properties in Dallas and Houston, Texas for a total gain on sale of land of approximately $0.3 million. The gain in 2014 was due to the sale of five operating properties located in Atlanta, Georgia, Dallas, Texas, Orlando and Tampa, Florida and Charlotte, North Carolina for a total gain on sale of operating properties of approximately $155.7 million. The gain was also due to the sale of approximately 29.3 acres located adjacent to current operating and development communities in Dallas and Houston, Texas and Atlanta, Georgia for a total gain on sale of land of approximately $3.6 million. The gain in 2013 was due to the sale of approximately 3.7 acres located adjacent to current development communities in Atlanta, Georgia and Houston, Texas for a total gain on sale of approximately $0.7 million.

The $1.2 million impairment associated with land holdings in 2014 reflects an impairment charge to the carrying value of a land parcel located in Dallas, Texas. The impairment charge recognized in June 2014 represented the difference between the land holding's carrying value and the fair value based upon the sales contract on this land parcel, which was sold in July 2014.

Equity in income of joint ventures decreased approximately $0.9 million for the year ended December 31, 2015 as compared to 2014, and decreased approximately $17.8 million for the year ended December 31, 2014 as compared to 2013. The decrease in 2015 as compared to 2014 was primarily due to a $3.6 million proportionate share of the gain relating to the sale of two operating properties by the funds in 2014. The decrease was partially offset by an increase in earnings resulting from our increase in ownership interest in two of the funds from 20% to 31.3% effective December 23, 2014. The decrease was further offset by an increase in earnings resulting from higher rental income from the stabilized operating properties owned by

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the funds and two operating properties owned by the funds reaching stabilization during the third quarter of 2014. In 2014 we recognized our proportionate share of losses while these two properties were in the lease-up phase of operations.

The decrease in 2014 as compared to 2013 was primarily related to recognizing a $16.3 million proportionate share of the gain relating to the sale of 16 operating properties by two of our unconsolidated joint ventures in 2013. Additionally, as a result of achieving certain performance measures as set forth in the joint venture agreement, we recognized a promoted equity interest of approximately $5.1 million related to one of these unconsolidated joint ventures. The decrease was also due to the sale of two operating properties during the first quarter of 2014. The decrease in 2014 was partially offset by a $3.6 million proportionate gain relating to the sale of the two operating properties in the first quarter 2014. The decrease in earnings was further offset by higher rental income recognized by the stabilized operating joint venture properties during the year ended December 31, 2014 as compared to the same period in 2013.

Funds from Operations (“FFO”) and Adjusted FFO ("AFFO")

Management considers FFO and AFFO to be appropriate measures of the financial performance of an equity REIT. The National Association of Real Estate Investment Trusts (“NAREIT”) currently defines FFO as net income (computed in accordance with GAAP), excluding gains (or losses) associated with previously depreciated operating properties, real estate depreciation and amortization, impairments of depreciable assets, and adjustments for unconsolidated joint ventures. Our calculation of diluted FFO also assumes conversion of all potentially dilutive securities, including certain non-controlling interests, which are convertible into common shares. We consider FFO to be an appropriate supplemental measure of operating performance because, by excluding gains or losses on dispositions of operating properties, and depreciation, FFO can assist in the comparison of the operating performance of a company’s real estate investments between periods or to different companies.

AFFO is calculated utilizing FFO less recurring capitalized expenditures which are necessary to help preserve the value of and maintain the functionality at our communities. We also consider AFFO to be a useful supplemental measure because it is frequently used by analysts and investors to evaluate a REIT's operating performance between periods or different companies. Our definition of recurring capital expenditures may differ from other REITs, and there can be no assurance our basis for computing this measure is comparable to other REITs.

To facilitate a clear understanding of our consolidated historical operating results, we believe FFO and AFFO should be examined in conjunction with net income attributable to common shareholders as presented in the consolidated statements of income and comprehensive income and data included elsewhere in this report. FFO and AFFO are not defined by GAAP and should not be considered alternatives to net income attributable to common shareholders as an indication of our operating performance. Additionally, FFO and AFFO as disclosed by other REITs may not be comparable to our calculation.

Reconciliations of net income attributable to common shareholders to FFO and AFFO for the years ended December 31 are as follows:

($ in thousands)	2015	2014	2013
Funds from operations			
Net income attributable to common shareholders (1) (2) (3)	$249,315	$292,089	$336,364
Real estate depreciation and amortization, including discontinued operations	251,104	230,638	214,729
Adjustments for unconsolidated joint ventures	9,146	5,337	5,738
Gain on sale of unconsolidated joint venture properties (4)	—	(3,566)	(16,277)
Gain on sale of operating properties, net of tax	(104,015)	(155,680)	—
Gain on sale of discontinued operations, net of tax	—	—	(182,160)
Income allocated to non-controlling interests	8,947	9,225	9,927
Funds from operations attributable to common shareholders	$414,497	$378,043	$368,321
Less: recurring capitalized expenditures	(64,169)	(59,854)	(67,030)
Adjusted funds from operations attributable to common shareholders	$350,328	$318,189	$301,291
Weighted average shares – basic	89,120	88,084	87,204
Incremental shares issuable from assumed conversion of:			
Common share options and awards granted	370	384	476
Common units	1,896	1,898	1,900
Weighted average shares – diluted	91,386	90,366	89,580

(1) Net income attributable to common shareholders for the year ended December 31, 2015 includes a gain on sale of $0.3 million related to the sale of two land holdings.

(2) Net income attributable to common shareholders for the year ended December 31, 2014 includes a gain on sale of $3.6 million related to the sale of three land holdings and a $1.2 million impairment charge to the carrying value of a disposed land parcel.

(3) Net income attributable to common shareholders for the year ended December 31, 2013 includes a gain on sale of $0.7 million related to the sale of two land holdings. Net income attributable to common shareholders also includes a promoted equity interest of approximately $5.1 million as a result of achieving certain performance measures as set forth in the joint venture agreement for one of our unconsolidated joint ventures which sold its 14 operating properties in 2013.

(4) The gain in 2014 represents our proportionate share of the gain on sale of two operating properties sold by the funds in 2014. The gain in 2013 represents our proportionate share of the gain on sale of 16 operating properties by two of our unconsolidated joint ventures in 2013.

Liquidity and Capital Resources

Financial Condition and Sources of Liquidity

We intend to maintain a strong balance sheet and preserve our financial flexibility, which we believe should enhance our ability to identify and capitalize on investment opportunities as they become available. We intend to maintain what management believes is a conservative capital structure by:

- extending and sequencing the maturity dates of our debt where practicable;
- managing interest rate exposure using what management believes to be prudent levels of fixed and floating rate debt;
- maintaining what management believes to be conservative coverage ratios; and
- using what management believes to be a prudent combination of debt and equity.

Our interest expense coverage ratio, net of capitalized interest, was approximately 5.2, 5.0, and 4.6 times for the years ended December 31, 2015, 2014, and 2013, respectively. This ratio is a method for calculating the amount of operating cash flows available to cover interest expense and is calculated by dividing interest expense for the period into the sum of property revenues and expenses, non-property income, other expenses and income from discontinued operations after adding back depreciation, amortization, and interest expense from both continuing and discontinued operations. Approximately 79.9%,

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79.5%, and 77.6% of our properties (based on invested capital) were unencumbered at December 31, 2015, 2014, and 2013, respectively. Our weighted average maturity of debt was approximately 5.7 years at December 31, 2015.
We also expect to strengthen our capital and liquidity positions by continuing to focus on our core fundamentals which we believe are generating positive cash flows from operations, maintaining appropriate debt levels and leverage ratios, and controlling overhead costs.
Our primary source of liquidity is cash flow generated from operations. Other sources may include one or more of the following: availability under our unsecured credit facility and other short-term borrowings, proceeds from property dispositions, the use of debt and equity offerings under our automatic shelf registration statement, equity issued from our ATM program, other unsecured borrowings and secured mortgages. We believe our liquidity and financial condition are sufficient to meet all of our reasonably anticipated cash needs during 2016 including:

- normal recurring operating expenses;
- current debt service requirements, including debt maturities;
- recurring capital expenditures;
- reposition expenditures;
- funding of property developments, redevelopments, acquisitions, joint venture investments; and
- the minimum dividend payments required to maintain our REIT qualification under the Code.

Factors which could increase or decrease our future liquidity include but are not limited to volatility in capital and credit markets, sources of financing, the minimum REIT dividend requirements, our ability to complete asset purchases, sales, or developments, the effect our debt level and changes in credit ratings could have on our costs of funds, and our ability to access capital markets.
Cash Flows
The following is a discussion of our cash flows for the years ended December 31, 2015 and 2014.
Net cash from operating activities was approximately $423.2 million during the year ended December 31, 2015 as compared to approximately $418.5 million during the year ended December 31, 2014. The increase was primarily due to an increase related to higher net property-level revenues partially offset by property-level expenses, primarily due to the growth in revenues directly attributable to increased rental rates from our same store communities and growth in non-same store properties primarily relating to the acquisition of one operating property in 2014, the stabilization of one operating property in 2014 and five operating properties in 2015, the completion and partial lease-up of three operating properties during the third and fourth quarters of 2015, and the partial lease-up of one property under construction at December 31, 2015. See further discussions of our operations as compared to 2014 in "Results of Operations." These increases in net cash from operating activities were partially offset by the disposition of five operating properties in 2014 and three operating properties in 2015. The decrease was also due to an approximate $10.0 million one-time bonus paid to employees in 2015 relating to the restructuring of the funds in December 2014, as well as the timing of the first interest payment relating to the $250 million, 3.68% unsecured notes issued in September 2014, which was made in the first quarter of 2015.
Net cash used in investing activities during the year ended December 31, 2015 totaled approximately $293.3 million as compared to approximately $325.9 million during the year ended December 31, 2014. Cash outflows for property development and capital improvements were approximately $425.6 million during 2015 as compared to approximately $503.3 million during 2014, primarily due to the completion of nine operating properties in 2014 and 2015, and the completion of repositions at several of our operating properties. The property development and capital improvements during the years ended December 31, 2015 and 2014 included the following:

	December 31,	
(in millions)	2015	2014
Expenditures for new development, including land	$ 285.8	$ 342.1
Capitalized interest, real estate taxes, and other capitalized indirect costs	30.9	34.1
Reposition expenditures	35.8	64.4
Capital expenditures	73.1	62.7
Total	$ 425.6	$ 503.3

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During the year ended December 31, 2015, cash outflows were partially offset by proceeds of approximately $145.0 million from the sale of three operating properties and two land holdings. Additional cash outflows for the year ended December 31, 2014 related to the acquisition of one operating property for approximately $62.3 million. Net cash used in investing activities during the year ended December 31, 2014 was partially offset by cash inflows of approximately $237.7 million from the sale of five operating properties and four land holdings in 2014, and the distributions received from our joint ventures of approximately $6.4 million relating to the sale of two operating properties in February 2014.

Net cash used in financing activities totaled approximately $273.2 million during the year ended December 31, 2015 as compared to net cash provided by financing activities of $43.5 million during the year ended December 31, 2014. During 2015, we used $250.0 million to repay maturing unsecured notes payable and approximately $3.0 million to pay principal amortization payments. We also used approximately $253.1 million to pay distributions to common shareholders and non-controlling interest holders, and approximately $9.5 million to acquire the remaining non-controlling interests in two fully consolidated joint ventures. The cash flows for the year ended December 31, 2015 were partially offset by proceeds, net of payments, from our unsecured credit facility and other short-term borrowings of $244.0 million. During 2014, we received net proceeds of approximately $248.1 million from the issuance in September 2014 of $250 million unsecured notes payable and net proceeds of approximately $66.2 million from the issuance of approximately 0.9 million common shares from our ATM program. The cash inflows during 2014 were partially offset by approximately $236.5 million used for distributions paid to common shareholders and non-controlling interest holders, approximately $32.3 million used to repay maturing secured mortgage notes payable, and approximately$4.0 million used for principal amortization payments.

Financial Flexibility

In August 2015, we replaced our $500 million unsecured credit facility with an amended and restated facility, which extended the maturity date from September 2015 to August 2019, with two six-month options to extend the maturity date at our election to August 2020, and increased the availability to $600 million, with the option to further increase it to $900 million by either adding additional banks to the facility or obtaining the agreement of the existing banks to increase their commitments. The interest rate on this credit facility is based upon the London Interbank Offered Rate ("LIBOR") plus a margin which is subject to change as our credit ratings change. Advances under this credit facility may be priced at the scheduled rates, or we may enter into bid rate loans with participating banks at rates below the scheduled rates. These bid rate loans have terms of 180 days or less and may not exceed the lesser of $300 million or the remaining amount available under the credit facility. This credit facility is subject to customary financial covenants and limitations. We believe we are in compliance with all such financial covenants and limitations on the date of this filing.

Our credit facility provides us with the ability to issue up to $50 million in letters of credit. While our issuance of letters of credit does not increase our borrowings outstanding under our credit facility, it does reduce the amount available. At December 31, 2015, we had approximately $225.0 million outstanding on our $600 million credit facility and we had outstanding letters of credit totaling approximately $9.4 million, leaving approximately $365.6 million available under our credit facility.

In May 2015, we entered into a $40 million unsecured short-term borrowing facility which matures in May 2016. The interest rate is based upon LIBOR plus 1.05%. At December 31, 2015, we had approximately $19.0 million outstanding on this unsecured short-term borrowing facility.

We currently have an automatic shelf registration statement which allows us to offer, from time to time, common shares, preferred shares, debt securities, or warrants. Our Amended and Restated Declaration of Trust provides we may issue up to 185 million shares of beneficial interest, consisting of 175 million common shares and 10 million preferred shares. At December 31, 2015 we had approximately 86.9 million common shares outstanding, net of treasury shares and shares held in our deferred compensation arrangements, and no preferred shares outstanding.

In November 2014, we created an ATM share offering program through which we can, but have no obligation to, sell common shares having an aggregate offering price of up to $331.3 million (the "2014 ATM program"), in amounts and at times as we determine, into the existing trading market at current market prices as well as through negotiated transactions. Actual sales from time to time may depend on a variety of factors including, among others, market conditions, the trading price of our common shares, and determinations by management of the appropriate sources of funding for us. We intend to use the net proceeds from any future sales under the 2014 ATM program for general corporate purposes, which may include reducing future borrowings under our unsecured credit facility or other short-term borrowings, the repayment of other indebtedness, the redemption or other repurchase of outstanding debt or equity securities, funding for development, redevelopment and investment projects and financing for acquisitions. As of the date of this filing, we had common shares having an aggregate offering price of up to $315.3 million remaining available for sale under the 2014 ATM program.

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We believe our ability to access capital markets is enhanced by our senior unsecured debt ratings by Moody’s, Fitch, and Standard and Poor's, which are currently Baa1 with positive outlook, BBB+ with positive outlook, and BBB+ with stable outlook, respectively. We believe our ability to access capital markets is also enhanced by our ability to borrow on a secured basis from various institutions including banks, Fannie Mae, Freddie Mac, or life insurance companies. However, we may not be able to maintain our current credit ratings and may not be able to borrow on a secured or unsecured basis in the future.

Future Cash Requirements and Contractual Obligations

One of our principal long-term liquidity requirements includes the repayment of maturing debt, including any future borrowings under our unsecured credit facility or other short-term borrowings. We believe payments on debt maturing in 2016 are manageable at approximately $19.0 million, which represents approximately 0.7% of our total outstanding debt and consists of amounts outstanding under our unsecured short-term borrowing facility. See Note 9, “Notes Payable,” in the notes to Consolidated Financial Statements for further discussion of scheduled maturities.

We estimate the additional cost to complete the construction of the eight consolidated projects to be approximately $310.1 million. Of this amount, we expect to incur costs between approximately $190 million and $210 million during 2016 and to incur the remaining costs during 2017 and 2018. Additionally, we expect to incur costs between approximately $45 million and $55 million related to the start of new development activities, between approximately $19 million and $23 million of additional redevelopment expenditures and between approximately $62 million and $66 million of additional recurring capital expenditures during 2016.

We intend to meet our near-term liquidity requirements through a combination of one or more of the following: cash flows generated from operations, draws on our unsecured credit facility or other short-term borrowings, proceeds from property dispositions, the use of debt and equity offerings under our automatic shelf registration statement, equity issued from our ATM program, other unsecured borrowings and secured mortgages. We evaluate our operating property and land development portfolio and plan to continue our practice of selective dispositions as market conditions warrant and opportunities arise.

As a REIT we are subject to a number of organizational and operational requirements, including a requirement to distribute current dividends to our shareholders equal to a minimum of 90% of our annual taxable income. In order to minimize paying income taxes, our general policy is to distribute at least 100% of our taxable income. In December 2015, we announced our Board of Trust Managers had declared a quarterly dividend of $0.70 per common share, to our common shareholders of record as of December 17, 2015. The dividend was subsequently paid on January 15, 2016 and we paid equivalent amounts per unit to holders of common operating partnership units. When aggregated with previous 2015 dividends, this distribution to common shareholders and holders of the common operating partnership units equates to an annual dividend rate of $2.80 per share or unit for the year ended December 31, 2015. In the first quarter of 2016, the Company's Board of Trust Managers increased the quarterly dividend rate from $0.70 to $0.75 per common share. Future dividend payments are paid at the discretion of the Board of Trust Managers and depend on cash flows generated from operations, the Company's financial condition and capital requirements, distribution requirements under the REIT provisions of the Internal Revenue Code of 1986, as amended, and other factors which may be deemed relevant by our Board of Trust Managers. Assuming similar dividend distributions for the remainder of 2016, our annualized dividend rate for 2016 would be $3.00.

The following table summarizes our known contractual cash obligations as of December 31, 2015:

(in millions)	Total	2016	2017	2018	2019	2020	Thereafter
Debt maturities (1)	$2,724.7	$19.0	$247.2	$175.8	$870.2	$1.1	$1,411.4
Interest payments (2)	588.3	112.0	102.7	93.6	67.5	57.9	154.6
Non-cancelable lease payments	24.5	2.8	2.9	2.7	2.5	2.5	11.1
Unfunded commitments under notes receivable	8.3	8.3	—	—	—	—	—
	$3,345.8	$142.1	$352.8	$272.1	$940.2	$61.5	$1,577.1

(1) Includes scheduled principal amortizations.

(2) Includes contractual interest payments for our senior unsecured notes and secured notes. The interest payments on certain secured notes with floating interest rates were calculated based on the interest rates in effect as of December 31, 2015.

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Off-Balance Sheet Arrangements

The joint ventures in which we have an interest have been funded in part with secured, third-party debt. At December 31, 2015, our unconsolidated joint ventures had outstanding debt of approximately $527.0 million, of which our proportionate share was approximately $164.9 million. As of December 31, 2015, we had no outstanding guarantees related to the loans of our unconsolidated joint ventures.

Inflation

Substantially all of our apartment leases are for a term generally ranging from six to fifteen months. In an inflationary environment, we may realize increased rents at the comm