American Homes 4 Rent
Form S-11
June 04, 2013
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As filed with the Securities and Exchange Commission on June 4, 2013

Registration No. 333-

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

FORM S-11

FOR REGISTRATION UNDER

THE SECURITIES ACT OF 1933 OF SECURITIES

OF CERTAIN REAL ESTATE COMPANIES

AMERICAN HOMES 4 RENT

(Exact name of registrant as specified in governing instruments)

22917 Pacific Coast Highway, Suite 300

Malibu, California 90265

(310) 494-2200

(Address, including zip code, and telephone number, including area code, of registrant s principal executive offices)

Sara H. Vogt-Lowell

Senior Vice President and Chief Legal Officer

American Homes 4 Rent

22917 Pacific Coast Highway, Suite 300

Malibu, California 90265

(310) 494-2200

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

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Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date of this Registration Statement.

If any of the Securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act, check the following box: ¨

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If delivery of the prospectus is expected to be made pursuant to Rule 434, check the following box. ¨

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 the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check One):

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

CALCULATION OF REGISTRATION FEE

Title of Securities to be Registered	**Proposed Maximum Aggregate Offering Price(1)**	**Amount of Registration Fee(1)**
Class A Common Shares of Beneficial Interest, $0.01 par value per share	$1,250,000,000	$170,500

(1) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(o) under the Securities Act of 1933, as amended.

The registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until this registration statement shall become effective on such date as the Commission, acting pursuant to Section 8(a), may determine.

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The information in this preliminary prospectus is not complete and may be changed. Neither we nor the selling shareholders may sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Subject to Completion, dated , 2013

PROSPECTUS

CLASS A COMMON SHARES

American Homes 4 Rent is an internally managed Maryland real estate investment trust, or REIT, focused on acquiring, renovating, leasing and operating single-family homes as rental properties. This is our initial public offering, and no public market currently exists for our shares. We are offering Class A common shares of beneficial interest, $0.01 par value per share, or our Class A common shares, and the selling shareholders named in this prospectus (none of whom is an officer or trustee of American Homes 4 Rent) are selling of our Class A common shares. We will not receive any proceeds from the sale of our Class A common shares by the selling shareholders.

We intend to apply to list our Class A common shares on the New York Stock Exchange, or the NYSE, under the symbol AMH. We expect the initial public offering price of our Class A common shares to be between $ and $ per share.

We have been organized and operated in conformity with the requirements for qualification and taxation as a REIT under the U.S. federal income tax laws, commencing with our taxable year ended December 31, 2012, and we expect to satisfy the requirements for qualification and taxation as a REIT under the U.S. federal income tax laws for our taxable year ending December 31, 2013, and subsequent taxable years.

We are an emerging growth company under the U.S. federal securities laws and will be subject to reduced public company reporting requirements. Investing in our Class A common shares involves risks. See Risk Factors beginning on page 22 for factors you should consider before investing in our Class A common shares.

	Per Share	Total
Public offering price	$	$
Underwriting discounts and commissions	$	$
Proceeds, before expenses, to us	$	$

Proceeds, before expenses, to the selling shareholders	$	$

We have granted the underwriters an option to purchase up to an additional Class A common shares from us at the initial public offering price, less the underwriting discount, within 30 days after the date of this prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the Class A common shares on or about , 2013.

Goldman, Sachs & Co. **BofA Merrill Lynch** **J.P. Morgan** **Wells Fargo Securities**

Citigroup **FBR** **Jefferies**

Prospectus dated , 2013

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You should rely only on the information contained in this prospectus, any free writing prospectus prepared by us or other information to which we have referred you. We have not, and the selling shareholders and the underwriters have not, authorized anyone to provide you with different or additional information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and the selling shareholders and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. The information in this prospectus and any free writing prospectus is accurate only as of their respective dates or on the date or dates that are specified in these documents. Our business, financial condition, results of operations, and prospects may have changed since those dates.

Dealer Prospectus Delivery Requirement

Until , 2013 (25 days after the date of this prospectus), all dealers that effect transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to the dealers obligation to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

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Market, Industry and Other Data

We disclose estimates, forecasts and projections throughout this prospectus, in particular in the sections entitled Prospectus Summary, Industry Overview and Market Opportunity and Our Business and Properties. We have obtained a significant amount of this information from a market study prepared for us in connection with this offering by John Burns Real Estate Consulting, or JBREC. We have agreed to pay JBREC a total fee of $ for that market study, of which $ has been paid and $ will be paid upon completion of this offering. Such information is included in this prospectus in reliance on JBREC s authority as an expert on such matters. The estimates, forecasts and projections prepared by JBREC are based on data (including third-party data), significant assumptions, proprietary methodologies and the experience and judgment of JBREC. No assurance can be given regarding the accuracy or appropriateness of the assumptions and judgments made, or the methodologies used, by JBREC. There is no assurance that any of the forecasted or projected outcomes will be achieved, and investors should not unduly rely on them. Except as required by law, we are not obligated to, and do not intend to, update the statements in this prospectus to conform to actual outcomes or changes in our or JBREC s expectations. See Experts.

In addition, we have obtained certain market and industry data from publicly available industry publications. These sources generally state that the information they provide has been derived from sources believed to be reliable, but that the accuracy and completeness of the information are not guaranteed. We believe that these data are generally reliable, but we have not independently verified this information.

Certain Terms Used in This Prospectus

Unless the context otherwise requires or indicates, we define certain terms in this prospectus as follows:

We, our company, the Company, the REIT, our and us refer to American Homes 4 Rent, a Maryland real estate investment trust, and its subsidiaries taken as a whole.

Our operating partnership refers to American Homes 4 Rent, L.P., a Delaware limited partnership, and its subsidiaries taken as a whole.

AH LLC refers to American Homes 4 Rent, LLC, a Delaware limited liability company formed by B. Wayne Hughes, our founder and chairman of our board of trustees.

Alaska Joint Venture refers to an investment vehicle between AH LLC and the Alaska Permanent Fund Corporation acting for and on behalf of the funds when the Alaska Permanent Fund Corporation is designated by Alaska Statutes 37.13 to manage and invest, or APFC.

Alaska Joint Venture Acquisition refers to our operating partnership s proposed acquisition of the Alaska Joint Venture on , 2013. Unless the context otherwise requires or indicates, all references to the Alaska Joint Venture and the Alaska Joint Venture Acquisition assume completion of the Alaska Joint Venture Acquisition. We expect that the closing of the Alaska Joint Venture Acquisition will occur prior to the commencement of this offering. However, the completion of the Alaska Joint Venture Acquisition is subject to the negotiation and execution of binding definitive transaction agreements and the satisfaction of a number of conditions. There is no assurance that the transaction will be completed on the proposed terms, if at all. See Certain Relationships and Related Party Transactions for more information on the Alaska Joint Venture Acquisition.

Our former manager refers to our external manager and advisor, American Homes 4 Rent Advisor, LLC, a Delaware limited liability company wholly owned by AH LLC, that, following the Management Internalization, will be wholly owned by us.

Our former property manager refers to American Homes 4 Rent Management Holdings, LLC, a Delaware limited liability company wholly owned by AH LLC, that, following the Management Internalization, will be wholly owned by us.

AH LLC Portfolio refers to the 2,770 single-family homes that we purchased from AH LLC on February 28, 2013.

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Acquisition cost means:

- with respect to single-family homes in the AH LLC Portfolio, AH LLC s actual purchase price of the property (including closing and other title or escrow costs), without giving effect to the $491.7 million maximum agreed upon valuation of the AH LLC Portfolio under the terms of the contribution agreement pursuant to which we acquired the portfolio.

- with respect to all other single-family homes, the actual purchase price of the property (including broker commissions and closing costs) plus a 5% acquisition fee.

Estimated renovation costs refer to the costs incurred or expected to be incurred in preparing the property for rent plus a 5% renovation fee payable to AH LLC. Estimated renovation costs represent the total costs to renovate a property to prepare it for rental. These costs typically include paint, flooring, appliances, blinds and landscaping.

Estimated total investment means the sum of the property s acquisition cost plus its estimated renovation costs payable to AH LLC.

Management Internalization refers to our operating partnership s acquisition of our former manager and our former property manager from AH LLC on , 2013, at which time all administrative, financial, property management and marketing and leasing personnel, including executive management became our fully dedicated personnel. Acquisition and renovation personnel will remain employees of AH LLC until the 18-month anniversary of the closing of the Management Internalization. In May 2013, we and AH LLC signed a contribution agreement pursuant to which both parties agreed to engage in a series of transactions to implement the Management Internalization. The closing of the Management Internalization is subject to several customary closing conditions, including the consent of a majority of our shareholders, excluding shares held by AH LLC and its affiliates. We expect the Management Internalization to be completed prior to the commencement of this offering. However, there can be no assurance that the Management Internalization will be completed on the anticipated terms, if at all. Unless the context otherwise requires or indicates, all references to our business, our portfolio and our acquisition and management activities assume completion of the Management Internalization and include the acquisition and management activities of AH LLC, our former manager and our former property manager. See Certain Relationships and Related Party Transactions for more information on the Management Internalization.

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PROSPECTUS SUMMARY

This summary highlights information contained elsewhere in this prospectus, but it does not contain all of the information that you may consider important in making your investment decision. Therefore, you should read the entire prospectus carefully, including, in particular, the Risk Factors section beginning on page 22 of this prospectus, as well as the financial statements and related notes included elsewhere in this prospectus.

Overview

We are an internally managed Maryland real estate investment trust, or REIT, focused on acquiring, renovating, leasing and operating single-family homes as rental properties. We commenced operations in November 2012 to continue the investment activities of AH LLC, which was founded by our chairman, B. Wayne Hughes, in 2011 to take advantage of the dislocation in the single-family home market. Mr. Hughes has over 40 years of experience in the real estate business and a successful track record as co-founder and former chairman and chief executive officer of Public Storage, a REIT listed on the New York Stock Exchange, or the NYSE. We have an integrated operating platform that consists of approximately 157 personnel dedicated to property management, marketing, leasing, financial and administrative functions. Our acquisition and renovation functions are performed by AH LLC, to whom we will continue to pay an acquisition and renovation fee through December 2014.

As of April 30, 2013, we owned 14,210 single-family properties for an estimated total investment of $2.5 billion and had an additional 1,425 properties in escrow that we expected to acquire, subject to customary closing conditions, for an estimated total investment of $245 million. As of April 30, 2013, we owned properties in selected sub-markets of metropolitan statistical areas, or MSAs, in 20 states, and we continually evaluate potential new target markets that fit our underwriting criteria and are located where we believe we can achieve sufficient scale for internalized property management.

We intend to become a leader in the single-family home rental industry by aggregating a geographically diversified portfolio of high quality single-family homes and developing American Homes 4 Rent into a nationally recognized brand that is well-known for quality, value and tenant satisfaction and is well respected in our communities. Our objective is to generate attractive, risk-adjusted returns for our shareholders through dividends and capital appreciation.

We intend to use the net proceeds of this offering to continue to acquire and renovate single-family properties, including certain escrow properties, and to repay indebtedness we have incurred or expect to incur under our credit facility. In addition to single-family properties, we may also seek to invest in condominium units, townhouses and real estate-related debt investments. Our investments may be made directly or through investment vehicles with third-party investors. In addition to individual property purchases, we may pursue bulk acquisitions from financial institutions, government agencies and competitors.

We have been organized and operated in conformity with the requirements for qualification and taxation as a REIT under U.S. federal income tax laws, commencing with our taxable year ended December 31, 2012, and we expect to satisfy the requirements for qualification and taxation as a REIT under the U.S. federal income tax laws for our taxable year ending December 31, 2013, and subsequent taxable years.

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Our Properties

The table below summarizes certain information with respect to our properties as of April 30, 2013.

Our Properties [(1)]

	Properties Owned		Estimated Total Investment[(2)]		Estimated Total Book Value[(3)]		Averages per Property	
Market	**Units**	**% of Total**	**$ millions**	**Avg. Per Property**	**$ millions**	**Avg. Per Property**	**Square Footage**	**Property Age**
Dallas-Fort Worth, TX	1,286	9.0%	$ 214.7	$ 166,975	$ 207.0	$ 160,935	2,212 sf	10.3 years
Greater Chicago area, IL and IN	1,064	7.5%	171.9	161,604	160.5	150,826	1,869 sf	12.4 years
Indianapolis, IN	1,062	7.5%	158.4	149,113	152.3	143,455	1,872 sf	11.6 years
Atlanta, GA	1,054	7.4%	190.3	180,584	171.4	162,629	2,185 sf	13.3 years
Houston, TX	930	6.5%	164.7	177,052	164.7	177,052	2,299 sf	9.7 years
Phoenix, AZ	800	5.6%	123.9	154,887	113.5	141,866	1,826 sf	11.0 years
Tampa, FL	665	4.7%	135.2	203,278	127.0	191,046	2,106 sf	10.3 years
Nashville, TN	662	4.7%	141.0	213,009	133.5	201,698	2,211 sf	9.5 years
All Other[(4)]	6,687	47.1%	1,190.3	178,002	1,143.3	170,980	1,913 sf	11.1 years
Total / Average	**14,210**	**100.0%**	**$ 2,490.4**	**$ 175,259**	**$ 2,373.3**	**$ 167,014**	**1,997 sf**	**11.1 years**

(1) Includes 4,778 single-family properties expected to be acquired through our acquisition of the Alaska Joint Venture. We have no binding agreement to acquire the Alaska Joint Venture. Excludes 377 properties owned by two investment vehicles with accredited investors identified by Raymond James, which we refer to as the RJ joint ventures, in which we own an approximately one-third interest.

(2) Estimated Total Investment represents our actual purchase price (including closing costs) and estimated renovation costs plus a 5% acquisition and renovation fee, if applicable. Estimated renovation costs represent the total costs to renovate a property to prepare it for rental. These costs typically include paint, flooring, appliances, blinds and landscaping. For properties that have been acquired from AH LLC or are to be acquired from the Alaska Joint Venture, Estimated Total Investment represents the valuation of the respective portfolio agreed-upon by the parties in connection with their acquisition by our company, allocated among the properties based on the values agreed upon between the parties. The values are reflected on a non-GAAP basis. GAAP means U.S. generally accepted accounting principles.

(3) Estimated Total Book Value represents the initial book value on a GAAP basis of all properties. In the case of properties that have been contributed by AH LLC, for GAAP purposes these transactions have been considered to be transactions between entities under common control under the provisions of the Accounting Standards Codification, or ASC, 805, *Business Combinations*, and as such have been reflected at the net carrying cost of AH LLC. For the 4,778 properties to be acquired from the Alaska Joint Venture, the purchase price for that transaction ($904.5 million) has been allocated among the properties in accordance with GAAP. For all other properties, Estimated Total Book Value represents the actual purchase price (including closing costs) and renovation costs plus a 5% acquisition and renovation fee. For properties for which renovations have not been completed, total estimated renovation costs have been included in the total. Estimated renovation costs represent the total costs to renovate a property to prepare it for rental. These costs typically include paint, flooring, appliances, blinds and landscaping.

(4) Represents 33 markets in 17 states.

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Properties in Escrow[1]

(As of April 30, 2013)

	Properties in Escrow		Estimated Total Investment[2]	
Market	**Units**	**% of Total**	**$ millions**	**Avg. Per Property**
Dallas-Fort Worth, TX	39	2.7%	$ 6,734	$ 172,657
Greater Chicago area, IL and IN	91	6.4%	16,024	176,093
Indianapolis, IN	233	16.4%	34,942	149,967
Atlanta, GA	14	1.0%	2,229	159,188
Houston, TX	7	0.5%	1,189	169,877
Phoenix, AZ	23	1.6%	3,784	164,539
Tampa, FL	53	3.7%	9,560	180,381
Nashville, TN	80	5.6%	16,184	202,302
All Other[3]	885	62.1%	154,339	174,394
Total/Average	**1,425**	**100.0%**	**$ 244,986**	**$ 171,920**

(1) Includes properties in escrow subject to customary closing conditions. Does not include properties in escrow subject to lender approval.
(2) Estimated Total Investment represents our actual purchase price (including closing costs) and estimated renovation costs plus a 5% acquisition and renovation fee. Estimated renovation costs represent the total costs to renovate a property to prepare it for rental. These costs typically include paint, flooring, appliances, blinds and landscaping.
(3) Represents 30 markets in 18 states.

Industry Overview and Market Opportunity

Residential housing is the largest real estate asset class in the United States with a size of approximately $17.7 trillion, according to the 2012 fourth quarter Federal Reserve Flow of Funds release. Historically, according to the U.S. Census Bureau, approximately one-third of this asset class has been rented and single-family homes currently comprise roughly one-third of all residential rental housing. While a large and growing asset class, single-family rental properties have historically been managed by relatively small-scale, mom and pop owner-operators or by a limited number of local and regional property management organizations. More recently, the ownership profile of single-family rental properties has shifted to larger investors and national owner-operators, including our company, seeking to efficiently acquire large numbers of homes at distressed values, generate attractive rental cash flow streams and benefit from any potential home price appreciation.

After nearly a decade of solid home price appreciation from 1998 to 2006, which we believe in many markets was in excess of underlying fundamentals, a significant over-correction has occurred in the pricing of the single-family housing sector. Home prices declined approximately 35% in some of the largest U.S. housing markets (as measured by the not-seasonally adjusted CoreLogic/Case-Shiller Composite 20 Home Price Index from its peak on July 1, 2006 to its trough on March 1, 2012). While prices have begun to recover, with a 5% recovery of the 30% peak to trough correction nationally per JBREC s Burns Home Value Index, we believe that a substantial number of non-performing loans will need to be resolved over the next five years, including through foreclosure, short sale or conversion through a bank deed-for-lease program. As a result, we believe there may be the opportunity for experienced and well-capitalized operators to acquire large volumes of single-family rental homes at attractive pricing.

Over the past two years, the U.S. rental housing market has begun a sustained recovery. In many markets, rental vacancies have fallen and rents have risen, even in areas hardest hit during the housing and economic downturn.

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The recent drop in home prices, constraints on mortgage lending, job volatility requiring greater geographic mobility, economic uncertainty, evolving demographics and expanded rental options are changing the way many Americans live. Many people, who in the past might have become homeowners, are instead becoming long-term renters of single-family homes. According to JBREC, for every 1.0% decline in the homeownership rate, the occupants of approximately 1.1 million homes become prospective tenants. The U.S. Census Bureau reports the national homeownership rate was 65.0% in the first quarter of 2013, which is down from a peak of 69.2% in the fourth quarter of 2004. JBREC believes that the homeownership rate will continue to decrease through 2015 and overcorrect at approximately 63%, before increasing again towards the historical average of 65.4%.

There has been an over-correction in housing prices in certain housing markets. As the economy slowly strengthens and the housing market returns to long-term pricing norms, or reverts to mean pricing levels, we believe there is the potential for home price appreciation.

Our Competitive Strengths

We believe that the following strengths enable us to implement our business and growth strategies and compete effectively in the single-family home rental market. For more information, see Our Business and Properties Our Competitive Strengths.

*Experienced and tenured management team***.** We believe the significant experience, expertise and relationships of our executive team drive our business and growth. Our executive team, headed by Mr. Hughes, our Chairman, David Singelyn, our Chief Executive Officer, Jack Corrigan, our Chief Operating Officer, and Peter J. Nelson, our Chief Financial Officer, each of whom is a former executive of Public Storage, has a successful track record of managing and growing a publicly traded REIT through all stages of the real estate investment cycle. Among other executive positions they have held, Mr. Singelyn was treasurer of Public Storage and was chief executive officer of Public Storage Canadian Properties, or Public Storage Canada, a real estate company previously listed on the Toronto Stock Exchange, and American Commercial Equities, LLC, or ACE; Mr. Corrigan was the chief financial officer of PS Business Parks, a NYSE-listed REIT; and Mr. Nelson was the chief financial officer of Lennar Partners, Inc. and Alexandria Real Estate Equities, Inc., a NYSE-listed REIT.

*Large, diversified portfolio of high-quality properties***.** As of April 30, 2013, we owned 14,210 single-family properties concentrated in select sub-markets of MSAs within 20 states. These homes are located in neighborhoods of cities that we believe remain desirable places to live, despite significantly impacted home prices. In addition, we continually evaluate potential new markets across the country. We are focused on acquiring homes with a number of key property characteristics, including: (i) construction after 1990; (ii) three or more bedrooms; (iii) two or more bathrooms; (iv) range of $70,000 estimated minimum valuation to $400,000 maximum bid price; and (v) estimated renovation costs not in excess of 25% of estimated value. We target areas with above average median household incomes, well-regarded school districts and access to desirable lifestyle amenities. We believe that homes in these areas will attract tenants with strong credit profiles, produce high occupancy and rental rates and generate long-term property appreciation. Not all of the homes that we may acquire will meet all of these criteria, especially if acquired as part of a bulk purchase.

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Monthly Acquisition, Renovation and Leasing Rates

(As of April 30, 2013)

***Demonstrated property acquisition track record and processes*.** Since its inception in June 2011, AH LLC has developed an effective acquisition process, supported by analytics and dedicated personnel within our target markets, that is capable of efficiently deploying large amounts of capital. Through April 30, 2013, AH LLC and its affiliates had acquired 14,844 properties (including our 14,210 properties) with an estimated total investment exceeding $2.6 billion and had approximately 1,425 properties in escrow.

***Substantial Renovation Capabilities*.** AH LLC has an in-house team of 203 dedicated personnel to oversee the renovation process. This team focuses on renovating our homes to meet our quality standards prior to leasing. We estimate that AH LLC generally completes property renovations within six to ten weeks after a property is available for renovation. From January 1 to April 30, 2013, we completed renovations on 4,832 properties, 1,550 of which were completed in April.

***Institutional quality management platform and systems*.** Our management platform and systems are fully integrated with AH LLC s acquisition and renovation platform to ensure oversight and coordination of our key functions, including acquisitions, renovations, leasing, property management and accounting. We have developed an extensive property management infrastructure with modern systems and technology, dedicated personnel and local offices in certain of our target markets. Our property management personnel maintain a disciplined focus on controlling costs, driving occupancy and maximizing rental rates through all phases of our properties lifecycles.

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The following table summarizes our leasing experience as of April 30, 2013.

Our Leasing Experience

Market	Number of Properties[1] Available for Rent 30+ Days[2]	Leased	Occupancy %[3]	Average Annual Scheduled Rent Per Property	Number of Properties[1] Available for Rent 90+ Days[4]	Leased	Occupancy %[5]	Average Annualized Scheduled Cash Rent Per Property
Dallas-Fort Worth, TX	531	473	89%	$ 16,831	352	308	88%	$ 16,546
Greater Chicago area, IL and IN	239	182	76%	18,553	95	85	89%	18,639
Indianapolis, IN	396	357	90%	14,243	169	151	89%	14,191
Atlanta, GA	676	634	94%	15,792	468	458	98%	15,694
Houston, TX	274	238	87%	16,554	182	154	85%	16,512
Phoenix, AZ	695	577	83%	13,034	527	462	88%	13,061
Tampa, FL	396	276	70%	17,764	172	152	88%	17,272
Nashville, TN	450	408	91%	17,910	312	291	93%	18,193
All Other	3,034[6]	2,592	85%	15,901	1,955[7]	1,838	94%	15,722
Total / Average	**6,691**	**5,737**	**86%**	**$ 15,917**	**4,232**	**3,899**	**92%**	**$ 15,755**

(1) Includes single-family properties expected to be acquired from the Alaska Joint Venture.

(2) Available for rent 30+ days represents the number of properties that have been leased or are available for rent (i.e., rent-ready) for a period of greater than 30 days.

(3) Occupancy percentage is computed by dividing the number of leased properties by the number of properties available for rent 30+ days.

(4) Available for rent 90+ days represents the number of properties that have been leased or are available for rent (i.e., rent-ready) for a period greater than 90 days.

(5) Occupancy percentage is computed by dividing the number of leased properties by the number of properties available for rent 90+ days.

(6) Represents 29 markets in 16 states.

(7) Represents 22 markets in 13 states.

Substantial alignment of interests of AH LLC and management with our shareholders. In connection with the Management Internalization, our operating partnership expects to acquire our former manager and former property manager from AH LLC, and we expect to become an internally managed REIT with an integrated operating platform, other than the acquisition and renovation services that AH LLC will continue to provide us, on an exclusive basis, for 18 months following the closing of the Management Internalization. AH LLC also expects to receive in connection with the Management Internalization convertible equity securities in our operating partnership that are linked to favorable financial metrics and share appreciation. Upon completion of this offering, AH LLC will own approximately % of our Class A common shares on a fully diluted basis (or % if the underwriters exercise their option to purchase additional shares in full), and members of our executive team will collectively own approximately % of our Class A common shares on a fully diluted basis (or % if the underwriters exercise their option to purchase additional shares in full). As a result, we believe that the economic interests of AH LLC and management are substantially aligned with those of our shareholders.

Successful track record raising capital and strong balance sheet. We have a proven ability to raise significant amounts of debt and equity capital. Since November 2012, we have raised net proceeds of approximately $1.2 billion in connection with two private placements of Class A common shares. In addition, in March 2013, we entered into a two-year, $500 million senior secured revolving credit facility with Wells Fargo Bank, National Association, or Wells Fargo, that is subject to extension in certain circumstances. Our credit facility has an accordion feature that allows us to increase the total

amount of the facility from $500 million to $1 billion, subject to obtaining lender commitments and satisfying customary closing conditions. At May 31, 2013, we had $270 million of borrowings outstanding under our credit facility. In , 2013, we increased the size of the credit facility under the same terms through , 2013. At March 31, 2013, we had approximately $1.7 billion in assets.

Our Business and Growth Strategies

Our primary objective is to generate attractive risk-adjusted returns for our shareholders through dividends and capital appreciation. We believe we can achieve this objective by pursuing the following strategies. For more information, see Our Business and Properties Our Business and Growth Strategies.

Secure early-mover advantage and position as a dominant owner/operator of single-family rental properties. Historically, the single-family home rental market has been extremely fragmented, comprised primarily of private and individual property investors in local markets. Until recently, there have been no large-scale, national market owners/operators due primarily to the challenge of efficiently scaling the acquisition and management of many individual homes. With an unprecedented opportunity to acquire a large number of homes at attractive prices, we intend to continue to leverage our expertise and experience in rapidly building an institutional-quality, professionally managed business.

Employ a robust and disciplined property acquisition process. We have exclusive access to AH LLC s established acquisition and renovation platform to acquire high quality single-family homes. AH LLC has approximately 197 full-time personnel dedicated to identifying, evaluating, inspecting and acquiring homes. To date, AH LLC has primarily acquired properties at foreclosure auctions and through broker sales (primarily multiple listing service, or MLS, and short sales), and it also may source property acquisition opportunities through portfolio (or bulk) sales from government agencies, financial institutions and competitors.

Assemble a geographically diversified portfolio. We currently are focusing on acquiring single-family homes in selected sub-markets of MSAs within 20 states, including Texas, Florida, Arizona, Illinois, Georgia, Indiana, Ohio, North Carolina, Tennessee, and Nevada, with an emphasis on achieving critical mass within each target market. We continually evaluate potential new markets where we may make investments and establish operations as opportunities emerge. We select our markets based on steady population growth, strong rental demand and a high level of distressed sales of homes that can be acquired below replacement cost, providing for attractive potential yields and capital appreciation.

Efficiently manage and operate properties. Building on the experience of our executive team at Public Storage and our significant in-house property management capabilities, we strive to create a leading, comprehensive single-family home property management business. As was the case with the self-storage industry, we believe the key to efficiently managing a large number of relatively low-cost properties is to strike the appropriate balance between centralization and decentralization. We utilize local, in-house property management for our properties in all markets where we believe it is economical to do so.

Establish a nationally recognized brand. We are striving to establish American Homes 4 Rent as a nationally recognized brand because we believe that establishing a brand well-known for quality, value and tenant satisfaction will help attract and retain tenants and qualified employees, as well as support higher rental rates. We believe our brand is gaining recognition within a number of our markets.

Optimize capital structure. We may use leverage to increase potential returns to our shareholders, but we will seek to maintain a conservative and flexible balance sheet. We may also access additional financing markets, including issuing preferred shares. Based in part on our executive team s experience at Public Storage, we believe that preferred shares may provide an attractive source of permanent capital.

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Recent Developments

Management Internalization

We have been externally managed and advised by our former manager, and the leasing, managing and advertising of our properties has been overseen and directed by our former property manager. In May 2013, we and AH LLC signed a contribution agreement pursuant to which both parties agreed to engage in a series of transactions to implement the Management Internalization. The closing of the Management Internalization is subject to several customary closing conditions, including the consent of a majority of our shareholders, excluding shares held by AH LLC and its affiliates. There can be no assurance that the Management Internalization will be completed on the anticipated terms, if at all.

Certain items of the Management Internalization are set forth below. For more information regarding the terms of the Management Internalization, see Certain Relationships and Related Party Transactions Management Internalization.

Acquisition of Former Manager and Former Property Manager

Our operating partnership expects to acquire our former manager and former property manager from AH LLC in exchange for 4,375,000 Series D convertible units, or Series D units, and 4,375,000 Series E convertible units, or Series E units. All administrative, financial, property management, marketing and leasing personnel, including executive management, will become fully dedicated to us. Acquisition and renovation personnel will temporarily remain employees of AH LLC or its affiliates. Upon the 15-month anniversary of the closing of the Management Internalization, we will have the right to offer employment to all such personnel, which employment would commence 18 months after the closing of the Management Internalization, and AH LLC will be obligated to cooperate in transitioning those employees who accept our offers of employment. Our Chief Operating Officer, Mr. Corrigan, will remain responsible for overall acquisition and renovation activity.

Amended and Restated Agreement on Investment Opportunities

Upon completion of our initial private placement in November 2012, we entered into an agreement on investment opportunities with AH LLC. As part of the Management Internalization, this agreement will be amended and restated as follows:

Exclusive Acquisition Vehicle. Under the original agreement, we are AH LLC s exclusive vehicle for acquiring single-family properties, subject to certain limited exceptions. However, AH LLC is permitted to render property management and investment advisory fee services for third parties. After the Management Internalization, we will render these services, and AH LLC will be precluded from doing so.

Acquisition Fees. Under the original agreement, we pay AH LLC a fee equal to 5% of the sum of the purchase price and initial renovation costs of each property that we acquire, and AH LLC pays all expenses related to acquisition and renovation personnel, including all internal and third-party costs related to the investigation of properties not acquired by us. Under the amended and restated agreement, upon the 18-month anniversary of the closing date of the Management Internalization, we will cease paying this fee to AH LLC, and AH LLC will cease rendering acquisition and renovation services for us. Fifteen months after the closing the Management Internalization, we will have the right to offer employment that would commence 18 months after the closing of the Management Internalization to all of AH LLC s acquisition and renovation personnel necessary for our operations, and AH LLC will cooperate to transition any employees who choose to accept our offer. In addition, the amended and restated agreement will provide that no acquisition fee will be payable to AH LLC by any party in connection with the Alaska Joint Venture Acquisition, as described below.

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Intellectual Property Fee. During the period that we are paying AH LLC a fee for acquisition and renovation services, AH LLC will pay us a monthly fee of $100,000 for maintenance and use of certain intellectual property transferred to us in the Management Internalization.

Future Investment Vehicles. Under the original agreement on investment opportunities, AH LLC receives 80% of the promoted interests in respect of outside capital invested in any investment vehicles formed after our initial private placement and before November 21, 2015 throughout the terms of those vehicles. Under the amended and restated agreement, AH LLC will forego any right to receive any promoted interests in any investment vehicles formed after the closing of the Management Internalization.

Alaska Joint Venture Acquisition

In July 2012, AH LLC entered into an investment vehicle with the Alaska Permanent Fund Corporation, acting on behalf of funds which the Alaska Permanent Fund Corporation is designated by Alaska Statutes 37.13 to manage and invest, or APFC, which we refer to as the Alaska Joint Venture. APFC contributed $600 million and AH LLC contributed an additional $150 million to the Alaska Joint Venture. AH LLC had a promoted interest in the Alaska Joint Venture in addition to owning 20% of its equity. All of the Alaska Joint Venture s funds are now invested or committed.

As of April 12, 2013, the Alaska Joint Venture owned 4,778 single-family properties for an estimated total investment of $730.4 million (excluding 43 California properties that were sold to a third party for approximately $11.3 million at a gain of approximately $2.2 million) and had an additional 18 properties in escrow that are expected to be acquired, subject to customary closing conditions, for an additional estimated total investment of $2.6 million.

As of the date of this prospectus, we have reached a non-binding agreement in principle with APFC and AH LLC to acquire the Alaska Joint Venture in exchange for approximately 43.6 million Class A common shares to be issued by us to APFC and approximately 12.4 million Class A units of limited partnership in our operating partnership, or Class A units, to be issued by our operating partnership to AH LLC, based upon an agreed upon valuation of approximately $904.5 million. If we enter into a formal agreement and complete this acquisition, the Alaska Joint Venture would be wholly owned by our operating partnership. We expect that the closing of the Alaska Joint Venture Acquisition will occur prior to the commencement of this offering. However, the completion of the Alaska Joint Venture Acquisition is subject to the negotiation and execution of binding definitive transaction agreements and the satisfaction of a number of conditions. There is no assurance that the transaction will be completed on the proposed terms, if at all. For more information regarding the Alaska Joint Venture and the Alaska Joint Venture Acquisition, see Certain Relationships and Related Party Transactions Alaska Joint Venture Acquisition.

Transactions Regarding the RJ Joint Ventures

In addition to the Alaska Joint Venture, AH LLC has formed the RJ joint ventures to own and operate residential homes as rental properties. The RJ joint ventures have raised a total of approximately $45 million from high net worth individual investors and currently own an aggregate of 377 homes in 12 markets. In a series of transactions between December 2012 and May 2013, we acquired AH LLC s approximate one-third interest in the RJ joint ventures for approximately $22 million in exchange for approximately 1,360,000 Class A units. For more information regarding our acquisition of AH LLC s interest in the RJ joint ventures, see Certain Relationships and Related Party Transactions Transactions Regarding the RJ Joint Ventures.

Option Settlement

Upon completion of our initial private placement in November 2012, we entered into a subscription agreement with AH LLC under which we provided AH LLC the option to purchase $50 million of our Class A

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common shares for cash at $15.00 per share no later than November 21, 2015 or at the time of our initial public offering, whichever is earlier. In April 2013, we and AH LLC entered into an amendment to the subscription agreement that resulted in our issuance, on April 16, 2013, of net Class A common shares to AH LLC having a value, based on $17.25 per share, equal to the excess of $17.25, the then most recent per share price at which our Class A common shares were traded as reported by the FBR PLUS System, over $15.00 per share (i.e., $2.25 per share), multiplied by the number of shares subject to the original option, resulting in a total of 434,783 Class A common shares. On April 16, 2013, AH LLC exercised this option, and these shares, which are subject to restrictions on resale, were issued.

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Our Structure

We were formed as a Maryland REIT on October 19, 2012. The following chart illustrates our organizational structure, after giving effect to the Management Internalization and this offering (assuming no exercise by the underwriters option to purchase additional shares):

1 Members of our board of trustees and our former manager s executive team, employees and others have been granted options to purchase an aggregate 670,000 of our Class A common shares under the American Homes 4 Rent 2012 Equity Incentive Plan, or the 2012 Incentive Plan.

2 Consists of 3,737,883 Class A common shares and 635,075 Class B common shares.

3 Consists of 13,787,292 Class A units, 31,085,974 Series C convertible units, 4,375,000 Series D units and 4,375,000 Series E units.

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Securities Outstanding

Common Shares and Common Units

We have two classes of common shares, Class A common shares, which we and the selling shareholders are selling in this offering, and Class B common shares. Each outstanding Class B common share entitles the holder to 50 votes on all matters on which the holders of Class A common shares are entitled to vote, including the election of trustees, and holders of Class A common shares and Class B common shares will vote together as a single class. Each Class B common share has the same economic interest as a Class A common share, and one Class B common share and 49 units of limited partnership in our operating partnership, or OP units, together represent a similar economic value as 50 Class A common shares. Subject to the rights of holders of Series C convertible units of limited partnership in our operating partnership, or Series C units, Series D units and Series E units, holders of OP units and shareholders of our company will have the same rights to distributions. For a description of voting limitations pertaining to certain shareholders, see Description of Equity Shares Common Shares.

In our initial private placement in November 2012, we issued and sold 35,360,898 of our Class A common shares, at a price per share of $15.00, to certain institutional and individual investors, or the 2012 Investors, resulting in net proceeds of approximately $494.8 million. In December 2012, we issued to AH LLC 3,300,000 Class A common shares and 667 Class B common shares, and our operating partnership issued 32,667 Class A units in exchange for 367 single-family properties. In our follow-on private placement in March 2013, we issued and sold an additional 46,718,750 of our Class A common shares, at a price per share of $16.00, to certain institutional and individual investors, or the 2013 Investors, resulting in net proceeds of approximately $703.5 million.

In May 2013, with the approval of our independent trustees, our operating partnership issued 653,492 Class A units to AH LLC in exchange for its 653,492 3.5% convertible perpetual preferred units. See Certain Relationships and Related Party Transactions Transactions Regarding the RJ Joint Ventures.

Series C Convertible Units

On February 28, 2013, we issued to AH LLC 634,408 of our Class B common shares and our operating partnership issued 31,085,974 Series C units in exchange for the AH LLC Portfolio. Holders of the Series C units will be entitled to distributions equal to the actual net cash flow of the properties in the AH LLC Portfolio up to a maximum of 3.9% per unit per annum based on a price per unit of $15.50, but will not be entitled to any distributions of income generated by any other properties or operations of our company or any liquidating distributions. Holders of Class A units, including our company and AH LLC, will be entitled to any net cash flow from the AH LLC Portfolio above the maximum yield on the Series C units, as well as distributions of all other cash available for distribution from our operating partnership. At any time, at the option of the holders, the Series C units may be converted into Class A units. If holders of the Series C units have not exercised their right to convert the Series C units into Class A units by the earlier of (i) the third anniversary of the date of original issuance of the Series C units or (ii) the date of commencement of the dissolution, liquidation or winding up of our operating partnership, then the Series C units will automatically convert into Class A units. Holders of Series C units will vote on all operating partnership matters with holders of Class A units.

Series D Convertible Units and Series E Convertible Units

The Series D units are convertible into Class A units, and the Series E units are convertible into Series D units, or if the Series D units have previously converted into Class A units, into Class A units, as described below.

The Series D units do not participate in distributions for 30 months from the date of issuance and do not have liquidating distributions or any voting rights. The Series D units are automatically convertible into Class A units on a one-for-one basis only effective as of the later of (1) 30 months from the date of issuance and (2) the earlier of (i) the date on which adjusted funds from operations, or adjusted FFO, per Class A common share aggregates or exceeds $0.80 over four consecutive quarters following the closing date of the Management Internalization or (ii) the date on which the daily closing price of our Class A common shares on the NYSE averages $18.00 or greater for two consecutive quarters following the closing date of the Management Internalization. After 30 months, the Series D units will participate in distributions (other than liquidating distributions) at a rate of 70% of the per unit distributions on the Class A units.

The Series E units do not participate in distributions and do not have any voting rights. The Series E units will automatically convert into Series D units, or if the Series D units have previously converted into Class A units, into Class A units, on February 29, 2016, if certain conditions are satisfied. See Operating Partnership and the Partnership Agreement Series D Convertible Units and Series E Convertible Units.

The tables below set forth the securities of our company and of our operating partnership, giving effect to the transactions regarding the RJ joint ventures, the Management Internalization and the Alaska Joint Venture Acquisition, but without giving effect to this offering. For a description of the terms of these securities, see Description of Equity Shares and Operating Partnership and the Partnership Agreement.

Securities of Our Company	Shares
Class A common shares	129,433,425
Class B common shares	635,075

Securities of Our Operating Partnership(1)	Units
Class A units	13,787,292
Series C units	31,085,974
Series D units	4,375,000
Series E units	4,375,000

(1) Excludes securities issued to our company.

Our Tax Status

We intend to qualify and will elect to be taxed as a REIT, commencing with our first taxable year ended December 31, 2012. Our qualification as a REIT, and maintenance of such qualification, will depend upon our ability to meet, on a continuing basis, various complex requirements under the Internal Revenue Code of 1986, or the Code, relating to, among other things, the sources of our gross income, the composition and values of our assets, our distributions to our shareholders and the concentration of ownership of our equity shares. We believe that, commencing with our initial taxable year ended December 31, 2012, we have been organized in conformity with the requirements for qualification and taxation as a REIT under the Code, and we intend to continue to operate in a manner that will enable us to meet the requirements for qualification and taxation as a REIT. In connection with this offering of our Class A common shares, we will receive an opinion from Hogan Lovells US LLP to the effect that we have been organized and have operated in conformity with the requirements for qualification and taxation as a REIT under the Code, and that our current organization and proposed method of operation will enable us to continue to meet the requirements for qualification and taxation as a REIT.

As a REIT, we generally will not be subject to U.S. federal income tax on the REIT taxable income that we currently distribute to our shareholders, but taxable income generated by any taxable REIT subsidiary that we may form or acquire will be subject to federal, state and local income tax. Under the Code, REITs are subject to numerous organizational and operational requirements, including a requirement that they distribute annually at least 90% of their REIT taxable income to their shareholders. If we fail to qualify as a REIT in any taxable year

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and do not qualify for certain statutory relief provisions, our income would be subject to U.S. federal income tax, and we would likely be precluded from qualifying for treatment as a REIT until the fifth calendar year following the year in which we fail to qualify. Even if we qualify as a REIT, we may still be subject to certain U.S. federal, state and local taxes on our income and assets and to U.S. federal income and excise taxes on our undistributed income.

Our Distribution Policy

To qualify as a REIT, we must distribute annually to our shareholders an amount at least equal to 90% of our REIT taxable income, determined without regard to the deduction for dividends paid and excluding any net capital gain. We will be subject to income tax on our taxable income that is not distributed and to an excise tax to the extent that certain percentages of our taxable income are not distributed by specified dates. See Material U.S. Federal Income Tax Considerations. Income as computed for purposes of the foregoing tax rules will not necessarily correspond to our income as determined for financial reporting purposes. We intend to distribute our taxable income to our shareholders and retain the balance of our cash available for distribution for reinvestment in properties. However, our cash available for distribution may be less than the amount required to meet the distribution requirements for REITs under the Code, and we may be required to borrow money, sell assets or make taxable distributions of our equity shares or debt securities to satisfy the distribution requirements. Additionally, we may pay future distributions from the proceeds from this offering or other securities offerings and thus all or a portion of such distributions may constitute a return of capital for federal income tax purposes.

The timing and frequency of distributions authorized by our board of trustees in its sole discretion and declared by us will be based upon a variety of factors deemed relevant by our board of trustees, which may include among others: our actual and projected results of operations; our liquidity, cash flows and financial condition; revenue from our properties; our operating expenses; economic conditions; debt service requirements; limitations under our financing arrangements; applicable law; capital requirements and the REIT requirements of the Code. We cannot guarantee whether or when we will be able to make distributions or that any distributions will be sustained over time. Distributions to our shareholders generally will be taxable to our shareholders as ordinary income, although a portion of such distributions may be designated by us as capital gain dividends or qualified dividend income, or may constitute a return of capital. We will furnish annually to each of our shareholders a statement setting forth distributions paid during the preceding year and their federal income tax treatment. For a discussion of the federal income tax treatment of our distributions, see Material U.S. Federal Income Tax Considerations.

Restrictions on Ownership

Due to limitations on the concentration of ownership of REIT shares imposed by the Code, subject to certain exceptions, our declaration of trust provides that no person may beneficially own more than 8.0% (in value or in number of shares, whichever is more restrictive) of the outstanding common shares or more than 9.9% (in value or in number of shares, whichever is more restrictive) of any class or series of outstanding preferred shares. Our declaration of trust also prohibits any person from, among other matters, beneficially owning equity shares if such ownership would result in our being closely held within the meaning of Section 856(h) of the Code (without regard to whether the ownership interest is held during the last half of a year) effective upon the completion of this offering; transferring equity shares if such transfer would result in our equity shares being owned by less than 100 persons, effective beginning on the date on which we first have 100 shareholders; and beneficially owning equity shares if such beneficial ownership would otherwise cause us to fail to qualify as a REIT under the Code. Our board of trustees may exempt a person from the ownership limits if such person submits to the board of trustees certain information satisfactory to the board of trustees. See Description of Equity Shares Restrictions on Ownership and Transfer.

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Emerging Growth Company Status

We currently qualify as an "emerging growth company," as defined in the Jumpstart Our Business Startups Act of 2012, or the JOBS Act, and are eligible to take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not "emerging growth companies," including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements and exemptions from the requirements of holding a non-binding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved. We have not made a decision whether to take advantage of certain of these exemptions. If we do take advantage of any of these exemptions, we do not know if some investors will find our Class A common shares less attractive as a result. The result may be a less active trading market for our Class A common shares, and our share price may be more volatile.

In addition, an "emerging growth company" can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act of 1933, as amended, or the Securities Act, for complying with new or revised accounting standards. In other words, an "emerging growth company" can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. However, we are choosing to "opt out" of such extended transition period, and as a result, we will comply with new or revised accounting standards on the relevant dates on which adoption of such standards is required for all public companies which are not emerging growth companies. Our decision to opt out of the extended transition period for complying with new or revised accounting standards is irrevocable.

We could remain an "emerging growth company" for up to five years, or until the earliest of (i) the last day of the first fiscal year in which our annual gross revenues exceed $1 billion, (ii) the date that we become a "large accelerated filer" as defined in Rule 12b-2 under the Securities Exchange Act of 1934, as amended, or the Exchange Act, which would occur if the market value of our Class A common shares that are held by non-affiliates exceeds $700 million as of the last business day of our most recently completed second fiscal quarter, or (iii) the date on which we have issued more than $1 billion in non-convertible debt during the preceding three year period.

Selling Shareholders

Pursuant to, and subject to the terms and conditions of, the registration rights agreements described below, persons who purchased our Class A common shares in our initial private placement in November 2012 and their respective transferees have the right to sell their Class A common shares in this offering, subject to customary terms and conditions. We are including Class A common shares in this offering to be sold by selling shareholders. None of these shares are being sold by any of our officers and trustees or any of their affiliates, including AH LLC.

Registration Rights and Lock-Up Agreements

Pursuant to registration rights agreements between us and the initial purchaser/placement agent for our initial private placement in November 2012 and our follow-on private placement in March 2013, which we refer to as the registration rights agreements, we are required, among other things, to:

- file with the Securities and Exchange Commission, or the SEC, a resale shelf registration statement registering all of the Class A common shares sold in our private placements that are not sold by selling shareholders in this offering no later than November 21, 2013 (unless otherwise extended upon approval by our board of trustees, in which case we may defer such filing until not later than May 20, 2014);

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use our commercially reasonable efforts to cause the resale shelf registration statement to become effective under the Securities Act as promptly as practicable after the filing of the resale shelf registration statement, and in any event, subject to certain exceptions, no later than 180 days after the initial filing of the resale shelf registration statement, and to maintain the resale shelf registration statement continuously effective under the Securities Act for a specified period; and

Pursuant to a registration rights agreement between us and AH LLC that we expect to enter into in connection with the Management Internalization, we will be required, if we are eligible, to file a shelf registration statement with the SEC. See Certain Relationships and Related Party Transactions Management Internalization Registration Rights Agreement.

Pursuant to a registration rights agreement between us and APFC that we expect to enter into in connection with the Alaska Joint Venture Acquisition, we will be required to file a shelf registration statement with the SEC once we become eligible. See Certain Relationships and Related Party Transactions Alaska Joint Venture Acquisition Registration Rights.

Subject to certain exceptions, each of our officers, trustees and AH LLC have entered into a lock-up agreement with respect to our Class A common shares and securities exchangeable or exercisable for our Class A common shares, restricting the direct or indirect sale of such securities for 180 days after the date of this prospectus without the prior written consent of the underwriters. Additionally, all of our other shareholders have agreed with us not to directly or indirectly sell, offer to sell, grant any option or otherwise transfer or dispose of our Class A common shares for 180 days, in the case of holders who are selling shareholders in this offering, and 60 days, in the case of holders who are not selling shares in this offering, in each case after the date of this prospectus. We have agreed not to waive or otherwise modify this agreement without the prior written consent of the underwriters.

Summary Risk Factors

An investment in our Class A common shares involves risks. You should consider carefully the risks discussed below and described more fully along with other risks under Risk Factors in this prospectus before investing in our Class A common shares.

We are employing a new and untested business model with no proven track record, which may make our business difficult to evaluate.

We are a recently organized REIT with a limited operating history, and we may not be able to successfully operate our business or generate sufficient operating cash flows to make or sustain distributions to our shareholders.

We may not be able to effectively manage our growth, and any failure to do so may have an adverse effect on our business and operating results.

Because we have not yet identified any specific properties (other than properties held in escrow) to acquire with the net proceeds of this offering remaining after repayment of debt, you will be unable to evaluate the economic merits of our investments made with such net proceeds before making an investment decision to purchase our Class A common shares.

We intend to continue to rapidly expand our scale of operations and make acquisitions even if the rental and housing markets are not as favorable as they have been in recent months, which could adversely impact anticipated yields.

Our credit facility contains financial and operating covenants that could restrict our business and investment activities. Failure to satisfy these covenants could result in a default under our credit facility

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that could accelerate the maturity of our debt obligations, which would have a material adverse effect on our business, liquidity, results of operations and financial condition and our ability to make distributions to our shareholders.

Our success depends, in part, upon our ability to hire and retain highly skilled managerial, investment, financial and operational personnel, and the past performance of our senior management may not be indicative of future results.

Our investments are and will continue to be concentrated in our target markets and the single-family properties sector of the real estate industry, which exposes us to downturns in our target markets or in the single-family properties sector.

We face significant competition for acquisitions of our target properties, which may limit our strategic opportunities and increase the cost to acquire those properties.

We face significant competition in the leasing market for quality tenants, which may limit our ability to rent our single-family homes on favorable terms or at all.

The large supply of single-family homes becoming available for purchase as a result of the heavy volume of foreclosures, combined with historically low residential mortgage rates, may cause some potential renters to seek to purchase residences rather than lease them and, as a result, cause a decline in the number and quality of potential tenants.

Single-family properties that are being sold through short sales or foreclosure sales are subject to risks of theft, mold, infestation, vandalism, deterioration or other damage that could require extensive renovation prior to renting and adversely impact our operating results.

We depend on our tenants and their willingness to renew their leases for substantially all of our revenues. Poor tenant selection and defaults and nonrenewals by our tenants may adversely affect our reputation, financial performance and ability to make distributions to our shareholders.

Declining real estate values and impairment charges could adversely affect our earnings and financial condition.

We are self-insured against many potential losses, and uninsured or underinsured losses relating to properties may adversely affect our financial condition, operating results, cash flows and ability to make distributions on our Class A common shares.

Mortgage loan modification programs and future legislative action may adversely affect the number of available properties that meet our investment criteria.

The Management Internalization will expose us to new and additional responsibilities, costs and risks.

The contribution agreement we entered into in connection with the Management Internalization was negotiated between a special committee of our board of trustees and AH LLC. Therefore, the terms of the agreement may not be as favorable to us as if it had been negotiated with unaffiliated third parties.

Our board of trustees has approved a very broad investment policy and does not review or approve each acquisition decision made by AH LLC.

We may be adversely affected by lawsuits alleging trademark infringement as such lawsuits could materially harm our brand name, reputation and results of operations.

Our fiduciary duties as the general partner of our operating partnership could create conflicts of interest, which may impede business decisions that could benefit our shareholders.

Through December 2014, we will continue to depend on AH LLC for our external growth.

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There is currently no public market for our Class A common shares, a trading market for our Class A common shares may never develop following this offering and the price of our Class A common shares may be volatile and could decline substantially following this offering.

Members of our executive team, our board of trustees, continuing investors, AH LLC and APFC, following the Alaska Joint Venture Acquisition, collectively own a significant amount of our Class A common shares or OP units exchangeable for our Class A common shares, and future sales by these holders of our Class A common shares, or the perception that such sales could occur in the future, could have a material adverse effect on the market price of our Class A common shares.

Failure to qualify as a REIT, or failure to remain qualified as a REIT, would cause us to be taxed as a regular corporation, which would substantially reduce funds available for distribution to our shareholders.

Organizational Information

Our principal executive offices are located at 22917 Pacific Coast Highway, Suite 300, Malibu, California 90265. Our main telephone number is (310) 494-2200. Our Internet website is http://www.americanhomes4rent.com. The contents of our website are not incorporated by reference in or otherwise a part of this prospectus.

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THE OFFERING

Class A Common Shares Offered by Us	shares
Class A Common Shares Offered by the Selling Shareholders	shares
Offering Price	$ per Class A common share
Class A Common Shares, Class B Common Shares, Class A Units, Series C Units, Series D Units and Series E Units Outstanding Immediately After this Offering	Class A common shares, 635,075 Class B common shares, Class A units, 31,085,974 Series C units, 4,375,000 Series D units and 4,375,000 Series E units.(1)
Use of Proceeds	We expect to receive net proceeds from this offering of approximately $ (or approximately $ if the underwriters exercise their option to purchase up to Class A common shares in full), but before offering expenses payable by us estimated to be approximately $. We will contribute the net proceeds of this offering to our operating partnership in exchange for OP units. Our operating partnership intends to use the net proceeds received from our contribution (i) to acquire and renovate single-family properties in accordance with our business strategy described in this prospectus, including the acquisition of 1,425 properties in escrow at April 30, 2013, with an estimated total investment of $245 million (ii) to repay the indebtedness we have incurred or expect to incur under our credit facility and (iii) for general business purposes. At May 31, 2013, we had $270 million of borrowings outstanding under our credit facility. See Use of Proceeds. We will not receive any of the net proceeds from the sale of our Class A common shares in this offering by the selling shareholders. See Use of Proceeds.
Restrictions on Ownership and Transfer	To assist us in qualifying as a REIT, our declaration of trust generally limits beneficial ownership by any person to no more than 8.0% in value or in number of shares, whichever is more restrictive, of the outstanding shares of any class or series of our equity shares. In addition, our declaration of trust contains various other restrictions on the ownership and transfer of our common shares. See Description of Equity Shares Restrictions on Ownership and Transfer.
Listing	We intend to apply to list our Class A common shares on the NYSE under the symbol AMH.

(1) Excludes: (i) an aggregate of 670,000 of our Class A common shares issuable upon exercise of options previously granted or approved for grant to our trustees, our executive officers, personnel and other service providers under the 2012 Incentive Plan that vest ratably over a period of four years from the date of grant; (ii) 5,330,000 of our Class A common shares available for issuance in the future under the 2012 Incentive Plan, subject to certain contingencies; and (iii) up to of our Class A common shares issuable upon the exercise by the

underwriters of their option to purchase additional shares in full.

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SUMMARY SELECTED FINANCIAL DATA

The following table presents selected historical consolidated financial information and selected portfolio data as of March 31, 2013 (unaudited) and December 31, 2012 and 2011 and for the three months ended March 31, 2013 and 2012 (unaudited), for the year ended December 31, 2012 and the period from June 23, 2011 to December 31 2011. The selected consolidated financial information presented below under the captions Consolidated Statements of Operations Data and Consolidated Balance Sheets Data have been derived from our consolidated financial statements. Under the provisions of ASC 805, *Business Combinations,* we have reflected transactions between businesses under common control retroactively based on the date AH LLC commenced acquiring properties, June 23, 2011. As such, the statements of operations reflect activity prior to our date of formation, and the properties contributed to us by AH LLC are reflected retroactively on the balance sheets based on AH LLC s net book value. Therefore, our selected consolidated financial data may not be indicative of our past or future results and does not reflect our financial position or results of operations had it been presented as if we had been operating independently during the period presented. Since the information presented below is only a summary and does not provide all of the information contained in our historical consolidated financial statements, including the related notes, you should read it in conjunction with Management s Discussion and Analysis of Financial Condition and Results of Operations and our consolidated financial statements, including the related notes, included elsewhere in this prospectus.

The financial information presented below has been derived from our historical financial statements and, as such, does not include any consideration of the Alaska Joint Venture Acquisition and the Management Internalization.

Consolidated Statements of Operations Data

	Three Months Ended March 31, 2013 (unaudited)	Three Months Ended March 31, 2012 (unaudited)	Year Ended December 31, 2012	Period from June 23, 2011 to December 31, 2011
	(in thousands, except per share amounts)			
Revenue:				
Rents from single-family properties	$ 6,644	$ 96	$ 4,540	$ 65
Total revenue	6,644	96	4,540	65
Expenses:				
Property operating and expenses:				
Leased single-family properties	2,566	43	1,744	27
Vacant single-family properties	1,729	22	1,846	12
General and administrative expense	1,625	170	7,199	47
Interest expense	370			
Noncash share-based compensation expense	174		70	
Acquisition fees and costs expensed	1,390		869	
Advisory fees	2,742		937	
Depreciation	2,905	25	2,111	21
Total expenses	13,501	260	14,776	107
Noncontrolling interest	895			
Net loss attributable to common shareholders	$ (7,752)	$ (164)	$ (10,236)	$ (42)
Net loss per share basic and diluted	$ (0.16)	$ (0.05)	$ (1.42)	$ (0.01)

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Consolidated Balance Sheets Data

	As of March 31, 2013	As of December 31, 2012	2011
		(in thousands)	
Single-family properties, net	$ 1,120,843	$ 505,713	$ 3,495
Cash and cash equivalents	519,410	397,198	
Rent and other receivables	8,808	6,586	11
Escrow deposits	22,623	10,968	
Prepaid expenses and other assets	6,577	993	17
Total assets	$ 1,678,261	$ 921,458	$ 3,523
Total liabilities	$ 49,798	$ 16,294	$ 49
Total equity	1,628,463	905,164	3,474
Total liabilities and equity	$ 1,678,261	$ 921,458	$ 3,523

Selected Other Portfolio Data

	As of March 31, 2013	As of December 31, 2012	2011
Leased single-family properties	2,338	1,164	19
Vacant single-family properties available for lease	1,356	623	2
Single-family properties being renovated	3,880	1,857	12
Total single-family properties owned	7,574	3,644	33

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RISK FACTORS

An investment in our Class A common shares involves a high degree of risk. Before making an investment decision, you should carefully consider the following risk factors, together with the other information contained in this prospectus. If any of the risks discussed in this prospectus occur, our business, prospects, financial condition, results of operations and our ability to make cash distributions to our shareholders could be materially and adversely affected. In that case, the trading price of our Class A common shares could decline significantly, and you could lose all or part of your investment. Some statements in this prospectus, including statements in the following risk factors, constitute forward-looking statements. Please refer to the section entitled Forward-Looking Statements.

Risks Related to Our Business

We are employing a new and untested business model with no proven track record, which may make our business difficult to evaluate.

Until very recently, the single-family rental business consisted primarily of private and individual investors in local markets and was managed individually or by small, local property managers. Our investment strategy involves purchasing a large number of residential properties and leasing them to suitable tenants. No peer companies exist with an established track record to enable us to predict whether our investment strategy can be implemented successfully over time. It will be difficult for you to evaluate our potential future performance without the benefit of established track records from companies implementing a similar investment strategy. We may encounter unanticipated problems implementing our investment strategy, which may adversely affect our results of operations and ability to make distributions on our Class A common shares and cause our share price to decline significantly. We can provide no assurance that we will be successful in implementing our investment strategy or that we will be successful in achieving our objective of providing attractive risk-adjusted returns to our shareholders.

We are a recently organized REIT with a limited operating history, and we may not be able to successfully operate our business or generate sufficient cash flows to make or sustain distributions to our shareholders.

We were organized in October 2012, and we commenced operations in November 2012 upon completion of our initial private placement. We have a limited operating history and may not be able to successfully operate our business or implement our operating policies and investment strategy as described in this prospectus. Furthermore, we may not be able to generate sufficient cash flows to pay our operating expenses, service any debt we may incur in the future and make distributions to our shareholders. Our ability to successfully operate our business and implement our operating policies and investment strategy depends on many factors, including:

- the availability of, and our ability to identify, attractive acquisition opportunities consistent with our investment strategy;
- our ability to contain renovation, maintenance, marketing and other operating costs for our properties;
- our ability to maintain high occupancy rates and target rent levels;
- our ability to compete with other investors entering the single-family sector;
- costs that are beyond our control, including title litigation, litigation with tenants or tenant organizations, legal compliance, real estate taxes, homeowners association, or HOA, fees and insurance;
- judicial and regulatory developments affecting landlord-tenant relations that may affect or delay our ability to dispossess or evict occupants or increase rents;
- judicial and regulatory developments affecting banks and other mortgage holders ability to foreclose on delinquent borrowers;

reversal of population, employment or homeownership trends in target markets;

- interest rate levels and volatility, such as the accessibility of short-and long-term financing on desirable terms; and

- economic conditions in our target markets, including changes in employment and household earnings and expenses, as well as the condition of the financial and real estate markets and the economy generally.

In addition, we face significant competition in acquiring attractive properties on advantageous terms, and the value of the properties that we acquire may decline substantially after we purchase them.

We may not be able to effectively manage our growth, and any failure to do so may have an adverse effect on our business and operating results.

We have a limited operating history, and we plan to grow our own property portfolio and operations rapidly. Since commencing operations in November 2012, we have acquired 6,006 single-family properties in 20 states. Our future operating results depend on our ability to effectively manage our rapid growth, which is dependent, in part, upon our ability to:

- stabilize and manage a rapidly increasing number of properties and tenant relationships while maintaining a high level of tenant satisfaction and building and enhancing our brand;

- identify and supervise an increasing number of suitable third parties on which we rely to provide certain services to our properties;

- attract, integrate and retain new management and operations personnel as our organization grows in size and complexity;

- continue to improve our operational and financial controls and reporting procedures and systems; and

- scale our technology and other infrastructure platforms to adequately service new properties.

We cannot assure you that we will be able to achieve these results or that we may otherwise be able to manage our growth effectively. Any failure to do so may have an adverse effect on our business and operating results.

Because we have not yet identified any specific properties (other than properties held in escrow) to acquire with the net proceeds of this offering remaining after repayment of debt, you will be unable to evaluate the economic merits of our investments made with such net proceeds before making an investment decision to purchase our Class A common shares.

Because we have not yet identified any specific properties (other than properties held in escrow) to acquire with the net proceeds of this offering remaining after repayment of debt or committed any portion of the net proceeds of this offering to any specific property investment, you will be unable to evaluate the economic merits of our investments made with such proceeds before making an investment decision to purchase our Class A common shares.

We will have broad authority to invest the net proceeds of this offering in any real estate investments that we may identify in the future, and we may use those proceeds to make investments with which you may not agree. You will be unable to evaluate the economic merits of our properties before we invest in them and will be relying on our ability to select attractive investment properties. We also will have broad discretion in implementing policies regarding tenant creditworthiness, and you will not have the opportunity to evaluate potential tenants. In addition, our investment policies may be amended or revised from time to time at the discretion of our board of trustees, without a vote of our shareholders. These factors will increase the uncertainty and the risk of investing in our Class A common shares.

Although we intend to use the net proceeds of this offering to acquire, renovate and rent single-family properties in our target markets (exclusive of the portion used to repay indebtedness we have incurred or expect

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to incur under our senior secured revolving credit facility), including certain escrowed properties, we cannot assure you that we will be able to do so. Our failure to apply the net proceeds of this offering effectively or find suitable properties to acquire in a timely manner or on acceptable terms could result in losses or returns that are substantially below expectations.

Though we have a non-binding agreement in principle to acquire the Alaska Joint Venture, there can be no assurance that we will complete the transaction on the terms described or at all.

As of the date of this prospectus, we have reached a non-binding agreement in principle with APFC and AH LLC to acquire the Alaska Joint Venture. We expect that the closing of the Alaska Joint Venture Acquisition will occur prior to the commencement of this offering. There can be no assurance that we will complete the Alaska Joint Venture Acquisition in accordance with the agreement in principle, or at all, because the agreement in principle is not binding on us or on APFC and AH LLC. Our acquisition of the Alaska Joint Venture is subject to us negotiating and executing with APFC and AH LLC a mutually acceptable definitive and binding contribution agreement and other related agreements with respect to the properties in the Alaska Joint Venture, which we expect will contain a number of conditions to closing the acquisition, including the satisfaction of customary closing conditions. There can be no assurance that APFC and AH LLC will be willing to proceed with the sale of the properties, that we will be able to negotiate and execute satisfactory definitive transaction agreements with APFC and AH LLC, or that the conditions to closing will be satisfied.

We intend to continue to rapidly expand our scale of operations and make acquisitions even if the rental and housing markets are not as favorable as they have been in recent months, which could adversely impact anticipated yields.

Our long-term growth depends on the availability of acquisition opportunities in our target markets at attractive pricing levels. We believe various factors and market conditions have made homes available for purchase at prices that are below replacement costs. We expect that in the future housing prices will stabilize and return to more normalized levels, and therefore future acquisitions may be more costly. There are many factors that may cause a recovery in the housing market that would result in future acquisitions becoming more expensive and possibly less attractive than recent past and present opportunities, including:

- improvements in the overall economy and job market;
- a resumption of consumer lending activity and greater availability of consumer credit;
- improvements in the pricing and terms of mortgage-backed securities;
- the emergence of increased competition for single-family assets from private investors and entities with similar investment objectives to ours; and
- tax or other government incentives that encourage homeownership.

We have not adopted and do not expect to adopt a policy of making future acquisitions only if they are accretive to existing yields and distributable cash. We plan to continue acquiring properties as long as we believe such properties offer an attractive total return opportunity. Accordingly, future acquisitions may have lower yield characteristics than recent past and present opportunities and if such future acquisitions are funded through equity issuances, the yield and distributable cash per share will be reduced, and the value of our Class A common shares may decline.

Our revenue and expenses are not directly correlated, and because a large percentage of our costs and expenses are fixed, we may not be able to adapt our cost structure to offset declines in our revenue.

Most of the expenses associated with our business, such as acquisition costs, renovation and maintenance costs, real estate taxes, HOA fees, personal and ad valorem taxes, insurance, utilities, employee wages and benefits and other general corporate expenses, are relatively inflexible and will not necessarily decrease with a

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reduction in revenue from our business. Our assets also are prone to depreciation and will require a significant amount of ongoing capital expenditures. Our expenses and ongoing capital expenditures also will be affected by inflationary increases, and certain of our cost increases may exceed the rate of inflation in any given period. By contrast, our rental income is affected by many factors beyond our control such as the availability of alternative rental housing and economic conditions in our target markets. In addition, state and local regulations may require us to maintain properties that we own, even if the cost of maintenance is greater than the value of the property or any potential benefit from renting the property. As a result, we may not be able to fully offset rising costs and capital spending by higher rental rates, which could have a material adverse effect on our results of operations and cash available for distribution.

Our success depends, in part, upon our ability to hire and retain highly skilled managerial, investment, financial and operational personnel, and the past performance of our senior management may not be indicative of future results.

The implementation of our business plan may require that we employ additional qualified personnel. Competition for highly skilled managerial, investment, financial and operational personnel is intense. As additional, large real estate investors have entered the single-family rental business, we have faced increased challenges in hiring and retaining personnel, and we cannot assure our shareholders that we will be successful in attracting and retaining such skilled personnel. If we are unable to hire and retain qualified personnel as required, our growth and operating results could be adversely affected.

You should not rely upon the past performance of our senior management, as their past performance at Public Storage, which was in the self-storage business, or their other prior professional endeavors may not be indicative of our future results. Other than their experience with our company and AH LLC, which was organized in June 2011, our executive team has no experience in the business of acquiring and renting single-family residences.

We are dependent on our executive officers and dedicated personnel, and the departure of any of our key personnel could materially and adversely affect us.

We rely on a small number of persons to carry out our business and investment strategies. Any of our senior management may cease to provide services to us at any time. The loss of the services of any of our key management personnel, or our inability to recruit and retain qualified personnel in the future, could have an adverse effect on our business and financial results. As we expand, we will continue to need to attract and retain qualified additional senior management but may not be able to do so on acceptable terms or at all.

Our investments are and will continue to be concentrated in our target markets and in the single-family properties sector of the real estate industry, which exposes us to downturns in our target markets or in the single-family properties sector.

Our investments in real estate assets are and will continue to be concentrated in target markets and in the single-family properties sector of the real estate industry. A downturn or slowdown in the rental demand for single-family housing caused by adverse economic, regulatory or environmental conditions, or other events, in our target markets may have a greater impact on the value of our properties or our operating results than if we had more fully diversified our investments. While we have limited experience in this sector, we believe that there may be some seasonal fluctuations in rental demand with demand higher in the spring and summer than in the fall and winter. Such seasonal fluctuations may impact our operating results.

In addition to general, regional, national and international economic conditions, our operating performance will be impacted by the economic conditions in our target markets. We acquire, renovate and rent single-family properties in our target markets, which currently include MSAs within 20 states, including, Texas, Florida, Arizona, Illinois, Georgia, Indiana, Ohio, North Carolina, Tennessee and Nevada. As of April 30, 2013, approximately 38% of our properties were concentrated in only five states Texas, Florida, Arizona, Illinois and Georgia. We base a substantial part of our business plan on our belief that property values and operating

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fundamentals for single-family properties in these markets will improve significantly over the next several years. However, each of these markets experienced substantial economic downturns in recent years and could experience similar or worse economic downturns in the future. We can provide no assurance as to the extent property values and operating fundamentals in these markets will improve, if at all. If the recent economic downturn in these markets persists or if we fail to accurately predict the timing of economic improvement in these markets, the value of our properties could decline and our ability to execute our business plan may be adversely affected, which could adversely affect our financial condition, operating results and ability to make distributions to our shareholders and cause the value of your investment to decline.

We may rely on local, third-party providers for services that may become limited or unavailable and may harm our brand and reputation and operation results.

We may rely on local, third-party vendors and service providers, including third-party house improvement professionals, leasing agents and property management companies in situations when it is cost-effective to do so or our internal staff is unable to perform these functions. We do not have exclusive or long-term contractual relationships with any of these third-party providers, and we can provide no assurance that we will have uninterrupted or unlimited access to their services. Furthermore, selecting, managing and supervising these third-party providers require significant management resources and expertise. If we do not select, manage and supervise appropriate third parties for these services, our brand and reputation and operating results may suffer. Moreover, we may not successfully detect and prevent fraud, incompetence or theft by our third-party providers, which could subject us to material liability or responsibility for damages, fines and/or penalties associated with such fraud, incompetence or theft.

In addition, any removal or termination of third-party providers would require us to seek new vendors or providers, which would create delays and adversely affect our operations. If we do not select appropriate third-party providers, or if the third-party providers we do select fail to deliver quality services, our brand and reputation, operating results and cash flows from our properties may be adversely affected, including entities in which we and our affiliates have an interest.

AH LLC may not be able to effectively control the timing and costs relating to the renovation of properties, which may adversely affect our operating results and our ability to make distributions to our shareholders.

Nearly all of our properties require some level of renovation immediately upon their acquisition or in the future following expiration of a lease or otherwise. We may acquire properties that we plan to extensively renovate. We also may acquire properties that we expect to be in good condition only to discover unforeseen defects and problems that require extensive renovation and capital expenditures. To the extent properties are leased to existing tenants, renovations may be postponed until the tenant vacates the premises, and we will pay the costs of renovating. In addition, in order to reposition properties in the rental market, we will be required to make ongoing capital improvements and replacements and may need to perform significant renovations and repairs from time to time that tenant deposits and insurance may not cover.

Our properties have infrastructure and appliances of varying ages and conditions. Consequently, AH LLC routinely retains independent contractors and trade professionals to perform physical repair work, and we are exposed to all of the risks inherent in property renovation, including potential cost overruns, increases in labor and materials costs, delays by contractors in completing work, delays in the timing of receiving necessary work permits, certificates of occupancy and poor workmanship. If our assumptions regarding the costs or timing of renovation across our properties prove to be materially inaccurate, our operating results and ability to make distributions to our shareholders may be adversely affected.

We face significant competition for acquisitions of our target properties, which may limit our strategic opportunities and increase the cost to acquire those properties.

We face significant competition for attractive acquisition opportunities in our target markets from other large real estate investors, some of which have greater financial resources and a lower cost of capital than we do.

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Several REITs and other funds have recently deployed, and others are expected to deploy in the near future, significant amounts of capital to purchase single-family homes and may have investment objectives that overlap and compete with ours, including in our target markets. This activity has adversely impacted our level of purchases in certain of our target markets. If our business model or a similar model proves to be successful, we can expect competition to intensify significantly. As a result, the purchase price of potential acquisition properties may be significantly elevated, or we may be unable to acquire properties on desirable terms or at all.

We face significant competition in the leasing market for quality tenants, which may limit our ability to rent our single-family homes on favorable terms or at all.

We face competition for tenants from other lessors of single-family properties, apartment buildings and condominium units, and the continuing development of apartment buildings and condominium units in many of our target markets increases the supply of housing and exacerbates competition for tenants. Many of these competitors may successfully attract tenants with better incentives and amenities, which could adversely affect our ability to obtain quality tenants and lease our single-family properties on favorable terms or at all. Additionally, some competing housing options may qualify for government subsidies that may make such options more affordable and therefore more attractive than our properties. At April 30, 2013, we owned approximately 14,210 single-family properties, approximately 6,691, or 47%, of which were leased. Our operating results and ability to make distributions to our shareholders would be adversely affected if we are not able to lease our properties on favorable terms or at all.

The large supply of single-family homes becoming available for purchase as a result of the heavy volume of foreclosures, combined with historically low residential mortgage rates, may cause some potential renters to seek to purchase residences rather than lease them and, as a result, cause a decline in the number and quality of potential tenants.

The large supply of foreclosed homes, along with low residential mortgage interest rates currently available and government sponsored programs to promote home ownership, has made home ownership more affordable and more accessible for potential renters who have strong credit. These factors may encourage potential renters to purchase residences rather than lease them, thereby causing a decline in the number and quality of potential tenants available to us.

Our evaluation of properties involves a number of assumptions that may prove inaccurate, which could result in us paying too much for properties we acquire or overvaluing our properties or our properties failing to perform as we expect.

In determining whether a particular property meets our investment criteria, we make a number of assumptions, including assumptions related to estimated time of possession and estimated renovation costs and time frames, annual operating costs, market rental rates and potential rent amounts, time from purchase to leasing and tenant default rates. These assumptions may prove inaccurate. As a result, we may pay too much for properties we acquire or overvalue our properties, or our properties may fail to perform as we expect. Adjustments to the assumptions we make in evaluating potential purchases may result in fewer properties qualifying under our investment criteria, including assumptions related to our ability to lease properties we have purchased. Reductions in the supply of properties that meet our investment criteria may adversely affect our ability to implement our investment strategy and operating results.

Furthermore, the properties that we acquire vary materially in terms of time to possession, renovation, quality and type of construction, location and hazards. Our success depends on our ability to acquire properties that can be quickly possessed, renovated, repaired, upgraded and rented with minimal expense and maintained in rentable condition. AH LLC s ability to identify and acquire such properties is fundamental to our success. In addition, the recent market and regulatory environments relating to single-family residential properties have been changing rapidly, making future trends difficult to forecast. For example, an increasing number of homeowners now wait for an eviction notice or eviction proceedings to commence before vacating foreclosed premises, which significantly increases the time period between the acquisition and leasing of a property. Such changes affect the accuracy of our assumptions and, in turn, may adversely affect our operating results.

Purchasing single-family properties through the foreclosure auction process will subject us to significant risks that could adversely affect our operating results, cash flows and ability to make distributions to our shareholders.

Our business plan involves acquiring single-family properties through the foreclosure auction process simultaneously in a number of markets, which involves monthly foreclosure auctions on the same day of the month in certain markets. As a result, we are only able to visually inspect properties from the street and must purchase these properties without a contingency period and in as is condition with the risk that unknown defects in the property may exist. We also may encounter unexpected legal challenges and expenses in the foreclosure process. Upon acquiring a new property, we may have to evict residents who are in unlawful possession before we can secure possession and control of the property. The holdover occupants may be the former owners or tenants of a property, or they may be squatters or others who are illegally in possession. Securing control and possession from these occupants can be both costly and time-consuming.

Further, when acquiring properties on an as is basis, title commitments are often not available prior to purchase, and title reports or title information may not reflect all senior liens, which may increase the possibility of acquiring houses outside predetermined acquisition and price parameters, purchasing residences with title defects and deed restrictions, HOA restrictions on leasing or underwriting or purchasing the wrong residence. The policies, procedures and practices we implement to assess the state of title and leasing restrictions prior to purchase may not be effective, which could lead to a material if not complete loss on our investment in such properties. For properties we acquire through the foreclosure auction process, we do not obtain title commitments prior to purchase, and we are not able to perform the type of title review that is customary in acquisitions of real property. As a result, our knowledge of potential title issues will be limited, and no title insurance protection will be in place. This lack of title knowledge and insurance protection may result in third parties having claims against our title to such properties that may materially and adversely affect the values of the properties or call into question the validity of our title to such properties. Without title insurance, we are fully exposed to, and would have to defend ourselves against, such claims. Further, if any such claims are superior to our title to the property we acquired, we risk loss of the property purchased. Any of these risks could adversely affect our operating results, cash flows and ability to make distributions to our shareholders.

Claims of deficiencies in the foreclosure process may result in rescission of our purchases at auction or reduce the supply of foreclosed properties available to us.

Allegations of deficiencies in foreclosure practices could result in claims challenging the validity of some foreclosures that have occurred to date, potentially placing our claim of ownership to the properties at risk. Since we do not have title insurance policies for properties we acquire through the foreclosure auction process, such instances or such proceedings may result in a complete loss without compensation.

Each state has its own laws governing the procedures to foreclose on mortgages and deeds of trust, and state laws generally require strict compliance with these laws in both judicial and non-judicial foreclosures. Recently, courts and administrative agencies have been more actively involved in enforcing state laws governing foreclosures, and in some circumstances have imposed new rules and requirements regarding foreclosures. Some courts have delayed or prohibited foreclosures based on alleged failures to comply with proper transfers of title, notice, identification of parties in interest, documentation and other legal requirements. Further, foreclosed owners and their representatives, including some prominent and well-financed legal firms, have brought litigation questioning the validity and finality of foreclosures that have already occurred. These developments may slow or reduce the supply of foreclosed houses available to us for purchase and may call into question the validity of our title to houses acquired at foreclosure, or result in rescission rights or other borrower remedies, which could result in a loss of a property purchased by us, an increase in litigation costs incurred with respect to properties obtained through foreclosure, or delays in stabilizing and leasing such properties promptly after acquisition.

Properties acquired through bulk sales may subject us to the risk of acquiring properties that do not fit our target investment criteria and may be costly or time consuming to divest, which may adversely affect our operating results.

We have acquired and expect to continue to acquire properties purchased as portfolios in bulk from other owners of single-family homes. To the extent the management and leasing of such properties has not been consistent with our property management and leasing standards, we may be subject to a variety of risks, including risks relating to the condition of the properties, the credit quality and employment stability of the tenants and compliance with applicable laws, among others. In addition, financial and other information provided to us regarding such portfolios during our due diligence may be inaccurate, and we may not discover such inaccuracies until it is too late to seek remedies against such sellers. To the extent we timely pursue such remedies, we may not be able to successfully prevail against the seller in an action seeking damages for such inaccuracies. If we conclude that certain properties purchased in bulk portfolios do not fit our target investment criteria, we may decide to sell, rather than renovate and rent, these properties, which could take an extended period of time and may not result in a sale at an attractive price.

Single-family properties that are being sold through short sales or foreclosure sales are subject to risks of theft, mold, infestation, vandalism, deterioration or other damage that could require extensive renovation prior to renting and adversely impact operating results.

When a single-family property is put into foreclosure due to a default by the homeowner on its mortgage obligations or the value of the property is substantially below the outstanding principal balance on the mortgage and the homeowner decides to seek a short sale, the homeowner may abandon the property or cease to maintain the property as rigorously as the homeowner normally would. Neglected and vacant properties are subject to increased risks of theft, mold, infestation, vandalism, general deterioration and other maintenance problems that may persist without appropriate attention and remediation. If we begin to purchase a large volume of properties in bulk sales and are not able to inspect them immediately before closing on the purchase, we may purchase properties that may be subject to these problems, which may result in maintenance and renovation costs and time frames that far exceed our estimates. These circumstances could substantially impair our ability to quickly renovate and lease such properties in a cost efficient manner or at all, which would adversely impact our operating results.

Many factors impact the single-family residential rental market, and if rents in our target markets do not increase sufficiently to keep pace with rising costs of operations, our income and distributable cash will decline.

The success of our business model depends, in part, on conditions in the single-family rental market in our target markets. Our asset acquisitions are premised on assumptions about occupancy levels and rental rates, and if those assumptions prove to be inaccurate, our cash flows and profitability will be reduced. Occupancy levels and rental rates have benefited in recent periods from macro trends affecting the U.S. economy and residential real estate markets in particular, including:

- a tightening of credit that has made it more difficult to finance a home purchase, combined with efforts by consumers generally to reduce their exposure to credit;

- weak economic and employment conditions that have increased foreclosure rates and made it more difficult for families to remain in their homes that were purchased prior to the housing market downturn;

declining real estate values that have challenged the traditional notion that homeownership is a stable investment; and

the unprecedented level of vacant housing comprising the real estate owned, or REO, inventory held for sale by banks, government-sponsored entities and other mortgage lenders or guarantors.

We do not expect these favorable trends in the residential rental market to continue indefinitely. Eventually, a strengthening of the U.S. economy and job growth, coupled with government programs designed to keep home owners in their homes and/or other factors may contribute to a stabilization or reversal of the current trend that favors renting rather than homeownership. In addition, we expect that as investors like us increasingly seek to capitalize on opportunities to purchase housing assets at below replacement costs and convert them to productive uses, the supply of single-family rental properties will decrease and the competition for tenants may intensify. A softening of the rental market in our target areas would reduce our rental income and profitability.

Eminent domain could lead to material losses on our investments in our properties.

Governmental authorities may exercise eminent domain to acquire land on which our properties are built in order to build roads and other infrastructure. Any such exercise of eminent domain would allow us to recover only the fair value of the affected properties. Our investment strategy is premised on the concept that this fair value will be substantially less than the real value of the property for a number of years, and we could effectively have no profit potential from properties acquired by the government through eminent domain. Several cities also are exploring proposals to use eminent domain to acquire mortgages to assist homeowners to remain in their homes, potentially reducing the supply of single-family properties in our target markets.

We depend on our tenants and their willingness to renew their leases for substantially all of our revenues. Poor tenant selection and defaults and nonrenewals by our tenants may adversely affect our reputation, financial performance and ability to make distributions to our shareholders.

We depend on tenants for substantially all of our revenues. As a result, our success depends in large part upon our ability to attract and retain qualified tenants for our properties. Our reputation, financial performance and ability to make distributions to our shareholders would be adversely affected if a significant number of our tenants fail to meet their lease obligations or fail to renew their leases. For example, tenants may default on rent payments, make unreasonable and repeated demands for service or improvements, make unsupported or unjustified complaints to regulatory or political authorities, use our properties for illegal purposes, damage or make unauthorized structural changes to our properties that are not covered by security deposits, refuse to leave the property upon termination of the lease, engage in domestic violence or similar disturbances, disturb nearby residents with noise, trash, odors or eyesores, fail to comply with HOA regulations, sublet to less desirable individuals in violation of our lease or permit unauthorized persons to live with them. Damage to our properties may delay re-leasing after eviction, necessitate expensive repairs or impair the rental income or value of the property resulting in a lower than expected rate of return. Widespread unemployment and other adverse changes in the economic conditions in our target markets could result in substantial tenant defaults. In the event of a tenant default or bankruptcy, we may experience delays in enforcing our rights as landlord at that property and will incur costs in protecting our investment and re-leasing the property.

Short-term leases of residential property may expose us to the effects of declining market rents, which may adversely affect our operating results and our ability to make distributions to our shareholders.

Substantially all of our leases are of a duration of less than two years and will be one year in the majority of cases. As these leases permit tenants to leave at the end of the lease term without penalty, we anticipate our rental revenues may be affected by declines in market rents more quickly than if our leases were for longer terms. Short-term leases may result in high turnover, which involves costs such as restoring the properties, marketing costs and lower occupancy levels. Because we have a limited track record, we cannot accurately predict our turnover rate or the associated costs we will incur. Moreover, we cannot assure you that our leases will be renewed on equal or better terms or at all. If our tenants do not renew their leases or the rental rates for our properties decrease, our operating results and ability to make distributions to our shareholders could be adversely affected.

Declining real estate values and impairment charges could adversely affect our financial condition and operating results.

We intend to review the carrying value of our properties when circumstances, such as adverse market conditions, indicate potential impairment may exist. If our evaluation indicates that we may be unable to recover the carrying value of a material portion of our real estate investments, an impairment charge will be recorded to the extent that the carrying value exceeds the estimated fair value of the properties. These losses would directly impact our financial condition and operating results. The evaluation of anticipated cash flows is highly subjective and is based in part on assumptions regarding future occupancy, rental rates and capital requirements that could differ materially from actual results in future periods. A declining real estate market may cause us to reevaluate the assumptions used in our impairment analysis. Impairment charges would adversely affect our financial condition and operating results.

Our financial results in the period or periods immediately following completion of this offering may not be reflective of our earning potential and may cause our Class A common share price to decline.

Our financial results in the fiscal periods immediately following completion of this offering may not be representative of our future potential. Prior to the full deployment of the net proceeds from this offering, we may invest the undeployed net proceeds in interest-bearing, short-term, investment-grade securities or money market accounts that are consistent with our intention to qualify as a REIT. We expect that these initial investments will provide a lower net return than we expect to receive from the investments described in this prospectus. In addition, because we expect to experience rapid growth following this offering, we will have a greater percentage of our portfolio invested in assets in the process of stabilization than we would expect to have as a more mature operation. It will take time and significant cash resources to restore, reposition and lease these properties in the process of stabilization. As a result, newly acquired properties that are not leased at the time of acquisition, will not begin generating revenue for some period of time following this offering and will reduce our overall financial performance.

Our net income and FFO may decrease in the near term as a result of the Management Internalization.

Our net income and FFO may decrease as a result of the Management Internalization. When we become self-managed, our expenses will include the compensation and benefits of our officers, dedicated personnel and consultants, as well as overhead previously paid by AH LLC and its affiliates. Furthermore, these dedicated personnel will provide us services that are currently provided by AH LLC and its affiliates. There are no assurances that we will be able to continue to provide those services at the same level or for the same costs as currently provided to us under the agreement on investment opportunities, and there may be unforeseen costs, expenses and difficulties associated with continuing to provide those services on a self-managed basis. If the expenses we assume as a result of the Management Internalization are higher than any corresponding increase in revenues or decrease in other expenses, our net income and FFO may be lower as a result of the Management Internalization than they otherwise would have been.

We are self-insured against many potential losses, and uninsured or underinsured losses relating to properties may adversely affect our financial condition, operating results, cash flows and ability to make distributions on our Class A common shares.

We will attempt to ensure that all of the properties we acquire are adequately insured to cover casualty losses. However, many of the policies covering casualty losses may be subject to substantial deductibles and carveouts, and we will be self-insured up to the amount of the deductibles and carveouts. Since some claims against us will not exceed the deductibles under our insurance policies, we will be effectively self-insured for some claims. There are also some losses, including losses from floods, fires, earthquakes, acts of war, acts of terrorism or riots, that may not always be insured against or that are not generally fully insured against because it is not deemed economically feasible or prudent to do so. In addition, changes in the cost or availability of insurance could expose us to uninsured casualty losses.

In the event that any of the properties we acquire incur a casualty loss that is not fully covered by insurance, the value of our assets will be reduced by the amount of any such uninsured loss, and we could experience a significant loss of capital invested and potential revenues in these properties and could potentially remain obligated under any recourse debt associated with the property. Inflation, changes in building codes and ordinances, environmental considerations and other factors might also keep us from using insurance proceeds to replace or renovate a property after it has been damaged or destroyed. Under those circumstances, the insurance proceeds we receive might be inadequate to restore our economic position on the damaged or destroyed property. Any such losses could adversely affect our financial condition, operating results, cash flows and ability to make distributions on our Class A common shares. In addition, we may have no source of funding to repair or reconstruct the damaged property, and we cannot assure you that any such sources of funding will be available to us for such purposes in the future.

Contingent or unknown liabilities could adversely affect our financial condition, cash flows and operating results.

We may acquire properties that are subject to contingent or unknown liabilities, including liabilities for or with respect to liens attached to properties, unpaid real estate tax, utilities or HOA charges for which a subsequent owner remains liable, clean-up or remediation of environmental conditions or code violations, claims of customers, vendors or other persons dealing with the acquired entities and tax liabilities, among other things. Purchases of single-family properties acquired at auction, in short sales, from lenders or in bulk purchases typically involve few or no representations or warranties with respect to the properties. In each case, our acquisition may be without any, or with only limited, recourse against the sellers with respect to unknown liabilities or conditions. As a result, if any such liability were to arise relating to our properties, or if any adverse condition exists with respect to our properties that is in excess of our insurance coverage, we might have to pay substantial amounts to settle or cure it, which could adversely affect our financial condition, cash flows and operating results.

In addition, the properties we acquire may be subject to covenants, conditions or restrictions that restrict the use or ownership of such properties, including prohibitions on leasing or requirements to obtain the approval of HOAs prior to leasing. We may not discover such restrictions during the acquisition process, and such restrictions may adversely affect our ability to utilize such properties as we intend.

Security breaches and other disruptions could compromise our information and expose us to liability, which would cause our business and reputation to suffer.

In the ordinary course of our business we acquire and store sensitive data, including intellectual property, our proprietary business information and personally identifiable information of our prospective and current tenants, our employees and third-party service providers in our branch offices and on our networks and website. The secure processing and maintenance of this information is critical to our operations and business strategy. Despite our security measures, our information technology and infrastructure may be vulnerable to attacks by hackers or breached due to employee error, malfeasance or other disruptions. Any such breach could compromise our networks and the information stored there could be accessed, publicly disclosed, lost or stolen. Any such access, disclosure or other loss of information could result in legal claims or proceedings, liability under laws that protect the privacy of personal information, regulatory penalties, disruption to our operations and the

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services we provide to customers or damage our reputation, which could adversely affect our results of operations and competitive position.

A significant number of our properties are part of HOAs, and we and our tenants are subject to the rules and regulations of such HOAs, which may be arbitrary or restrictive, and violations of such rules may subject us to additional fees and penalties and litigation with such HOAs that would be costly.

A significant number of our properties are part of HOAs, which are private entities that regulate the activities of and levy assessments on properties in a residential subdivision. HOAs in which we own properties may have or enact onerous or arbitrary rules that restrict our ability to renovate, market or lease our properties or require us to renovate or maintain such properties at standards or costs that are in excess of our planned operating budgets. Such rules may include requirements for landscaping, limitations on signage promoting a property for lease or sale, or the use of specific construction materials in renovations. Some HOAs also impose limits on the number of property owners who may rent their homes, which if met or exceeded, would cause us to incur additional costs to resell the property and opportunity costs of lost rental income. Furthermore, many HOAs impose restrictions on the conduct of occupants of homes and the use of common areas and we may have tenants who violate HOA rules and for which we may be liable as the property owner. Additionally, the boards of directors of the HOAs in which we own property may not make important disclosures about the properties or may block our access to HOA records, initiate litigation, restrict our ability to sell our properties, impose assessments or arbitrarily change the HOA rules. We may be unaware of or unable to review or comply with HOA rules before purchasing the property and any such excessively restrictive or arbitrary regulations may cause us to sell such property at a loss, prevent us from renting such property or otherwise reduce our cash flow from such property, which would have an adverse effect on our returns on these properties.

Joint venture investments that we make may limit our ability to invest in certain markets and could be adversely affected by our lack of sole decision-making authority, our reliance on joint venture partners financial condition and disputes between us and our joint venture partners.

We may co-invest in the future with third parties through partnerships, joint ventures or other entities, acquiring non-controlling interests in or sharing responsibility for managing the affairs of a property, partnership, joint venture or other entity. In such event, we may be subject to restrictions that prohibit us from making investments in certain markets until all of the funds in such partnership, joint venture or other entity are invested or committed, and we would not be in a position to exercise sole decision-making authority regarding the property, partnership, joint venture or other entity which could, among other things, impact our ability to satisfy the REIT requirements. Investments in partnerships, joint ventures or other entities may, under certain circumstances, involve risks not present were a third party not involved, including the possibility that joint venture partners might become bankrupt or fail to fund their share of required capital contributions. Joint venture partners may have economic or other business interests or goals that are inconsistent with our business interests or goals, and may be in a position to take actions contrary to our policies or objectives. Such investments also may have the potential risk of impasses on decisions, such as a sale, because neither we nor the partners would have full control over the partnership or joint venture. Disputes between us and our partners may result in litigation or arbitration that would increase our expenses and prevent our officers and/or trustees from focusing their time and effort on our business. Consequently, actions by, or disputes with, partners might result in subjecting properties owned by the partnership or joint venture to additional risk. In addition, we may in certain circumstances be liable for the actions of our third-party partners or co-venturers.

We anticipate involvement in a variety of litigation.

We anticipate involvement in a range of legal actions in the ordinary course of business. These actions may include eviction proceedings and other landlord-tenant disputes, challenges to title and ownership rights (including actions brought by prior owners alleging wrongful foreclosure by their lender or servicer), and issues with local housing officials arising from the condition or maintenance of the property. These actions can be time consuming and expensive. While we intend to vigorously defend any non-meritorious action or challenge, we cannot assure you that we will not be subject to expenses and losses that may adversely affect our operating results.

We may be adversely affected by lawsuits alleging trademark infringement as such lawsuits could materially harm our brand name, reputation and results of operations.

Several other companies in the United States, including companies in the real estate industry, may use words, phrases or logos similar to those we develop as part of our brand. As a result, we may face potential claims that the use of our brand infringes on their existing trademarks. For example, on or about November 1, 2012, we received notice of a claim that our American Homes 4 Rent brand name may infringe on an existing trademark of a participant in the real estate rental services and rental property management industries. While we intend to vigorously defend against this claim, the defense of any trademark infringement claim can be both costly and disruptive of the time and resources of our management, even if the claim against us is without merit. If we are unable to successfully defend against such a claim, we may be required to pay substantial damages or settlement costs to resolve the claim. In addition, we may be required to re-brand or incur substantial marketing costs to revise our brand to avoid future disputes. Any such trademark infringement claims and potential remedial measures could materially harm our brand name, reputation and results of operations.

Complying with REIT requirements may limit our ability to hedge risk effectively.

The REIT provisions of the Code may limit our ability to hedge the risks inherent to our operations. As mentioned below, from time to time, we may enter into hedging transactions with respect to one or more of our assets or liabilities. Any income or gain derived by us from transactions that hedge certain risks, such as the risk of changes in interest rates, will not be treated as gross income for purposes of either the 75% or the 95% gross income test, as defined below in Material U.S. Federal Income Tax Considerations, unless specific requirements are met. Such requirements include that the hedging transaction be properly identified within prescribed time periods and that the transaction either (i) hedges risks associated with indebtedness issued by us that is incurred to acquire or carry real estate assets or (ii) manages the risks of currency fluctuations with respect to income or gain that qualifies under the 75% or 95% gross income test (or assets that generate such income). To the extent that we do not properly identify such transactions as hedges, hedge other types of indebtedness or enter into hedges with respect to our assets, the income from those transactions is not likely to be treated as qualifying income for purposes of the 75% and 95% gross income tests. As a result of these rules, we may have to limit the use of hedging techniques that might otherwise be advantageous, which could result in greater risks associated with interest rate or other changes than we would otherwise incur.

Our board of trustees has approved a very broad investment policy and does not review or approve each acquisition decision made by AH LLC.

AH LLC is authorized to follow a very broad investment policy established by our board of trustees. Our board of trustees periodically reviews and updates the investment policy and also reviews our portfolio of residential real estate, but it does not review or approve AH LLC s specific property acquisitions. In addition, in conducting periodic reviews, our board of trustees may rely primarily on information provided to them by AH LLC and our management. Furthermore, acquisitions may be costly, difficult or impossible to unwind by the time they are reviewed by our board of trustees. AH LLC has great latitude within the broad parameters of the investment policy set by our board of trustees in determining our acquisition strategies, which could result in net returns that are substantially below expectations or that result in material losses, which would adversely affect our business and operating results, or may otherwise not be in the best interests of our shareholders.

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As a result of becoming a public company, we will be required to complete an analysis of our internal controls over financial reporting. If we are unable to do so in a timely manner, or if our internal controls are determined to be ineffective, investor confidence in our company may be adversely affected and, as a result, the value of our Class A common shares may decline.

We will be required, pursuant to Section 404 of the Sarbanes-Oxley Act, to furnish a report by management on, among other things, the effectiveness of our internal controls over financial reporting for the first fiscal year beginning after the completion of this offering. This assessment will need to include disclosure of any material weaknesses identified by our management in our internal control over financial reporting, as well as a statement that our independent registered public accounting firm has issued an opinion on our internal control over financial reporting.

We are in the very early stages of the costly and challenging process of compiling the system and processing documentation necessary to perform the evaluation needed to comply with Section 404. We may not be able to complete our evaluation, testing and any required remediation in a timely fashion. During the evaluation and testing process, if we identify one or more material weaknesses in our internal control over financial reporting, we will be unable to assert that our internal controls are effective.

If we are unable to assert that our internal control over financial reporting is effective, or if our independent registered public accounting firm is unable to express an opinion on the effectiveness of our internal controls, investors could lose confidence in the accuracy and completeness of our financial reports, which could cause the price of our Class A common shares to decline, and we may become subject to investigation or sanctions by the SEC. We will be required to disclose changes made in our internal control and procedures on a quarterly basis. However, our independent registered public accounting firm will not be required to formally attest to the effectiveness of our internal control over financial reporting pursuant to Section 404 until the later of the year following our first annual report required to be filed with the SEC or the date we are no longer an emerging growth company, as defined in the JOBS Act if we take advantage of the exemptions contained in the JOBS Act. We will remain an emerging growth company for up to five years, although we could lose that status if our revenues exceed $1 billion, if we issue more than $1 billion in non-convertible debt in a three-year period or if the market value of our Class A common shares that are held by non-affiliates exceeds $700 million as of any June 30 before that time, we would cease to be an emerging growth company as of the following December 31. At such time, our independent registered public accounting firm may issue a report that is adverse in the event it is not satisfied with the level at which our controls are documented, designed or operating. Our remediation efforts may not enable us to avoid a material weakness in the future. In addition, to comply with the requirements of being a public company, we may need to undertake various actions, such as implementing new internal controls and procedures and hiring accounting or internal audit staff.

If we cannot obtain additional financing, our growth may be limited.

Part of our business strategy may involve the use of debt and equity financing to increase potential returns to our shareholders in the future. Although we do not believe we need to use leverage to execute our business strategy, our inability in the future to obtain additional financing on attractive terms, or at all, could adversely impact our ability to execute our business strategy, which could adversely affect our growth prospects and future shareholder returns. Our access to capital depends, in part, on:

- general business conditions;
- financial market conditions;
- the market s perception of our business prospects and growth potential;
- the market price of our Class A common shares;
- our current debt levels; and

our current and expected earnings, cash flow and distributions.

We cannot assure you that we will be able to obtain debt or equity financing on terms favorable or acceptable to us or at all. If we are unable to do so, we may have to curtail our investment activities, which could limit our growth prospects, and we may be forced to dispose of assets at inopportune times in order to maintain our REIT qualification. In addition, if we are unable to obtain debt financing, we may have to rely more heavily on additional equity issuances, which may be dilutive to our shareholders, or on less efficient forms of debt financing that require a larger portion of our cash flow from operations, thereby reducing funds available for our operations, future business opportunities, cash distributions to our shareholders and other purposes.

We may also be limited in the amounts we may borrow under our senior secured revolving credit facility with Wells Fargo. The amount that may be borrowed under our credit facility is generally based on the lower of 50% of the value of our qualifying leased and un-leased properties and certain other measures based in part on the net income generated by our qualifying leased and un-leased properties, which we refer to as the borrowing base. Because the borrowing base is determined in part by the estimated value of, and the net income generated by, our qualifying leased and un-leased properties and the quantity, value and rentability of properties in our portfolio may fluctuate from time to time, we may be limited in the amounts we are able to borrow under our credit facility.

Future debt service obligations could adversely affect our operating results, may require us to sell properties and could adversely affect our ability to make distributions to our shareholders.

Our financing strategy contemplates the use of secured or unsecured debt to finance long-term growth. While we intend to limit the sum of the outstanding principal amount of our consolidated indebtedness to up to 50% of our total assets, our governing documents contain no limitations on the amount of debt that we may incur, and our board of trustees may change our financing strategy at any time without shareholder approval. As a result, we may be able to incur substantial additional debt in the future.

Incurring debt could subject us to many risks, including the risks that:

- our cash flows from operations will be insufficient to make required payments of principal and interest;
- our debt may increase our vulnerability to adverse economic and industry conditions;
- we may be required to dedicate a substantial portion of our cash flows from operations to payments on our debt, thereby reducing cash available for distribution to our shareholders, funds available for operations and capital expenditures, future business opportunities or other purposes;
- we violate restrictive covenants in the documents that govern our indebtedness, which would entitle our lenders to accelerate our debt obligations;
- refinancing of the debt may not be available on favorable terms or at all; and
- the use of leverage could adversely affect our ability to make distributions to our shareholders and the market price of our Class A common shares.

If we incur debt in the future and do not have sufficient funds to repay our debt at maturity, it may be necessary to refinance the debt through additional debt or equity financings. If, at the time of any refinancing, prevailing interest rates or other factors result in higher interest rates on refinancings, increases in interest expense could adversely affect our operating results and cash flows and, consequently, cash available for distribution to our shareholders. If we are unable to refinance our debt on acceptable terms, we may be forced to dispose of substantial numbers of properties on disadvantageous terms, potentially resulting in losses. To the extent we cannot meet any future debt service obligations, we will risk losing some or all of our properties that may be pledged to secure our obligations to foreclosure. Any unsecured debt agreements we enter into may contain specific cross-default provisions with respect to specified other indebtedness, giving the unsecured lenders the right to declare a default if we are in default under other loans in some circumstances. Defaults under our debt agreements could materially and adversely affect our financial condition and results of operations.

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Our credit facility contains financial and operating covenants that could restrict our business and investment activities. Failure to satisfy these covenants could result in a default under our credit facility that could accelerate the maturity of our debt obligations, which would have a material adverse effect on our business, liquidity, results of operations and financial condition and our ability to make distributions to our shareholders.

Our credit facility contains financial and operating covenants, such as debt ratios, minimum liquidity and adjusted tangible net worth tests and other limitations that may restrict our ability to make distributions or other payments to our shareholders and may restrict our investment activities. Among others, our credit facility requires that we maintain financial covenants relating to the following matters: (i) cash and cash equivalents in an aggregate amount of at least $7.5 million; (ii) a maximum leverage ratio of 1.5 to 1; and (iii) adjusted tangible net worth being not less than $500 million. These covenants may restrict our ability to engage in transactions that we believe would otherwise be in the best interests of our shareholders. Further, such restrictions could make it difficult for us to satisfy the requirements necessary to maintain our qualification as a REIT for U.S. federal income tax purposes. Failure to meet our financial covenants could result from, among other things, changes in our results of operations, the incurrence of additional debt, substantial impairments in the value of our properties or changes in general economic conditions. If we violate covenants in our credit facility or future agreements, we could be required to repay all or a portion of our indebtedness before maturity at a time when we might be unable to arrange financing for such repayment on attractive terms, or at all.

Our credit facility permits us to incur significant indebtedness, which could require that we generate significant cash flow to satisfy the payment and other obligations under our credit facility.

We may incur significant indebtedness in connection with draws under our credit facility. This indebtedness may exceed our cash on hand and/or our cash flows from operating activities. Our ability to meet the payment and other obligations under our credit facility depends on our ability to generate sufficient cash flow in the future. Our ability to generate cash flow, to some extent, is subject to general economic, financial, competitive, legislative and regulatory factors, as well as other factors that are beyond our control. It is possible that our business will not generate cash flow from operations, or that future borrowings will be available to us, in amounts sufficient to enable us to meet our payment obligations under our credit facility. If we are not able to generate sufficient cash flow to service our credit facility and other debt obligations, as well as satisfy the REIT distribution requirement, we may need to refinance or restructure our debt, reduce or delay capital investments, or seek to raise additional capital. If we are unable to implement one or more of these alternatives, we may not be able to meet our payment obligations under our credit facility, which could materially and adversely affect our liquidity.

Disruptions in the financial markets may materially and adversely affect our ability to secure additional financing.

The credit markets continue to experience significant price volatility, dislocations and liquidity disruptions, the concern of which has led many lenders and institutional investors to reduce, and in some cases cease, to provide credit to businesses and has caused spreads on prospective debt financings to widen considerably. Continued uncertainty in these markets may affect our ability to obtain additional debt financing at all or on terms favorable or acceptable to us. These events also may make it more difficult or costly for us to raise capital through the issuance of our equity securities. Our inability to secure additional financing may impede our ability acquire new properties. Disruptions in the financial markets could have a material adverse effect on us, including our business, results of operations and our financial condition.

Interest expense on our debt may limit our cash available to fund our growth strategies and shareholder distributions.

Higher interest rates could increase debt service requirements on floating rate debt, to the extent we have any, and could reduce funds available for operations, distributions to our shareholders, future business opportunities or other purposes. If we need to repay existing debt during periods of rising interest rates, we could be required to liquidate one or more of our investments in properties at times which may not permit realization of the maximum return on such investments and could result in significant losses.

Failure to hedge effectively against interest rate changes may adversely affect our results of operations and our ability to make shareholder distributions.

Subject to complying with the requirements for REIT qualification, we may obtain in the future one or more forms of interest rate protection in the form of swap agreements, interest rate cap contracts or similar agreements to hedge against the possible negative effects of interest rate fluctuations. However, we cannot assure you that any hedging will adequately relieve the adverse effects of interest rate increases or that counterparties under these agreements will honor their obligations thereunder. In addition, we may be subject to risks of default by hedging counterparties. Adverse economic conditions could also cause the terms on which we borrow to be unfavorable. We could be required to liquidate one or more of our investments at times which may not permit us to receive an attractive return on our investments in order to meet our debt service obligations.

Risks Related to the Real Estate Industry

Our performance and the value of our properties are subject to general economic conditions and risks associated with our real estate assets.

If the properties we acquire do not generate income sufficient to meet operating expenses, including debt service and capital expenditures, our ability to make distributions to our shareholders could be adversely affected. There are significant expenditures associated with an investment in real estate (such as debt service, real estate taxes, insurance and maintenance costs) that generally do not decline when circumstances reduce the income from the property. Income from and the value of the properties we acquire may be adversely affected by the following factors:

- downturns in international, national, regional and local economic conditions (particularly increases in unemployment);
- the attractiveness of the properties we acquire to potential tenants and competition from other properties;
- increases in the supply of or decreases in the demand for similar or competing properties in our target markets;
- bankruptcies, financial difficulties or lease defaults by our tenants;
- changes in interest rates, availability and terms of debt financing;
- changes in operating costs and expenses and our ability to control rents;
- changes in, or increased costs of compliance with, governmental laws, rules, regulations and fiscal policies, including changes in tax, real estate, environmental and zoning laws, and our potential liability thereunder;
- our ability to provide adequate maintenance;
- changes in the cost or availability of insurance, including coverage for mold or asbestos;

environmental conditions or retained liabilities for such conditions;

tenant turnover;

the illiquidity of real estate investments generally;

residents perceptions of the safety, convenience and attractiveness of our properties and the neighborhoods where they are acquired;

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- the ongoing need for capital improvements, particularly in older properties;
- the ability or unwillingness of residents to pay rent increases;
- civil unrest, acts of God, including earthquakes, floods and other natural disasters, which may result in uninsured losses, and acts of war or terrorism;
- rent control or rent stabilization or other housing laws, which could prevent us from raising rents; and
- increases in property-level maintenance and operating expenses.

For these and other reasons, we cannot assure you that we will be profitable or that we will realize growth in the value of our real estate properties.

Environmentally hazardous conditions may adversely affect our financial condition, cash flows and operating results.

Under various federal, state and local environmental laws, a current or previous owner or operator of real property may be liable for the cost of removing or remediating hazardous or toxic substances on such property. Such laws often impose liability whether or not the owner or operator knew of, or was responsible for, the presence of such hazardous or toxic substances. Even if more than one person may have been responsible for the contamination, each person covered by applicable environmental laws may be held responsible for all of the clean-up costs incurred. In addition, third parties may sue the owner or operator of a site for damages based on personal injury, natural resources or property damage or other costs, including investigation and clean-up costs, resulting from the environmental contamination. The presence of hazardous or toxic substances on one of our properties, or the failure to properly remediate a contaminated property, could give rise to a lien in favor of the government for costs it may incur to address the contamination, or otherwise adversely affect our ability to sell or lease the property or borrow using the property as collateral. Environmental laws also may impose restrictions on the manner in which property may be used or businesses may be operated. A property owner who violates environmental laws may be subject to sanctions which may be enforced by governmental agencies or, in certain circumstances, private parties. In connection with the acquisition and ownership of our properties, we may be exposed to such costs. The cost of defending against environmental claims, of compliance with environmental regulatory requirements or of remediating any contaminated property could materially adversely affect our business, financial condition, results of operations and, consequently, amounts available for distribution to our shareholders.

Compliance with new or more stringent environmental laws or regulations or stricter interpretation of existing laws may require material expenditures by us. We may be subject to environmental laws or regulations relating to our properties, such as those concerning lead-based paint, mold, asbestos, proximity to power lines or other issues. We cannot assure you that future laws, ordinances or regulations will not impose any material environmental liability, or that the current environmental condition of our properties will not be affected by the operations of residents, existing conditions of the land, operations in the vicinity of the properties or the activities of unrelated third parties. In addition, we may be required to comply with various local, state and federal fire, health, life-safety and similar regulations. Failure to comply with applicable laws and regulations could result in fines and/or damages, suspension of personnel, civil liability and/or other sanctions.

Tenant relief laws and rent control laws may negatively impact our rental income and profitability.

As landlord of numerous properties, we will be involved regularly in evicting tenants who are not paying their rent or are otherwise in material violation of the terms of their lease. Eviction activities will impose legal and managerial expenses that will raise our costs. The eviction process is typically subject to legal barriers, mandatory cure policies and other sources of expense and delay, each of which may delay our ability to gain possession and stabilize the property. Additionally, state and local landlord tenant laws may impose legal duties to assist tenants in relocating to new housing, or restrict the landlord s ability to recover certain costs or charge tenants for damage tenants cause to the landlord s premises. Because such laws vary by state and locality, we and

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any regional and local property managers we hire will need to be familiar with and take all appropriate steps to comply with all applicable landlord tenant laws, and we will need to incur supervisory and legal expenses to ensure such compliance. To the extent that we do not comply with state or local laws, we may be subjected to civil litigation filed by individuals, in class actions or by state or local law enforcement. We may be required to pay our adversaries litigation fees and expenses if judgment is entered against us in such litigation, or if we settle such litigation.

Furthermore, rent control laws may affect our rental income. Especially in times of recession and economic slowdown, rent control initiatives can acquire significant political support. If rent controls unexpectedly became applicable to certain of our properties, our revenue from and the value of such properties could be adversely affected.

Class action, tenant rights and consumer demands and litigation could directly limit and constrain our operations and may impose on us significant litigation expenses.

Numerous tenants rights and consumers rights organizations exist throughout the country and operate in our target markets, and as we grow in scale, we may attract attention from some of these organizations and become a target of legal demands or litigation. Many such consumer organizations have become more active and better funded in connection with mortgage foreclosure-related issues, and with the large settlements identified below and the increased market for single-family rentals arising from displaced homeownership, some of these organizations may shift their litigation, lobbying, fundraising and grass roots organizing activities to focus on landlord tenant issues. While we intend to conduct our business lawfully and in compliance with applicable landlord-tenant and consumer laws, such organizations might work in conjunction with trial and pro bono lawyers in one state or multiple states to attempt to bring claims against us on a class action basis for damages or injunctive relief. We cannot anticipate what form such legal actions might take, or what remedies they may seek. Additionally, these organizations may lobby local county and municipal attorneys or state attorneys general to pursue enforcement or litigation against us, or may lobby state and local legislatures to pass new laws and regulations to constrain our business operations. If they are successful in any such endeavors, they could directly limit and constrain our operations and may impose on us significant litigation expenses, including settlements to avoid continued litigation or judgments for damages or injunctions.

Acquiring properties during periods when the single-family home sector is experiencing substantial inflows of capital and intense competition may result in inflated purchase prices and increase the likelihood that our properties will not appreciate in value and may, instead, decrease in value.

The allocation of substantial amounts of capital for investment in the single-family home sector and significant competition for income producing real estate may inflate the purchase prices for such assets. To the extent we purchased, or in the future purchase, real estate in such an environment, it is possible that the value of our properties may not appreciate and may, instead, decrease in value, perhaps significantly, below the amount we paid for such properties. In addition to macroeconomic and local economic factors, technical factors, such as a decrease in the amount of capital allocated to the single-family home sector and the number of investors participating in the sector, could cause the value of our properties to decline.

Mortgage loan modification programs and future legislative action may adversely affect the number of available properties that meet our investment criteria.

The U.S. government, through the Federal Reserve, the Federal Housing Administration and the Federal Deposit Insurance Corporation, or FDIC, has implemented a number of programs designed to provide homeowners with assistance in avoiding residential mortgage loan foreclosures, including the Home Affordable Modification Program, which seeks to provide relief to homeowners whose mortgages are in or may be subject to foreclosure, and the Home Affordable Refinance Program, which allows certain borrowers who are underwater on their mortgage but current on their mortgage payments to refinance their loans. Several states, including states in which our current target markets are located, have adopted or are considering similar legislation. These programs and other loss mitigation programs may involve, among other things, modifying or refinancing mortgage loans or providing homeowners with additional relief from loan foreclosures. Such loan modifications and other measures are intended and designed to lead to fewer foreclosures, which will decrease the supply of properties that meet our investment criteria.

The pace of residential foreclosures is subject to numerous factors. Recently, there has been a backlog of foreclosures due to a combination of volume constraints and legal actions, including those brought by the U.S. Department of Justice, or DOJ, the Department of Housing and Urban Development, or HUD, and State Attorneys General against mortgage servicers alleging wrongful foreclosure practices. Financial institutions also have been subjected to regulatory restrictions and limitations on foreclosure activity by the FDIC. Legal claims brought or threatened by DOJ, HUD and 49 State Attorneys General against the five largest residential mortgage servicers in the country were settled in 2012. As part of this approximately $25 billion settlement, a portion of the settlement funds will be directed to homeowners seeking to avoid foreclosure through mortgage modifications, and servicers are required to adopt specified measures to reduce mortgage obligations in certain situations. It is expected that the settlement will help many homeowners to avoid foreclosures that would otherwise have occurred in the near term, and with lower monthly payments and mortgage debts, for years to come. It is also foreseeable that other residential mortgage servicing companies that were not among the five included in the initial $25 billion settlement will agree to similar settlements that will further reduce the supply of houses in the process of foreclosure.

In addition, numerous federal and state legislatures have considered, proposed or adopted legislation to constrain foreclosures, or may do so in the future. The Dodd-Frank Act also created the Consumer Financial Protection Bureau, which supervises and enforces federal consumer protection laws as they apply to banks, credit unions, and other financial companies, including mortgage servicers. It remains uncertain as to whether any of these measures will have a significant impact on foreclosure volumes or what the timing of that impact would be. If foreclosure volumes were to decline significantly, we would expect real estate owned inventory levels to decline or to grow at a slower pace, which would make it more difficult to find target assets at attractive prices and might constrain our growth or reduce our long-term profitability. Also, the number of families seeking rental housing might be reduced by such legislation, reducing rental housing demand in our target markets.

In addition, allegations of deficiencies in foreclosure practices could result in claims challenging the validity of some foreclosures that have occurred to date, potentially placing our claim of ownership to the properties at risk. We cannot be assured that such proceedings would not result in a complete dispossession of property from us without compensation.

Each state has its own laws governing the procedures to foreclose on mortgages and deeds of trust, and state laws generally require strict compliance with these laws in both judicial and non-judicial foreclosures. Recently, courts and administrative agencies have been more actively involved in enforcing state laws governing foreclosures, and in some circumstances have imposed new rules and requirements regarding foreclosures. Some courts have delayed or prohibited foreclosures based on alleged failures to comply with proper transfers of title, notice, identification of parties in interest, documentation and other legal requirements. The increase in the number of foreclosures since 2007 has led legislatures in many states to consider modifications to foreclosure laws to restrict and reduce foreclosures. For example, in 2012, California enacted a law imposing new limitations on foreclosures while a request for a loan modification is pending. Further, foreclosed owners and their legal representatives, including some prominent and well-financed law firms, have brought litigation questioning the validity and finality of foreclosures that have already occurred. These developments may slow or reduce the supply of foreclosed houses available to us for purchase and may call into question the validity of our title to houses acquired at foreclosure, or result in rescission rights or other borrower remedies, which could result in a loss of a property purchased by us, an increase in litigation and property maintenance costs incurred with respect to properties obtained through foreclosure, or delays in stabilizing and leasing such properties promptly after acquisition.

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We may have difficulty selling our real estate investments, and our ability to distribute all or a portion of the net proceeds from such sale to our shareholders may be limited.

Real estate investments are relatively illiquid and, as a result, we may have a limited ability to sell our properties. When we sell any of our properties, we may recognize a loss on such sale. We may elect not to distribute any proceeds from the sale of properties to our shareholders. Instead, we may use such proceeds for other purposes, including:

- purchasing additional properties;
- repaying debt, if any;
- buying out interests of any co-venturers or other partners in any joint venture in which we are a party;
- creating working capital reserves; or
- making repairs, maintenance or other capital improvements or expenditures to our remaining properties.

Our ability to sell our properties may also be limited by our need to avoid the 100% prohibited transactions tax that is imposed on gain recognized by a REIT from the sale of property characterized as dealer property. In order to ensure that we avoid such characterization, we may be required to hold our properties for a minimum period of time and comply with certain other requirements in the Code or dispose of our properties through a taxable REIT subsidiary or TRS. For more information on taxable REIT subsidiaries see Material U.S. Federal Income Tax Considerations Requirements for Qualification as a REIT Effect of Subsidiary Entities Ownership of Interests in Taxable REIT Subsidiaries.

The estimates, forecasts and projections relating to our markets prepared by JBREC are based upon numerous assumptions and may not prove to be accurate.

This prospectus contains estimates, forecasts and projections relating to our primary markets that were prepared for us for use in connection with this offering by JBREC, a real estate consulting firm. See Industry Overview and Market Opportunity. The estimates, forecasts and projections relate to, among other things, home value indices, payroll employment growth, median household income, housing permits and household formation. No assurance can be given that these estimates are, or that the forecasts and projections will prove to be, accurate. These estimates, forecasts and projections are based on data (including third-party data), significant assumptions, proprietary methodologies and the experience and judgment of JBREC. No assurance can be given regarding the accuracy or appropriateness of the assumptions and judgments made, or the methodologies used, by JBREC. The application of alternative assumptions, judgments or methodologies could result in materially less favorable estimates, forecasts and projections than those contained in this prospectus. Other real estate experts have different views regarding these forecasts and projections that may be more positive or negative, including in terms of the timing, magnitude and direction of future changes.

The forecasts and projections are forward-looking statements and involve risks and uncertainties that may cause actual results to be materially different from the projections. JBREC has made these forecasts and projections based on studying the historical and current performance of the residential housing market and applying JBREC s qualitative knowledge about the residential housing market. The future is difficult to predict, particularly given that the economy and housing markets can be cyclical, subject to changing consumer and market psychology, and governmental policies related to mortgage regulations and interest rates. There will usually be differences between projected and actual outcomes, because events and circumstances frequently do not occur as expected, and the differences may be material. Accordingly, the forecasts and projections included in this prospectus might not occur or might occur to a different extent or at a different time. For the foregoing reasons, neither we nor JBREC can provide any assurance that the estimates, forecasts and projections contained in this prospectus are accurate, actual outcomes may vary significantly from those contained or implied by the forecasts and projections, and you should not place undue reliance on these estimates, forecasts and projections.

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Except as required by law, we are not obligated to, and do not intend to, update the statements in this prospectus to conform to actual outcomes or changes in our or JBREC s expectations.

Risks Related to our Relationship with AH LLC and Conflicts of Interest

Because the acquisition and renovation functions will not be internalized for at least 18 months from the date of the Management Internalization, we will continue to depend on AH LLC for our external growth.

For at least 18 months from the date of the Management Internalization, AH LLC will continue to provide us acquisition and renovation services for a fee equal to 5% of the sum of the purchase price and initial renovation costs of each property that we acquire in consideration for its services in identifying, evaluating, acquiring and overseeing the renovation of its residences. Accordingly, through that date, we will depend on AH LLC for our external growth and we could be adversely affected if, for any reason, AH LLC is unable to perform its obligations under its agreement with us.

AH LLC may engage in other activities diverting their attention from our business, which could adversely affect the execution of our business and our results of operations.

We are subject to conflicts of interest arising out of our relationship with AH LLC. AH LLC and its affiliates, officers, directors, employees or personnel may engage in any business (other than acquiring, renovating, leasing and operating single-family homes as rental properties without the approval of the board of trustees). As a result, their time and effort may be diverted from our business.

The Management Internalization will expose us to new and additional responsibilities, costs and risks.

The Management Internalization will expose us to new and additional responsibilities, costs and risks. For example, while we will no longer bear the external costs of the advisory management fee paid to our former manager, our direct overhead will increase, as we will be responsible for compensation and benefits of our officers and other personnel that were previously paid by our former manager. If our properties do not perform as anticipated or if we fail to raise additional financing, we may not be able to cover such additional overhead. We will also now be subject to those potential liabilities that are commonly faced by employers, such as workers disability and compensation claims, potential labor disputes and other employee-related liabilities and grievances. Accordingly, the Management Internalization could adversely affect our financial condition and operating results.

Our fiduciary duties as the general partner of our operating partnership could create conflicts of interest, which may impede business decisions that could benefit our shareholders.

As the sole general partner of our operating partnership, we have a fiduciary duty to the other limited partners in the operating partnership, the discharge of which may conflict with the interests of our shareholders. AH LLC is the limited partner of our operating partnership. AH LLC, as the limited partner of our operating partnership, has agreed that, in the event of a conflict in the fiduciary duties owed by us to our shareholders and in our capacity as the general partner of our operating partnership, to such limited partner, we are under no obligation to give priority to the interests of such limited partner.

In addition, AH LLC, as well as any other limited partners, has the right to vote on certain amendments to the operating partnership agreement and to approve certain amendments that would adversely affect their rights. These voting rights may be exercised in a manner that conflicts with the interests of our shareholders.

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The contribution agreement and other agreements we entered into in connection with the Management Internalization were negotiated between a special committee of our board of trustees and AH LLC. Therefore, the terms of such agreements may not be as favorable to us as if they had been negotiated with unaffiliated third parties.

AH LLC is owned, directly or indirectly, by family members or trusts for family members or heirs of B. Wayne Hughes, our non-executive Chairman, David P. Singelyn, our Chief Executive Officer and a trustee, Jack Corrigan, our Chief Operating Officer and a trustee, David Goldberg, our Executive Vice President, and other parties. HF Investments 2010, LLC, which is comprised of trusts established by Mr. Hughes for certain of his heirs, owns an approximately 88.66% membership interest in AH LLC. Additionally, membership interests of AH LLC are owned by family members or trusts for family members of Mr. Singelyn (4.93% membership interest), Mr. Corrigan (4.93% membership interest) and Mr. Goldberg (1% membership interest). Accordingly, such trustees and executive officers are expected to receive substantial economic benefits as a result of the Management Internalization. As a result of the foregoing, the interests of certain of our trustees and executive officers may differ from, and be in conflict with, the interests of our shareholders. The contribution agreement and other agreements we entered into in connection with the Management Internalization were negotiated between a special committee comprised of all of our independent trustees and AH LLC, and their terms, including the consideration payable to AH LLC, may not be as favorable to us as if they had been negotiated with unaffiliated third parties. In addition, we did not obtain a third-party appraisal of our former manager or our former property manager.

If AH LLC breaches any of the representations, warranties or covenants made by it in the contribution agreement related to the Management Internalization, we may choose not to enforce, or to enforce less vigorously, our rights because of our desire to maintain our ongoing relationship with AH LLC. Moreover, the representations, warranties, covenants and indemnities in the contribution agreement are subject to limits and qualifiers, which may also limit our ability to enforce any remedy under the agreement.

Messrs. Hughes, Singelyn, Corrigan and Goldberg are subject to certain conflicts of interest with regard to enforcing the indemnification provisions contained in the contribution agreement for the Management Internalization and enforcing some of the ancillary agreements to be entered into by us in connection with the Management Internalization.

Messrs. Hughes, Singelyn, Corrigan and Goldberg are expected to receive beneficial economic interests in our operating partnership s Series D units and Series E units through their direct or indirect interests in AH LLC, which will receive 4,375,000 Series D units and 4,375,000 Series E units as a result of the Management Internalization. Certain provisions of the contribution agreement and the ancillary agreements executed in connection with the Management Internalization may have significant financial impacts on AH LLC. In particular, Messrs. Hughes, Singelyn, Corrigan and Goldberg will be subject to conflicts of interest in connection with the enforcement against AH LLC of indemnification obligations under the contribution agreement and other transaction documents that could directly impact their or their family s economic interests.

Because the acquisition and renovation functions will not be internalized for at least 18 months from the date of the Management Internalization, we expect to continue to pay AH LLC significant fees, and certain of our executive officers and trustees will have a conflict of interest in connection with decisions regarding internalization of those functions.

Subsequent to the Management Internalization, we will continue to pay AH LLC a fee equal to 5% of the sum of the purchase price and initial renovation costs of each property that we acquire in consideration for its services in identifying, evaluating, acquiring and overseeing the renovation of its residences. If, for example, we invest $1.5 billion in acquisitions during the 18 months after the closing of the Management Internalization, we will pay AH LLC acquisition and renovation fees of $75 million. AH LLC would continue to bear all of the costs of investigating properties that we do not acquire. Fifteen months after the closing of the Management

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Internalization, we will have the right to offer employment (that would commence 18 months after the closing of the Management Internalization) to all of AH LLC s acquisition and renovation personnel necessary for our operations, and AH LLC will be required to cooperate to transition any employees who choose to accept our offer. If we elect not to transition employees from AH LLC, we could engage AH LLC or a third party on mutually acceptable terms to continue to provide acquisition and renovation services. Because we may still be paying significant fees to AH LLC, Messrs. Hughes, Singelyn, Corrigan and Goldberg, as a result of their personal or family financial interests in AH LLC, will be subject to conflicts of interest in connection with decisions, which will be subject to approval of the special committee on our behalf, regarding whether to pursue internalization of the acquisition and renovation functions 18 months after the closing of the Management Internalization or to enter into a new agreement with AH LLC for these services.

Risks Related to Our Organization and Structure

Provisions of our declaration of trust may limit the ability of a third party to acquire control of us by authorizing our board of trustees to issue additional securities.

Our board of trustees may, without shareholder approval, amend our declaration of trust to increase or decrease the aggregate number of our shares or the number of shares of any class or series that we have the authority to issue and to classify or reclassify any unissued common or preferred shares, and set the preferences, rights and other terms of the classified or reclassified shares. As a result, our board of trustees may authorize the issuance of additional shares or establish a series of common or preferred shares that may delay or prevent a change in control of our company, including transactions at a premium over the market price of our shares, even if shareholders believe that a change in control is in their interest. These provisions, along with the restrictions on ownership and transfer contained in our declaration of trust and certain provisions of Maryland law described below, could discourage unsolicited acquisition proposals or make it more difficult for a third party to gain control of us, which could adversely affect the market price of our securities. See Material Provisions of Maryland Law and of Our Declaration of Trust and Bylaws.

Provisions of Maryland law may limit the ability of a third party to acquire control of us by requiring our board of trustees or shareholders to approve proposals to acquire our company or effect a change in control.

Certain provisions of the Maryland General Corporation Law, or the MGCL, applicable to Maryland real estate investment trusts may have the effect of inhibiting a third party from making a proposal to acquire us or of impeding a change in control under circumstances that otherwise could provide our shareholders with the opportunity to realize a premium over the then-prevailing market price of their shares, including:

- business combination provisions that, subject to limitations, prohibit certain business combinations between us and an interested shareholder (defined generally as any person who beneficially owns 10% or more of the voting power of our outstanding voting share or an affiliate or associate of us who, at any time within the two-year period immediately prior to the date in question, was the beneficial owner of 10% or more of the voting power of our then outstanding share) or an affiliate of any interested shareholder for five years after the most recent date on which the shareholder becomes an interested shareholder, and thereafter imposes two super-majority shareholder voting requirements on these combinations, unless, among other conditions, our common shareholders receive a minimum price, as defined in the MGCL, for their shares and the consideration is received in cash or in the same form as previously paid by the interested shareholder for its shares; and

- control share provisions that provide that our control shares (defined as voting shares which, when aggregated with all other shares controlled by the shareholder, entitle the shareholder to exercise one of three increasing ranges of voting power in electing trustees) acquired in a control share acquisition (defined as the direct or indirect acquisition of ownership or control of issued and outstanding control shares) have no voting rights except to the extent approved by our shareholders by the affirmative vote of at least two-thirds of all the votes entitled to be cast on the matter, excluding shares owned by the acquirer, by our officers or by our employees who are also trustees of our company.

By resolution of our board of trustees, we have opted out of the business combination provisions of the MGCL and provided that any business combination between us and any other person is exempt from the business combination provisions of the MGCL, provided that the business combination is first approved by our board of trustees (including a majority of trustees who are not affiliates or associates of such persons). In addition, pursuant to a provision in our bylaws, we have opted out of the control share provisions of the MGCL. However, our board of trustees may by resolution elect to opt in to the business combination provisions of the MGCL and we may, by amending our bylaws, opt in to the control share provisions of the MGCL in the future.

In addition, the unsolicited takeover provisions of Title 3, Subtitle 8 of the MGCL permits our board of trustees, without shareholder approval and regardless of what is currently provided in our declaration of trust or bylaws, to implement certain takeover defenses, including adopting a classified board or increasing the vote required to remove a trustee. Such takeover defenses may have the effect of inhibiting a third party from making an acquisition proposal for us or of delaying, deferring or preventing a change in control of us under the circumstances that otherwise could provide our common shareholders with the opportunity to realize a premium over the then-current market price.

Our rights and the rights of our shareholders to take action against our trustees and officers are limited, which could limit your recourse in the event of actions not in your best interests.

Under Maryland law, generally, a trustee will not be liable if he or she performs his or her duties in good faith, in a manner he or she reasonably believes to be in our best interests and with the care that an ordinarily prudent person in a like position would use under similar circumstances. In addition, our declaration of trust limits the liability of our trustees and officers to us and our shareholders for money damages, except for liability resulting from:

actual receipt of an improper benefit or profit in money, property or services; or

active and deliberate dishonesty by the trustee or officer that was established by a final judgment as being material to the cause of action adjudicated.

Our declaration of trust authorizes us to indemnify our trustees and officers for actions taken by them in those capacities to the maximum extent permitted by Maryland law. Our bylaws require us to indemnify each trustee and officer, to the maximum extent permitted by Maryland law, in the defense of any proceeding to which he or she is made, or threatened to be made, a party by reason of his or her service to us. In addition, we may be obligated to advance the defense costs incurred by our trustees and officers. As a result, we and our shareholders may have more limited rights against our trustees and officers than might otherwise exist absent the current provisions in our declaration of trust and bylaws or that might exist with other companies. See Material Provisions of Maryland Law and of Our Declaration of Trust and Bylaws Limitation of Trustees and Officers Liability and Indemnification.

Our board of trustees may change our strategy or investment policies, financing strategy or leverage policies without shareholder consent.

Our board of trustees may change any of our strategies, policies or procedures with respect to property acquisitions and divestitures, asset allocation, growth, operations, indebtedness, financing and distributions at any time without the consent of shareholders, which could result in the acquisition of properties that are different from, and possibly riskier than, the types of single-family residential real estate investments described in this prospectus. These changes could adversely affect our financial condition, risk profile, results of operations, the market price of our Class A common shares and our ability to make distributions to shareholders.

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The ability of our board of trustees to revoke our REIT election without shareholder approval may cause adverse consequences to our shareholders.

Our declaration of trust provides that our board of trustees may revoke or otherwise terminate our REIT election, without the approval of our shareholders, if it determines that it is no longer in our best interest to continue to qualify as a REIT. If we cease to be a REIT, we would become subject to federal income tax on our taxable income and would no longer be required to distribute most of our taxable income to our shareholders, which may have adverse consequences on the total return to our shareholders.

Risks Related to This Offering and Ownership of Our Class A Common Shares

There is currently no public market for our Class A common shares, a trading market for our Class A common shares may never develop following this offering and the price of our Class A common shares may be volatile and could decline substantially following this offering.

Prior to this offering, there has not been a public market for our Class A common shares. An active trading market for our Class A common shares may never develop or be sustained, which may affect your ability to sell your Class A common shares and could depress their market price. In addition, the initial public offering price will be determined through negotiations between us and the representatives of the underwriters and may bear no relationship to the price at which the Class A common shares may trade upon completion of this offering.

We expect to list our Class A common shares on the NYSE. The stock markets, including the NYSE, have experienced significant price and volume fluctuations. As a result, the market price of our common shares is likely to be similarly volatile, and investors in our Class A common shares may experience a decrease in the value of their shares, including decreases unrelated to our operating performance or prospects. The price of our common shares could be subject to wide fluctuations in response to a number of factors, including those listed in this Risk Factors section of this prospectus, our financial performance, government regulatory action or inaction, tax laws, interest rates and general market conditions and others such as:

- actual or anticipated variations in our quarterly operating results, financial condition, liquidity or changes in business strategy or prospects;
- equity issuances by us or resales by our shareholders, or the perception that such issuances or resales may occur;
- increases in market interest rates that may lead investors to demand a higher dividend yield or seek alternative investments paying higher rates;
- publication of research reports about us or the real estate industry;
- changes in market valuations of similar companies;
- adverse market reaction to any increased indebtedness we incur in the future;
- additions or departures of key personnel;
- actions by shareholders;

speculation in the press or investment community;

general market, economic and political conditions, including an economic slowdown or dislocation in the global credit or capital markets;

our operating performance and the performance of other similar companies;

failure to maintain our REIT qualification;

changes in accounting principles or actual or anticipated accounting problems; and

passage of legislation or other regulatory developments that adversely affect us or our industry.

The NYSE or another nationally recognized exchange may not continue to list our securities, which could limit investors ability to make transactions in our securities and subject us to additional trading restrictions.

We intend to apply to list our Class A common shares on the NYSE under the symbol AMH, subject to official notice of issuance. In order to remain listed, we will be required to meet the continued listing requirements of the NYSE or, in the alternative, any other nationally recognized exchange to which we may apply. We may be unable to satisfy these listing requirements, and there is no guarantee that our Class A common shares will remain listed on a nationally recognized exchange. If our Class A common shares are delisted from the NYSE or any other nationally recognized exchange, we could face significant material adverse consequences, including:

- a limited availability of market quotations for our Class A common shares;
- reduced liquidity with respect to the market for our Class A common shares;
- a determination that our Class A common shares are penny shares, which will require brokers trading in our Class A common shares to adhere to more stringent rules, possibly resulting in a reduced level of trading activity in the secondary trading market for our Class A common shares;
- a limited amount of news and analyst coverage; and
- a decreased ability to issue additional Class A common shares or obtain additional financing in the future.

We are an emerging growth company, and we cannot be certain if the reduced disclosure requirements applicable to emerging growth companies will make our Class A common shares less attractive to investors.

We currently qualify as an emerging growth company as defined in the JOBS Act and may take advantage of certain exemptions from various reporting and disclosure requirements that are applicable to other public companies that are not emerging growth companies, including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved. We cannot predict if investors will find our Class A common shares less attractive because we may rely on these exemptions. If some investors find our Class A common shares less attractive as a result, there may be a less active trading market for our Class A common shares, and our share price may be more volatile.

The availability and timing of cash distributions is uncertain.

Our board of trustees determines the amount and timing of distributions. In making this determination, our trustees will consider all relevant factors, including the amount of cash available for distribution, capital expenditures, applicable laws and general operational requirements. We intend over time to make regular quarterly distributions to holders of our Class A common shares. However, we bear all expenses incurred by our operations, and the funds generated by our operations, after deducting these expenses, may not be sufficient to cover desired levels of distributions to our shareholders. In addition, our board of trustees, in its discretion, may retain any portion of such cash in excess of the amount required to satisfy the REIT distribution requirements for working capital. We cannot assure you how long it may take to generate sufficient available cash flow to fund distributions nor can we assure you that sufficient cash will be available to make distributions to you. With no prior operations, we cannot predict the amount of distributions you may receive, and we may be unable to pay, maintain or increase distributions over time.

There are many factors that can affect the availability and timing of cash distributions to shareholders. Because we may receive income from interest or rents at various times during our fiscal year, distributions paid may not reflect our income earned in that particular distribution period. The amount of cash available for

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distributions will be affected by many factors, including without limitation, the amount of time it takes for us to deploy the net proceeds of this offering in our target assets, the amount of income we earn from those investments, the levels of our operating expense and many other variables. Actual cash available for distribution may vary substantially from estimates.

While we intend to fund the payment of quarterly distributions to our shareholders entirely from distributable cash flows, we may fund our quarterly distributions to our shareholders from a combination of available net cash flows, equity capital and proceeds from borrowings. In the event we are unable to consistently fund future quarterly distributions to our shareholders entirely from distributable cash flows, the value of our shares may be negatively impacted.

Holders of OP units that acquire our Class B common shares will have a significant vote in matters submitted to a vote of our shareholders.

In connection with contributions of assets by AH LLC in December 2012, AH LLC has an option to elect to receive one share of our Class B common shares instead of one OP unit for every 50 OP units it would otherwise receive in the contribution. Each outstanding Class B common share entitles the holder thereof to 50 votes on all matters on which Class A common shareholders are entitled to vote, including the election of trustees. Notwithstanding the foregoing, holders of our Class B common shares will not be entitled to vote on any matter requiring Partnership Approval, including as described in Operating Partnership and Partnership Agreement Partnership Approval for Transfers, Mergers, Sales of Assets. In addition, in no event may holders of shares beneficially owned by Mr. Hughes or HF Investments 2010, LLC, as determined in accordance with Rule 13d-3 under the Exchange Act, vote more than 30% of the total votes entitled to be cast on any particular matter nor more than 18% of the total votes of the Class A common shares. Holders of the Class B common shares will be entitled to share equally, on a per share basis, in all distributions payable with respect to our Class A common shares. Holders of the Class B common shares may have interests that differ from those holders of our Class A common shares, including by reason of their interest in our operating partnership, and may accordingly vote as a shareholder in ways that may not be consistent with the interests of holders of our Class A common shares. This significant voting influence over certain matters may have the effect of delaying, preventing or deterring a change of control of our company, or could deprive holders of our Class A common shares of an opportunity to receive a premium for their Class A common shares as part of a sale of our company.

Members of our executive team, our board of trustees, continuing investors, AH LLC and APFC, following the Alaska Joint Venture Acquisition, collectively own a significant amount of our Class A common shares or OP units exchangeable for our Class A common shares, and future sales by these holders of our Class A common shares, or the perception that such sales could occur in the future, could have a material adverse effect on the market price of our Class A common shares.

Members of our executive team, our board of trustees, continuing investors and AH LLC will beneficially own, upon completion of this offering, an aggregate of approximately % of our outstanding Class A common shares, assuming that all of AH LLC s OP units are redeemed for Class A common shares. Following the Alaska Joint Venture Acquisition, APFC will beneficially own an aggregate of % of our outstanding Class A common shares. Future sales by these holders of our Class A common shares, or the perception that such sales could occur in the future, could have a material adverse effect on the market price of our Class A common shares.

In connection with our initial private placement and our follow-on private placement, we entered into registration rights agreements requiring us to use commercially reasonable efforts to file with the SEC, no later than November 21, 2013, shelf registration statements with respect to the shares sold in those private placements and to use commercially reasonable efforts to cause the shelf registration statements to become effective under the Securities Act as soon as practicable after filing, and in any event, subject to certain exceptions, no later than 180 days after the initial filing of the shelf registration statement. As a result, holders of 82,079,648 of our

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Class A common shares acquired in those private placements have registration rights that obligate us to register their shares under the Securities Act. Once we register the shares, they can be freely sold in the public market, subject to any applicable lock-up agreements. See Shares Eligible for Future Sale.

All holders of the Class A common shares sold in our initial private placement in November 2012 may elect to participate in this offering as selling shareholders. The holders of the Class A common shares sold in our follow-on private placement in March 2013 do not have the right to elect to participate in this offering as selling shareholders.

In connection with the Management Internalization, we expect to enter into a registration rights agreement with AH LLC providing for registration rights exercisable 30 months after the closing of the Management Internalization. Twenty-four months after the closing of the Management Internalization, if we are eligible to file a shelf registration statement under the Securities Act, AH LLC will have a right to request that we file and maintain a shelf registration statement to register for resale the Class A common shares and securities convertible into Class A common shares that are held by AH LLC. In addition, AH LLC will have the right to request that we cooperate with AH LLC in up to three underwritten offerings of our Class A common shares under the shelf registration statement, provided such right may be invoked not more often than once every six months (subject to suspension rights in favor of the Company) and each such underwritten offering generally must yield gross proceeds to AH LLC of not less than $100 million per offering. AH LLC will have unlimited piggyback registration rights to include the Class A common shares and securities convertible into Class A common shares that AH LLC owns in other registration statements that we may initiate, subject to certain conditions and limitations (including cut-back rights in favor of the Company). See Description of Equity Shares Registration Rights for more discussion on the registration rights of our continuing investors and AH LLC.

Further, in connection with the Alaska Joint Venture Acquisition, APFC would receive 43,609,394 Class A common shares subject to a 180 day lock-up period following this offering. Upon the closing of the Alaska Joint Venture Acquisition, we expect to enter into a registration rights agreement with APFC. Under the terms of such agreement, APFC will have a right to request that we file and maintain a shelf registration statement with the SEC to cover Class A common shares acquired by APFC in connection with the Alaska Joint Venture Acquisition. In addition, APFC will have the right to request that we cooperate with APFC in up to three underwritten offerings of our Class A common shares under the shelf registration statement, and APFC will have unlimited piggyback registration rights to include the Class A common shares that APFC will acquire through the Alaska Joint Venture Acquisition in other registration statements that we may initiate, subject to certain conditions and limitations.

Future sales of our Class A common shares or other securities convertible into our Class A common shares could cause the market value of our Class A common shares to decline and could result in dilution of your shares.

Our board of trustees is authorized, without shareholder approval, to cause us to issue additional common shares or to raise capital through the issuance of preferred shares (including equity or debt securities convertible into Class A common shares), options, warrants and other rights, on terms and for consideration as our board of trustees in its sole discretion may determine. Sales of substantial amounts of our Class A common shares could cause the market price of our Class A common shares to decrease significantly. We cannot predict the effect, if any, of future sales of our Class A common shares or the availability of our Class A common shares for future sales on the value of our Class A common shares.

We and the selling shareholders are offering Class A common shares, as described in this prospectus. Sales of substantial amounts of our Class A common shares, or the perception that such sales could occur, may adversely affect the market price of our Class A common shares. Immediately prior to this offering, we had 85,389,248 Class A common shares issued and outstanding.

Distributions on the Series C units will initially be higher than distributions on the Class A units.

Holders of the Series C units will be entitled to distributions equal to the actual net cash flow of the properties in the AH LLC Portfolio up to a maximum of 3.9% per unit per annum based on a price per unit of $15.50 but will not be entitled to any distributions of income generated by any other properties or operations of our company or any liquidating distributions. Holders of Class A units, including our company and AH LLC, will be entitled to any net cash flow from the AH LLC Portfolio above the maximum yield on the Series C units, as well as distributions of all other cash available for distribution from our operating partnership. Initially, per unit distributions to the holders of Series C units will be more than per unit distributions to holders of Class A units. If holders of the Series C units have not exercised their right to convert the Series C units into Class A units by the earlier of (i) the third anniversary of the original issuance of the Series C units or (ii) the date of commencement of the dissolution, liquidation or winding up of our operating partnership, then the Series C units will automatically convert into Class A units.

Future issuances of our or our operating partnership s debt and equity securities that rank senior to our Class A common shares may adversely affect the market price of our Class A common shares.

We and our operating partnership are permitted, without shareholder approval, to issue debt or equity securities that have priority over our Class A common shares. Upon bankruptcy or liquidation, holders of our or our operating partnership s debt securities and preferred shares or units and lenders with respect to other borrowings will receive a distribution of our available assets prior to the holders of our Class A common shares. These securities have, and our preferred shares, if issued, could have, a preference on liquidating distributions or a preference on dividend payments or both that limit our ability to pay a dividend or other distribution to the holders of our Class A common shares. Our decision to issue securities in the future will depend on market conditions and other factors beyond our control. As a result, we cannot predict or estimate the amount, timing or nature of our future issuances, and purchasers of our Class A common shares in this offering bear the risk of our future issuances reducing the market price of our Class A common shares and diluting their ownership interest in our company.

An increase in market interest rates may have an adverse effect on the market price of our Class A common shares and our ability to pay distributions to our shareholders.

One of the factors that investors may consider in deciding whether to buy or sell our Class A common shares is our dividend rate as a percentage of our share price, relative to market interest rates. If market interest rates increase, prospective investors may demand a higher dividend rate on our Class A common shares or seek alternative investments paying higher dividends or interest. As a result, interest rate fluctuations and capital market conditions can affect the market price of our Class A common shares. For instance, if interest rates rise without an increase in our dividend rate, the market price of our Class A common shares could decrease because potential investors may require a higher dividend yield on our Class A common shares as market rates on our interest-bearing instruments such as bonds rise. In addition, to the extent we have variable rate debt, rising interest rates would result in increased interest expense on our variable rate debt, thereby adversely affecting our cash flow and our ability to service our indebtedness and pay distributions to our shareholders.

Risks Related to Qualification and Operation as a REIT

Qualifying as a REIT involves highly technical and complex provisions of the Code.

Qualification as a REIT involves the application of highly technical and complex Code provisions for which only limited judicial and administrative authorities exist. Even a technical or inadvertent violation could jeopardize our REIT qualification. Our qualification as a REIT depends upon our satisfaction of certain asset, income, organizational, distribution, shareholder ownership and other requirements on a continuing basis. New legislation, court decisions or administrative guidance, in each case possibly with retroactive effect, may make it more difficult or impossible for us to qualify as a REIT. Certain rules applicable to REITs are particularly difficult to interpret or to apply in the case of REITs investing in real estate mortgage loans that are acquired at a discount, subject to work-outs or modifications, or reasonably expected to be in default at the time of acquisition. In addition, our ability to satisfy the requirements to qualify as a REIT depends in part on the actions of third parties over which we have no control or only limited influence, including in cases where we own an equity interest in an entity that is classified as a partnership for U.S. federal income tax purposes.

Complying with REIT requirements may limit our ability to hedge effectively and may cause us to incur tax liabilities.

The REIT provisions of the Code may limit our ability to hedge our assets and operations. Under these provisions, any income that we generate from transactions intended to hedge our interest rate risk will be excluded from gross income for purposes of the REIT 75% and 95% gross income tests if the instrument hedges interest rate risk on liabilities used to carry or acquire real estate assets or manages the risk of certain currency fluctuations, and such instrument is properly identified under applicable Treasury Regulations. Income from hedging transactions that do not meet these requirements will generally constitute non-qualifying income for purposes of both the REIT 75% and 95% gross income tests. See Material U.S. Federal Income Tax Considerations Requirements for Qualification as a REIT Gross Income Tests Income from Hedging Transactions. As a result of these rules, we may have to limit our use of hedging techniques that might otherwise be advantageous or implement those hedges through a TRS. This could increase the cost of our hedging activities because our TRS would be subject to tax on gains or expose us to greater risks associated with changes in interest rates than we would otherwise want to bear. In addition, losses in our TRS will generally not provide any tax benefit, except for being carried back or forward against past or future taxable income in the TRS.

Complying with the REIT requirements may cause us to forgo and/or liquidate otherwise attractive investments.

To qualify as a REIT, we must continually satisfy tests concerning, among other things, the sources of our income, the nature and diversification of our assets, the amounts that we distribute to our shareholders and the ownership of our shares. To meet these tests, we may be required to take or forgo taking actions that we would otherwise consider advantageous. For instance, in order to satisfy the gross income or asset tests applicable to REITs under the Code, we may be required to forgo investments that we otherwise would make. Furthermore, we may be required to liquidate from our portfolio otherwise attractive investments. In addition, we may be required to make distributions to shareholders at disadvantageous times or when we do not have funds readily available for distribution. These actions could reduce our income and amounts available for distribution to our shareholders. Thus, compliance with the REIT requirements may hinder our investment performance.

Failure to qualify as a REIT, or failure to remain qualified as a REIT, would cause us to be taxed as a regular corporation, which would substantially reduce funds available for distributions to our shareholders.

We believe that we have been organized and have operated in conformity with the requirements for qualification and taxation as a REIT and that our current organization and proposed method of operation will enable us to continue to qualify as a REIT. However, we have not requested and do not intend to request a ruling from the Internal Revenue Service, or the IRS, that we qualify as a REIT. As a result, we cannot assure you that we qualify or that we will remain qualified as a REIT.

If we fail to qualify as a REIT in any taxable year, and we do not qualify for certain statutory relief provisions, we will face serious tax consequences that will substantially reduce the funds available for distributions to our shareholders because:

- we would not be allowed a deduction for dividends paid to shareholders in computing our taxable income and would be subject to federal income tax at regular corporate rates;

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- we could be subject to the federal alternative minimum tax and possibly increased state and local taxes; and

- unless we are entitled to relief under certain U.S. federal income tax laws, we could not re-elect REIT status until the fifth calendar year after the year in which we failed to qualify as a REIT.

In addition, if we fail to qualify as a REIT, we will no longer be required to make distributions. As a result of all these factors, our failure to qualify as a REIT could impair our ability to expand our business and raise capital, and it would adversely affect the value of our common shares. See Material U.S. Federal Income Tax Considerations for a discussion of material U.S. federal income tax consequences relating to us and our common shares.

Even if we qualify as a REIT, we may face other tax liabilities that reduce our cash flow.

Even if we qualify for taxation as a REIT, we may be subject to certain U.S. federal, state and local taxes on our income and assets, including taxes on any undistributed income, tax on income from some activities conducted as a result of a foreclosure, and state or local income, property and transfer taxes. In addition, we could, in certain circumstances, be required to pay an excise or penalty tax (which could be significant in amount) in order to utilize one or more relief provisions under the Code to maintain our qualification as a REIT. See Material U.S. Federal Income Tax Considerations Taxation of the Company as a REIT. Any of these taxes would decrease cash available for distribution to our shareholders. In addition, in order to meet the REIT qualification requirements, or to avert the imposition of a 100% tax that applies to certain gains derived by a REIT from dealer property or inventory, we hold some of our assets through a TRS or other subsidiary corporations that are subject to corporate-level income tax at regular rates. Our TRS may have tax liability with respect to phantom income if it is treated as a dealer for U.S. federal income tax purposes which would require the TRS to mark to market its assets at the end of each taxable year. In addition, our TRS is subject to federal, state and local corporate taxes. Any of these taxes would decrease cash available for distribution to our shareholders. For more information on taxable REIT subsidiaries see Material U.S. Federal Income Tax Considerations Requirements for Qualification as a REIT Effect of Subsidiary Entities Ownership of Interests in Taxable REIT Subsidiaries.

Failure to make required distributions would subject us to U.S. federal corporate income tax.

We believe that we have operated and we intend to continue to operate in a manner so as to qualify as a REIT for U.S. federal income tax purposes. In order to qualify as a REIT, we generally are required to distribute at least 90% of our REIT taxable income, determined without regard to the dividends paid deduction and excluding any net capital gain, each year to our shareholders. To the extent that we satisfy this distribution requirement, but distribute less than 100% of our REIT taxable income, we will be subject to U.S. federal corporate income tax on our undistributed net taxable income. In addition, we will be subject to a 4% nondeductible excise tax if the actual amount that we pay out to our shareholders in a calendar year is less than a minimum amount specified under the Code. We intend to make distributions to our shareholders to comply with the REIT requirements of the Code.

Dividends payable by REITs do not qualify for the reduced tax rates available for some dividends, which could adversely affect the value of our Class A common shares if they are perceived as less attractive investments.

The maximum rate applicable to qualified dividend income paid by regular C corporations to U.S. shareholders that are individuals, trusts and estates generally is 20%. Dividends payable by REITs, however, generally are not eligible for the current reduced rate, except to the extent that certain holding requirements have been met and a REIT s dividends are attributable to dividends received by a REIT from taxable corporations (such as a REIT s taxable REIT subsidiaries), to income that was subject to tax at the REIT/corporate level, or to dividends properly designated by the REIT as capital gains dividends. Although the reduced rates applicable to

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dividend income from regular C corporations do not adversely affect the taxation of REITs or dividends payable by REITs, it could cause investors who are non-corporate taxpayers to perceive investments in REITs to be relatively less attractive than investments in the shares of regular C corporations that pay dividends, which could adversely affect the value of the shares of REITs, including our Class A common shares.

The prohibited transactions tax may limit our ability to engage in transactions.

A REIT s net income from prohibited transactions is subject to a 100% tax. In general, prohibited transactions are sales or other dispositions of property other than foreclosure property, held primarily for sale to customers in the ordinary course of business. We may be subject to the prohibited transactions tax equal to 100% of net gain upon a disposition of real property or debt instruments that we hold. Although a safe harbor to the characterization of the sale of property by a REIT as a prohibited transaction is available, we cannot assure you that we can comply with the safe harbor or that we will avoid owning property that may be characterized as held primarily for sale to customers in the ordinary course of business. Consequently, we may choose not to engage in certain sales of our properties or debt instruments or we may conduct such sales through our TRS, which would be subject to U.S. federal and state income taxation. In addition, we may have to sell numerous properties to a single or a few purchasers, which could cause us to be less profitable than would be the case if we sold properties on a property-by-property basis. For example, if we decide to acquire properties or debt instruments opportunistically to renovate in anticipation of immediate resale, we will need to conduct that activity through our TRS to avoid the 100% prohibited transactions tax.

The 100% tax described above may limit our ability to enter into transactions that would otherwise be beneficial to us. For example, if circumstances make it profitable or otherwise uneconomical for us to remain in certain states or geographical markets, the 100% tax could delay our ability to exit those states or markets by selling our assets in those states or markets other than through a TRS, which could harm our operating profits and the trading price of our Class A common shares.

We may pay taxable dividends in our Class A common shares and cash, in which case shareholders may be required to pay income taxes in excess of the cash dividends they receive.

The IRS has issued private letter rulings to other REITs treating certain distributions that are paid partly in cash and partly in shares as taxable dividends that would satisfy the REIT annual distribution requirement and qualify for the dividends paid deduction for U.S. federal income tax purposes. Those rulings may be relied upon only by taxpayers to whom they were issued, but we could request a similar ruling from the IRS. In addition, the IRS previously issued a revenue procedure authorizing publicly traded REITs to make elective cash/share dividends, but that revenue procedure does not apply to our 2013 and future taxable years. Various aspects of such a taxable cash/share dividend are uncertain and have not yet been addressed by the IRS. No assurance can be given that the IRS will not impose additional requirements in the future with respect to taxable cash/share dividends, including on a retroactive basis, or assert that the requirements for such taxable cash/share dividends have not been met. Accordingly, it is unclear whether and to what extent we will be able to make taxable dividends payable in cash and Class A common shares.

If we made a taxable dividend payable in cash and Class A common shares, taxable shareholders receiving such dividends will be required to include the full amount of the dividend as ordinary income to the extent of our current and accumulated earnings and profits, as determined for U.S. federal income tax purposes. As a result, shareholders may be required to pay income tax with respect to such dividends in excess of the cash dividends received.

If the operating partnership fails to qualify as a partnership for federal income tax purposes, we could fail to qualify as a REIT and suffer other adverse consequences.

We believe that our operating partnership is organized and will be operated in a manner so as to be treated as a partnership and not an association or a publicly traded partnership taxable as a corporation, for U.S. federal income tax purposes. As a partnership, our operating partnership will not be subject to U.S. federal income tax on its income. Instead, each of the partners will be allocated its share of our operating partnership s income. No assurance can be provided, however, that the IRS will not challenge our operating partnership s status as a partnership for U.S. federal income tax purposes, or that a court would not sustain such a challenge. If the IRS were successful in treating our operating partnership as an association or publicly traded partnership taxable as a corporation for U.S. federal income tax purposes, we would fail to meet the gross income tests and certain of the asset tests applicable to REITs and, accordingly, would cease to qualify as a REIT. Also, the failure of the operating partnership to qualify as a partnership would cause it to become subject to U.S. federal corporate income tax, which would reduce significantly the amount of its cash available for distribution to its partners, including us.

The ability of our board of trustees to revoke our REIT qualification without shareholder approval may cause adverse consequences to our shareholders.

Our declaration of trust provides that our board of trustees may revoke or otherwise terminate our REIT election, without shareholder approval, if it determines that it is no longer in our best interest to continue to qualify as a REIT. If we cease to qualify as a REIT, we would become subject to U.S. federal income tax on our net taxable income and would no longer be required to distribute most of our taxable income to our shareholders, which may have adverse consequences on our total return to our shareholders.

Our ownership of our TRS will be subject to limitations and our transactions with our TRS will cause us to be subject to a 100% penalty tax on certain income or deductions if those transactions are not conducted on arm s-length terms.

The Code provides that no more than 25% of the value of a REIT s assets may consist of shares or securities of one or more TRSs. This requirement limits the extent to which we can conduct activities through TRSs. In addition, the Code limits the deductibility of interest paid or accrued by a TRS to its parent REIT to assure that the TRS is subject to an appropriate level of corporate taxation. The Code also imposes a 100% excise tax on certain transactions between a TRS and its parent REIT that are not conducted on an arm s-length basis. We monitor the value of our respective investments in our TRS for the purpose of ensuring compliance with TRS ownership limitations and we intend to structure our transactions with our TRS on terms that we believe are arm s-length to avoid incurring the 100% excise tax described above. There can be no assurance, however, that we will be able to comply with the 25% taxable REIT subsidiaries limitation or to avoid application of the 100% excise tax. For more information on taxable REIT subsidiaries see Material U.S. Federal Income Tax Considerations Requirements for Qualification as a REIT Effect of Subsidiary Entities Ownership of Interests in Taxable REIT Subsidiaries.

You may be restricted from acquiring or transferring certain amounts of our common shares.

The share ownership restrictions of the Code for REITs and the 8.0% common share ownership limit that applies to all shareholders, other than the Hughes family which is subject to the excepted holder limit (as defined in the declaration of trust) and designated investment entities (as defined in the declaration of trust) which are subject to a 9.9% common share ownership limit, all as provided in our declaration of trust may inhibit market activity in our equity shares and restrict our business combination opportunities. See Description of Equity Shares Restrictions on Ownership and Transfer.

In order to qualify as a REIT for each taxable year beginning with our taxable year ending December 31, 2013, five or fewer individuals, as defined in the Code, may not own, beneficially or constructively, more than 50% in value of our issued and outstanding equity shares at any time during the last half of a taxable year. Attribution rules in the Code determine if any individual or entity beneficially or constructively owns our equity shares under this requirement. Additionally, at least 100 persons must beneficially own our equity shares during at least 335 days of a taxable year for each taxable year after 2012. To help insure that we meet these tests, our declaration of trust restricts the acquisition and ownership of our equity shares.

Our declaration of trust, with certain exceptions, authorizes our trustees to take such actions as are necessary and desirable to preserve our qualification as a REIT. Unless exempted by our board of trustees, our declaration of trust prohibits any person, other than the Hughes family which is subject to the excepted holder limit (as defined in the declaration of trust) and designated investment entities (as defined in the declaration of trust), from beneficially or constructively owning more than 8.0% in value or number of shares, whichever is more restrictive, of our outstanding common shares. Our board of trustees may not grant an exemption from these restrictions to any proposed transferee whose ownership in excess of 8.0% of the value of our outstanding common shares would result in our failing to qualify as a REIT. These restrictions on ownership and transfer will not apply, however, if our board of trustees determines that it is no longer in our best interest to continue to qualify as a REIT.

We may be subject to adverse legislative or regulatory tax changes that could reduce the market price of our common shares.

At any time, the U.S. federal income tax laws governing REITs or the administrative interpretations of those laws may be amended, possibly with retroactive effect. We cannot predict when or if any new U.S. federal income tax law, regulation or administrative interpretation, or any amendment to any existing U.S. federal income tax law, regulation or administrative interpretation, will be adopted, promulgated or become effective and whether any such law, regulation, or interpretation may take effect retroactively. We and our shareholders could be adversely affected by any such change in or any new U.S. federal income tax law, regulation or administrative interpretation.

We may be required to report taxable income for certain investments in excess of the economic income that we ultimately realize from them.

Our TRS may invest in mortgages, including NPLs, for less than their face amount. The amount of such discount is generally be treated as market discount for U.S. federal income tax purposes. Accrued market discount is reported as income when, and to the extent that, any payment of principal of the debt instrument is made, unless we elect to include accrued market discount in income as it accrues. Principal payments on certain loans are made monthly, and consequently accrued market discount may have to be included in income each month as if the debt instrument were assured of ultimately being collected in full. If we collect less on the debt instrument than our purchase price plus the market discount we had previously reported as income, we may not be able to benefit from any offsetting loss deductions.

In the event that any debt instruments acquired by us are delinquent as to mandatory principal and interest payments, or in the event payments with respect to a particular debt instrument are not made when due, we may nonetheless be required to continue to recognize the unpaid interest as taxable income as it accrues, despite doubt as to its ultimate collectability. While we would in general ultimately have an offsetting loss deduction available to us when such interest was determined to be uncollectible, the utility of that deduction could depend on our having taxable income in that later year or thereafter.

Finally, we or our TRS may recognize taxable phantom income as a result of modifications, pursuant to agreements with borrowers, of debt instruments that we acquire if the amendments to the outstanding debt are significant modifications under the applicable Treasury regulations. In addition, our TRS may be treated as a dealer for U.S. federal income tax purposes, in which case the TRS would be required to mark to market its assets at the end of each taxable year and recognize taxable gain or loss on those assets even though there has been no actual sale of those assets.

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FORWARD-LOOKING STATEMENTS

Various statements contained in this prospectus, including those that express a belief, expectation or intention, as well as those that are not statements of historical fact, are forward-looking statements. These forward-looking statements may include projections and estimates concerning the timing and success of specific projects and our future production, revenues, income and capital spending. Our forward-looking statements are generally accompanied by words such as estimate, project, predict, believe, expect, intend, anticipate, potential, pla other words that convey the uncertainty of future events or outcomes. We have based these forward-looking statements on our current expectations and assumptions about future events. While our management considers these expectations and assumptions to be reasonable, they are inherently subject to significant business, economic, competitive, regulatory and other risks, contingencies and uncertainties, most of which are difficult to predict and many of which are beyond our control. These and other important factors, including those discussed under Risk Factors , Management s Discussion and Analysis of Financial Condition and Results of Operations and elsewhere in this prospectus may cause our actual results, performance or achievements to differ materially from any future results, performance or achievements expressed or implied by these forward-looking statements. These risks, contingencies and uncertainties include, but are not limited to, the following:

We are employing a new and untested business model with no proven track record, which may make our business difficult to evaluate.

We are a recently organized REIT with a limited operating history, and we may not be able to successfully operate our business or generate sufficient operating cash flows to make or sustain distributions to our shareholders.

We may not be able to effectively manage our growth, and any failure to do so may have an adverse effect on our business and operating results.

Because we have not yet identified any specific properties (other than properties held in escrow) to acquire with the net proceeds of this offering remaining after repayment of debt, you will be unable to evaluate the economic merits of our investments made with such net proceeds before making an investment decision to purchase our Class A common shares.

We intend to continue to rapidly expand our scale of operations and make acquisitions even if the rental and housing markets are not as favorable as they have been in recent months, which could adversely impact anticipated yields.

Our credit facility contains financial and operating covenants that could restrict our business and investment activities. Failure to satisfy these covenants could result in a default under our credit facility that could accelerate the maturity of our debt obligations, which would have a material adverse effect on our business, liquidity, results of operations and financial condition and our ability to make distributions to our shareholders.

Our success depends, in part, upon our ability to hire and retain highly skilled managerial, investment, financial and operational personnel, and the past performance of our senior management may not be indicative of future results.

Our investments are and will continue to be concentrated in our target markets and the single-family properties sector of the real estate industry, which exposes us to downturns in our target markets or in the single-family properties sector.

We face significant competition for acquisitions of our target properties, which may limit our strategic opportunities and increase the cost to acquire those properties.

We face significant competition in the leasing market for quality tenants, which may limit our ability to rent our single-family homes on favorable terms or at all.

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The large supply of single-family homes becoming available for purchase as a result of the heavy volume of foreclosures, combined with historically low residential mortgage rates, may cause some potential renters to seek to purchase residences rather than lease them and, as a result, cause a decline in the number and quality of potential tenants.

Single-family properties that are being sold through short sales or foreclosure sales are subject to risks of theft, mold, infestation, vandalism, deterioration or other damage that could require extensive renovation prior to renting and adversely impact our operating results.

We depend on our tenants and their willingness to renew their leases for substantially all of our revenues. Poor tenant selection and defaults and nonrenewals by our tenants may adversely affect our reputation, financial performance and ability to make distributions to our shareholders.

Declining real estate values and impairment charges could adversely affect our earnings and financial condition.

We are self-insured against many potential losses, and uninsured or underinsured losses relating to properties may adversely affect our financial condition, operating results, cash flows and ability to make distributions on our Class A common shares.

Mortgage loan modification programs and future legislative action may adversely affect the number of available properties that meet our investment criteria.

The Management Internalization will expose us to new and additional responsibilities, costs and risks.

The contribution agreement we entered into in connection with the Management Internalization was negotiated between a special committee of our board of trustees and AH LLC. Therefore, the terms of the agreement may not be as favorable to us as if it had been negotiated with unaffiliated third parties.

Our board of trustees has approved a very broad investment policy and does not review or approve each acquisition decision made by AH LLC.

We may be adversely affected by lawsuits alleging trademark infringement as such lawsuits could materially harm our brand name, reputation and results of operations.

Our fiduciary duties as the general partner of our operating partnership could create conflicts of interest, which may impede business decisions that could benefit our shareholders.

Through December 2014, we will continue to depend on AH LLC for our external growth.

There is currently no public market for our Class A common shares, a trading market for our Class A common shares may never develop following this offering and the price of our Class A common shares may be volatile and could decline substantially following this offering.

Members of our executive team, our board of trustees, continuing investors, AH LLC and APFC, following the Alaska Joint Venture Acquisition, collectively own a significant amount of our Class A common shares or OP units exchangeable for our Class A common shares, and future sales by these holders of our Class A common shares, or the perception that such sales could occur in the future, could have a material adverse effect on the market price of our Class A common shares.

Failure to qualify as a REIT, or failure to remain qualified as a REIT, would cause us to be taxed as a regular corporation, which would substantially reduce funds available for distribution to our shareholders.

While forward-looking statements reflect our good faith beliefs, assumptions and expectations, they are not guarantees of future performance, and you should not unduly rely on them. The forward-looking statements in this prospectus speak only as of the date of this prospectus. We are not obligated to update or revise these statements as a result of new information, future events or otherwise, unless required by applicable law.

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USE OF PROCEEDS

We estimate that the net proceeds to us from the sale of our Class A common shares in this offering will be approximately $, based on the midpoint of the price range set forth on the cover of this prospectus (or approximately $ if the underwriters exercise their option to purchase up to additional shares in full), after deducting the underwriting discount and other estimated offering expenses payable by us.

We will contribute the net proceeds of this offering to our operating partnership in exchange for OP units. Our operating partnership intends to use the net proceeds received from our contribution (i) to acquire and renovate single-family properties, including the escrowed properties listed under Summary Our Properties, in accordance with our business strategy described in this prospectus, (ii) to repay the indebtedness we have incurred or expect to incur under our credit facility and (iii) for general business purposes. As of April 30, 2013, we had 1,425 properties in escrow, with an estimated total investment of $245 million. At May 31, 2013, we had $270 million of borrowings outstanding under our credit facility. Our credit facility bears interest at 30 day LIBOR plus 2.75%. We may borrow under our credit facility until March 7, 2015, which period may be extended for an additional year, subject to the satisfaction of certain financial covenant tests. Our credit facility will mature one year after the expiration of such period.

Pending application of any portion of the net proceeds, we or our operating partnership will invest such funds in interest-bearing accounts and short-term interest-bearing securities consistent with our intention to qualify for taxation as a REIT. These investments are expected to provide lower net returns than we will seek to achieve with our target assets.

We will not receive any of the net proceeds from the sale of our Class A common shares in this offering by the selling shareholders.

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DISTRIBUTION POLICY

To qualify as a REIT, we must distribute annually to our shareholders an amount at least equal to 90% of our REIT taxable income, determined without regard to the deduction for dividends paid and excluding any net capital gain. We will be subject to income tax on our taxable income that is not distributed and to an excise tax to the extent that certain percentages of our taxable income are not distributed by specified dates. See Material U.S. Federal Income Tax Considerations. Income as computed for purposes of the foregoing tax rules will not necessarily correspond to our income as determined for financial reporting purposes.

The amount, timing and frequency of distributions authorized by our board of trustees will be based upon a variety of factors, including:

- actual results of operations;
- our level of retained cash flows;
- the timing of the investment of the net proceeds of this offering;
- restrictions under Maryland law;
- any debt service requirements;
- our taxable income;
- the annual distribution requirements under the REIT provisions of the Code;
- distributions to senior equity security holders; and
- other factors that our board of trustees may deem relevant.

Our ability to make distributions to our shareholders will depend upon the ability of our management team to invest the net proceeds of this offering in our target assets in accordance with our business strategy and the performance of our properties. Distributions will be made in cash to the extent that cash is available for distribution. We may not be able to generate sufficient net interest income to pay distributions to our shareholders. In addition, our board of trustees may change our distribution policy in the future. We may not pay an initial distribution until a significant portion of the proceeds of this offering have been invested. See Risk Factors.

Our declaration of trust allows us to issue preferred shares that could have a preference on distributions. If we do issue preferred shares, the distribution preference on the preferred shares could limit our ability to make distributions to the holders of our common shares. Our board of trustees will set the level of distributions. We intend to distribute our taxable income to our shareholders and retain the balance of our cash available for distribution for reinvestment in properties. However, our cash available for distribution may be less than the amount required to meet the distribution requirements for REITs under the Code, and we may be required to borrow money, sell assets or make taxable distributions of our equity shares or debt securities to satisfy the distribution requirements. Additionally, we may pay future distributions from the proceeds from this offering or other securities offerings and thus all or a portion of such distributions may constitute a return of capital for federal income tax purposes. We also may elect to pay all or a portion of any distribution in the form of a taxable distribution of our shares or debt securities.

The timing and frequency of distributions authorized by our board of trustees in its sole discretion and declared by us will be based upon a variety of factors deemed relevant by our board of trustees, which may include among others: our actual and projected results of operations; our liquidity, cash flows and financial condition; revenue from our properties; our operating expenses; economic conditions; debt service requirements; limitations under our financing arrangements; applicable law; capital requirements and the REIT requirements of the Code. We cannot guarantee whether or when we will be able to make distributions or that any distributions will be sustained over time. Distributions to our shareholders generally will be taxable to our shareholders as ordinary income, although a portion of such distributions may be designated by us as capital gain dividends or qualified dividend income, or may constitute a return of capital. We will furnish annually to each of our shareholders a statement setting forth distributions paid during the preceding year and their federal income tax treatment. For a discussion of the federal income tax treatment of our distributions, see Material U.S. Federal Income Tax Considerations.

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CAPITALIZATION

The following table sets forth our capitalization as of March 31, 2013 on a historical basis and as adjusted to give effect to the sale by us of Class A common shares in this offering at an assumed initial public offering price of $ share, based on the mid-point of the price range set forth on the front cover of this prospectus, less underwriting discounts and commissions and other estimated offering expenses payable by us. You should read this table together with Selected Consolidated Financial Data, Management s Discussion and Analysis of Financial Condition and Results of Operations and our consolidated financial statements and related notes included elsewhere in this prospectus.

	As of March 31, 2013	
	Historical	As Adjusted
	(dollars in thousands)	
Debt:		
Shareholders equity:		
Preferred shares $0.01 par value per share, 100,000,000 shares authorized, no shares issued and outstanding	$	$
Class A common shares $0.01 par value per share, 450,000,000 shares authorized, 85,382,748 shares issued and outstanding at March 31, 2013,[(1)] and shares as adjusted	854	
Class B common shares $0.01 par value per share, 50,000,000 shares authorized, 635,075 shares issued and outstanding at March 31, 2013, and shares as adjusted	6	
Additional paid-in capital	1,261,141	
Shareholders equity	1,262,001	
Noncontrolling interest	384,492	
Total capitalization	$ 1,646,493	$

(1) Excludes: (i) an aggregate of 670,000 of our Class A common shares issuable upon exercise of options previously granted to members of our board of trustees and our former manager s executive team, employees and other service providers under the 2012 Incentive Plan that vest ratably over a period of four years from the date of grant; (ii) 5,330,000 of our Class A common shares available for issuance in the future under the 2012 Incentive Plan, subject to certain contingencies; (iii) Class A common shares issuable upon the exercise in full by the underwriters of their option to purchase additional Class A common shares from us at the initial public offering price; (iv) 434,783 Class A common shares issued in April 2013 upon exercise of AH LLC s subscription agreement option; (v) 4,375,000 Series D units that will be issued in June 2013 in connection with the Management Internalization, each of which are convertible into Class A units (or Class B units in certain circumstances) on a one-for-one basis only effective as of the later of (1) 30 months from the date of issuance, and (2) upon achieving certain financial metrics or share appreciation targets; (vi) 4,375,000 Series E units that will be issued in June 2013 in connection with the Management Internalization, each of which are convertible into Series D units (or if the Series D units have previously converted into Class A units or Class B units in certain circumstances) into Class A units (or Class B units in certain circumstances) on February 29, 2016 if certain conditions are met; (vii) 43,609,394 Class A common shares and 12,395,965 Class A units that will be issued in June 2013 in connection with the Alaska Joint Venture Acquisition; (viii) 705,167 Class A units issued in May 2013 in connection with AH LLC s contribution of its interests in RJ American Homes 4 Rent Two, LLC, or RJ2, to our operating partnership; (ix) 653,492 Class A units issued in May 2013 upon conversion of 653,492 3.5% convertible perpetual preferred units by AH LLC; (x) 31,085,974 Series C units issued in connection with our operating partnership s acquisition of the AH LLC Portfolio in February 2013, each of which are convertible into Class A units and (xi) 32,667 Class A units issued in connection with our operating partnership s acquisition of 367 single-family properties from AH LLC in December 2012. In general, beginning 12 months after the date of issuance, holders of our Class A units have the right to require our operating partnership to redeem part or all of their Class A units for cash or, at our election, our Class A common shares on a one-for-one basis.

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DILUTION

Purchasers of our Class A common shares offered in this prospectus will experience an immediate dilution in the net tangible book value per Class A common share from the initial public offering price. As of March 31, 2013, we had a pro forma combined net tangible book value of $ million, or $ per Class A common share. After giving effect to the sale of our Class A common shares offered hereby, including the use of proceeds as described under Use of Proceeds, and the deduction of underwriting discounts and commissions and estimated offering expenses, the pro forma net tangible book value as of March 31, 2013 attributable to common shareholders would have been $ million, or $ per Class A common share, assuming the redemption of Class A units representing limited partner interests in our operating partnership for our Class A common shares on a one-for-one basis. This amount represents an immediate increase in net tangible book value of $ per share to existing investors and an immediate dilution in pro forma net tangible book value of $ per share to new public investors. The following table illustrates this per share dilution:

Assumed initial public offering price per share based on the midpoint of the price range set forth on the cover page of this prospectus	$
Net tangible book value per share at March 31, 2013, before this offering	$
Net increase in pro forma net tangible book value per share attributable to this offering	$
Pro forma net tangible book value per share after this offering	$
Dilution in pro forma net tangible book value per share to investors in this offering	$

Differences Between New Investors and Existing Investors

The table below summarizes, as of March 31, 2013, on a pro forma basis after giving effect to this offering, the differences between the average price per share paid by our existing investors and the new investors purchasing shares in this offering, the total consideration paid and the average price per common share or OP unit paid by the existing investors in and paid in cash by the new investors purchasing shares in this offering (based on the midpoint of the price range set forth on the cover page of this prospectus).

	Shares / OP Units Issued / Granted		Pro Forma Net Tangible Book Value of Contribution / Cash		Average Price Per Share
	Number	Percentage	Amount	Percentage	
Existing investors					
New investors					
Total					

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SELECTED CONSOLIDATED FINANCIAL DATA

The following table presents selected historical consolidated financial information and selected portfolio data as of March 31, 2013 (unaudited) and December 31, 2012 and 2011 and for the three months ended March 31, 2013 and 2012 (unaudited), for the year ended December 31, 2012 and the period from June 23, 2011 to December 31, 2011. The selected consolidated financial information presented below under the captions Consolidated Statements of Operations Data and Consolidated Balance Sheets Data have been derived from our consolidated financial statements. Under the provisions of ASC 805, *Business Combinations,* we have reflected transactions between businesses under common control retroactively based on the date AH LLC commenced acquiring properties on June 23, 2011. As such, the statements of operations reflect activity prior to our date of formation, and the properties contributed to us by AH LLC are reflected retroactively on the balance sheets based on AH LLC s net book value. Therefore, our selected consolidated financial data may not be indicative of our past or future results and does not reflect our financial position or results of operations had it been presented as if we had been operating independently during the period presented. Since the information presented below is only a summary and does not provide all of the information contained in our historical consolidated financial statements, including the related notes, you should read it in conjunction with Management s Discussion and Analysis of Financial Condition and Results of Operations and our consolidated financial statements, including the related notes, included elsewhere in this prospectus.

The financial information presented below has been derived from our historical financial statements and, as such, does not include any consideration of the Alaska Joint Venture Acquisition and the Management Internalization.

Consolidated Statements of Operations Data

	Three Months Ended March 31, 2013 (Unaudited)	Three Months Ended March 31, 2012 (Unaudited)	Year Ended December 31, 2012	Period from June 23, 2011 to December 31, 2011
	(in thousands, except per share amounts)			
Revenue:				
Rents from single-family properties	$ 6,644	$ 96	$ 4,540	$ 65
Total revenue	6,644	96	4,540	65
Expenses:				
Property operating and expenses:				
Leased single-family properties	2,566	43	1,744	27
Vacant single-family properties	1,729	22	1,846	12
General and administrative expense	1,625	170	7,199	47
Interest expense	370			
Noncash share-based compensation expense	174		70	
Acquisition fees and costs expensed	1,390		869	
Advisory fees	2,742		937	
Depreciation	2,905	25	2,111	21
Total expenses	13,501	260	14,776	107
Noncontrolling interest	895			
Net loss attributable to common shareholders	$ (7,752)	$ (164)	$ (10,236)	$ (42)
Net loss per share basic and diluted	$ (0.16)	$ (0.05)	$ (1.42)	$ (0.01)

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Consolidated Balance Sheets Data

	As of March 31, 2013 (in thousands)	As of December 31, 2012 (in thousands)	As of December 31, 2011 (in thousands)
Single-family properties, net	$ 1,120,843	$ 505,713	$ 3,495
Cash and cash equivalents	519,410	397,198	
Rent and other receivables	8,808	6,586	11
Escrow deposits	22,623	10,968	
Prepaid expenses and other assets	6,577	993	17
Total assets	$ 1,678,261	$ 921,458	$ 3,523
Total liabilities	$ 49,798	$ 16,294	$ 49
Total equity	1,628,463	905,164	3,474
Total liabilities and equity	$ 1,678,261	$ 921,458	$ 3,523

Selected Other Portfolio Data

	As of March 31, 2013	As of December 31, 2012	As of December 31, 2011
Leased single-family properties	2,338	1,164	19
Vacant single-family properties available for lease	1,356	623	2
Single-family properties being renovated	3,880	1,857	12
Total single-family properties owned	7,574	3,644	33

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MANAGEMENT S DISCUSSION AND ANALYSIS OF

FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operations should be read together with the Selected Consolidated Financial Data, Our Business and Properties, and the consolidated financial statements and related notes that are included elsewhere in this prospectus. The following discussion includes information derived from our March 31, 2013 and 2012 condensed consolidated financial statements and December 31, 2012 and 2011 consolidated financial statements located elsewhere in this prospectus, which do not include the effects of the Management Internalization, the Alaska Joint Venture Acquisition or this offering. We expect to complete the Management Internalization and the Alaska Joint Venture Acquisition prior to the commencement of this offering, but there can be no assurance that we will do so. This discussion contains forward-looking statements based upon our current expectations that involve risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth under Risk Factors, Forward-Looking Statements or in other parts of this prospectus. As used in this section, unless the context otherwise requires,

- *we, us, our, and our company means American Homes 4 Rent as referred to in our consolidated financial statements and related notes thereto appearing elsewhere in this prospectus;*
- *our manager refers to American Homes 4 Rent Advisor, LLC; and*
- *our property manager refers to American Homes 4 Rent Management Holdings, LLC, which, along with our manager, is a subsidiary of AH LLC.*

Overview

Our Company

We are a Maryland REIT focused on acquiring, renovating, leasing and operating single-family homes as rental properties. We commenced operations in November 2012 to continue the investment activities of AH LLC, which was founded by our chairman, Mr. Hughes, in 2011 to take advantage of the dislocation in the single-family home market. Mr. Hughes has over 40 years of experience in the real estate business and a successful track record as co-founder and former chairman and chief executive officer of Public Storage, a REIT listed on the NYSE. Upon consummation of the Management Internalization, we will have an integrated operating platform that consists of approximately 157 personnel dedicated to property management, marketing, leasing, financial and administrative functions. Our acquisition and renovation functions are performed by AH LLC, to whom we pay an acquisition and renovation fee.

As of April 30, 2013, we owned 9,432 single-family properties with an estimated total investment of $1,469 million and had an additional 1,416 properties in escrow that we expected to acquire, subject to customary closing conditions, for an estimated total investment of $244 million. As of April 30, 2013, we owned properties in selected sub-markets of MSAs in 19 states, and we continually evaluate potential new target markets that fit our underwriting criteria and are located where we believe we can achieve sufficient scale for internalized property management.

We intend to become a leader in the single-family home rental industry by aggregating a geographically diversified portfolio of high quality single-family homes and developing American Homes 4 Rent into a nationally recognized brand that is well-known for quality, value and tenant satisfaction and is well respected in our communities. Our objective is to generate attractive, risk-adjusted returns for our shareholders through dividends and capital appreciation. We intend to use the net proceeds of this offering to (i) continue to acquire and renovate single-family properties (including escrowed properties) in accordance with our business strategy described in this prospectus, (ii) repay indebtedness we have incurred or expect to incur under our credit facility and (iii) for general business purposes.

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Our consolidated financial statements retroactively reflect two transactions between us and AH LLC as transactions between businesses under common control. In December 2012, AH LLC contributed 367 properties to us with an agreed-upon value of $49,444,000 and made a cash investment of $556,000, in exchange for 3,300,000 Class A common shares, 667 Class B common shares, and 32,667 Class A units of our operating partnership. In February 2013, AH LLC contributed the AH LLC Portfolio to us with an agreed-upon value of $491,666,000, in exchange for 31,085,974 Series C units of our operating partnership and 634,408 of our Class B common shares. The accounts relating to the properties acquired in those transactions have been reflected retroactively at AH LLC s net book value.

AH LLC commenced acquiring these properties on June 23, 2011, and, accordingly, the statements of operations reflect activity prior to our date of formation. Our consolidated financial statements are not indicative of our past or future results and do not reflect our financial position, results of operations, changes in equity and cash flows had they been presented as if we had been operated independently during the period presented. Accordingly, this discussion of our financial statements encompasses certain aspects of the historical operations of AH LLC.

Substantially all of our operations are conducted through our operating partnership. We are the sole general partner, and, as of March 31, 2013 and December 31, 2012, we owned approximately 99.96% and 99.9%, respectively, of the Class A common units. As general partner, we have the exclusive power to manage and conduct the business of our operating partnership. AH LLC is the sole limited partner and owned approximately 0.04% and 0.1% of the Class A common units as of March 31, 2013 and December 31, 2012, respectively, and has no authority to transact business on behalf of our operating partnership or participate in management activities of our operating partnership. Class A common units may be redeemed for cash or, at our option, exchanged for our Class A common shares on a one-for-one basis.

To date, we have been advised by our manager and our properties have been managed by our property manager, both of which are subsidiaries of AH LLC. Under the terms of an advisory management agreement with our manager and a property management agreement with our property manager, AH LLC and its affiliates have provided services that are essential to us. If the Management Internalization is not completed as currently anticipated and AH LLC and its affiliates are unable to provide us with their services, we will be required to find other alternative providers for these services, the suitability and cost of which is uncertain.

We have been organized and operated in conformity with the requirements for qualification and taxation as a REIT under U.S. federal income tax laws, commencing with our taxable year ended December 31, 2012, and we expect to satisfy the requirements for qualification and taxation as a REIT under the U.S. federal income tax laws for our taxable year ending December 31, 2013, and subsequent taxable years.

Anticipated Transactions

As discussed elsewhere in this prospectus, the Company anticipates closing the below described Management Internalization and Alaska Joint Venture Acquisition transactions prior to the commencement of this offering. Our historical financial statements located elsewhere in this prospectus, which have been used as a basis for management s discussion and analysis of our financial condition and results of operations within this section, do not include the effects of the Management Internalization or the Alaska Joint Venture Acquisition. For more information regarding the pro forma effects of the Management Internalization and the Alaska Joint Venture Acquisition, see Pro Forma Condensed Consolidated Financial Information (unaudited).

Management Internalization

Prior to commencement of this offering, the Company expects to acquire our manager and property manager from AH LLC in exchange for 4,375,000 subordinated Series D units and 4,375,000 subordinated Series E units. Under terms of the Management Internalization, all administrative, financial, property management, marketing and leasing personnel, including executive management, will become fully dedicated to us. Acquisition and

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renovation personnel will remain employees of AH LLC or its affiliates for 18 months from the closing of the Management Internalization. Upon the 15-month anniversary of the closing of the Management Internalization, we will have the right to offer employment to such acquisition and renovation personnel that will commence 18 months from the closing of the Management Internalization. Until such time as we have completed our hiring of such acquisition and renovation personnel as described above, AH LLC will pay us a monthly fee of $100,000 for maintenance and use of certain intellectual property transferred to us in the Management Internalization. For more information on the Management Internalization, see Certain Relationships and Related Party Transactions Management Internalization.

The consummation of the Management Internalization will impact how transactions of a similar nature between the Company and AH LLC are recorded in the consolidated financial statements. As described in Note 8 to our consolidated financial statements included elsewhere in this prospectus, AH LLC has exercised control over the Company through the contractual rights provided to the Advisor in the advisory agreement. Accordingly, contributions of AH LLC-controlled businesses to the Company were treated as common control transactions that were recorded based on AH LLC s carrying value and retroactively reflected in the Company s historical consolidated financial statements. In connection with the Management Internalization, the advisory agreement will be terminated, and, as a result, AH LLC will no longer exercise control over us. As control of the management entities is transitory, the Management Internalization and any transactions of a similar nature in the future will be treated as business combinations in accordance with ASC 805, *Business Combinations.*

Similarly, our future results will be significantly impacted by the Management Internalization. The Company will no longer pay the advisory management fee that it has been paying to our manager and will no longer pay a property management fee to our property manager. In addition, within 18 months from the closing date of the Management Internalization, we will no longer be obligated to pay to AH LLC an acquisition fee. We believe that elimination of these fees will be offset to some extent by an increase in general and administrative expenses as we assume direct responsibility for advising the Company and managing our properties. However, we believe that, over time, the increases in general and administrative expenses will be significantly less than the reduction in the fees associated with the Management Internalization.

Alaska Joint Venture Acquisition

Prior to the commencement of this offering, the Company anticipates entering into a transaction with APFC and AH LLC to acquire a portfolio of 4,778 single-family properties for a total purchase price of $904,487,000, consisting of the issuance of 43,609,394 Class A common shares of the Company to APFC and 12,395,965 Class A units of the Company s operating partnership to AH LLC. For more information on the Alaska Joint Venture Acquisition, see Certain Relationships and Related Party Transactions Alaska Joint Venture Acquisition.

Factors That Affect Our Results of Operations and Financial Condition

Our results of operations and financial condition are affected by numerous factors, many of which are beyond our control. Key factors that impact our results of operations and financial condition include our ability to identify and acquire properties, our pace of property acquisitions, the time and cost required to remove any existing occupants and then to renovate and lease a newly acquired property at acceptable rental rates, occupancy levels, rates of tenant turnover, the length of vacancy in properties between tenant leases, our expense ratios, our ability to raise capital and our capital structure.

Property Acquisitions

We have rapidly but systematically grown our portfolio of single-family homes and intend to continue to do so. Our ability to identify and acquire single-family homes that meet our investment criteria is impacted by home prices in our target markets, the inventory of properties available for sale through our acquisition channels and competition for our target assets.

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AH LLC s acquisition and renovation platform, together with the breadth and depth of our executive team has provided processes and systems to accumulate and regularly evaluate relevant data on a real-time basis to track and manage key aspects of our business, such as acquisition costs, renovation costs and the amount of time required to convert an acquired single-family home to a rental property. See Our Business and Properties Our Business and Growth Strategies.

Property Operations

Once a home is acquired, if it is not occupied, we access, renovate, market and lease the property. The acquisition of properties involves capital expenditures in addition to payment of the purchase price, including payments for acquisition fees, property inspections, closing costs, title insurance, transfer taxes, recording fees, broker commissions, property taxes and HOA fees (when applicable). In addition, we typically incur between $5,000 and $20,000 to renovate a home to prepare it for rental. Renovation work varies, but may include paint, flooring, carpeting, cabinetry, appliances, plumbing hardware and other items required to prepare the home for rental. The time and cost involved in accessing our homes and preparing them for rental can significantly impact our financial performance. The time to renovate a newly acquired property can vary significantly among properties for several reasons, including the property s acquisition channel, the age and condition of the property and whether the property was vacant when acquired. Our operating results also are impacted by the amount of time it takes to market and lease a property, as well as the length of stay by our tenants. The period of time to market and lease a property can vary greatly and is impacted by local demand, our marketing techniques and the size of our available inventory. We actively monitor these measures and trends.

Revenue

Our revenue is derived primarily from rents collected under lease agreements related to our single-family properties. These include short-term leases that we enter into directly with our tenants, which typically have a term of six months to two years. Our rental revenue was approximately $6,644,000 and $96,000 for the three months ended March 31, 2013 and 2012, respectively, and $4,540,000 and $65,000 for the year ended December 31, 2012 and the period from June 23, 2011 (inception) through December 31, 2011, respectively. The most important drivers of revenue, aside from the overall growth of our portfolio, are rental rates and occupancy levels. Our rental rates and occupancy levels are affected by macroeconomic factors and local and property-level factors, including market conditions, seasonality and tenant defaults, and the amount of time it takes to renovate and re-lease properties when tenants vacate. We generally do not offer free rent or other concessions in connection with leasing our properties. For a more detailed discussion of important factors that impact our revenue, see Our Business and Properties.

The growth of our portfolio has been significant in recent months, as we have increased the rate at which we acquire properties. To fuel our acquisition pipeline, we continue to broaden our targeted markets, and are now currently active in 40 markets in 19 states.

We expect that the occupancy of our portfolio will increase as the proportion of recently acquired properties declines relative to the size of our entire portfolio. Nevertheless, in the near term, our ability to drive revenue growth will depend in large part on our ability to efficiently renovate and lease newly acquired properties, maintain occupancy in the rest of our portfolio and acquire additional properties, both leased and vacant. For more information on our leasing performance, properties under renovation, rent-ready occupancy and average scheduled monthly rents for leased properties, see the table entitled Our Leasing Performance in the prospectus summary.

Expenses

We monitor the following categories of expenses that we believe most significantly affect our results of operations.

Property Expenses

Once a property is available for lease, which we refer to as rent-ready, we incur ongoing property-related expenses, primarily marketing expenses, HOA fees (when applicable), property taxes and insurance, which may not be subject to our control.

Property Management

Historically, our property manager has provided all property management functions for our properties. These functions included overseeing and directing the leasing, management and advertising of our single-family properties, including collecting rents and interacting with our tenants. We paid our property manager a fee equal to 6% of collected rents and a leasing fee equal to one-half of the monthly rent for a twelve-month term (prorated for the actual term of the lease) upon execution of each lease and renewal. Such fees have been reflected in our consolidated statements of operations. In addition to these fees, we also were responsible for all direct property expenses. Upon completion of the anticipated Management Internalization, we expect our operating partnership to acquire our property manager and that we will assume the responsibility to perform these functions internally. Following the Management Internalization, we will incur costs such as salary expenses for property management personnel, lease expenses for property management offices and technology expenses for maintaining the property management platform. Property management and leasing fees will be discontinued.

Overhead

In our consolidated statements of operations appearing elsewhere in this prospectus, advisory fees payable to our manager have been reflected as an expense. General and administrative expenses includes costs directly incurred by us during the periods presented and primarily consists of audit and tax fees, trustees fees and trustee and officers insurance costs. It also includes allocated general and administrative expenses incurred by AH LLC that are either clearly applicable to or have been reasonably allocated to the operations of the properties contributed by AH LLC in connection with our initial private placement and the AH LLC Portfolio.

Following the Management Internalization, we will incur significant general and administrative expenses, including those related to our internal management platform. In the near term, as our business grows, and as a result of the Management Internalization, we expect to hire additional personnel, which will increase our general and administrative expenses. In addition, we will incur additional costs related to operating as a public company due to increased legal, insurance, accounting and other expenses related to corporate governance, SEC reporting and other compliance matters. Over time as our portfolio grows, we expect these costs to decline as a percentage of revenue.

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Results of Operations

Property Operations

Three months ended March 31, 2013 and 2012

As of March 31, 2013 and 2012, we owned 7,574 and 158 single-family properties (including contributed properties), respectively, 31% and 25% of which were leased, respectively, generating rental revenue of approximately $6,644,000 and $96,000, respectively. As of March 31, 2013 and 2012, 51% and 66% of our properties were in the process of being renovated, respectively, and 18% and 9% of our properties had been renovated and were rent-ready, respectively. The following is a summary of property operations by category:

	Three Months Ended March 31, 2013		
	Vacant Properties (Renovated and Not Leased)	Leased Properties	Total
	(in thousands, except for number of properties)		
Property revenues	$	$ 6,644	$ 6,644
Property operating expense	1,729	2,566	4,295
Net property operating income (loss)	$ (1,729)	$ 4,078	$ 2,349
Number of properties at March 31, 2013	1,356	2,338	3,694

	Three Months Ended March 31, 2012		
	Vacant Properties (Renovated and Not Leased)	Leased Properties	Total
	(in thousands, except for number of properties)		
Property revenues	$	$ 96	$ 96
Property operating expense	22	43	65
Net property operating income (loss)	$ (22)	$ 53	$ 31
Number of properties at March 31, 2012	15	39	54

During the three months ended March 31, 2013 and 2012, our property manager earned an aggregate property management fee of $203,000 and $0, respectively, which has been included in property operating expenses in the condensed consolidated statements of operations. During the three months ended March 31, 2013 and 2012, our property manager earned aggregate leasing fees of $427,000 and $0, respectively, which have been included in other assets and are being amortized over the terms of the respective lease agreements. Upon completion of the anticipated Management Internalization, we will no longer pay property management fees.

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Year Ended December 31, 2012 and Period From June 23, 2011 to December 31, 2011

As of December 31, 2012 and 2011, we owned 3,644 and 33 single-family properties (including contributed properties), respectively, 32% and 58% of which were leased, respectively, generating rental revenue of approximately $4,540,000 and $65,000, respectively. As of December 31, 2012 and 2011, 51% and 36% of our properties were in the process of being renovated, respectively, and 17% and 6% of our properties had been renovated and were rent-ready, respectively. The following is a summary of property operations by category:

	Year Ended December 31, 2012		
	Vacant Properties (Renovated and Not Leased)	Leased Properties	Total
	(in thousands, except for number of properties)		
Property revenues	$	$ 4,540	$ 4,540
Property operating expense	1,846	1,744	3,590
Net property operating income (loss)	$ (1,846)	$ 2,796	$ 950
Number of properties at December 31, 2012	623	1,164	1,787

	Period From June 23, 2011 to December 31, 2011		
	Vacant Properties (Renovated and Not Leased)	Leased Properties	Total
	(in thousands, except for number of properties)		
Property revenues	$	$ 65	$ 65
Property operating expense	12	27	39
Net property operating income (loss)	$ (12)	$ 38	$ 26
Number of properties at December 31, 2011	2	19	21

In 2012, our property manager earned an aggregate property management fee of $12,000 and an additional $55,000 in leasing fees. Property management fees are recognized in property operating expenses in the consolidated statements of operations and leasing fees are included in other assets and are amortized over the terms of the respective lease agreements. Upon completion of the anticipated Management Internalization, we will no longer pay property management fees.

General and Administrative Expense

General and administrative expense consists of trustees and officers insurance expenses, audit fees, trustee fees and other expenses associated with our operations. General and administrative expense for the three months ended March 31, 2013 and the year ended December 31, 2012 was $632,000 and $250,000, respectively. General and administrative expense also includes allocated general and administrative expenses incurred by AH LLC that are either clearly applicable to or reasonably allocated to the operations of the properties contributed by AH LLC in connection with our initial private placement and our acquisition of the AH LLC Portfolio. Allocated general and administrative expenses for the three months ended March 31, 2013 and 2012 were $993,000 and $170,000, respectively. Allocated general and administrative expenses were $6,949,000, and $47,000 for the year ended December 31, 2012 and for the period from June 23, 2011 (inception) to December 31, 2011, respectively. Allocated general and administrative expenses include salaries, rent, consulting services, travel expenses, temporary services and accounting and legal services.

Noncash Share-Based Compensation Expense

Noncash share-based compensation expense was $174,000 and $70,000 for the three months ended March 31, 2013 and for the year ended December 31, 2012, respectively, and relates to options to purchase Class A common shares issued to our trustees and certain officers and directors of AH LLC and our property manager.

Acquisition Fees and Costs Expensed

Acquisition fees and costs expensed are incurred in connection with the acquisition of properties with existing leases (including AH LLC s acquisition and renovation fee equal to 5% of the actual purchase price and renovation costs of a property). For properties that are leased at the time of acquisition, these costs are expensed, rather than capitalized as a component of the acquisition cost. For the three months ended March 31, 2013, acquisition fees and costs expensed include $994,000 of acquisition fees associated with single-family properties acquired with in-place leases and $396,000 of costs to transfer title to us for single-family properties we acquired from AH LLC. No acquisition fees or costs were expensed during the three months ended March 31, 2012. For the year ended December 31, 2012 and the period from June 23, 2011 (inception) through December 31, 2011, acquisition fees and costs expensed include $414,000 and $0 of acquisition fees associated with single-family properties acquired with in-place leases, respectively, and $455,000 and $0 of costs to transfer title to us for single-family properties we acquired from AH LLC, respectively. Upon completion of the anticipated Management Internalization, we will continue to pay AH LLC s acquisition and renovation fee for a period of 18 months from the closing of the Management Internalization. Additionally, after 15 months from the closing of the Management Internalization, we will have the right to offer employment to all of AH LLC s acquisition and renovation personnel that will commence 18 months from the closing of the Management Internalization.

Advisory Fees

Advisory fees represent fees payable to our manager pursuant to the terms of an advisory management agreement. Under the terms of this agreement, our manager has responsibility for designing and implementing our business strategy and administrating our business activities and day-to-day operations, subject to oversight by our board of trustees. Our manager also is responsible for conducting our acquisition activities and performing all of our ongoing administrative functions. The advisory fee is calculated as 1.75% per year of a defined shareholders equity calculated and paid quarterly in arrears. Concurrently with our acquisition of the AH LLC Portfolio on February 28, 2013, our manager agreed to a permanent reduction in the advisory fee of $9,800,000 per year. Upon completion of the anticipated Management Internalization, we expect that the advisory agreement will be terminated and that we will no longer pay the corresponding advisory fee.

Depreciation and Amortization

Depreciation and amortization expense consists primarily of depreciation of buildings. Depreciation of our assets is calculated over their useful lives, which is calculated on a straight-line basis over 5 to 30 years. Depreciation expense was $2,905,000 and $25,000 for the three months ended March 31, 2013 and 2012, respectively, and $2,111,000 and $21,000 for the year ended December 31, 2012 and for the period from June 23, 2011 (inception) to December 31, 2011, respectively.

Cash Flows

Our cash flows from (or used in) operating activities primarily depends on numerous factors, including the occupancy level of our properties, the rental rates achieved on our leases, the collection of rent from our tenants and the level of property operating expenses, advisory fee and general and administrative expenses. Net cash provided by operating activities was $5,379,000 for the three months ended March 31, 2013 and net cash used in operating activities was $139,000 for the three months ended March 31, 2012. For the year ended December 31, 2012 and from June 23, 2011 (inception) to December 31, 2011, net cash used in operating activities was $6,549,000 and $21,000, respectively. Before any property we own begins generating revenue, we take possession of, renovate, market and lease the property.

Our net cash used in investing activities primarily consists of the acquisition cost of properties (including acquisition fees paid to our property manager) and costs of renovating our properties. For the three months ended March 31, 2013 and for the year ended December 31, 2012, net cash used in investing activities was $586,345,000 and $97,470,000, respectively.

Our net cash provided by financing activities for the three months ended March 31, 2013 and for the year ended December 31, 2012 primarily consists of $703,497,000 from the issuance of our Class A common shares sold in our March 2013 private placement and $494,839,000 from the issuance of our Class A common shares sold in our November 2012 private placement, respectively. Net cash provided by financing activities was $703,178,000 and $139,000 for the three months ended March 31, 2013 and 2012, respectively, and $501,217,000 and $21,000 for the year ended December 31, 2012 and for the period from June 23, 2011 (inception) to December 31, 2011.

Critical Accounting Policies and Estimates

Our discussion and analysis of our historical financial condition and results of operations is based upon our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America, or GAAP. The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could ultimately differ from those estimates. For a discussion of recently-issued and adopted accounting standards, see Notes to Unaudited Condensed Consolidated Financial Statements, Note 2 Significant accounting policies and Notes to Consolidated Financial Statements, Note 2 Significant accounting policies.

Investment in Real Estate

Single-family properties acquired but not subject to an existing lease are treated as asset acquisitions, and as such are recorded at their purchase price including acquisition fees, allocated between land, building and improvements based upon their relative fair values at the date of acquisition. Transactions in which single-family properties acquired with an existing lease are recorded as business combinations under the guidance of ASC, 805, *Business Combinations*, and as such are recorded at fair value (approximated by the purchase price), allocated to land, building and the existing lease based upon their relative fair values at the date of acquisition, with acquisition fees and other costs expensed as incurred. The cost of single-family properties is allocated between land and building based upon their relative fair values at the date of acquisition. Fair value is determined based on ASC 820, *Fair Value Measurements and Disclosures*, primarily based on unobservable data inputs. In making estimates of fair values for purposes of allocating purchase price, we utilize our own market knowledge and published market data. In this regard, we also utilize information obtained from county tax assessment records to assist in the determination of the fair value of the land and building. Single-family properties contributed by AH LLC are deemed to be transactions under common control. Accordingly, the assets and liabilities (if any) of the properties we have acquired from AH LLC are recorded by us at AH LLC s net book value.

For single-family properties acquired with in-place leases, the estimated fair value of acquired in-place leases are the estimated costs we would have incurred to lease the property under similar terms. Such cost is amortized over the remaining life of the lease. For these properties, acquisition fees are expensed as incurred and are included in acquisition fees and costs expensed in our consolidated statements of operations.

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The nature of our business requires that in certain circumstances we acquire single-family properties subject to existing liens. Liens that we expect to be extinguished in cash are estimated and accrued on the date of acquisition and recorded as a cost of the property.

We incur costs to prepare our acquired properties to be rented. These costs, along with related holding costs during the period of renovation, are capitalized to the cost of the building. Upon completion of the renovation of our properties, all costs of operations, including repairs and maintenance, are expensed as incurred.

Impairment of Long-Lived Assets

We evaluate our long-lived assets for impairment periodically or whenever events or circumstances indicate that their carrying amount may not be recoverable. Significant indicators of impairment may include, but are not limited to, declines in home values, rental rates and occupancy percentages and significant changes in the economy. If an impairment indicator exists, we compare the expected future undiscounted cash flows against its net carrying amount. If the sum of the estimated undiscounted cash flows is less than the net carrying amount, we would record an impairment loss for the difference between the estimated fair value of the individual property and the carrying amount of the property at that date. No impairments were recorded during the period from June 23, 2011 (inception) through March 31, 2013.

Leasing Costs

Direct and incremental costs that we incur to lease the properties are capitalized and amortized over the term of the leases, which generally have a term of six months to two years. Under the property management agreement, we paid our property manager a leasing fee equal to one-half of each lease s monthly rent.

Depreciation and Amortization

Depreciation is computed on a straight-line basis over the estimated useful lives of the buildings and improvements; buildings are depreciated on a straight-line basis over 30 years, and improvements are generally depreciated over five years. We consider the value of in-place leases in the allocation of the purchase price, and the amortization period reflects the remaining terms of the leases. The unamortized portion of in-place leases is included in other assets.

Cash and Cash Equivalents

We consider all demand deposits, cashier s checks, money market accounts and certificates of deposit with a maturity of three months or less to be cash equivalents. We maintain our cash and cash equivalents and escrow deposits at financial institutions. The combined account balances typically exceed the FDIC insurance coverage, and, as a result, there is a concentration of credit risk related to amounts on deposit. We believe that the risk is not significant.

Allowance for Doubtful Accounts

We maintain an allowance for doubtful accounts for estimated losses that may result from the inability of tenants or borrowers to make required rent or other payments. This allowance is estimated based on payment history and current credit status. As of March 31, 2013 and December 31, 2012, we had recorded no allowance for doubtful accounts.

Rescinded Properties

In certain jurisdictions, our purchases of single-family properties at foreclosure and judicial auctions are subject to the right of rescission. When we are notified of a rescission, the amount of the purchase price is

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reclassified as a receivable. As of March 31, 2013 and December 31, 2012, rescission receivables totaled $425,000 and $1,612,000, respectively.

Escrow Deposits

Escrow deposits include refundable and non-refundable cash earnest money deposits for the purchase of properties of $9,604,000 and $2,162,000, as of March 31, 2013 and December 31, 2012, respectively. In addition, as of March 31, 2013 and December 31, 2012, escrow deposits include $13,019,000 and $8,806,000, respectively, in amounts paid for single-family properties in certain states that require a judicial order when the risk and rewards of ownership of the property are transferred and the purchase is finalized.

Revenue and Expense Recognition

We lease single-family properties that we own directly to tenants who occupy the properties under operating leases, generally, with terms of six months to two years. Rental revenue, net of any concessions, is recognized on a straight-line basis over the term of the lease, which is not materially different than if it were recorded when due from tenants and recognized monthly as it is earned. We estimate losses that may result from the inability of our tenants to make rental payments required under the terms of the lease. As of March 31, 2013 and December 31, 2012, we had no allowances for such losses.

We accrue for property taxes and HOA assessments based on amounts billed, and, in some circumstances, estimates and historical trends when bills or assessments are not available. If these estimates are not correct, the timing and amount of expenses recorded could be incorrect.

Accrued and Other Liabilities

Accrued and other liabilities consist primarily of trade payables, HOA fees, property tax accruals and accrued fees that are payable to our manager and our property manager as of the end of the respective period presented. It also consists of contingent loss accruals, if any. Such losses are accrued when they are probable and estimable. When it is reasonably possible that a significant contingent loss has occurred, we disclose the nature of the potential loss and, if estimable, a range of exposure.

Income Taxes

We intend to elect to be taxed as a REIT under Sections 856 to 860 of the Code, commencing with our taxable year ended December 31, 2012. We believe that we have operated in such a manner as to satisfy the requirements for qualification as a REIT. Accordingly, we will not be subject to federal income tax, provided that we qualify as a REIT and our distributions to our shareholders equal or exceed our REIT taxable income.

However, qualification and taxation as a REIT depend upon our ability to meet the various qualification tests imposed under the Code related to the percentage of income that we earn from specified sources, the percentage of our assets that fall within specified categories, the diversity of our equity share ownership, and the percentage of our earnings that we distribute. Accordingly, no assurance can be given that we will be organized or be able to operate in a manner so as to qualify or remain qualified as a REIT. If we fail to qualify as a REIT in any taxable year, we will be subject to federal and state income tax (including any applicable alternative minimum tax) on our taxable income at regular corporate tax rates, and we may be ineligible to qualify as a REIT for four subsequent tax years. Even if we qualify as a REIT, we may be subject to certain state or local income taxes, and our TRS will be subject to federal, state and local taxes on its income.

Share-based Compensation

Our 2012 Incentive Plan is accounted for under the provisions of ASC 718, *Compensation Stock Compensation*, and ASC 505-50, *Equity-Based Payments to Non-Employees*. Noncash share-based compensation expense related to options to purchase our Class A common shares issued to trustees is based on the fair value of the options on the grant date and amortized over the service period. Noncash share-based compensation expense related to options granted to employees of our property manager and manager who were considered non-employees is based on the estimated fair value of the options and is re-measured each period until the earlier of the performance commitment date or the performance completion date. See Notes to Consolidated Financial Statements, Note 7 Shareholders equity. These options are recognized in expense over the service period.

Fair Value of Financial Instruments

The fair value of a financial instrument is the amount at which the instrument could be exchanged in an orderly transaction between two willing parties. The carrying amount of rents and other receivables, escrow deposits, prepaid expenses, accounts payable and accrued expenses and amounts payable to affiliates approximate fair value because of the short maturity of these amounts.

Emerging Growth Company Status

We are an emerging growth company, as defined in the JOBS Act, and we are eligible to take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies. These exemptions provide that, so long as a company qualifies as an emerging growth company, it will, among other things:

- be exempt from the say on pay provisions (requiring a non-binding shareholder vote to approve compensation of certain executive officers) and the say on golden parachute provisions (requiring a non-binding shareholder vote to approve golden parachute arrangements for certain executive officers in connection with mergers and certain other business combinations) of the Dodd-Frank Act and certain disclosure requirements of the Dodd-Frank Act relating to compensation of its chief executive officer;

- be permitted to omit the detailed compensation discussion and analysis from proxy statements and reports filed under the Exchange Act and instead provide a reduced level of disclosure concerning executive compensation; and

- be exempt from any rules that may be adopted by the PCAOB requiring mandatory audit firm rotation or a supplement to the auditor s report on the financial statements.

Although we are still evaluating the JOBS Act, we currently may take advantage of some or all of the reduced regulatory and reporting requirements that will be available to us so long as we qualify as an emerging growth company, except that we have irrevocably elected not to take advantage of the extension of time to comply with new or revised financial accounting standards available under Section 102(b) of the JOBS Act.

We could remain as an emerging growth company for up to five years, or until the earliest of:

- the last day of the first fiscal year in which our annual gross revenues exceed $1.0 billion;

- the date that we become a large accelerated filer as defined in Rule 12b-2 under the Securities Exchange Act of 1934, which would occur if the market value of our Class A common shares that are held by non-affiliates exceeds $700 million as of the last business day of our most recently completed second fiscal quarter, or

- the date on which we have issued more than $1.0 billion in non-convertible debt during the preceding three-year period.

Liquidity and Capital Resources

Our liquidity and capital resources as of March 31, 2013 and December 31, 2012 included cash and cash equivalents of $519,410,000 and $397,198,000, respectively. Additionally, as of March 31, 2013, we had access to a credit facility and a bridge loan (see Credit Facility and

Bridge Loan below).

Liquidity is a measure of our ability to meet potential cash requirements, maintain our assets, fund our operations, make distributions to our shareholders and meet other general requirements of our business. Our liquidity, to a certain extent, is subject to general economic, financial, competitive and other factors beyond our control. Our near-term liquidity requirements consist primarily of acquiring properties in our target markets, renovating newly-acquired rental properties, and funding our operations. Our long-term liquidity requirements consist primarily of funds necessary to pay for the acquisition, restoration and maintenance of our properties, HOA fees (as applicable), real estate taxes, non-recurring capital expenditures, interest and principal payments on our indebtedness, payment of distributions to our shareholders and general and administrative expenses.

The nature of our business, our growth plans and the requirement that we distribute at least 90% of our REIT taxable income may cause us to have substantial liquidity needs over the long term, although we have not had any taxable income to date. We will seek to satisfy our long-term liquidity needs through cash provided by operations, long-term secured and unsecured borrowings, the issuance of debt and equity securities (including OP units), property dispositions and joint venture transactions. We have financed our operations and acquisitions to date through the issuance of equity securities. Going forward, we expect to meet our operating liquidity requirements generally through cash on hand and cash provided by operations. We believe our rental income net of operating expenses will generally provide cash flow sufficient to fund our operations and dividend distributions. However, our properties are not fully stabilized. In addition, our real estate assets are illiquid in nature. A timely liquidation of assets might not be a viable source of short-term liquidity should a cash flow shortfall arise, and we may need to source liquidity from other financing alternatives.

To date, we have not declared any dividends. To qualify as a REIT, we are required to distribute annually at least 90% of our REIT taxable income, without regard to the deduction for dividends paid and excluding net capital gains, and to pay tax at regular corporate rates to the extent that we annually distribute less than 100% of our net taxable income. We intend to pay quarterly dividends to our shareholders, which in the aggregate approximately equal our net taxable income in the relevant year. The commencement and amount of future dividends cannot be determined at this time.

Credit Facility

On March 7, 2013, we entered into a $500 million senior secured revolving credit facility with Wells Fargo. The amount that may be borrowed under our credit facility will generally be based on the borrowing base. In addition, our credit facility has an accordion feature that allows us to increase the total amount of our credit facility from $500 million up to $1 billion, subject to obtaining lender commitments and satisfying customary closing conditions. Borrowings under our credit facility are available for a period of two years following the closing of our credit facility, which period may be extended for an additional year, subject to the satisfaction of certain financial covenant tests. Our credit facility will mature one year after the expiration of such period. Our credit facility bears interest at 30 day LIBOR plus 2.75%. As of March 31, 2013, there were no borrowings outstanding under our credit facility. Our credit facility contains financial and operating covenants, such as debt ratios, minimum liquidity and adjusted tangible net worth tests and other limitations that may restrict our ability to make distributions or other payments to our shareholders and may restrict our investment activities. Among others, our credit facility requires that we maintain financial covenants relating to the following matters: (i) cash and cash equivalents in an aggregate amount of at least $7.5 million; (ii) a maximum leverage ratio of 1.5 to 1; and (iii) adjusted tangible net worth being not less than $500 million. As of May 31, 2013, we had borrowed $270 million under our credit facility.

Bridge Loan

In February 2013, we entered into a $250 million bridge loan with Wells Fargo. The bridge loan is guaranteed by Tamara Hughes Gustavson, the daughter of Mr. Hughes, the chairman of our board of trustees.

Ms. Gustavson received no payment or other forms of compensation from us in connection with the guarantee. We borrowed $115 million under this bridge loan through March 14, 2013, and on March 14, 2013, we repaid the bridge loan with the proceeds from the March 2013 private placement.

Other Transactions with AH LLC and its Affiliates

December 2012 Acquisition of Properties Owned by AH LLC

In connection with our November 2012 private placement, on December 31, 2012, AH LLC contributed 367 single-family properties with an agreed-upon value of approximately $49.4 million and made a cash investment of approximately $0.6 million. In connection with this acquisition, AH LLC received 3,300,000 of our Class A common shares, 667 of our Class B common shares and 32,667 Class A units. The agreed-upon value of this contribution was $50.0 million, with the value of the single-family properties contributed based on their purchase price together with renovation costs, holding costs and transfer costs incurred by AH LLC, and a 5% acquisition fee to AH LLC. Because the transaction has been deemed to be between entities under common control under the provisions of ASC 805 *Business Combinations* , the single-family properties acquired have been recorded at AH LLC s net carrying cost of approximately $46.7 million as of the date of the acquisition, without consideration of the acquisition fees which were expensed. Costs to transfer title to the properties of approximately $0.5 million to us have been expensed and are included in acquisition fees and costs expensed in our consolidated statements of operations.

Acquisition of the AH LLC Portfolio

On February 28, 2013, pursuant to a contribution agreement with AH LLC, we acquired the AH LLC Portfolio with an agreed-upon value of approximately $491.7 million in exchange for 31,085,974 Series C units and 634,408 Class B common shares, in each case based on a price per unit or share of $15.50. Because the transaction is also considered to be between businesses under common control, the accounts relating to the properties acquired have been reflected retroactively in our consolidated financial statements based on the results of operations and net book value recorded by AH LLC. Holders of the Series C units are entitled to distributions equal to actual net cash flow of the properties in the AH LLC Portfolio up to a maximum of 3.9% per unit per annum based on a price per unit of $15.50. Pursuant to the contribution agreement, AH LLC is responsible for all costs to transfer the properties and for paying costs associated with the completion of initial renovation of the properties after we acquire them. Concurrently with this transaction, our manager agreed to a permanent reduction in the advisory management fee of $9,800,000 per year in connection with the increased shareholder s equity.

Holders of the Series C units have a one-time right to convert all such units into Class A common units. If on the date of conversion, the contributed properties are not initially leased for at least 98% of the scheduled rents (determined on an aggregate basis), the Series C units with respect to the single-family properties leased for at least 98% of the scheduled rents (determined on an aggregate basis) will convert into Class A units on a one for one basis, and the Series C units associated with the remaining single-family properties will convert into a number of Class A units determined by dividing AH LLC s aggregate cost of the properties (including the acquisition fees) by $15.50, with proportionate reductions in Class B shares. As of May 20, 2013, approximately 71% of the contributed properties have been leased, with initial rents under such leases exceeding 99% of scheduled rents.

Off-Balance Sheet Arrangements

We have no obligations, assets or liabilities that would be considered off-balance sheet arrangements. We have not participated in transactions that create relationships with unconsolidated entities or financial partnerships, often referred to as variable interest entities, which would have been established for the purpose of facilitating off-balance sheet arrangements.

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Contractual Obligations

In connection with the renovation of single-family properties after they are purchased, we enter into contracts for necessary improvements. As of March 31, 2013 and December 31, 2012, we had aggregate outstanding commitments of $5,944,000 and $1,694,000, respectively, in connection with these contracts. As of March 31, 2013 and December 31, 2012, we had commitments to acquire 768 and 462 single-family properties, respectively, with an aggregate purchase price of approximately $115,260,000 and $70,082,000, respectively. It is likely that some of these properties will not be acquired for various reasons.

Quantitative and Qualitative Disclosures about Market Risk

Our future income, cash flows and fair values relevant to financial instruments are dependent upon prevalent market interest rates. Market risk refers to the risk of loss from adverse changes in market prices and interest rates. We may in the future use derivative financial instruments to manage, or hedge, interest rate risks related to any borrowings we may have. We expect to enter into such contracts only with major financial institutions based on their credit ratings and other factors. We do not currently have any market risk sensitive instruments.

INDUSTRY OVERVIEW AND MARKET OPPORTUNITY

Unless otherwise indicated, all information in this Industry Overview and Market Opportunity section is derived from a market study prepared for us in connection with this offering by John Burns Real Estate Consulting, LLC, or JBREC, a real estate consulting firm. You should read the following discussion together with the information under the caption Risk Factors.

Industry Overview

Residential housing is the largest real estate asset class in the United States with a size of approximately $17.7 trillion, according to the 2012 fourth quarter Federal Reserve Flow of Funds release. Historically, according to the U.S. Census Bureau, approximately one-third of this asset class has been rented and single-family homes currently comprise roughly one-third of all residential rental housing.

The following chart provides information about the inventory of U.S. housing as of May 2013 by unit.

U.S. Housing Inventory

Source: JBREC, May 2013.

Market Opportunity

While a large and growing asset class, single-family rental properties have historically been managed by relatively small-scale, mom and pop owner-operators or by a limited number of local and regional property

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management organizations. More recently, the ownership profile of single-family rental properties has shifted to larger investors and national owner-operators, including American Homes 4 Rent, seeking to efficiently acquire large numbers of homes at distressed values, generate attractive rental cash flow streams and benefit from any potential home price appreciation.

After nearly a decade of solid home price appreciation from 1998 to 2006, which we believe in many markets was in excess of underlying fundamentals, a significant over-correction has occurred in the pricing of the single-family housing sector. Home prices declined approximately 35% in some of the largest U.S. housing markets (as measured by the not-seasonally adjusted CoreLogic/Case-Shiller Composite 20 Home Price Index from its peak on July 1, 2006 to its trough on March 1, 2012). While prices have begun to recover, with a 5% recovery of the 30% peak to trough correction nationally per JBREC s Burns Home Value Index, we believe that a substantial number of non-performing loans will need to be resolved over the next five years, including through foreclosure, short sale or conversion through a bank deed-for-lease program. As a result, we believe there may be the opportunity for experienced and well-capitalized operators to acquire large volumes of single-family rental homes at attractive pricing.

While single-family prices are in the early stages of recovery, multi-family prices have been improving during the last two years and have returned to levels on par with early 2006, as measured by the NCREIF Index, published by the National Council for Real Estate Investment Fiduciaries.

Due to significant distress in the housing market and additional macroeconomic factors, demand for rental housing has been increasing at a strong rate. The rentership rate, which is the inverse of the homeownership rate, reached 35% in the first quarter of 2013 and the highest level since 1995. The ability to acquire single-family homes at favorable prices, combined with improving housing demand characteristics, may offer a significant opportunity to those with a scalable real estate management and acquisitions platform and access to capital.

We believe the return profile, from rental yields and potential for future home price appreciation, is significant enough to encourage investment in the systems, structures and technologies that can make possible economies of scale, resulting in an opportunity for broader industry consolidation by larger and better-capitalized investors that are introducing a higher standard of institutional management to this asset class.

Supply of Single-Family Housing

Following the eight-year period of solid price appreciation that ended in late 2006, home prices fell precipitously. From the peak in the third quarter of 2006 through the trough in the third quarter of 2011, the aggregate value of real estate owned by U.S. households declined by approximately $6.4 trillion or 28.6% (per the Federal Reserve Flow of Funds), an extraordinary reduction of value in the housing sector. This sudden decrease in home values has contributed to approximately 11.2 million home borrowers with negative equity or in some stage of delinquency as of the first quarter of 2013, according to JBREC.

Foreclosure-related activity peaked in 2009 and has since begun to decline, but is still substantially above historical averages. From September 2008 through December 2012, there were approximately 4.1 million completed loan foreclosures (according to CoreLogic). While an unprecedented number of foreclosures have occurred, a large number of delinquent loans remain outstanding. As of the first quarter of 2013, approximately 10.3% of all mortgage loans (measured by loan count based on Mortgage Bankers Association data) in the nation are in some level of non-performance.

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Non-Performing Single-Family Residential Mortgage Loans

(as of March 2013)

(Total Non-Performing Loans: 4.2 million)

Source: MBA Mortgage Bankers Association 1st Quarter 2013 National Delinquency Survey.

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The chart below illustrates the increase in the level of delinquency to relatively high levels. According to Mortgage Bankers Association data, a total of 4.7 million single-family residential mortgage loans are currently non-performing.

U.S. Single-Family Residential Mortgage Delinquency and Foreclosure Units

(Q4 1990 Q1 2013)

Source: MBA Mortgage Bankers Association 1st Quarter 2013 National Delinquency Survey.

Note: 2013 is as of Q1 2013.

Over the next five years, a substantial number of non-performing loans will need to be resolved, including through foreclosure, short sale or conversion through a bank deed-for-lease program. At the current rate of delinquency and non-performance, it appears that over 4.2 million homeowners in the United States will be affected. Even if fewer than half of the delinquent or non-performing loans proceed through the foreclosure process or are sold through the short sale process, the supply of inventory available for acquisition could be large.

Rental Market Demand Overview

Over the past two years, the U.S. rental housing market has begun a sustained recovery. In many markets, rental vacancies have fallen and rents have risen, even in areas hardest hit during the housing and economic downturn.

In addition to a growing trend of a mobile workforce, America is undergoing a shift in demographics. Core baby boomer households are becoming empty nesters, and the number of 20- to 34-year-olds is growing at an accelerated pace, as members of Generation Y come of home buying age. In the context of high unemployment, labor insecurity and a desire to maintain mobility, Generation Y, defined as those born between 1980 and 1999, numbers more than 80 million members, and is likely to show a higher tendency to rent rather than own their homes. Additionally, the rising cost of college education and the corresponding burden of student loans leave many young people deep in debt and less willing or able to take on mortgage debt.

The chart below illustrates the strength of the overall rental market (including both single-family and multi-family rental housing), which has seen increases in occupancy and rental rates (despite the macroeconomic headwinds that the United States economy has been facing). According to the U.S. Census Bureau, out of the total 78 million family households in the United States, 32 million have two members, and are more likely candidates for multi-family rentals, whereas 46 million have three or more members, and are more likely candidates for single-family rentals.

Single-Family and Multi-Family Rental Occupancy and Rental Rate

(as of December 31, 2011, most recent)

Source: U.S. Census Bureau, 2005-2011 American Community Surveys

Single-Family Rental Demand

Many homeowners who have been displaced by the housing bubble are looking to live in a home with similar characteristics and amenities to their former home and, for this population, single-family rentals may present the best available option. In the wake of the worst housing downturn in history, renting has, in many cases, become more compelling for consumers, and, with the growth of the single-family rental market, these consumers are now offered alternative rental options.

While multi-family and single-family housing seem to be natural competitors in the rental sector, each generally appeals to a different type of tenant. The two rental markets are largely segmented by lifecycle. Singles, couples without children, people with roommates, newly divorced individuals and empty nesters dominate the multi-family market, because they have smaller space needs, less demand for associated acreage and generally prefer denser, transit-centric submarkets. On the other hand, the single-family market (both owner-occupied and tenant-occupied) serves larger households that are primarily families with children, whose preferences tend to focus on the need for additional space, quality of schools and neighborhood safety.

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Within the broader rental market, the single-family rental segment has continued to grow its relative market share compared to other types of rental housing.

Relative Size of the Single-Family Rental Market

(as of December 31, 2011, most recent)

Source: U.S. Census Bureau, 2005-2011 American Community Survey

Two of the primary factors driving the increase in demand for single-family rental properties are constraints on home mortgage financing and the displacement of homeowners.

Constraints on Home Mortgage Financing.

Even with the increased affordability of homes, many would-be home buyers including some with no history of foreclosure are finding it difficult to qualify for a mortgage. Lenders have reverted to more stringent underwriting standards (such as limitations on aggregate indebtedness and restrictions on the percentage of income allocable to mortgage payments) and require larger down payments, which together have made it difficult for many potential home buyers to obtain mortgage financing.

Displaced Owners Forced to Rent

In some cases, the shift from owning to renting is a function of foreclosure, short sales, or other adverse credit or economic events. A home foreclosure, for example, can have a significant adverse effect on credit status and can limit the ability to obtain mortgage debt to finance future homeownership for up to seven years. Distressed owners are effectively converted to renters, many of whom prefer to live in a single-family unit, which has characteristics and amenities similar to their former homes, as opposed to an apartment. Families renting single-family homes may be able to keep their children enrolled in the schools they are accustomed to, and in proximity to friends and sports or recreational programs. In addition, single-family homes are frequently located in stable neighborhoods, and include private yards for children and pets to play safely.

The recent drop in home prices, constraints on mortgage lending, job volatility requiring greater geographic mobility, economic uncertainty, evolving demographics and expanded rental options are changing the way many Americans live. Many people, who in the past might have become homeowners, are instead becoming long-term renters of single-family homes. According to JBREC, for every 1.0% decline in the homeownership rate, the

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occupants of approximately 1.1 million homes become prospective tenants. The U.S. Census Bureau reports the national homeownership rate was 65.0% in the first quarter of 2013, which is down from a peak of 69.2% in the fourth quarter of 2004. JBREC believes that the homeownership rate will continue to decrease through 2015 and overcorrect at approximately 63%, before increasing again towards the historical average of 65.4%.

Source: U.S. Census Bureau

Single-Family Home Prices

As the economy slowly strengthens and the housing market returns to long-term pricing norms, or reverts to mean pricing levels, we believe there is the potential for home price appreciation. The chart below illustrates the magnitude of the decrease in home prices in American Homes 4 Rent s top eight markets and the subsequent rebound, which remains significantly below the peak.

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Source: JBREC, April 2013.

(1) Peak occurred during either 2006 or 2007 for all markets. Trough occurred during 2011 or 2012 for most markets, but Houston bottomed in December 2008. Burns Home Value Index estimates all home values in a market, not just recent transactions.

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Atlanta-Sandy Springs-Marietta, Georgia MSA: Atlanta

Atlanta Economic Overview

According to the U.S. Census Bureau s 2011 American Community Survey, the Atlanta MSA had approximately 5.4 million people and is the ninth-largest MSA in the United States by population, according to the Census Bureau s 2012 Statistical Abstract of the United States. There are twenty-eight counties in the Atlanta MSA. Atlanta is projected to average population growth of 1.8% annually from 2013 through 2015, which is slightly above the projected national average of 1.0% annually for the same period (Moody s Analytics / Précis U.S. Macro / December 2012).

Annual Employment Growth and Unemployment Rate. Employment growth has been positive in Atlanta, with 35,500 jobs added in the 12 months ended December 31, 2011 and 43,900 jobs added in the 12 months ended December 31, 2012. By comparison, the metro area lost a total of 183,500 jobs between 2008 and 2010. In the 12 months ended February 2013, Atlanta has added 57,800 jobs for 2.5% growth compared to 1.6% growth nationally. The unemployment rate declined from 10.2% in 2010 to 8.7% in 2012 and 8.3% as of February 2013. The national unemployment rate was 8.1% in February 2013. JBREC forecasts employment in Atlanta to grow by an average of 48,800 jobs annually from 2013 through 2015, or annual growth of 2.1%. In comparison, JBREC forecasts annual employment growth nationally of 1.6% through 2015.

Metro Economy. The Atlanta economy includes the state capital and several colleges and universities, numerous Fortune 500 companies, and one of the busiest airports in the world. Atlanta also has one of the fastest growing tech sectors with 13,000 companies and nearly 200,000 employees. The metro development authority reports Atlanta has the 2nd largest telecom presence nationally with over 44,000 employed in this cluster.

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Median Household Income. After decreasing in 2009 and 2010, the median household income in Atlanta has picked up, experiencing a 0.6% and 1.2% period over period growth rate for the year ended December 31, 2011 and the year ended December 31, 2012, respectively. JBREC forecasts the median income in Atlanta will increase to $59,659 by 2015, which is a 2.1% average annual increase, compared to a forecast of 1.7% nationally during the same period.

Atlanta Housing Market Overview

The total market size of housing stock in Atlanta is estimated to be $259 billion, or approximately 2.2 million homes according to the U.S. Census Bureau, 2011 American Community Survey. Household formations have been increasing once again, and permits to build new single-family and multi-family homes as of December 31, 2012 were at 14,331; the Atlanta MSA peaked in 2004 at 74,007 permits. In the 12 months ended February 28, 2013, single-family permits increased by 56% to 10,027 units and multifamily permits were up 57% to 5,383 units. Home values dropped modestly from 2011 to 2012, but were down 33.5% at the trough in 2012 from the 2007 peak (according to JBREC s Burns Home Value Index). The homeownership rate hovered between 66% and 68% from 2005-2011 but subsequently declined to 62% in 2012.

We believe that there remains opportunity in the Atlanta market to continue to acquire, restore, lease and manage single-family homes.

Additionally, JBREC estimates that there is a shadow inventory of delinquent mortgages that have not been resolved of approximately 87,500 homes as of December 31, 2012, representing approximately $8.9 billion in value (assuming the median sales price of $101,536 per home as of December 31, 2012).

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Supply and Demand Dynamics. The total annual permit issuance of single-family and multi-family permits reached what was the trough during 2009 in Atlanta. Household growth in Atlanta has increased from lows in 2010 to an estimated 25,200 households added in 2012. JBREC forecasts that household growth will steadily increase from 33,300 new households in 2013 to 47,900 new households added in 2015. Total permits are forecasted to reach 30,000 units in 2015, a level last reached in 2007. JBREC forecasts approximately 128,100 new households will be formed in Atlanta from 2013 through 2015 compared to 70,500 total residential permits issued over the same period. Much of the additional demand for housing will be satisfied by rentals, which should keep vacancies low and rental rates rising.

Homeownership Levels. The homeownership rate hovered between 66% and 68% from 2005 through 2011, but dipped in 2012 to 62%.

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Burns Home Value Index. According to JBREC, home values in Atlanta dropped slightly from 2011 to the 2012 trough. The 2012 value is down 33.5% from the 2007 peak and JBREC forecasts home values will increase through 2015. The median resale price for a detached home was $101,189 as of December 31, 2012 and has risen to $106,282 as of April 2013. Home values in the Atlanta metro area are forecasted to rise at an average annual rate of 12.4% from 2013 to 2015, according to the Burns Home Value Index.

Single-Family Rental and Vacancy Rates. Single-family home average monthly rents are rising in Atlanta, while the vacancy rate is declining. After peaking at 16.6% in 2010, the vacancy rate has decreased to 10.8% as of March 2013 and is down from 11.8% in March 2012. The average monthly rental rate is $1,036 as of March 2013, up from $992 in March 2012.

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Chicago-Joliet-Naperville, Illinois Metropolitan Division: Chicago

Chicago Economic Overview

According to the U.S. Census Bureau, 2011 Population Estimates, the Chicago metropolitan division had 7.9 million people and, according to the 2012 U.S. Census Bureau Statistical Abstract of the United States, is the third-largest MSA in the United States by population when combined with the neighboring Gary, IN and Lake County-Kenosha County, IL-WI metropolitan divisions (an additional 1.6 million people, according to the U.S. Census Bureau, 2011 Population Estimates). There are eight counties in the Chicago Metropolitan Division. Chicago is projected to average population growth of 0.5% annually from 2013 through 2015, which is below the projected national average of 1.0% annually for the same period (Moody s Analytics / Précis U.S. Macro / December 2012).

Annual Employment Growth and Unemployment Rate. Employment growth is positive in Chicago, with 48,700 jobs added in the 12 months ended December 31, 2011 and 53,400 jobs added in the 12 months ended December 31, 2012. By comparison, the metro area lost a total of 266,000 jobs between 2008 and 2010. In the 12 months ended February 2013, Chicago has added 55,000 jobs for 1.5% growth compared to 1.6% growth nationally. The unemployment rate declined from 10.4% in 2010 to 8.8% in 2012, but has increased to 10.3% as of February 2013. The national unemployment rate was 8.1% in February 2013. JBREC forecasts employment in Chicago to grow by an average of 57,800 jobs annually from 2013 through 2015, or annual growth of 1.7%. In comparison, JBREC forecasts annual employment growth of 1.6% nationally through 2015.

Metro Economy. The Chicago economy is diversified, with concentrations in manufacturing, transportation, information technology, R&D, and green energy. This metro employs nearly 1 million employees in the business and financial services industries, and10% of the regional economy can be attributed to manufacturing, which employs over 400,000.

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Median Household Income. After decreasing in 2009 and 2010, the median household income growth rate in Chicago increased 1.3% period over period the year ended December 31, 2011 and then declined -0.3% for the year ended December 31, 2012. JBREC forecasts the median income in Chicago will increase to $60,692 by 2015, which is a 1.7% average annual increase, compared to a forecast of 1.7% nationally during the same period.

Chicago Housing Market Overview

The total market size of housing stock in the greater Chicago MSA is estimated to be $604 billion, or approximately 3.8 million homes according to the U.S. Census Bureau, 2011 American Community Survey. Household formations have been increasing since 2011 and permits to build new single-family and multi-family homes as of December 31, 2012 were at 7,343, down from peak activity of 43,976 permits in 2005. In the 12 months ended February 28, 2013, single-family permits increased by 36% to 4,079 units, and multifamily permits were up by 24% to 3,602 units. Home values appear to have reached trough values in 2012, down 36% from the 2006 peak levels (according to JBREC s Burns Home Value Index). Homeownership has declined, from 70.0% in 2005 to a trough of 66.9% as of September 30, 2012, rising only slightly to 67.5% as of December 31, 2012. This decrease in recent years indicates that many traditional homeowners continue to seek housing alternatives, including through single-family rentals.

We believe that there remains opportunity in the Chicago market to continue to acquire, restore, lease and manage single-family homes.

Additionally, JBREC estimates that there is a shadow inventory of delinquent mortgages that have not been resolved of approximately 152,000 homes as of December 31, 2012, representing approximately $25.1 billion in value (assuming the December 31, 2012 median sales price of $165,000 per home).

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Supply and Demand Dynamics. The total annual permit issuance of single-family and multi-family permits reached what is expected to be the trough during 2009 in Chicago. Household growth in Chicago has increased from lows in 2011 to an estimated 13,900 households added in 2012. JBREC forecasts that household growth will steadily increase from 15,900 new households in 2013 to 24,800 new households in 2015. Total permits are forecasted to reach 15,400 units in 2015, a level last reached in 2007. JBREC forecasts approximately 62,500 new households will be formed in Chicago from 2013 through 2015 compared to 38,200 total residential permits issued over the same period. Much of the additional demand for housing will be satisfied by rentals, which should keep vacancies low and rental rates rising.

Homeownership Levels. As of December 31, 2012, the homeownership rate in Chicago was 67.5%, which is down from 70.0% in 2005.

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Burns Home Value Index. According to JBREC, home prices in Chicago are decreasing less rapidly than in previous years. The Burns Home Value Index was down 2.2% in 2012 from 2011, and the median resale price for a detached home was $172,450 as of December 31, 2012. Home values in the Chicago metropolitan division are projected to show an average annual increase of 10.3% from 2013 to 2015, according to the Burns Home Value Index.

Single-Family Rental and Vacancy Rates. Single-family home average monthly rents are rising in Chicago, while the vacancy rate is declining. After peaking at 12.2% in 2010, the vacancy rate has decreased to 7.6% as of March 2013 and is down from 7.8% in March 2012. The average monthly rental rate is $1,359 as of March 2013, up from $1,269 in March 2012.

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Dallas-Fort Worth-Arlington, Texas MSA: Dallas-Fort Worth

Dallas-Fort Worth Economic Overview

According to the U.S. Census Bureau, 2011 American Community Survey, the Dallas-Fort Worth MSA had approximately 6.5 million people and, according to the 2012 U.S. Census Bureau Statistical Abstract of the United States, is the fourth-largest MSA in the United States by population. Data for the Dallas-Fort Worth metropolitan area covers twelve counties. Dallas-Fort Worth is projected to average population growth of 2.1% annually from 2013 through 2015, which is above the projected national average of 1.0% annually for the same period (Moody s Analytics / Précis U.S. Macro / December 2012).

Annual Employment Growth and Unemployment Rate. Employment growth has been positive in Dallas-Fort Worth, with 70,200 jobs added in the 12 months ended December 31, 2011 and 83,800 jobs added in the 12 months ended December 31, 2012. By comparison, the metro area lost a total of 111,700 jobs between 2009 and 2010. In the 12 months ended February 28, 2013, Dallas-Fort Worth has added 108,900 jobs for 3.9% growth compared to 1.6% growth nationally. The unemployment rate declined from 8.2% in 2010 to 6.7% in 2012, and fell down to 6.3% as of February 2013. The national unemployment rate was 8.1% in February 2013. JBREC forecasts employment in Dallas Fort Worth to grow by an average of 82,733 jobs annually from 2013 through 2015, or annual growth of 2.7%. In comparison, JBREC forecasts annual employment growth of 1.6% nationally through 2015.

Metro Economy. The Dallas-Fort Worth metropolitan area has three primary industries that are the lifeblood of the economy: logistics and trade, technology, and advanced services such as the financial and technological sectors. The metro s location provides for strong trade advantages, with robust infrastructure in place to allow businesses to move products quickly and cost-effectively.

Median Household Income. After decreasing in 2009, the median household income in Dallas-Fort Worth has increased, experiencing a 3.1% and 2.7% period over period growth rate for the year ended December 31, 2011 and the year ended December 31, 2012, respectively. JBREC forecasts the median income in Dallas-Fort Worth will increase to $62,529 by 2015, which is a 2.0% average annual increase, compared to a forecast of 1.7% nationally during the same period.

Dallas-Fort Worth Housing Market Overview

The total market size of housing stock in Dallas-Fort Worth is estimated to be $277 billion, or approximately 2.5 million homes according to the U.S. Census Bureau, 2011 American Community Survey. Household formations have been increasing since 2010 and permits to build new single-family and multi-family homes as of December 31, 2012 were at 33,799, down from the 2005 peak in Dallas-Fort Worth of 59,895. In the 12 months ended February 28, 2013, single-family permits increased by 15.5% to 18,295 units, with multifamily permits up 51% to 15,681 units. Home values over the past decade have remained fairly constant (compared to other markets) with only a 12.0% drop from peak to trough values (according to JBREC s Burns Home Value Index). Homeownership has remained fairly constant over the past decade at approximately 62%, declining to 61.3% as of December 31, 2012.

We believe that there remains opportunity in the Dallas-Fort Worth market to continue to acquire, restore, lease and manage single-family homes.

Additionally, JBREC estimates that there is a shadow inventory of delinquent mortgages that have not been resolved of approximately 66,700 homes in Dallas-Fort Worth as of December 31, 2012, representing approximately $11.0 billion in value (assuming of the median sales price of $177,700 per home in Dallas and $139,614 in Fort Worth as of December 31, 2012).

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Supply and Demand Dynamics. The total annual permit issuance of single-family and multi-family permits reached what is expected to be the trough during 2009 in Dallas-Fort Worth. Household growth in Dallas-Fort Worth has increased from lows in 2010 to an estimated 49,300 households added in 2012. JBREC forecasts that household growth will steadily increase from 52,100 new households in 2013 to 63,699 new households added in 2015. Total permits are forecasted to reach 47,000 units in 2015, a level last reached in 2006. JBREC forecasts approximately 173,400 new households will be formed in Dallas-Fort Worth from 2013 through 2015 compared to 129,420 total residential permits issued over the same period. Much of the additional demand for housing will be satisfied by rentals, which should keep vacancies low and rental rates rising.

Homeownership Levels. As of December 31, 2012, the homeownership rate in Dallas-Fort Worth was 61.3%, which is down from a high of 63.8% in 2010.

Burns Home Value Index. According to JBREC, home values in Dallas-Fort Worth were relatively flat in 2012 from 2011, up just 0.01%. The median resale price for a detached home was $156,823 as of December 31, 2012 and has risen to $157,075 as of April 2013. Home values in the Dallas-Fort Worth metro area are forecasted to rise at an average annual rate of 6.8% from 2013 to 2015, according to the Burns Home Value Index.

Single-Family Rental and Vacancy Rates. Single-family home average monthly rents are rising in Dallas-Fort Worth, while the vacancy rate is declining. After peaking at 13.5% in 2010, the vacancy rate has decreased to 9.7% as of March 2013 and is down from 10.7% in March 2012. The average monthly rental rate is $1,175 as of March 2013, up from $1,130 in March 2012.

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Houston-Sugar Land-Baytown, Texas MSA: Houston

Houston Economic Overview

According to the U.S. Census Bureau s 2011 American Community Survey, the Houston MSA had approximately 5.9 million people and is the sixth-largest MSA in the United States by population, according to the Census Bureau s 2012 Statistical Abstract of the United States. There are ten counties in the Houston MSA. Houston is projected to experience population growth of 1.9% annually from 2013 through 2015, which is slightly above the projected national average of 1.0% annually for the same period (Moody s Analytics / Précis U.S. Macro / December 2012).

Annual Employment Growth and Unemployment Rate. Employment growth is positive in Houston, with 64,600 jobs added in the 12 months ended December 31, 2011 and 99,300 jobs added in the 12 months ended December 31, 2012. By comparison, the metro area lost a total of 74,000 jobs between 2009 and 2010. In the 12 months ended February 2013, Houston has added 118,700 jobs for 4.5% growth compared to 1.6% growth nationally. The unemployment rate declined from 8.5% in 2010 to 6.8% in 2012 and dropped further to 6.3% as of February 2013. JBREC forecasts employment in Houston to grow by an average of 77,200 jobs annually from 2013 through 2015, or annual growth of 2.8%. In comparison, JBREC forecasts annual employment growth of 1.6% nationally through 2015.

Metro Economy. The Houston metro area is home to twenty-five Fortune 500 companies, the third highest concentration in the U.S, as well as a substantial oil and gas cluster and a very active, international port. Houston s strong infrastructure supports growing industries, including energy, health care, nanotechnology, aerospace, and information technology. The Texas Medical Center is the largest complex in the world, with 54 institutions employing 106,000 and treating over 7 million patients annually.

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Median Household Income. After decreasing in 2009, the median household income in Houston has steadily increased, experiencing a 3.5% and 2.0% period over period growth rate for the year ended December 31, 2011 and the year ended December 31, 2012, respectively. JBREC forecasts the median income in Houston will increase to $60,959 by 2015, which is a 1.4% average annual increase compared to a forecast of 1.7% nationally during the same period.

Houston Housing Market Overview

The total market size of housing stock in Houston is estimated to be $237 billion or approximately 2.3 million homes according to the U.S. Census Bureau, 2011 American Community Survey. Household formations have been increasing since 2012 and permits to build new single-family and multi-family homes as of December 31, 2012 were at 43,450, down from Houston s peak of 71,719 permits in 2006. In the 12 months ended February 28, 2013, single-family permits increased by 25% to 29,806 units and multifamily permits were up 43% to 14,394 units. Home values in Houston remained fairly steady in the mid-2000s (according to JBREC s Burns Home Value Index), and were up 2.9% in 2012 year-over-year. The homeownership rate peaked in 2008 at 65%, and has subsequently declined to 62% on average for 2012, declining to 60% as of December 31, 2012.

We believe that there remains opportunity in the Houston market to continue to acquire, restore, lease and manage single-family homes.

Additionally, JBREC estimates that there is a shadow inventory of delinquent mortgages that have not been resolved of approximately 56,800 homes as of December 31, 2012, representing approximately $9.7 billion in value (assuming the median sales price of $171,300 per home as of December 31, 2012).

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Supply and Demand Dynamics. The total annual permit issuance of single-family and multi-family permits have been trending up since the 2010 trough in Houston. Household growth in Houston has increased from the low in 2007 to an estimated 42,900 households added in 2012. JBREC forecasts that households will steadily increase from 45,100 new households added in 2013 to 49,900 new households in 2015. Total permits are forecasted to reach 62,000 units in 2015, a level last reached in 2007. JBREC forecasts approximately 141,900 new households will be formed in Houston from 2013 through 2015 compared to 163,000 total residential permits issued over the same period.

Homeownership Levels. While the homeownership rate averaged 62.2% in 2012, as of December 31, 2012, the homeownership rate in Houston was 60.4%, down from a high of 64.8% in 2008.

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Burns Home Value Index. According to JBREC, home values in Houston experienced a 2.9% increase in 2012 from 2011. The median resale price for a detached home was $163,562 as of December 31, 2012 and was down slightly to $160,900 as of February 2013. Home values in the Houston metro area are forecasted to rise at an average annual rate of 6.0% from 2013 to 2015, according to the Burns Home Value Index.

Single-Family Rental and Vacancy Rates. Single-family home average monthly rents are rising in Houston, while the vacancy rate is declining. After peaking at 16.2% in 2010, the vacancy rate has decreased to 11.6% as of March 2013 and is down from 12.5% in March 2012. The average monthly rental rate is $1,212 as of March 2013, up from $1,157 in March 2012.

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Indianapolis-Carmel, Indiana MSA: Indianapolis

Indianapolis Economic Overview

According to the U.S. Census Bureau s 2011 American Community Survey, the Indianapolis MSA had approximately 1.8 million people and is the thirty-fourth-largest MSA in the United States by population, according to the Census Bureau s 2012 Statistical Abstract of the United States. The Indianapolis metropolitan area includes ten counties. Indianapolis is projected to average population growth of 1.3% annually from 2013 through 2015, which is slightly above the projected national average of 1.0% annually for the same period (Moody s Analytics / Précis U.S. Macro / December 2012).

Annual Employment Growth and Unemployment Rate. Employment growth has been positive in Indianapolis, with 17,500 jobs added in the 12 months ended December 31, 2011 and 25,200 jobs added in the 12 months ended December 31, 2012. By comparison, the metro area lost a total of 45,200 jobs between 2008 and 2010. In the 12 months ended February 2013, Indianapolis has added 15,000 jobs for 1.7% growth compared to 1.6% growth nationally. The unemployment rate declined from 9.1% in 2010 to 7.7% in 2012, but has increased to 8.5% as of February 2013. The national unemployment rate was 8.1% in February 2013. JBREC forecasts employment in Indianapolis to grow by an average of 15,500 jobs annually from 2013 through 2015, or annual growth of 1.7%. In comparison, JBREC forecasts annual employment growth nationally of 1.6% through 2015.

Metro Economy. The Indianapolis economy has concentrations in amateur and professional sports-oriented events and tourism, insurance, manufacturing and meat packing activities. The economic development agency is pursuing numerous clusters, including advanced manufacturing that builds on the metro area s manufacturing history and over 4,600 companies producing pharmaceuticals to furniture and automotive components.

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Median Household Income. After decreasing in 2009 and 2010, the median household income in Indianapolis has remained relatively flat, experiencing a 0.4% and 0.2% period over period growth rate for the year ended December 31, 2011 and the year ended December 31, 2012, respectively. JBREC forecasts the median income in Indianapolis will increase to $52,500 by 2015, which is a 1.1% average annual increase, compared to a forecast of 1.7% nationally during the same period.

Indianapolis Housing Market Overview

The total market size of housing stock in Indianapolis is estimated to be $78 billion, or approximately 762,000 homes according to the U.S. Census Bureau, 2011 American Community Survey. Household formations have been increasing since 2010, and permits to build new single-family and multi-family homes as of December 31, 2012 were at 4,895, the trough annual level in the Indianapolis MSA since its peak of 17,185 in 2001. In the 12 months ended February 28, 2013, single-family permits increased by 12% to 4,091 units, while multifamily permits declined by 35% to 981 units. Home values dropped modestly from 2003 to 2011, declining 15.0% from peak to trough annual values (according to JBREC s Burns Home Value Index) before increasing by 1.6% in 2012. The homeownership rate peaked as high as 79.0% in 2006 but has subsequently declined to 67.1% on average for 2012, rising slightly to 67.8% as of December 31, 2012.

We believe that there remains opportunity in the Indianapolis market to continue to acquire, restore, lease and manage single-family homes.

Additionally, JBREC estimates that there is a shadow inventory of delinquent mortgages that have not been resolved of approximately 27,172 homes as of December 31, 2012, representing approximately $3.5 billion in value (assuming the median sales price of $129,916 per home as of December 31, 2012).

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Supply and Demand Dynamics. The total annual permit issuance of single-family and multi-family permits reached what is expected to be the trough during 2012 in Indianapolis. Household growth in Indianapolis has increased from lows in 2010 to an estimated 8,900 households added in 2012. JBREC forecasts that household growth will steadily increase from 10,700 new households in 2013 to 11,800 new households in 2015. Total permits are forecasted to reach 10,000 units in 2015, a level last reached in 2006. JBREC forecasts approximately 34,000 new households will be formed in Indianapolis from 2013 through 2015 compared to 24,200 total residential permits issued over the same period. Much of the additional demand for housing will be satisfied by rentals, which should keep vacancies low and rental rates rising.

Homeownership Levels. The homeownership rate in Indianapolis declined from a peak of 79.0% in 2006 to 67.1% on average for 2012, rising slightly to 67.8% as of December 31, 2012.

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Burns Home Value Index. According to JBREC, home values in Indianapolis experienced a 1.6% increase in 2012 from 2011, after declining 15.0% from 2003 through 2011. The median resale price for a detached home was $127,835 as of December 31, 2012 and has risen to $133,406 as of April 2013. Home values in the Indianapolis metro area are forecasted to rise at an average annual rate of 6.3% from 2013 to 2015, according to the Burns Home Value Index.

Single-Family Rental and Vacancy Rates. Single-family home average monthly rents are rising in Indianapolis, while the vacancy rate is declining. After peaking at 13.9% in 2010, the vacancy rate has decreased to 8.6% as of March 2013 and is down from 9.2% in March 2012. The average monthly rental rate is $934 as of March 2013, up from $912 in March 2012.

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Phoenix-Mesa-Glendale, Arizona MSA: Phoenix

Phoenix Economic Overview

According to the U.S. Census Bureau, 2011 American Community Survey, the Phoenix metropolitan area had 4.3 million people and, according to the 2012 U.S. Census Bureau Statistical Abstract of the United States, is the fourteenth-largest MSA in the United States by population and home to approximately 66% of Arizona s population. There are two counties in the Phoenix MSA. Phoenix is projected to average population growth of 2.6% annually from 2013 through 2015, which is above the projected national average of 1.0% annually for the same period (Moody s Analytics / Précis U.S. Macro / December 2012).

Annual Employment Growth and Unemployment Rate. Employment growth has been positive in Phoenix, with 25,200 jobs added in the 12 months ended December 31, 2011 and 41,500 jobs added in the 12 months ended December 31, 2012. By comparison, the metro area lost a total of 228,500 jobs between 2008 and 2010. In the 12 months ended February 2013, Phoenix has added 41,500 jobs for 2.4% growth compared to 1.6% growth nationally. The unemployment rate declined from 9.8% in 2010 to 7.2% in 2012 and reached 6.7% as of February 2013. The national unemployment rate was 8.1% in February 2013. JBREC forecasts Phoenix employment to grow by an average of 56,466 jobs annually from 2013 through 2015, or annual growth of 3.1%. In comparison, JBREC forecasts annual employment growth of 1,6% nationally through 2015.

Metro Economy. The Phoenix economy has diverse concentrations in renewable energy, biomedicine, manufacturing, aerospace, and emerging technology. Local leaders have expressed their commitment to bringing in high-quality, high-wage jobs to the area and creating opportunities through business tax credits and other economic development plans.

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Median Household Income. After decreasing in 2009 and 2010, the median household income in Phoenix has started to increase; experiencing a 0.9% and 2.5% period over period growth rate for the year ended December 31, 2011 and the year ended December 31, 2012, respectively. JBREC forecasts the median income in Phoenix will increase to $57,048 by 2015, which is a 2.8% average annual increase, compared to a forecast of 1.7% nationally during the same period.

Phoenix Housing Market Overview

The total market size of housing stock in Phoenix is estimated to be $203 billion, or approximately 1.8 million homes according to the U.S. Census Bureau, 2011 American Community Survey. Household formations have been increasing since 2011 and permits to build new single-family and multi-family homes as of December 31, 2012 were at 15,882, still below the peak of 69,230 in 2005. In the 12 months ended February 28, 2013, single-family permits from the 2006 peak to the 2011 trough (according to JBREC s Burns Home Value Index) before increasing by 15.8% from 2011 to 2012. The homeownership rate peaked as high as 72.5% in 2006 but has subsequently declined to 63% for 2012.

We believe that there remains opportunity in the Phoenix market to continue to acquire, restore, lease and manage single-family homes.

Additionally, JBREC estimates that there is a shadow inventory of delinquent mortgages that have not been resolved of approximately 38,600 homes as of December 31, 2012, representing approximately $6.3 billion in value (assuming the December 31, 2012 median sales price of $162,657 per home).

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Supply and Demand Dynamics. The total annual permit issuance of single-family and multi-family permits reached what is expected to be the trough during 2010 in Phoenix. Household growth in Phoenix has increased from lows in 2009 to an estimated 21,900 households added in 2012. JBREC forecasts that household growth will steadily increase from 42,500 new households in 2013 to 50,400 new households in 2015. Total permits are forecasted to reach 39,000 units in 2015, a level last reached in 2007. JBREC forecasts approximately 140,100 new households will be formed in Phoenix from 2013 through 2015 compared to 89,500 total residential permits issued over the same period. Much of the additional demand for housing will be satisfied by rentals, which should keep vacancies low and rental rates rising.

Homeownership Levels. The homeownership rate peaked at 72.5% in 2006, but has subsequently declined to 63% in 2012.

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Burns Home Value Index. According to JBREC, home values in Phoenix experienced a 15.8% increase from 2011 to 2012. The median resale price for a detached home was $147,907 as of December 31, 2012, and has risen to $175,000 as of April 2013. Home values in the Phoenix metro area are forecasted to rise at an average annual rate of 14.6% from 2013 to 2015, according to the Burns Home Value Index.

Single-Family Rental and Vacancy Rates. Single-family home average monthly rents are rising in Phoenix, while the vacancy rate is declining. After peaking at 18.3% in 2009, the vacancy rate has decreased to 10.1% as of March 2013 and is down from 11.3% in March 2012. The average monthly rental rate is $1,056 as of March 2013, up from $997 in March 2012.

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Tampa-St. Petersburg-Clearwater, Florida MSA: Tampa

Tampa Economic Overview

According to the U.S. Census Bureau s 2011 American Community Survey, the Tampa MSA had approximately 2.8 million people, and is the nineteenth-largest MSA in the United States by population according to the Census Bureau s 2012 Statistical Abstract of the United States. There are four counties in the Tampa MSA. Tampa is projected to experience population growth of 1.4% annually from 2013 through 2015, which is slightly above the projected national average of 1.0% annually for the same period (Moody s Analytics / Précis U.S. Macro / December 2012).

Annual Employment Growth and Unemployment Rate. Employment growth has been positive in Tampa, with 17,700 jobs added in the 12 months ended December 31, 2011 and 26,000 jobs added in the 12 months ended December 31, 2012. By comparison, the metro area lost a total of 123,300 jobs between 2007 and 2010. In the 12 months ended February 2013, Tampa has added 33,200 jobs for 2.9% growth compared to1.6% growth nationally. The unemployment rate declined from 11.8% in 2010 to 8.8% in 2012 and hit 7.4% as of February 2013. JBREC forecasts employment in Tampa to grow by an average of 30,000 jobs annually from 2013 through 2015, or annual growth of 2.5%. In comparison, JBREC forecasts annual employment growth of 1.6% nationally through 2015.

Metro Economy. The **Tampa** economy is diverse, with leading industries including tourism, agriculture, construction, finance, health care, technology, and maritime industry. Tampa s port leads the state in cargo by tonnage and also handles a million cruise passengers annually. Local leaders are pursuing four clusters which currently employ over 350,000 and account for nearly 25% of the region s economic base: Applied Medicine & Human Performance; High Tech Electronics & Instruments; Business, Financial & Data Services and Marine & Environmental Activities.

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Median Household Income. After decreasing from 2008 through 2010, the median household income in Tampa increased, experiencing a 3.1% and 1.8% period over period growth rate for the year ended December 31, 2011 and the year ended December 31, 2012, respectively. JBREC forecasts the median income in Tampa will increase to $48,700 by 2015, which is a 2.4% average annual increase compared to a forecast of 1.7% nationally during the same period.

Tampa Housing Market Overview

The total market size of housing stock in Tampa is estimated to be nearly $129 billion, or approximately 1.36 million homes according to the U.S. Census Bureau, 2011 American Community Survey. Household formations have been increasing since 2009, with a dip in 2012, and permits to build new single-family and multi-family homes as of December 31, 2012 were at 10,298, down from the peak in the Tampa MSA of 34,174 in 2005. In the 12 months ended February 28, 2013, single-family permits increased by 36% to 6,226 units and multifamily permits rose 247% to 5,674 units. Home values dropped dramatically from the 2006 peak to the 2011 trough, down 47% (according to JBREC s Burns Home Value Index) before increasing by 2.1% in 2012. The homeownership rate peaked as high as 73% in 2007 but has subsequently declined to 67% on average for 2012 and 66% as of December 31, 2012.

We believe that there remains opportunity in the Tampa market to continue to acquire, restore, lease and manage single-family homes.

Additionally, JBREC estimates that there is a large shadow inventory of delinquent mortgages that have not been resolved of approximately 66,100 homes as of December 31, 2012, representing approximately $8.1 billion in value (assuming the median single-family existing home sales of $122,700 per home as of December 31, 2012).

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Supply and Demand Dynamics. Household growth in Tampa has increased from lows in 2009 to an estimated 9,100 households added in 2012. JBREC forecasts that households will steadily increase from 13,700 new households added in 2013 to 20,500 new households added in 2015. Total permits started to trend upwards in 2012 and are forecasted to reach 16,000 units in 2015, a level last reached in 2006. JBREC forecasts approximately 51,200 new households will be formed in Tampa from 2013 through 2015 compared to 41,500 total residential permits issued over the same period. Much of the additional demand for housing will be satisfied by rentals, which should keep vacancies low and rental rates rising.

Homeownership Levels. The homeownership rate in Tampa declined from a peak of 73.0% in 2007 to 67.0% on average for 2012 and 66% as of December 31, 2012.

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Burns Home Value Index. According to JBREC, home values in Tampa experienced a 2.0% increase in 2012 from 2011, after declining 47% from 2006 through 2011. The median resale price for a detached home was $115,289 as of December 31, 2012 and has remained relatively flat at $114,400 as of February 2013. Home values in the Tampa metro area are forecasted to rise at an average annual rate of 8.6% from 2013 to 2015, according to the Burns Home Value Index.

Single-Family Rental and Vacancy Rates. Single-family home average monthly rents are rising in Tampa, while the vacancy rate is declining. After peaking at 12.6% in 2010, the vacancy rate has decreased to 11.2% as of March 2013, and is down from 11.7% in March 2012. The average monthly rental rate is $1,128 as of March 2013, up from $1,089 in March 2012.

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OUR BUSINESS AND PROPERTIES

Our Company

We are an internally managed Maryland REIT focused on acquiring, renovating, leasing and operating single-family homes as rental properties. We commenced operations in November 2012 to continue the investment activities of AH LLC, which was founded by our chairman, Mr. Hughes, in 2011 to take advantage of the dislocation in the single-family home market. Mr. Hughes has over 40 years of experience in the real estate business and a successful track record as co-founder and former chairman and chief executive officer of Public Storage, a REIT listed on the NYSE. We have an integrated operating platform that consists of approximately 157 personnel dedicated to property management, marketing, leasing, financial and administrative functions. Our acquisition and renovation functions are performed by AH LLC, to whom we will continue to pay an acquisition and renovation fee through December 2014.

As of April 30, 2013, we owned 14,210 single-family properties for an estimated total investment of $2.5 billion and had an additional 1,425 properties in escrow that we expected to acquire, subject to customary closing conditions, for an estimated total investment of $245 million. As of April 30, 2013, we owned properties in selected sub-markets of MSAs in 20 states, and we continually evaluate potential new target markets that fit our underwriting criteria and are located where we believe we can achieve sufficient scale for internalized property management.

We intend to become a leader in the single-family home rental industry by aggregating a geographically diversified portfolio of high quality single-family homes and developing American Homes 4 Rent into a nationally recognized brand that is well-known for quality, value and tenant satisfaction and is well respected in our communities. Our objective is to generate attractive, risk-adjusted returns for our shareholders through dividends and capital appreciation.

We intend to use the net proceeds of this offering to continue to acquire and renovate single-family properties, including certain escrowed properties, and to repay indebtedness we have incurred or expect to incur under our credit facility. In addition to single-family properties, we may also seek to invest in condominium units, townhouses and real estate-related debt investments. Our investments may be made directly or through investment vehicles with third-party investors. In addition to individual property purchases, we may pursue bulk acquisitions from financial institutions, government agencies and competitors.

We have been organized and operated in conformity with the requirements for qualification and taxation as a REIT under U.S. federal income tax laws, commencing with our taxable year ended December 31, 2012, and we expect to satisfy the requirements for qualification and taxation as a REIT under the U.S. federal income tax laws for our taxable year ending December 31, 2013, and subsequent taxable years.

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Our Properties

The table below summarizes certain information with respect to our properties as of April 30, 2013.

Our Properties [(1)]

	Properties Owned		Estimated Total Investment[(2)]		Estimated Total Book Value[(3)]		Averages per Property	
Market	**Units**	**% of Total**	**$ millions**	**Avg. per Property**	**$ millions**	**Avg. per Property**	**Square Footage**	**Property Age**
Dallas-Fort Worth, TX	1,286	9.0%	$ 214.7	$ 166,975	$ 207.0	$ 160,935	2,212 sf	10.3 years
Greater Chicago area, IL and IN	1,064	7.5%	171.9	161,604	160.5	150,826	1,869 sf	12.4 years
Indianapolis, IN	1,062	7.5%	158.4	149,113	152.3	143,455	1,872 sf	11.6 years
Atlanta, GA	1,054	7.4%	190.3	180,584	171.4	162,629	2,185 sf	13.3 years
Houston, TX	930	6.5%	164.7	177,052	164.7	177,052	2,299 sf	9.7 years
Phoenix, AZ	800	5.6%	123.9	154,887	113.5	141,866	1,826 sf	11.0 years
Tampa, FL	665	4.7%	135.2	203,278	127.0	191,046	2,106 sf	10.3 years
Nashville, TN	662	4.7%	141.0	213,009	133.5	201,698	2,211 sf	9.5 years
All Other[(4)]	6,687	47.1%	1,190.3	178,002	1,143.3	170,980	1,913 sf	11.1 years
Total / Average	**14,210**	**100.0%**	**$ 2,490.4**	**$ 175,259**	**$ 2,373.3**	**$ 167,014**	**1,997 sf**	**11.1 years**

(1) Includes 4,778 single-family properties expected to be acquired through our acquisition of the Alaska Joint Venture. We have no binding agreement to acquire the Alaska Joint Venture. Excludes 377 properties owned by the RJ joint ventures in which we own an approximately one-third interest.

(2) Estimated Total Investment represents our actual purchase price (including closing costs) and estimated renovation costs plus a 5% acquisition and renovation fee, if applicable. Estimated renovation costs represent the total costs to renovate a property to prepare it for rental. These costs typically include paint, flooring, appliances, blinds and landscaping. For properties that have been acquired from AH LLC or are to be acquired from the Alaska Joint Venture, Estimated Total Investment represents the valuation of the respective portfolio agreed-upon by the parties in connection with their acquisition by our company, allocated among the properties based on the values agreed upon between the parties. The values are reflected on a non-GAAP basis.

(3) Estimated Total Book Value represents the initial book value on a GAAP basis of all properties. In the case of properties that have been contributed by AH LLC, for GAAP purposes these transactions have been considered to be transactions between entities under common control under the provisions of ASC 805, *Business Combinations*, and as such have been reflected at the net carrying cost of AH LLC. For the 4,778 properties to be acquired from the Alaska Joint Venture, the purchase price for that transaction ($904.5 million) has been allocated among the properties in accordance with GAAP. For all other properties, Estimated Total Book Value represents the actual purchase price (including closing costs) and renovation costs plus a 5% acquisition and renovation fee. For properties for which renovations have not been completed, total estimated renovation costs have been included in the total. Estimated renovation costs represent the total costs to renovate a property to prepare it for rental. These costs typically include paint, flooring, appliances, blinds and landscaping.

(4) Represents 33 markets in 17 states.

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Properties in Escrow[1]

(As of April 30, 2013)

	Properties in Escrow		Estimated Total Investment[2]	
Market	**Units**	**% of Total**	**$ millions**	**Avg. per Property**
Dallas-Fort Worth, TX	39	2.7%	$ 6,734	$ 172,657
Greater Chicago area, IL and IN	91	6.4%	16,024	176,093
Indianapolis, IN	233	16.4%	34,942	149,967
Atlanta, GA	14	1.0%	2,229	159,188
Houston, TX	7	0.5%	1,189	169,877
Phoenix, AZ	23	1.6%	3,784	164,539
Tampa, FL	53	3.7%	9,560	180,381
Nashville, TN	80	5.6%	16,184	202,302
All Other[3]	885	62.1%	154,339	174,394
Total/Average	**1,425**	**100.0%**	**$ 244,986**	**$ 171,920**

(1) Includes properties in escrow subject to customary closing conditions. Does not include properties in escrow subject to lender approval.

(2) Estimated Total Investment represents our actual purchase price (including closing costs) and estimated renovation costs plus a 5% acquisition and renovation fee. Estimated renovation costs represent the total costs to renovate a property to prepare it for rental. These costs typically include paint, flooring, appliances, blinds and landscaping.

(3) Represents 30 markets in 18 states.

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Property and Management Footprint (As of April 30, 2013)[(1)]

(1) Shaded states represent states in which we currently own properties. American Homes 4 Rent signs represent markets in which we currently maintain, or are in the process of establishing, in-house property management operations.

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The graphs below set forth various characteristics of our portfolio as of April 30, 2013.

Portfolio by Total Investment

Portfolio by Square Footage

Portfolio by State[(1)]

Portfolio by Number of Bedrooms

(1) Based on estimated total investment.

Our Competitive Strengths

We believe that the following strengths enable us to implement our business and growth strategies and compete effectively in the single-family home rental market:

Experienced and tenured management team. We believe the significant experience, expertise and relationships of our executive team drive our business and growth. Our executive team, headed by Mr. Hughes, our Chairman, Mr. Singelyn, our Chief Executive Officer, Mr. Corrigan, our Chief Operating Officer, and Mr. Nelson, our Chief Financial Officer, each of whom is a former executive of Public Storage, has a successful track record of managing and growing a publicly traded REIT through all stages of the real estate investment cycle. Among other executive positions they have held, Mr. Singelyn was treasurer of Public Storage and was chief executive officer of Public Storage Canada, a real estate company previously listed on the Toronto Stock Exchange, and ACE; Mr. Corrigan was the chief financial officer of PS Business Parks, a NYSE-listed REIT; and Mr. Nelson was the chief financial officer of Lennar Partners, Inc. and Alexandria Real Estate Equities, Inc., a NYSE-listed REIT.

Large, diversified portfolio of high-quality properties**.** As of April 30, 2013, we owned 14,210 single-family properties concentrated in select sub-markets of MSAs within 20 states. These homes are located in neighborhoods of cities that we believe remain desirable places to live, despite significantly impacted home prices. In addition, we continually evaluate potential new markets across the country. We are focused on acquiring homes with a number of key property characteristics, including: (i) construction after 1990; (ii) three or more bedrooms; (iii) two or more bathrooms; (iv) range of $70,000 estimated minimum valuation to $400,000 maximum bid price; and (v) estimated renovation costs not in excess of 25% of estimated value. We target areas with above average median household incomes, well-regarded school districts and access to desirable lifestyle amenities. We believe that homes in these areas will attract tenants with strong credit profiles, produce high occupancy and rental rates and generate long-term property appreciation. Not all of the homes that we may acquire will meet all of these criteria, especially if acquired as part of a bulk purchase.

Monthly Acquisition, Renovation and Leasing Rates

(As of April 30, 2013)

***Demonstrated property acquisition track record and processes*.** Since its inception in June 2011, AH LLC has developed an effective acquisition process, supported by analytics and dedicated personnel within our target markets, that is capable of efficiently deploying large amounts of capital. Through April 30, 2013, AH LLC and its affiliates had acquired 14,844 properties (including our 14,210 properties) with an estimated total investment exceeding $2.6 billion and had approximately 1,425 properties in escrow. The acquisition process begins with an analysis of housing markets in select MSAs based on numerous economic and real estate characteristics. AH LLC then targets sub-markets at the neighborhood and street levels, where its system allows it to screen broadly and rapidly for potential acquisitions with key attributes, such as property age, size, number of bedrooms/bathrooms, potential renovation costs and potential rental rates.

AH LLC underwrites potential property acquisitions and has implemented an efficient bid management system where homes are screened and underwritten based on our established property acquisition parameters, including date of construction, number of bedrooms and bathrooms, underwritten valuation range and renovation costs. Through this disciplined approach to acquisitions, we estimate that in April 2013 AH LLC screened approximately 50,000 homes, underwrote approximately 35% of the homes screened and placed bids on approximately 10% of the homes underwritten. AH LLC ultimately acquired 1,939 homes, or approximately 3.9%, of the homes screened.

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AH LLC purchases properties through a variety of acquisition channels, including foreclosure auctions, broker sales (through MLS, REO sales and short sales) and portfolio (or bulk) sales. To date, foreclosure auctions and broker sales (primarily MLS and short sales) have presented the most attractive channels to access a significant supply of quality homes at attractive prices. AH LLC has developed an efficient process for bidding on large numbers of homes at auctions consistent with local and state laws, which has contributed to our significant pace of capital deployment. In addition, AH LLC has developed an extensive network of real estate brokers that facilitates a large volume of acquisitions through the retail sales process. Through April 30, 2013, we have acquired approximately 50% of our properties through foreclosure auctions and 50% through broker sales and other acquisition channels. AH LLC s acquisition process remains flexible, and we expect its acquisition channel focus to shift as it strategically sources opportunities in this evolving market.

Substantial Renovation Capabilities. AH LLC has an in-house team of 203 dedicated personnel to oversee the renovation process. This team focuses on renovating our homes to meet our quality standards prior to leasing. Once a home is acquired, AH LLC promptly performs a comprehensive inspection followed immediately with a renovation capital expenditures plan. The renovation plan is designed to address any quality issues identified through the inspection and minimize future maintenance costs. We believe this process makes our properties more attractive to potential tenants and reduces lease-up time. We have found that a rapid response to renovating our homes improves our relationship with the local communities and HOAs, enhancing the American Homes 4 Rent brand recognition and loyalty. We estimate that AH LLC generally completes property renovations within six to ten weeks after a property is available for renovation. From January 1, 2013 to April 30, 2013, we completed renovations on 4,832 properties, 1,550 of which were completed in April.

Institutional quality management platform and systems. Our management platform and systems are fully integrated with AH LLC s acquisition and renovation platform to ensure oversight and coordination of our key functions, including acquisitions, renovations, leasing, property management and accounting. We have developed an extensive property management infrastructure with modern systems and technology, dedicated personnel and local offices in certain of our target markets. Our property management personnel maintain a disciplined focus on controlling costs, driving occupancy and maximizing rental rates through all phases of our properties lifecycles. Within in-house markets, property managers oversee or execute all property management functions, including property rehabilitation and renovation, marketing, tenant sourcing and leasing, rent collection and processing, tenant relations, property repairs and maintenance and accounts payable, including payment processing for property taxes and HOA dues. We currently provide in-house property management services in 30 of our markets, representing approximately 85% of our portfolio, and expect to continue to internalize property management services in additional markets where we believe we can achieve sufficient scale. In addition, we expect to continue to benefit from our established finance, accounting and administration functions, which include legal, compliance, information technology and operational personnel.

The following table summarizes our leasing experience as of April 30, 2013.

Our Leasing Experience

Market	Number of Properties(1) Available for Rent 30+ Days(2)	Leased	Occupancy %(3)	Average Annual Scheduled Rent Per Property	Number of Properties(1) Available for Rent 90+ Days(4)	Leased	Occupancy %(5)	Average Annualized Scheduled Cash Rent Per Property
Dallas-Fort Worth, TX	531	473	89%	$ 16,831	352	308	88%	$ 16,546
Greater Chicago area, IL and IN	239	182	76%	18,553	95	85	89%	18,639
Indianapolis, IN	396	357	90%	14,243	169	151	89%	14,191
Atlanta, GA	676	634	94%	15,792	468	458	98%	15,694
Houston, TX	274	238	87%	16,554	182	154	85%	16,512
Phoenix, AZ	695	577	83%	13,034	527	462	88%	13,061
Tampa, FL	396	276	70%	17,764	172	152	88%	17,272
Nashville, TN	450	408	91%	17,910	312	291	93%	18,193
All Other	3,034(6)	2,592	85%	15,901	1,955(7)	1,838	94%	15,722
Total / Average	**6,691**	**5,737**	**86%**	**$ 15,917**	**4,232**	**3,899**	**92%**	**$ 15,755**

(1) Includes single-family properties expected to be acquired from the Alaska Joint Venture.
(2) Available for rent 30+ days represents the number of properties that have been leased or are available for rent (i.e., rent-ready) for a period of greater than 30 days.
(3) Occupancy percentage is computed by dividing the number of leased properties by the number of properties available for rent 30+ days.
(4) Available for rent 90+ days represents the number of properties that have been leased or are available for rent (i.e., rent-ready) for a period greater than 90 days.
(5) Occupancy percentage is computed by dividing the number of leased properties by the number of properties available for rent 90+ days.
(6) Represents 29 markets in 16 states.
(7) Represents 22 markets in 13 states.

Substantial alignment of interests of AH LLC and management with our shareholders. In connection with the Management Internalization, our operating partnership expects to acquire our former manager and former property manager from AH LLC, and we expect to become an internally managed REIT with an integrated operating platform, other than the acquisition and renovation services that AH LLC will continue to provide us, on an exclusive basis, for 18 months following the closing of the Management Internalization. AH LLC also expects to receive in connection with the Management Internalization convertible equity securities in our operating partnership that are linked to favorable financial metrics and share appreciation. Upon completion of this offering, AH LLC will own approximately % of our Class A common shares on a fully diluted basis (or % if the underwriters exercise their option to purchase additional shares in full), and members of our executive team will collectively own approximately % of our Class A common shares on a fully diluted basis (or % if the underwriters exercise their option to purchase additional shares in full). As a result, we believe that the economic interests of AH LLC and management are substantially aligned with those of our shareholders.

Successful track record raising capital and strong balance sheet. We have a proven ability to raise significant amounts of debt and equity capital. Since November 2012, we have raised net proceeds of approximately $1.2 billion in connection with two private placements of Class A common shares. In addition, in March 2013, we entered into a two-year, $500 million senior secured revolving credit facility with Wells Fargo that is subject to extension in certain circumstances. Our credit facility has an accordion feature that allows us to increase the total amount of the facility from $500 million to $1 billion, subject to obtaining lender commitments and satisfying customary closing conditions. At May 31, 2013, we had $270 million of borrowings outstanding under our credit facility. In , 2013, we increased the size of the credit facility under the same terms through , 2013. At March 31, 2013, we had approximately $1.7 billion in assets.

Our Business and Growth Strategies

Our primary objective is to generate attractive risk-adjusted returns for our shareholders through dividends and capital appreciation. We believe we can achieve this objective by pursuing the following strategies:

Secure early-mover advantage and position as a dominant owner/operator of single-family rental properties. Historically, the single-family home rental market has been extremely fragmented, comprised primarily of private and individual property investors in local markets. Until recently, there have been no large-scale, national market owners/operators due primarily to the challenge of efficiently scaling the acquisition and management of many individual homes. With an unprecedented opportunity to acquire a large number of homes at attractive prices, we intend to continue to leverage our expertise and experience in rapidly building an institutional-quality, professionally managed business. We believe that being one of the first in our industry to do so on a large scale will provide us the early mover advantage to continue aggregating a large, geographically diversified portfolio of high quality properties at prices that provide attractive potential yields and capital appreciation.

Employ a robust and disciplined property acquisition process. We have exclusive access to AH LLC s established acquisition and renovation platform to acquire high quality single-family homes. AH LLC has approximately 197 full-time personnel dedicated to identifying, evaluating, inspecting and acquiring homes. To date, AH LLC has primarily acquired properties at foreclosure auctions and through broker sales (primarily MLS and short sales) and it also may source property acquisition opportunities through portfolio (or bulk) sales from government agencies, financial institutions and competitors. In addition, we may explore non-performing loan portfolios as possible investments. We pay AH LLC a fee equal to 5% of the sum of the purchase price and initial renovation costs of each property that we acquire, and AH LLC pays all expenses related to acquisition and renovation personnel, including all internal and third-party costs related to the investigation of properties not acquired by us.

The following table summarizes AH LLC s acquisitions by month through April 30, 2013.

Monthly Purchase Summary[(1)]

(1) Includes properties that have been sold by AH LLC to third parties.

Assemble a geographically diversified portfolio. We will monitor and manage the diversification of our portfolio in order to reduce the risks associated with adverse developments affecting a particular market. We currently are focusing on acquiring single-family homes in selected sub-markets of MSAs within 20 states, including Texas, Florida, Arizona, Illinois, Georgia, Indiana, Ohio, North Carolina, Tennessee and Nevada, with an emphasis on achieving critical mass within each target market. We continually evaluate potential new markets where we may make investments and establish operations as opportunities emerge. We select our markets based on steady population growth, strong rental demand and a high level of distressed sales of homes that can be acquired below replacement cost, providing for attractive potential yields and capital appreciation. In addition, if we are unable to gain desired critical mass within a market to operate efficiently, we may pursue ways to exit those markets in a manner designed to maximize shareholder value.

Efficiently manage and operate properties. Building on the experience of our executive team at Public Storage and our significant in-house property management capabilities, we strive to create a leading, comprehensive single-family home property management business. As was the case with the self-storage industry, we believe the key to efficiently managing a large number of relatively low-cost properties is to strike the appropriate balance between centralization and decentralization. We utilize local, in-house property management for our properties in all markets where we believe it is economical to do so. We believe that in-house property management enables us to optimize rental revenues, effectively manage expenses, realize significant economies of scale and maintain direct contact with our tenants. Our property management platform has local leasing agents and property managers in each of our markets. In addition, corporate-level functions are centralized, including management, accounting, legal, marketing and a call center to handle overflow leasing calls and maintenance calls. These centralized services allow us to provide all markets with the benefits of these functions without the burden of staffing each function in every market. In addition, by having a national property management operation, we have the ability to negotiate favorable terms on services and products with national vendors. We currently provide property management services in 30 of our markets, representing approximately 85% of our portfolio. We utilize third party property management firms to provide property management and leasing services in the markets that we do not currently manage internally. We continually evaluate markets to determine when to internalize property management based on various factors, including the number of properties owned in a target market, pace of acquisitions and cost of third-party management. We expect the internally managed percentage of our portfolio to increase over the near term.

Establish a nationally recognized brand. We are striving to establish American Homes 4 Rent as a nationally recognized brand because we believe that establishing a brand well-known for quality, value and tenant satisfaction will help attract and retain tenants and qualified employees, as well as support higher rental rates. Based on our executive team s experience at Public Storage, we believe that creating brand awareness will facilitate the growth and success of our company. We have established a toll-free number and a website to provide a direct portal to reach potential tenants and to drive our brand presence. We believe our brand is gaining recognition within a number of our markets.

Optimize capital structure. We may use leverage to increase potential returns to our shareholders, but we will seek to maintain a conservative and flexible balance sheet. As our company grows, we may seek to access additional financing markets, including asset securitizations and issuances of preferred shares. Based in part on our executive team s experience at Public Storage, we believe that preferred shares may provide an attractive source of permanent capital. We also may participate in investment vehicles with third-party investors as an alternative source of equity to grow our business. Our executive officers have substantial experience organizing and managing investment vehicles with third-party investors, including during their time at Public Storage.

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Our Business Activities

Property Acquisition, Renovation, Leasing and Property Management

Integrated Team and Process

Property Acquisition. We have exclusive access to AH LLC s disciplined acquisition platform that is capable of deploying large amounts of capital across all acquisition channels and in multiple markets simultaneously. AH LLC s acquisition team, led by Mr. Corrigan, our Chief Operating Officer, has 197 personnel to identify potential acquisitions and deploy capital. We are focused on acquiring homes with a number of key property characteristics, including: (i) construction after 1990; (ii) three or more bedrooms; (iii) two or more bathrooms; (iv) range of $70,000 estimated minimum valuation to $400,000 maximum bid price; and (v) estimated renovation costs not in excess of 25% of estimated value. We expect that certain homes we purchase will be outside these parameters, and we may revise these parameters from time to time. The acquisition process begins with an analysis of housing markets, where target markets are selected based on steady population growth, strong rental demand and a high level of distressed sales of newer homes that can be acquired below replacement cost, providing for attractive potential yields and potential capital appreciation. Our target markets currently include selected sub-markets of MSAs in 20 states, including Texas, Florida, Arizona, Illinois, Georgia, Indiana, Ohio, North Carolina, Tennessee and Nevada. Within AH LLC s target markets, AH LLC s system allows it to screen broadly and rapidly for potential acquisitions and is designed to identify highly targeted sub-markets at the neighborhood and street levels.

AH LLC purchases properties through a variety of acquisition channels, including foreclosure auctions, broker sales and portfolio (bulk) sales. To date, foreclosure auctions and broker sales (primarily MLS and short sales) have presented the most attractive channels to access a significant supply of quality homes at attractive prices. AH LLC has developed an efficient process for bidding on large number of homes at auctions consistent with local and state laws, which has contributed to our significant pace of capital deployment. Properties become available at auction when a person with a lien on the property forecloses on the lien. The property is then sold at auction, either by a court or trustee, in order to satisfy the debt owed to the lien holder. Auction processes vary significantly between jurisdictions driven by differences in state and local laws. While properties acquired at foreclosure auctions have a limited time frame for due diligence, AH LLC has developed a process that rigorously focuses on the material issues that we believe will affect potential yields before determining a maximum bid amount.

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Significant issues considered in underwriting homes going through the trustee sale process include an evaluation of our acquisition parameters, as well as the property s location. This evaluation includes a drive-by inspection of the property. Potential eviction and renovation costs are estimated, as well as expected rents and expenses. The property is also researched for the existence of any senior liens. AH LLC s local teams have experience in evaluating homes in foreclosure, conducting due diligence and bidding at auctions, which we believe positions AH LLC to bid effectively against other competitors. In addition, AH LLC underwrites acquisition candidates and has implemented an efficient bid management system and closing and transfer processes that we believe results in acquisitions at an attractive estimated total investment.

AH LLC has and will continue to source property acquisition opportunities through broker sales (including traditional MLS, REO sales and short sales) and portfolio (or bulk) sales from government agencies, financial institutions and competitors. In particular, AH LLC has developed an extensive network of real estate brokers that facilitate a large volume of acquisitions through broker sales. AH LLC has a team dedicated to identifying opportunities for homes sold in bulk by institutions or competitors. Acquisitions through these channels generally allow more time for underwriting to determine the expected rents, expenses and renovation costs, obtain title insurance and review local covenant conditions and restrictions.

Overall, our acquisition process remains flexible, and we expect AH LLC s acquisition channel focus to shift as we strategically source opportunities in this evolving market. The following table summarizes AH LLC s acquisition, renovation, and leasing activity by month through April 30, 2013.

Monthly Acquisition, Renovation and Leasing Rates

Property Renovation. AH LLC has a team of 203 dedicated personnel to oversee the renovation process. This team focuses on maximizing the benefit of our investment in property renovation. Once a home is acquired, if it is not occupied, AH LLC promptly begins the renovation process, during which all aspects of each property are evaluated. Any resulting work is presented for bid to approved contractors in each of our markets. AH LLC has negotiated substantial quantity discounts in each of our markets for products that we regularly use during the renovation process, such as paint, window

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blinds, carpet and flooring. By establishing and enforcing best practices and quality consistency, we believe that AH LLC is able to reduce the costs of both materials and labor. We have found that a rapid response to renovating our homes improves our relationship with the local communities and HOAs, enhancing the American Homes 4 Rent brand recognition and loyalty. For homes that are occupied, property renovation is generally delayed. We estimate that AH LLC generally (1) completes property renovations within six to ten weeks after a property is available for renovation and (2) leases a property approximately 30 days after it is placed on the market, based on properties leased to date.

If a home that is acquired remains occupied, AH LLC typically postpones the renovation process. However, an assessment is usually immediately made of potential renovation work that must be addressed once the property can be accessed.

Existing Occupant Transition. Upon acquisition, AH LLC must often interact with and replace existing occupants of the homes acquired, whether they are prior homeowners or existing tenants. AH LLC s primary objective in this process is to quickly transition these occupants to tenants of ours, and, if that is not possible, to arrange for them to voluntarily vacate the home promptly. Occasionally, AH LLC may offer a modest incentive to existing occupants to vacate. Such a cost is viewed as appropriate in relation to value gained from accelerating AH LLC s access to the home to begin renovation. As a last resort, the existing occupants will be evicted. AH LLC has attorneys on staff familiar with the laws of the locales of our properties to handle this process.

Existing occupants who are tenants sometimes have a bona fide lease under state and federal regulations that must be honored. In these instances, AH LLC will honor such leases, while continuing to work with the tenants to transition them to a lease under our form and rental structure at the conclusion of the existing lease. Renovations are typically not conducted in this instance.

Property Management. We have developed an extensive in-house property management infrastructure, with modern systems, dedicated personnel and local offices in certain of our target markets. In these markets, property managers who are our employees will execute all property management functions. In the markets we do not have in-house property management, we will engage experienced local third-party property managers to provide these services. We continually evaluate our existing markets to determine when it is appropriate to establish in-house property management. This decision is based on many factors, including the number of properties in the market, the pace of property acquisitions and the cost of third-party property management. We are providing, or are in the process of establishing capabilities to provide, property management services in 18 of our largest target markets. We have approximately 130 dedicated personnel in property management and leasing functions.

Marketing and Leasing. We are responsible for establishing rental rates, marketing and leasing properties (including screening prospective tenants) and collecting and processing rent. We establish rental rates based on analysis by the local property management teams in each market. Factors considered in establishing the rental rates include a competitive analysis of rents, the size and age of the house, and many qualitative factors, such as neighborhood characteristics and access to quality schools, transportation and services.

We advertise the available properties through multiple channels, including our website, Craigslist, MLS, yard signs and local brokers. In some markets, we utilize a network of local real estate agents to show homes to prospective tenants. We believe that utilizing local agents will make the process more efficient and creates an additional marketing channel for properties under management.

Prospective tenants may submit an application through the website, Craigslist posting or in person. We evaluate prospective tenants in a standardized manner. Our application and evaluation process includes obtaining appropriate identification, a thorough evaluation of credit and income, a review of the applicant s rental history, and a background check for criminal activity.

We collect the majority of rent electronically via Automated Clearing House transfer or direct debit to the tenant s checking account via a secure Tenant Portal on our website. An auto-pay feature is

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offered to facilitate rent payment. Tenants charges and payment history are available to tenants online through the Tenant Portal. Tenants who do not pay rent by the late date (typically the third or fifth calendar day of the month) will receive notification and are assessed a late fee. Eviction is a last resort, and the eviction process is managed in compliance with local and state regulations. The eviction process will be documented through a property management system with all correspondence and documentation stored electronically.

Tenant Relations and Property Maintenance. We are also responsible for property repairs and maintenance and tenant relations. We offer a 24/7 emergency line to handle after hours issues, and our tenants can contact us through our local property management office and through the convenient and secure Tenant Portal on our website. As part of our ongoing property management, we conduct routine repairs and maintenance as appropriate to maximize long-term rental income and cash flows from our portfolio. In addition, our local property managers are involved in periodic visits to our properties to help foster positive, long-term relationships with our tenants, to monitor the condition and use of our homes and to ensure compliance with HOA rules and regulations.

Systems and Technology. As with Public Storage, effective systems and technology is an essential component of our process. We have made significant investments in our lease management system, accounting systems and our asset management systems. They have been designed to be scalable, as we anticipate our portfolio of homes to grow rapidly. Our website is fully integrated into the tenant accounting and leasing system. From the website, prospective tenants can browse homes available for rent, request additional information and apply to rent a specific home. Through the Tenant Portal existing tenants can set up automatic payments and initiate maintenance requests. The system is designed to handle the accounting requirements of residential property accounting, including accounting for security deposits and paying property-level expenses. The system also interfaces with the credit agency, Experian, expediting evaluations of prospective tenant rental applications. We obtained ownership to these systems in connection with the Management Internalization.

We have worked with a search engine optimization firm to ensure we place high in search engine lists and will continue to monitor our placement on search engines. In addition, sponsored key words are generally purchased in selected markets as needed. We are developing a second generation website that will provide a user with better identification of available properties through maps, have the ability to attach documents (e.g., paycheck stubs) to rental applications and be accessible from mobile devices.

Our History and Capitalization

Since commencing operations in November 2012, we have engaged in the following major transactions to raise capital and acquire single-family properties to lease in accordance with our business strategy:

Raised capital through private placements. We issued an aggregate of 82,079,648 of our Class A common shares, resulting in net proceeds of approximately $1.2 billion, in two private placements, an initial private placement of 35,360,898 of our Class A common shares at a price of $15.00 per share in November 2012 and a follow-on private placement of 46,718,750 of our Class A common shares at a price of $16.00 per share in March 2013. We used the net proceeds from both private placements to acquire and renovate single-family properties;

Acquired single-family properties from AH LLC. Through contribution transactions in December 2012 and February 2013, we acquired an aggregate of 3,137 single-family properties located in 29 markets in 14 states from AH LLC, at an agreed upon value of approximately $541.7 million, in exchange for a total of 3,300,000 of our Class A common shares, 635,075 of our Class B common shares, 32,667 Class A units and 31,085,974 Series C units. As contemplated in our initial private placement, on December 31, 2012, AH LLC made an approximately $50.0 million investment in our company and our operating partnership through the contribution to us of 367 single-family properties (substantially all of which were not yet leased to tenants) valued at approximately $49.4 million, or AH LLC s cost, and approximately

$0.6 million in cash in exchange for 3,300,000 Class A common shares, 667 Class B common shares and 32,667 Class A units of our operating partnership, at $15.00 per share or unit. On February 28, 2013, pursuant to a contribution agreement with AH LLC, we acquired the AH LLC Portfolio of 2,770 properties for a maximum agreed upon value of approximately $491.7 million in exchange for 31,085,974 Series C units and 634,408 of our Class B common shares (in the ratio of one Class B common share for each 49 Series C units), in each case based on a price per unit or share of $15.50;

Acquired AH LLC s interest in and financing of the RJ joint ventures to own and operate residential homes. In addition to the Alaska Joint Venture, AH LLC formed the RJ joint ventures to own and operate residential homes as rental properties. The RJ joint ventures have raised a total of approximately $45 million from high net worth individual investors and currently own 377 homes in 12 markets. In a series of transactions between December 2012 and May 2013, we acquired AH LLC s approximate one-third interest in the RJ joint ventures for approximately $22 million in exchange for approximately 1,360,000 Class A units. For more information regarding our acquisition of AH LLC s interest in the RJ joint ventures, see Certain Relationships and Related Party Transactions Transactions Regarding the RJ Joint Ventures ;

Entered into a senior secured revolving credit facility. In March 2013, we entered into a $500 million senior secured revolving credit facility with Wells Fargo that, in May 2013, was increased to $1 billion. The amount that may be borrowed under our credit facility is generally based on the borrowing base. Borrowings under our credit facility are available for a period of two years following the closing, which period may be extended for an additional year, subject to the satisfaction of certain financial covenant tests. Our credit facility matures one year after the expiration of such period. Our credit facility bears interest at 30 day LIBOR plus 2.75%. At May 31, 2013, we had $270 million of borrowings outstanding under our credit facility;

Settlement of AH LLC option. In April 2013, we and AH LLC entered into an amendment to the subscription agreement entered into in November 2012 that resulted in our issuance, on April 16, 2013, of net Class A common shares to AH LLC having a value, based on $17.25 per share, equal to the excess of $17.25, the then most recent per share price at which our Class A common shares were traded as reported by the FBR PLUS System, over $15.00 per share (i.e., $2.25 per share), multiplied by the number of shares subject to the original option, resulting in a total of 434,783 Class A common shares;

Issuance of Series D and Series E units. In connection with the Management Internalization, our operating partnership will issue 4,375,000 Series D units and 4,375,000 Series E units to AH LLC in exchange for AH LLC s membership interest in our former manager and former property manager. For more discussion on the Series D and Series E units, see Operating Partnership and the Partnership Agreement Series D Convertible Units and Series E Convertible Units. For more discussion on the Management Internalization, see Certain Relationships and Related Party Transactions Management Internalization ; and

Acquisition of the interests of APFC and AH LLC in the Alaska Joint Venture. In July 2012, AH LLC entered into the Alaska Joint Venture with APFC. APFC contributed $600 million and AH LLC contributed an additional $150 million to the Alaska Joint Venture. AH LLC had a promoted interest in the Alaska Joint Venture in addition to owning 20% of its equity. All the Alaska Joint Venture s funds are now invested or committed. Prior to the commencement of this offering, we expect to acquire the interests of APFC and AH LLC in the Alaska Joint Venture based upon an agreed upon valuation of approximately $904.5 million in exchange for 43.6 million Class A common shares to be issued by us to APFC and approximately 12.4 million Class A units to be issued by our operating partnership to AH LLC. Since we do not have a definitive agreement with APFC and AH LLC, there is no assurance that the Alaska Joint Venture Acquisition will be completed on the proposed terms, if at all. See Certain Relationships and Related Party Transactions Alaska Joint Venture Acquisition.

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Management Internalization

We have been externally managed and advised by our former manager, and the leasing, managing and advertising of our properties has been overseen and directed by our former property manager. In May 2013, we and AH LLC signed a contribution agreement pursuant to which both parties agreed to engage in a series of transactions to implement the Management Internalization. The closing of the Management Internalization is subject to several customary closing conditions, including the consent of a majority of our shareholders, excluding shares held by AH LLC and its affiliates. There can be no assurance that the Management Internalization will be completed on the anticipated terms, if at all.

We believe that the Management Internalization will enable us to realize several benefits, including the following:

- We will better align the interests between our management and shareholders and eliminate certain conflicts of interest associated with having an external advisor and property manager.

- If we became self-advised and self-managed instead of remaining externally advised and managed, we will become, once the Management Internalization is fully implemented, a fully integrated single-family home rental company that handles acquisitions, renovations and operations all within a single consolidated entity, which we believe positions us well for an initial public offering.

- AH LLC s non-compete arrangement in the agreement on investment opportunities will be expanded to preclude AH LLC from rendering property management and investment advisory services for third parties.

- Eighteen months after the closing of the Management Internalization, we will cease paying acquisition and renovation fees on the initial properties that we acquire and will have an option to internalize our acquisition and renovation functions by the end of that period by offering employment to the acquisition and renovation personnel of AH LLC and its affiliates necessary for our operations.

- We will be able to form new investment vehicles and receive all of the benefits of those investments. In the absence of the Management Internalization, AH LLC would continue to be entitled to receive 80% of the promoted interests in respect of outside capital invested in those investment vehicles.

- We will acquire all of AH LLC s licenses and intellectual property that are critical to conducting our business.

- We believe that the Management Internalization will increase our adjusted FFO per share over time.

- In connection with the Management Internalization, AH LLC will receive equity securities in our company that are linked to favorable financial metrics and share price appreciation.

- We will no longer pay an annual advisory management fee to a related party advisor of 1.75% of shareholders equity or a property management fee to a related party property manager equal to 6% of collected rent and a leasing fee equal to one-half month s rent for each twelve-month rental period.

- We will be able to expand our property holdings without a proportionate increase in advisory and property management fees, which would continue if the Management Internalization is not completed.

- We believe that the value of our former manager and property manager will increase over time, increasing the cost to us of the Management Internalization at a later date.

For more information regarding the Management Internalization, see Certain Relationships and Related Party Transactions Management Internalization.

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Other Recent Developments

Transactions Regarding the RJ Joint Ventures

In addition to the Alaska Joint Venture, AH LLC has formed the RJ joint ventures with accredited investors identified by Raymond James to own and operate residential homes as rental properties. The RJ joint ventures have raised a total of approximately $45 million from high net worth individual investors and own an aggregate of 391 homes in 12 markets.

RJ1

Under the terms of a contribution agreement entered into in December 2012, our operating partnership acquired AH LLC s approximately one-third equity interest in RJ American Homes 4 Rent One, LLC, or RJ1, and 20% of its promoted interest in exchange for 653,492 3.5% convertible perpetual preferred units, at an agreed-upon price per unit of $15.00, with an aggregate liquidation preference of approximately $9.8 million. In May 2013, AH LLC transferred the remaining 80% of the promoted interest to our operating partnership and converted the 653,492 3.5% convertible perpetual preferred units into 653,492 Class A units.

RJ2

AH LLC formed RJ2 to own a specified portfolio of 214 single family homes and townhomes in Arizona, California, Florida, Georgia, Indiana, Nevada, North Carolina, Tennessee and Texas. RJ2 is the second company sponsored by AH LLC where AH LLC contributed leased properties and sold an interest to accredited investors through Raymond James.

Under the terms of a contribution agreement entered into in May 2013, our operating partnership acquired AH LLC s approximately one-third equity interest and 100% of its promoted interest in RJ2 in exchange for 705,167 Class A units at a price per unit of $17.25. For more information regarding our acquisition of AH LLC s interest in the RJ joint ventures, see Certain Relationship and Related Party Transactions Transactions Regarding the RJ Joint Ventures.

Risk Management

We face various forms of risk in our business ranging from broad economic, housing market and interest rate risks, to more specific factors, such as credit risk related to our tenants, re-leasing of properties and competition for properties. We believe that the systems and processes developed by our experienced executive team since commencing our operations in November 2012 will allow us to monitor, manage and ultimately navigate these risks.

Insurance

We maintain property and corporate level insurance coverage related to our business, including crime and fidelity, property management errors and omissions, trustees and officers errors and omissions, employment practice liability and workers compensation. We believe the policy specifications and insured limits under our insurance program are appropriate and adequate for our business and properties given the relative risk of loss, the cost of the coverage and industry practice. However, AH LLC s insurance coverage is subject to substantial deductibles and carveouts, and we will be self-insured up to the amount of such deductibles and carveouts. See Risk Factors Risks Related to Our Business We are self-insured against many potential losses, and uninsured or underinsured losses relating to properties may adversely affect our financial condition, operating results, cash flows and ability to make distributions on our Class A common shares.

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Competition

We face competition from different sources in each of our two primary activities: acquiring properties and renting our properties. We believe our primary competitors in acquiring our target properties through individual acquisitions are individual investors, small private investment partnerships looking for one-off acquisitions of investment properties that can either be rented or restored and sold, and larger investors, including private equity funds and other REITs, that are seeking to capitalize on the same market opportunity that we have identified. Our primary competitors in acquiring portfolios are private equity investors, other REITs and sizeable institutional investors. These same competitors may also compete with us for tenants. Competition may increase the prices for properties that we would like to purchase, reduce the amount of rent we may charge at our properties, reduce the occupancy of our portfolio and adversely impact our ability to achieve attractive yields. However, we believe that our acquisition platform, our extensive in-house property management infrastructure and market knowledge in markets that meet our selection criteria provide us with competitive advantages.

Regulation

General

Our properties are subject to various covenants, laws and ordinances, and certain of our properties are also subject to the rules of the various HOAs where such properties are located. We believe that we are in material compliance with such covenants, laws, ordinances and rules, and we also require that our tenants agree to comply with such covenants, laws, ordinances and rules in their leases with us.

Fair Housing Act

The Fair Housing Act, or FHA, its state law counterparts and the regulations promulgated by HUD and various state agencies, prohibit discrimination in housing on the basis of race or color, national origin, religion, sex, familial status (including children under the age of 18 living with parents or legal custodians, pregnant women and people securing custody of children under the age of 18), handicap or, in some states, financial capability. We believe that our properties are in substantial compliance with the FHA and other regulations.

Environmental Matters

As a current or prior owner of real estate, we are subject to various federal, state and local environmental laws, regulations and ordinances, and we could be liable to third parties as a result of environmental contamination or noncompliance at our properties, even if we no longer own such properties. See Risk Factors Risks Related Our Business Contingent or unknown liabilities could adversely affect our financial condition, cash flows and operating results.

REIT Qualification

We intend to qualify and will elect to be taxed as a REIT, commencing with our first taxable year ended December 31, 2012. Our qualification as a REIT, and maintenance of such qualification, will depend upon our ability to meet, on a continuing basis, various complex requirements under the Code relating to, among other things, the sources of our gross income, the composition and values of our assets, our distributions to our shareholders and the concentration of ownership of our equity shares. We believe that, commencing with our initial taxable year ended December 31, 2012, we are organized in conformity with the requirements for qualification and taxation as a REIT.

As a REIT, we generally will not be subject to U.S. federal income tax on our REIT taxable income that we currently distribute to our shareholders, but taxable income generated by any taxable REIT subsidiary that we may form or acquire will be subject to federal, state and local income tax. Under the Code, REITs are subject to numerous organizational and operational requirements, including a requirement that they distribute annually at least 90% of their REIT taxable income to their shareholders. If we fail to qualify as a REIT in any taxable year and do not qualify for certain statutory relief provisions, our income would be subject to U.S. federal income tax, and we would likely be precluded from qualifying for treatment as a REIT until the fifth calendar year following the year in which we fail to qualify. Even if we qualify as a REIT, we may still be subject to certain U.S. federal, state and local taxes on our income and assets and to U.S. federal income and excise taxes on our undistributed income.

Investment Company Act of 1940

We intend to conduct our operations so that neither we nor any of our subsidiaries are required to register as an investment company under the Investment Company Act of 1940, as amended, or the 1940 Act.

Legal Proceedings

We are not involved in any material litigation nor, to our knowledge, is any material litigation threatened against us.

Employees

We have approximately 157 dedicated personnel. We do not expect any of our personnel to be covered by a collective bargaining agreement. See Certain Relationships and Related Party Transactions Management Internalization Employee Administration Agreement.

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MANAGEMENT

Our Trustees and Executive Officers

Our board of trustees consists of eight members. Of these eight trustees, five, constituting a majority, are considered independent within the meaning of the listing standards of the NYSE.

The following table sets forth certain information concerning our trustees and executive officers.

Name	Age	Position
B. Wayne Hughes	79	Non-Executive Chairman
David P. Singelyn	51	Chief Executive Officer and Trustee
John Corrigan	52	Chief Operating Officer and Trustee
Peter J. Nelson	55	Chief Financial Officer
David Goldberg	63	Executive Vice President
Sara H. Vogt-Lowell	38	Senior Vice President and Chief Legal Officer
Vincent R. Chan	42	Senior Vice President and Chief Accounting Officer
Dann V. Angeloff(1)	77	Independent Trustee
Matthew J. Hart(2)(3)	61	Independent Trustee
James H. Kropp(1)(2)	64	Independent Trustee
Lynn Swann(1)(3)	61	Independent Trustee
Kenneth Woolley(2)(3)	66	Independent Trustee

(1) Member of Nominating and Corporate Governance Committee.
(2) Member of Audit Committee.
(3) Member of Compensation Committee.

Trustees

B. Wayne Hughes Non-Executive Chairman. Mr. Hughes has served as our Non-Executive Chairman since October 2012. In June 2011, Mr. Hughes co-founded AH LLC, a private company formed to capitalize on the dislocation in the single-family home market and an affiliate of our company. In 1972, Mr. Hughes founded Public Storage (NYSE: PSA), one of the nation s largest REITs, where he served as a Trustee from 1980 to 2012 and retired as Chief Executive Officer in November 2002. In 2006, Mr. Hughes founded ACE, a real estate management company with 62 retail and office properties across California and Hawaii. Mr. Hughes earned a B.A. in Business from the University of Southern California and is qualified to serve as a Trustee due to his more than 40 years of real estate, financial and operational expertise, including the organization of Public Storage in 1972 and its management until 2002.

David P. Singelyn Chief Executive Officer and Trustee. Mr. Singelyn has served as a Trustee and our Chief Executive Officer since October 2012. Mr. Singelyn co-founded AH LLC with Mr. Hughes in June 2011 and served as the Chief Executive Officer of our former manager until the Management Internalization. From 2003 through April 2013, Mr. Singelyn was Chairman and President of Public Storage Canada, a real estate company previously listed on the Toronto Stock Exchange, where he built a management team that restructured the operations of the company, including building an operations team and installing accounting and operating computer systems. In 2010, Mr. Singelyn facilitated the restructuring of the ownership entity that was traded on the Toronto stock exchange resulting in the company going private. In 2005, Mr. Singelyn, along with Mr. Hughes, founded ACE, and he now serves as a co-manager of ACE. Mr. Singelyn is also a director of the William Lawrence and Blanche Hughes Foundation, a non-profit organization dedicated to research of pediatric cancer. Mr. Singelyn served as the Treasurer for Public Storage, from 1989 through 2003, where he was responsible for equity capital raising, debt issuances, corporate cash management and financial management for Public Storage and its subsidiary operations. During his tenure, and with his direct involvement, Public Storage raised funds through the public and institutional marketplaces, including from a number of state pensions.

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Mr. Singelyn started his career at Arthur Young and Company (now a part of Ernst & Young LLP) and also served as Controller of Winchell s Donut Houses where he was responsible for all accounting functions. Mr. Singelyn earned a B.S. in Accounting and a B.S. in Computer Information Systems from California Polytechnic University Pomona and is qualified to serve as a Trustee due to his extensive real estate, financial and operational experience with private and public companies.

John Jack Corrigan Chief Operating Officer and Trustee. Mr. Corrigan has served as a Trustee and our Chief Operating Officer since October 2012. Since November 2011, Mr. Corrigan has been the Chief Operating Officer of our former manager. From 2006 to 2011, Mr. Corrigan was the Chief Executive Officer of A & H Property and Investments, a full service leasing and property management company in Los Angeles County with a portfolio of residential, retail, industrial and office properties where he was responsible for acquisitions, dispositions, development, financing and management operations. Mr. Corrigan served as Chief Financial Officer of PS Business Parks Inc. (NYSE: PSB), a publicly-traded REIT specializing in office and industrial properties throughout the United States, from 1998 to 2004. Prior to his tenure at PS Business Parks, Mr. Corrigan was a partner in the accounting firm of LaRue, Corrigan & McCormick where he was responsible for the audit and consulting practice of that firm. Mr. Corrigan started his career at Arthur Young and Company (now a part of Ernst & Young LLP) and also served as Vice President and Controller of Storage Equities, Inc. (a predecessor entity to Public Storage). Mr. Corrigan earned a B.S. in Accounting from Loyola Marymount University. He is a Certified Public Accountant licensed in the state of California and a California-licensed real estate broker. Mr. Corrigan is qualified to serve as a Trustee due to his extensive real estate, financial and operational experience with public and private companies.

Dann V. Angeloff Trustee. Mr. Angeloff has served as a Trustee since November 2012. Mr. Angeloff founded The Angeloff Company, a corporate financial advisory firm advising top management of small and mid-sized companies in the areas of capital sourcing, merger-acquisition and other financial services and has served as its President since 1976. He is and has been active in the capital markets as an investment banker and corporate financial advisor for over 50 years and has been responsible for over 80 financial transactions with a major emphasis in initial public offerings. He currently serves on the board of Electronic Recyclers International, Inc. Within the last five years, Mr. Angeloff has served on the following boards: Bjurman, Barry Fund, Inc., Nicholas-Applegate Growth Equity Fund, Public Storage and SoftBrands, Inc. Mr. Angeloff received a B.S. in Finance and an M.B.A. in Finance from the University of Southern California. Mr. Angeloff is qualified to serve as a Trustee due to his investment banking background and knowledge of capital markets and his public company board experience. In addition, he is one of the founders of the National Association of Corporate Directors, or NACD, and former Chairman and President and currently chairman emeritus of the Southern California NACD Chapter and brings his extensive knowledge of corporate governance practices to our board of trustees and to our Nominating and Corporate Governance Committee, which he chairs.

Matthew J. Hart Trustee. Mr. Hart has served as a Trustee since November 2012. Mr. Hart served as President and Chief Operating Officer of Hilton Hotels Corporation, or Hilton, a global hospitality company, from May 2004 until the buyout of Hilton by the Blackstone Group in October 2007. He also served as Executive Vice President and Chief Financial Officer of Hilton from 1996 to 2004. Prior to joining Hilton, Mr. Hart served as the Senior Vice President and Treasurer of the Walt Disney Company (NYSE: DIS), Executive Vice President and Chief Financial Officer for Host Marriott Corp., Senior Vice President and Treasurer for Marriott Corporation and Vice President, Corporate Lending, for Bankers Trust Company. Mr. Hart currently serves on the board of directors of US Airways Group, Inc. (NYSE: LCC), Air Lease Corporation (NYSE: AL) and Great American Group, Inc. Mr. Hart received a B.A. in Economics and Sociology from Vanderbilt University and an M.B.A. in Finance and Marketing from Columbia University. Mr. Hart is qualified to serve as a Trustee due to his financial expertise, risk management experience, extensive experience as a senior operating and finance executive in developing strategies for large public companies, his mergers and acquisitions experience, and his service as a public company director.

James H. Kropp Trustee. Mr. Kropp has served as a Trustee since November 2012. Since 2009, Mr. Kropp has been the Chief Investment Officer of SLKW Investments LLC, a family investment office and the

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successor to i3 Funds LLC. Since 2011, he has been a Manager of Microproperties LLC, an investor and asset manager of net leased restaurant properties. From 2009 until its sale in February 2012, he served as Interim CFO of TaxEase LLC, a tax lien finance company. Mr. Kropp was Senior VP of Investments for Gazit Group USA, Inc., a real estate investor, from 2006 to December 2008. Since 1998, Mr. Kropp has served as a director of PS Business Parks Inc., and is the Chair of its Compensation Committee and a member of its Nominating/Corporate Governance Committee. Since its founding in 2011, he has been a director of Corporate Capital Trust, a registered investment company, and Chair of its Audit Committee and a member of its Nominating/Corporate Governance Committee. He was a director of Trustreet Properties Inc. and its predecessor, US Restaurant Properties Inc., from 2002 through February 2007 and served as Chairman of its Audit Committee and Compensation Committee and was a member of the Nominating and Corporate Governance Committees during his tenure. From May 2007 until its sale in February 2010, Mr. Kropp was a Trustee as well as Chairman of the Audit Committee and a member of the Governance and Independent Trustee Committees of The CNL Funds, a registered investment company. Mr. Kropp earned a B.B.A. in Finance from St. Francis College. He completed the CPA preparation program at New York University and was licensed as a CPA while at Arthur Young and Company (now a part of Ernst & Young LLP). Mr. Kropp is qualified to serve as a Trustee due to his knowledge of investment banking and capital markets, specializing in real estate securities, his extensive experience with real estate businesses, including other REITs, and his experience as a member of several public company boards.

Lynn Swann Trustee. Mr. Swann has served as a Trustee since November 2012. Mr. Swan has been the President of Swann, Inc., a marketing and consulting company, since 1976 and the Managing Director of the LS Group which is a third party capital fundraising firm, since 2011. Since 1979 Mr. Swann has been the National Spokesman for Big Brothers Big Sisters of America, served on their National Board from the mid-1980 s to 2011 and was Chairman of the Board from 1993 to 1995. Mr. Swann also played 18 seasons in the National Football League (NFL) for the Pittsburgh Steelers, was selected to three Pro Bowls, won four Super Bowls, and was inducted into the Pro Football Hall of Fame in 2001. After his NFL career, Mr. Swann engaged in television sports broadcasting for ABC Sports. Mr. Swann is a board member of H.J. Heinz Co. (NYSE: HNZ), Caesar s Entertainment Corp. (NASDAQ:CZR) and Hershey Entertainment and Resorts. Mr. Swann earned a B.A. in Public Relations from the University of Southern California and is qualified to serve as a Trustee due to his media and public relations experience, consumer awareness skills, diverse business and political background and management-level decision-making experience.

Kenneth M. Woolley Trustee. Mr. Woolley has served as a Trustee since November 2012. He is the founder of Extra Space Storage, Inc. (NYSE: EXR), or Extra Space, a self-storage REIT, and he currently serves as its Executive Chairman. He served as Chairman and Chief Executive Officer from its inception in 2004 through March 2009 and was formerly Chief Executive Officer of Extra Space s predecessor. From 1994 to 2002, he was an active participant on Storage USA s Advisory Board. From 1983 to 1989 he acted as a preferred developer for Public Storage, Inc. Mr. Woolley has also developed over 9,000 apartment units in 32 projects and acquired over 15,000 apartment units in the past 25 years and is the founder of several companies in the retail, electronics, food manufacturing, airline and natural resources industries. Mr. Woolley received a B.A. in Physics from Brigham Young University and an M.B.A. and Ph.D. in Business Administration from Stanford University, Graduate School of Business. Mr. Woolley is qualified to serve as a Trustee due to his extensive experience with public companies, including his executive experience with Extra Space, and experience with multi-family properties.

Executive Officers

Set forth below is biographical information for each of our executive officers, other than Mr. Singelyn and Mr. Corrigan who also serve on our board of trustees and whose biographical information is set forth above

Peter J. Nelson Chief Financial Officer. Mr. Nelson has served as our Chief Financial Officer since October 2012. Mr. Nelson held the same position with our former manager from September 2012 until the Management Internalization. From 2004 to 2012, Mr. Nelson was the managing partner of Morecambe Partners,

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LLC, an advisory and consultancy firm focused on early stage companies, workout situations and real estate businesses and transactions. During his tenure at Morecambe Partners, Mr. Nelson structured and invested in several commercial real estate transactions, including the acquisition, re-repositioning and disposition of industrial properties. From 1997 until 2004, Mr. Nelson served in several executive positions with Alexandria Real Estate Equities, Inc. (NYSE: ARE), or ARE, including Chief Financial Officer, Senior Vice President Operations and Treasurer. ARE is a REIT with a portfolio primarily consisting of office properties that provide research laboratories for scientific organizations. Mr. Nelson was responsible for debt and equity capital raising activities for ARE. Mr. Nelson was involved in ARE s property acquisition and growth strategies throughout United States, and his responsibilities included overseeing ARE s risk management activities and all accounting and financial reporting functions, including the supervision of audits. From 1995 until 1997, Mr. Nelson served as Chief Financial Officer of Lennar Partners, Inc., now known as LNR Property Corporation, formerly a subsidiary of Lennar Corporation (NYSE: LEN), where he oversaw all financial and operational aspects of the company s investment in and operation of commercial properties. Mr. Nelson graduated from California State University, Northridge with a B.S. in Accounting. He is an inactive Certified Public Accountant in the state of California.

David Goldberg Executive Vice President. Mr. Goldberg has served as our Executive Vice President since October 2012. Mr. Goldberg held the same position with our former manager from 2011 until the Management Internalization. Since 2006, Mr. Goldberg has been a co-manager of ACE, and since 2006 he has served as a legal consultant and senior counsel for Public Storage. From 1991 until 2005, Mr. Goldberg held various legal positions with Public Storage, including Senior Vice President and General Counsel. In such capacity, Mr. Goldberg was responsible for all Public Storage securities, real estate and property management activities and was involved in capital raising, real estate acquisition, corporate reorganization and property management transactions. From 1974 until 1991, Mr. Goldberg was an associate and a partner in the law firm of Agnew, Miller & Carlson and a partner with the law firm of Sachs & Phelps and with the law firm of Hufstedler, Miller, Carlson & Beardsley. Mr. Goldberg earned an A.B. in History and Social Studies from Boston University and a Juris Doctor from the University of California, Berkeley (Boalt School of Law) and is a member of the California State Bar.

Sara H. Vogt-Lowell Senior Vice President and Chief Legal Officer. Ms. Vogt-Lowell has served as our Senior Vice President and Chief Legal Officer since October 2012. As Senior Vice President and Chief Legal Officer she coordinates legal matters and real estate transactions, guides the defense of our company against prospective and pending claims and lawsuits and monitors applicable legal, regulatory and compliance developments. From 2011 until the Management Internalization, Ms. Vogt-Lowell held the same position with our former manager. From March 2006 through April 2013, she has served as General Counsel for Malibu Management, Public Storage Canada and ACE where her responsibilities included managing, directing and providing guidance over all legal affairs, preparing, negotiating and reviewing real estate acquisition contracts, leases, financing instruments and other legal instruments, overseeing all real estate transactions, corporate governance matters and litigation, monitoring legal, regulatory and compliance developments, and anticipating, assessing and mitigating legal risks for each company. Ms. Vogt-Lowell began her legal career at the law firm of Latham & Watkins LLP in 2002 as a member of the finance department where she specialized in real estate transactions. There, she represented a variety of clients, including lenders, residential and commercial developers, landlords, tenants, buyers, sellers and owners of commercial, industrial, residential and other real estate projects, with specific experience in multi-site, multi-state property portfolios. Ms. Vogt-Lowell earned a B.A. in Political Science from the University of California, Los Angeles and a Juris Doctor from the University of California, Berkeley (Boalt School of Law). Ms. Vogt-Lowell is a member of the California State Bar and is an active member of the Business Law and Real Property Law sections.

Vincent R. Chan Senior Vice President and Chief Accounting Officer. Mr. Chan has served as our Senior Vice President and Chief Accounting Officer since October 2012. From 2011 until the Management Internalization, Mr. Chan held the same position with our former manager. Until the Management Internalization, Mr. Chan has served as the President of KS InsuRe Corporation and AH InsuRe Corporation, captive insurance

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companies affiliated with our former manager, where he is responsible for forming these entities to manage the various risk components of our company, our former manager and its affiliated entities. Mr. Chan served as the Chief Financial Officer of ACE and Public Storage Canada from 2004 until April 2013. At ACE and Public Storage Canada, Mr. Chan had responsibility for accounting, finance, treasury, insurance, investor relations and management information systems. From 1998 to 2002, Mr. Chan served as the corporate Controller of PS Business Parks Inc., where he oversaw accounting and reporting matters with the SEC. Prior to his employment with PS Business Parks Inc., Mr. Chan was a senior auditor of Ernst & Young LLP, where he earned his California Certified Public Accountant license. Mr. Chan earned a B.S. in Business Administration from California State University of Northridge with an emphasis in accounting.

Other Key Employees

Set forth below is biographical information for each of our other key employees.

Raymond Huning Senior Vice President and Director of Tax. Mr. Huning has served as our Senior Vice President and Director of Tax since the completion of the Management Internalization. From 2011 until the Management Internalization, Mr. Huning held the same position with our former manager. From 2004 until April 2013, Mr. Huning served as Director of Taxes for ACE and Public Storage Canada. In these positions he was responsible for providing oversight, guidance, and direction regarding all aspects of the income, business, sales, and property tax requirements. Mr. Huning worked at Kenneth Leventhal & Company from 1987 until its merger with Ernst & Young LLP in 1995. From 1995 to 2003, Mr. Huning worked at Ernst & Young as a Senior Tax Manager. He specialized in US and foreign real estate income taxes and was responsible for income tax filings for a variety of clients, including investment funds with multi-state and foreign real estate holdings, residential and commercial developers, and owners of commercial, industrial, residential and other real estate projects. Mr. Huning earned a B.A. degree in Economics from University of California, Los Angeles. He is an inactive Certified Public Accountant in the state of California.

Bryan Smith Senior Vice President and Director of Property Management. Mr. Smith has served as Senior Vice President and Director of Property Management since the completion of the Management Internalization, and is responsible for establishing property management operations nationwide, with an initial focus of hiring and training property management teams and establishing leasing offices across the country. From 2011 to 2012, Mr. Smith was the Senior Vice President of Acquisitions for our former manager and he was the Senior Vice President and Director of Property Management for our former manager from 2012 until the Management Internalization. From 2009 to 2011, Mr. Smith was a Partner at Tax Review Group , a property tax consulting firm that focuses on reducing the tax liabilities of large residential, commercial, hospitality and land properties located in the western United States, where his responsibilities included business development and operational management of the firm s property tax appeal practice. Prior to joining the Tax Review Group, he was a Partner and Chief Financial Officer at the Watermark Group, a California-based residential and commercial real estate development firm, from 2006 to 2009. His responsibilities included strategic planning, fundraising, and financial reporting and management. Mr. Smith earned a B.A. in Business Economics from the University of California, Los Angeles and an M.B.A. from the UCLA Anderson School of Management. He is a licensed real estate broker and a Certified Public Accountant in the state of California.

Board of Trustees

The number of members on our board of trustees will be determined from time-to-time by resolution of the existing members of the board. Our board of trustees currently consists of eight persons. Our trustees are nominated each year by the Nominating and Corporate Governance Committee of our Board of Trustees.

Upon completion of this offering, we will become subject to the rules of the NYSE. Generally, these rules require a number of trustees serving on our board to meet standards of independence. Our board of trustees has determined that the trustees listed above as Independent Trustee meet the independence standards of the NYSE. Our independent trustees meet regularly in executive sessions without members of management present.

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Our board of trustees believes its members collectively have the experience, qualifications, attributes and skills to effectively oversee the management of our company, including a high degree of personal and professional integrity, an ability to exercise sound business judgment on a broad range of issues, sufficient experience and background to have an appreciation of the issues facing our company, a willingness to devote the necessary time to board duties, a commitment to representing the best interests of our company and a dedication to enhancing shareholder value.

Committees of the Board of Trustees

Our board has established three committees: the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee. Each of these committees consists of three members, each of whom meets the independence standards of the NYSE. Matters put to a vote by any one of our three independent committees of our board of trustees must be approved by a majority of the trustees on the committee who are present at a meeting, in person or as otherwise permitted by our bylaws, at which there is a quorum or by the unanimous written consent of the trustees serving on the committee. Additionally, our board of trustees may from time to time establish other committees to facilitate the board s oversight of management of the business and affairs of our company.

Audit Committee. The Audit Committee is composed of Messrs. Hart, Kropp and Woolley, and Mr. Kropp currently serves as its chairman. Our board has affirmatively determined that each of the Audit Committee members meets the definition of independent trustee for purposes of the NYSE rules and the independence requirements of Rule 10A-3 of the Exchange Act. Our board has also determined that each member of our Audit Committee qualifies as an audit committee financial expert under SEC rules and regulations. The Audit Committee s principal functions consist of overseeing:

- review of all related party transactions in accordance with our related party transactions policy;
- our accounting and financial reporting processes;
- the integrity of our consolidated financial statements and financial reporting process;
- our systems of disclosure controls and procedures and internal control over financial reporting;
- our compliance with financial, legal and regulatory requirements;
- the evaluation of the qualifications, independence and performance of our independent registered public accounting firm;
- the performance of our internal audit functions; and
- our overall risk exposure and management.

Compensation Committee. The Compensation Committee is composed of Messrs. Woolley, Hart and Swann, and Mr. Woolley currently serves as its chairman. The Compensation Committee s principal functions consist of supporting the board of trustees in fulfilling its oversight responsibilities relating to the following:

- assisting the board of trustees in developing and evaluating potential candidates for executive officer positions and overseeing the development of executive succession plans;

- annually reviewing and approving our compensation arrangements for our trustees and senior management; and

- administering the 2012 Incentive Plan.

Nominating and Governance Committee. The Nominating and Governance Committee is composed of Messrs. Angeloff, Kropp and Swann, and Mr. Angeloff currently serves as its chairman. The Nominating and Governance Committee s principal functions consists of:

- identifying individuals qualified to become members of our board of trustees and ensuring that our board of trustees has the requisite expertise;

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developing, and recommending to the board of trustees for its approval, qualifications for trustee candidates and periodically reviewing these qualifications with the board of trustees;

reviewing the committee structure of the board of trustees and recommending trustees to serve as members or chairs of each committee of the board of trustees;

reviewing and recommending committee slates annually and recommending additional committee members to fill vacancies as needed;

developing and recommending to the board of trustees a set of corporate governance guidelines applicable to us and, at least annually, reviewing such guidelines and recommending changes to the board of trustees for approval as necessary;

overseeing the annual self-evaluations of the board of trustees and management; and