

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

Form 10-K

(Mark One)

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

For the fiscal year ended December 31, 2023

OR

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 1-39686 (Apartment Income REIT Corp.)

Commission file number 0-24497 (Apartment Income REIT, L.P.)



APARTMENT INCOME REIT CORP.  
APARTMENT INCOME REIT, L.P.

(Exact name of registrant as specified in its charter)

Maryland (Apartment Income REIT Corp.)

84-1299717

Delaware (Apartment Income REIT, L.P.)

84-1275621

(State or other jurisdiction of  
incorporation or organization)

(I.R.S. Employer  
Identification No.)

4582 South Ulster Street, Suite 1700  
Denver, Colorado

80237

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code ( 303 ) 757-8101

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Class A Common Stock (Apartment Income REIT Corp.)	AIRC	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:

None (Apartment Income REIT Corp.)

Partnership Common Units (Apartment Income REIT, L.P.)

(title of each class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined by Rule 405 of the Securities Act.

Apartment Income REIT Corp.: Yes ☒ No ☐

Apartment Income REIT, L.P.: Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Apartment Income REIT Corp.: Yes ☐ No ☒

Apartment Income REIT, L.P.: Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Apartment Income REIT Corp.: Yes ☒ No ☐

Apartment Income REIT, L.P.: Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Apartment Income REIT Corp.: Yes ☒ No ☐

Apartment Income REIT, L.P.: Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Apartment Income REIT Corp.:

Apartment Income REIT, L.P.:

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>	Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>	Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>			Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Apartment Income REIT Corp.: ☐

Apartment Income REIT, L.P.: ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

Apartment Income REIT Corp. : ☒

Apartment Income REIT, L.P.: ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Apartment Income REIT Corp. : ☐

Apartment Income REIT, L.P. : ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Apartment Income REIT Corp.: ☐

Apartment Income REIT, L.P.: ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Apartment Income REIT Corp. : Yes ☐ No ☒

Apartment Income REIT, L.P. : Yes ☐ No ☒

The aggregate market value of the voting and non-voting Common Stock of Apartment Income REIT Corp. held by non-affiliates of Apartment Income REIT Corp. was approximately \$ 5.4 billion based upon the closing price of \$36.09 on June 30, 2023.

As of February 12, 2024, there were 144,917,372 shares of Class A Common Stock outstanding.

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#### Documents Incorporated by Reference

Portions of the definitive Proxy Statement of Apartment Income REIT Corp. to be filed in connection with the 2024 annual meeting of stockholders are incorporated by reference into Part III of this Annual Report on Form 10-K.

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## EXPLANATORY NOTE

This filing combines the Annual Reports on Form 10-K for the fiscal year ended December 31, 2023, of Apartment Income REIT Corp. ("AIR"), Apartment Income REIT, L.P. ("AIR Operating Partnership"), and their consolidated subsidiaries. The AIR Operating Partnership's consolidated financial statements include the accounts of the AIR Operating Partnership and its consolidated subsidiaries. Except as the context otherwise requires, "we," "our," and "us" refer to AIR, the AIR Operating Partnership, and their consolidated subsidiaries, collectively.

AIR is a self-administered and self-managed real estate investment trust ("REIT"). AIR Operating Partnership owns substantially all of the assets and owes substantially all of the liabilities of the AIR enterprise and manages the daily operations of AIR's business. AIR owns, through its wholly-owned subsidiaries, the general partner interest, and special limited partner interest in the AIR Operating Partnership.

As of December 31, 2023, AIR owned approximately 91.1% of the legal interest and 93.6% of the economic interest in the common partnership units of the AIR Operating Partnership, respectively. The remaining 8.9% legal interest is owned by third parties. A portion of the 8.9% owned by third parties is subject to vesting. If the vesting requirements are not met, the 8.9% ownership will be reduced to no less than 6.4%. The legal ownership percentage is based on the outstanding Class A Common Stock of AIR ("Common Stock") and common OP Units (as defined below), including unvested restricted stock and unvested LTIP units. The economic ownership percentage includes any unvested restricted stock and unvested LTIP units to the extent they are considered participating securities, as defined by accounting principles generally accepted in the United States ("GAAP"). As the sole general partner of the AIR Operating Partnership, AIR has exclusive control of the AIR Operating Partnership's day-to-day management.

As stated above, the AIR Operating Partnership holds all of AIR's assets and manages the daily operations of AIR's business. Pursuant to the AIR Operating Partnership agreement, AIR is required to contribute to the AIR Operating Partnership all proceeds from the offerings of its securities. In exchange for the contribution of such proceeds, AIR receives additional interests in the AIR Operating Partnership with terms substantially similar to the stock issued by AIR.

We believe combining the periodic reports of AIR and the AIR Operating Partnership into this single report provides the following benefits:

- We present our business as a whole, in the same manner our management views and operates the business;
- We eliminate duplicative disclosure and provide a more streamlined and readable presentation because a substantial portion of the disclosures apply to both AIR and the AIR Operating Partnership; and
- We save time and cost through the preparation of a single combined report rather than two separate reports.

We operate AIR and the AIR Operating Partnership as one enterprise, the management of AIR directs the management and operations of the AIR Operating Partnership, and the members of the Board of Directors of AIR are identical to those of the AIR Operating Partnership's general partner.

We believe it is important to understand the few differences between AIR and the AIR Operating Partnership in the context of how AIR and the AIR Operating Partnership operate as a consolidated company. AIR has no assets or liabilities other than its investment in the AIR Operating Partnership, which is held directly and indirectly through certain intermediate holding companies (in which all of the common stock is owned by AIR). Also, AIR is a corporation that issues publicly traded equity from time to time, whereas the AIR Operating Partnership is a partnership that has no publicly traded equity. Except for the net proceeds from stock offerings by AIR, which are contributed to the AIR Operating Partnership in exchange for additional limited partnership interests with terms substantially similar to the stock sold in the offering, the AIR Operating Partnership generates all remaining capital required by its business. These sources include the AIR Operating Partnership's working capital, net cash provided by operating activities, borrowings under its revolving credit facility, the issuance of debt and equity securities, including additional partnership units, and proceeds received from the sale of apartment communities.

Equity, partners' capital, and noncontrolling interests are the main areas of difference between the consolidated financial statements of AIR and those of the AIR Operating Partnership. Interests in the AIR Operating Partnership held by entities other than AIR, which we refer to as OP Units, are classified within partners' capital in the AIR Operating Partnership's financial statements and as noncontrolling interests in AIR's financial statements.

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To help investors understand the differences between AIR and the AIR Operating Partnership, this report provides separate consolidated financial statements for AIR and the AIR Operating Partnership; a single set of consolidated notes to such financial statements that includes separate discussions of each entity's stockholders' equity or partners' capital, and earnings per share or earnings per unit, as applicable; and a combined Management's Discussion and Analysis of Financial Condition and Results of Operations section that includes discrete information related to each entity, where appropriate.

This report also includes separate Part II, Item 9A. Controls and Procedures sections and separate Exhibits 31 and 32 certifications for AIR and the AIR Operating Partnership in order to establish that the requisite certifications have been made and that AIR and the AIR Operating Partnership are both compliant with Rule 13a-15 or Rule 15d-15 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and 18 U.S.C. §1350.

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APARTMENT INCOME REIT CORP.  
APARTMENT INCOME REIT, L.P.  
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## FORWARD-LOOKING STATEMENTS

*The Private Securities Litigation Reform Act of 1995 provides a “safe harbor” for forward-looking statements in certain circumstances. This Annual Report contains information that is forward-looking within the meaning of the federal securities laws, including, without limitation, statements regarding: the payment of dividends and distributions in the future; our ability to maintain current or meet projected occupancy, rental rate and property operating results; expectations regarding consumer demand, growth in revenue and strength of other performance metrics and models; the effect of acquisitions and dispositions; expectations regarding acquisitions as well as sales and the formation of joint ventures and the use of proceeds thereof; the availability and cost of corporate debt; our ability to comply with debt covenants; and risks related to the provision of property management services to third parties and our ability to collect property management and asset management related fees.*

*These forward-looking statements are based on management's current expectations, estimates and assumptions and subject to risks and uncertainties, that could cause actual results to differ materially from such forward-looking statements, including, but not limited to: real estate and operating risks, including fluctuations in real estate values and the general economic climate in the markets in which we operate and competition for residents in such markets; national and local economic conditions, including inflation, the pace of job growth, the level of unemployment, and recession; the amount, location, and quality of competitive new housing supply, which may be impacted by global supply chain disruptions; the timing and effects of acquisitions and dispositions; changes in operating costs, including energy costs; negative economic conditions in our geographies of operation; loss of key personnel; AIR's ability to maintain current or meet projected occupancy, rental rate, and property operating results; expectations regarding sales of apartment communities and the use of proceeds thereof; insurance risks, including the cost of insurance, and natural disasters and severe weather such as hurricanes; financing risks, including interest rate changes and the availability and cost of financing; the risk that cash flows from operations may be insufficient to meet required payments of principal and interest; the risk that earnings may not be sufficient to maintain compliance with debt covenants, including financial coverage ratios; legal and regulatory risks, including costs associated with prosecuting or defending claims and any adverse outcomes; the terms of laws and governmental regulations that affect us and interpretations of those laws and regulations; and possible environmental liabilities, including costs, fines, or penalties that may be incurred due to necessary remediation of contamination of apartment communities presently or previously owned by AIR. Other risks and uncertainties are described in the section entitled “Risk Factors” described in Item 1A of this Annual Report and subsequent filings with the SEC.*

*In addition, our current and continuing qualification as a real estate investment trust involves the application of highly technical and complex provisions of the Internal Revenue Code of 1986, as amended (the “Code”) and depends on our ability to meet the various requirements imposed by the Code, through actual operating results, distribution levels and diversity of stock ownership.*

*These forward-looking statements reflect management's judgment as of this date, and we assume no obligation to revise or update them to reflect future events or circumstances.*

*Certain financial and operating measures found herein and used by management are not defined under GAAP. These measures are defined and reconciled to the most directly comparable GAAP measures under the Non-GAAP Measures heading and include: NAREIT Funds from Operations, Pro forma Funds from Operations, Run-Rate Funds from Operations, Run-Rate Adjusted Funds from Operations, and the measures used to compute our leverage ratios.*

## PART I

### ITEM 1. BUSINESS

#### The Company

AIR is a self-administered and self-managed real estate investment trust. AIR owns, through its wholly-owned subsidiaries, the general partner interest and special limited partner interest in AIR Operating Partnership. The AIR Operating Partnership owns all of the assets and owes all of the liabilities of the AIR enterprise and manages the daily operations of AIR's business. The AIR Operating Partnership conducts all of the business of AIR, which is focused on the ownership of stabilized multi-family properties located in top markets including eight important geographic concentrations: Boston; Philadelphia; Washington, D.C.; Miami; Denver; the San Francisco Bay Area; Los Angeles; and San Diego. Please refer to [Note 16](#) to the consolidated financial statements in Item 8 for discussion regarding our segments.

#### Business Overview

Our business activities are defined by a commitment to our core values of integrity, respect, collaboration, performance, and a focus on our customers. These values and our corporate mission, "to consistently provide quality apartment homes in a respectful environment delivered by a team of people who care," shape our culture. In all of our interactions with residents, teammates, business partners, lenders, and equity holders, we aim to be the best owner and operator of apartment communities, inspired by a talented team committed to exceptional customer service, strong financial performance, and outstanding corporate citizenship.

We created AIR to be the most efficient and effective way to invest in U.S. multi-family real estate, due to our simple business model, diversified portfolio of stabilized apartment communities, and low leverage. The Board of Directors has set the following strategic objectives:

- Pursue a simple, efficient, and predictable business model with a low-risk premium.
- Maintain a high quality and diversified portfolio of stabilized multi-family properties.
- Continuously improve our best-in-class property operations platform, the "AIR Edge," to generate above-market organic growth.
- Maintain an efficient cost structure.
- Maintain a flexible, low levered balance sheet with access to multiple sources of debt capital.
- Enhance portfolio quality through a disciplined approach to capital allocation, targeting accretive opportunities on a leverage neutral basis.
- Form private capital partnerships as a source of equity capital for accretive growth.
- Continue our commitment to corporate responsibility with transparent and measurable goals.

Our focused strategy is evidenced by:

- *Market-leading operating platform.* The AIR Edge reflects the cumulative results of our focus on resident selection, satisfaction, and retention, as well as relentless innovation in delivering best-in-class property management. In 2023, AIR's operating acumen resulted in Same Store net operating income ("NOI") growth and Free Cash Flow ("FCF") growth of 9.3% and 9.5%, respectively. The AIR Edge additionally contributes to higher rates of growth at newly acquired properties. For example, properties acquired by AIR in 2021 ("Class of 2021") contributed 100-basis points to the 9.3% Same Store NOI growth achieved in 2023.
- *High-quality, diversified portfolio.* AIR's portfolio has been materially enhanced through recycling approximately \$4.6 billion since the end of 2020. The sale of lower rated properties (or the contribution to a joint venture of fractional ownership in such properties) improved the AIR portfolio by (i) subtraction of properties in less favorable locations with prospects for lower rent growth or higher capital needs, and (ii) exiting (or reducing exposures to) markets with greater regulatory risk, such as New York.
- *High-growth acquisition portfolio.* AIR has used "paired trades," raising capital through either property dispositions or the formation of joint ventures, to fund \$585.0 million of acquisitions in 2023

at AIR's share. The acquisitions improved the AIR portfolio by (i) addition of properties in more favorable locations with better prospects for long-term rent growth and lower capital needs. As a result, AIR increased its allocation of capital to properties expected to generate higher rates of NOI and FCF growth as the operating impacts of the AIR Edge are realized. AIR's "paired trade" framework considers the cost of capital on the properties or joint venture interests acquired by others as measured by NOI yield, FCF yield, and expected unlevered internal rates of return ("IRR") over a 10-year hold period. We compare this cost of capital to the expected returns on acquisitions, and expect transactions to be accretive in the first or second year on a NOI and FCF yield basis, and a 200-basis point or higher spread on an unlevered IRR basis. Paired trades in 2023 were 40-basis points dilutive on a NOI yield basis, but 40-basis points accretive to FCF yield and 230-basis points accretive to unlevered IRR. As AIR continues to recycle capital out of older, and into newer properties, we expect FCF and Adjusted Funds from Operations ("AFFO") growth will be further enhanced.

As a result of its paired trade activity, the quality of the AIR portfolio has been enhanced with (i) average monthly revenue per apartment homes of \$2,913, up 10% from 2022, and (ii) increased allocation to faster growing submarkets such as Miami Beach, FL, Bethesda, MD, and Raleigh-Durham, NC.

- *Efficiency.* Through the combination of peer leading NOI and FCF margins, and low G&A expense, AIR converts a higher percentage of Same Store Revenue into FCF than does any of our peers, a durable advantage expected to compound over time, and enhanced as properties new to AIR's platform benefit from the AIR Edge.
- *Low leverage.* AIR targets Net Leverage to Adjusted EBITDA of ~6.0x, which equates to approximately 33% on a loan-to-value basis, a low level for the AIR business model with no exposure to construction, second mortgage lending, or short-term rentals. We anticipate the Net Leverage to Adjusted EBITDA ratio will vary based on the timing of transactions. AIR has well laddered refunding and repricing schedules, with no debt maturities until the second quarter of 2025. AIR also has limited refunding and repricing risk with the ability to fund all maturities through the first quarter of 2027 from cash on hand, and a 10-year commitment to make up to \$1 billion of property loans with up to 10-year maturities.
- *Deep and talented team.* AIR values mutual respect and collaboration among teammates, as well as pay-for-performance. These policies have created a strong culture, a stable team, and best-in-class employee engagement. AIR promotes from within its deep talent pool, and will also recruit from outside when doing so strengthens our team.

Our business is organized around four areas of strategic focus: operational excellence; active portfolio management; a safe, low leverage balance sheet; and an engaged team and culture. The results from the execution of our strategy are discussed in the Executive Overview in [Item 7](#).

#### *Operational Excellence*

We own and operate a portfolio of stabilized apartment communities on our market-leading operating platform, diversified by both geography and price point. As of December 31, 2023, our portfolio included 75 apartment communities with 26,626 apartment homes in which we held an average ownership of approximately 81%, with the balance owned by OP unitholders and our select joint venture partners.

To manage our property operations efficiently and to increase the benefits from our local management expertise, we give direct responsibility for operations to our area operations leaders, with regular support from senior management. To enable the area operations leaders to focus on sales and service, as well as to improve financial control and budgeting, we have dedicated area financial officers who support the operations leaders. Additionally, we have specialized teams at AIR's corporate headquarters in Denver, CO that provide shared services, including revenue management, marketing, procurement, capital management, and IT support across the portfolio.

We seek to improve our property operations through application of the AIR Edge. Our ideal is a culture where we service others, nurture relationships, and build safe, stable communities. We seek teams that are more cohesive, better compensated, and more productive. We seek customers that make better neighbors and stay longer. Our high customer retention is driven by delivering world-class customer service; taking advantage of real-time analytics and artificial



intelligence; increasing automation; centralizing operational tasks where efficient to do so; standardizing business processes, operational measurements, and internal reporting; and enhancing financial controls over field operations. The AIR Edge is a durable operating advantage in driving organic growth, and is scalable as our portfolio grows. We focus on the following areas:

- *Customer Satisfaction.* Our operating culture is focused on our residents and providing them with a high level of service in a clean, safe, and respectful living environment. We regularly monitor and evaluate our performance by providing customers with opportunities to grade our every interaction to ensure that we are customer-focused. In 2023, we received 40,000 customer grades averaging 4.28 rating on a five-point scale, considered world-class with reference to the Kingsley Index. We use this customer feedback as a daily management tool. We also publish these customer evaluations online as important and credible information for prospective customers. We have automated certain aspects of our on-site operations to enable current and future residents to interact with us using methods that are efficient and effective for them, such as using artificial intelligence to handle common customer inquiries and the execution of new and renewal leases. In addition, we emphasize the quality of our on-site teammates through recruiting, training, and retention programs, which, with continuous and real-time customer feedback, contributes to improved customer service. During 2023, AIR was honored externally for our customer satisfaction as a "Kingsley Excellence Elite Five" for the second year in a row, ranking first among public multi-family companies and second among all multi-family companies. We believe that greater customer satisfaction leads to higher resident retention and increased occupancy rates, which in turn leads to increased revenue and reduced costs.
- *Resident Selection and Retention.* In our apartment communities, we believe that one's neighbors are a meaningful part of the customer experience, together with the location of the community and the physical quality of the apartment homes, enhanced by excellent amenities. Part of our property operations strategy is to focus on attracting, selecting, and retaining stable, high character residents, and actively cultivating a sense of community so that our residents are more likely to live with us longer. Among many inputs that go into resident selection which are applied to both new and renewal leases, creditworthiness and behavior in accordance with our apartment community standards, which we document in our "Good Neighbor Commitment," are two factors among many, but of particular importance in the promotion of stable communities. We use artificial intelligence to target identified market segments predisposed to be stable residents with longer than average tenure, as well as higher FICO scores and so higher likelihood of meeting rental obligations. Our focus on resident selection and retention has contributed to an increase of apartment home retention, from 61.3% in 2022 to 62.3% in 2023.
- *Revenue Management and Ancillary Services.* We have a centralized revenue management approach that leverages people, processes, and technology to work in partnership with our local property management teams to develop rental rate pricing. Through this active coordination, we price every unit, every day based on a pipeline of prospective residents, balancing supply and demand by market. Our pricing is based on AIR's internal information together with publicly available market data. We seek to increase free cash flow by optimizing the balance between rental and occupancy rates, as well as taking into consideration costs such as preparing an apartment home for a new resident. We are focused on careful measurements of on-site operations, as we believe that timely and accurate collection of apartment community performance and resident profile data allows us to maximize free cash flow through better property management and leasing decisions. We seek to maximize profit by performing timely data analysis of new and renewal pricing for each apartment home, thereby enabling us to adjust rents quickly in response to changes in supply and demand and minimize vacancy time. We also generate incremental revenue by providing or facilitating services to our residents, including, at certain apartment communities, telecommunications services, parking options, package lockers, and storage space rental.
- *Controlling Expenses.* Innovation is the foundation of our cost control efforts. Innovative activities we have undertaken include: moving administrative tasks to our shared service center, which reduces costs and allows site teams to focus on sales and service; taking advantage of economies of scale at the corporate level through electronic procurement, which reduces complexity and increases purchasing volume discounts; focusing on life cycle costs by investing in more durable, longer-lived materials, which reduce turn times and costs; and leveraging technology through such items as our service technology platform, which allows for efficient work order completion and the use of robotics, smart home technology installed in all homes, which lowers turn, utility, and insurance costs while boosting revenue, intuitive website design, and convenient package lockers, which meet today's customer preference for self-service. Additionally, our efforts to maximize resident retention through our resident

selection process described above has resulted in reduced turn costs. These and other innovations contributed to a growth rate in controllable operating expense, which we define as property expenses less taxes, insurance, and utility expenses, compounding for the past 14 years at an annual rate of negative 0.1%.

- *Improving and Maintaining High Quality Apartment Communities.* We believe that the physical condition and amenities of our apartment communities are important factors in our ability to maintain and increase rental rates. Onsite we perform in-depth and regular review of physical property conditions, while our offsite team maintains a disciplined underwriting approach to identify the need for capital enhancement activity, as defined below. We invest in the maintenance and improvement of our communities primarily through: Capital Replacements, which are expenditures that are necessary to help preserve the value of and maintain building infrastructure at the communities; Capital Enhancements, investment activity where we expect sustained incremental NOI generating returns that average greater than a 10% IRR and which may include kitchen and bath remodeling, energy conservation projects, and investments in more durable, longer-lived materials designed to position assets for higher rental levels in their respective market; and, Initial Capital Expenditures, incremental investment contemplated in underwriting the purchase of a property. During 2023, AIR's proportionate share of investment was \$1,540 per apartment home in Capital Replacements and \$3,278 per apartment home in Capital Enhancements (\$71.0 million in 3,100 apartment homes). AIR's proportionate share of investment in Initial Capital Expenditures totaled \$46.0 million, which were planned as part of our initial investment in communities recently acquired.

#### *Portfolio Management*

We expect to improve the quality of our portfolio by allocating investment capital to enhance rent growth and increase long-term capital values through (i) "paired trades," emphasizing allocations to properties with prospects for attractive submarket growth, as well as accretion to land value and (ii) routine investments in property upgrades (such as upgrading kitchens, bathrooms, and other interior design aspects). We plan to maintain a dynamic capital allocation and market selection process through the reallocation of our investment, over time. Through this allocation, AIR aims to optimize expected future free cash flow growth rates and returns by appropriately pricing, managing regulatory risk, and anticipating trends in job growth, net migration, and customer quality. We target geographic diversification in our portfolio to reduce the volatility of our rental revenue by avoiding undue concentration in any particular market.

Our portfolio of apartment communities is diversified across primarily "A" and "B" price points, averaging "A-" in quality, and also across top markets including eight important geographic concentrations in the United States.

As part of our portfolio strategy, we seek to sell communities with lower expected unlevered IRRs and reinvest the proceeds from such sales in accretive uses such as property acquisitions where the expected unlevered IRRs provide a spread of 200-basis points or higher than the cost of capital to fund, Capital Enhancements (where we expect sustained incremental NOI as a result of the investment providing investment returns averaging greater than a 10% IRR), and share repurchases. When the cost of capital is favorable, we will look to grow through the acquisition of stabilized apartment communities that we believe we can operate more efficiently than their previous owners through application of the AIR Edge. Through this disciplined approach to capital allocation, we expect to increase the quality and expected growth rate of our portfolio.

#### *Balance Sheet*

We seek to increase financial returns by using leverage with appropriate caution. We limit risk through our balance sheet structure, employing low leverage and primarily long-dated debt. We maintain financial flexibility through ample unused and available credit, holding properties with substantial value unencumbered by property debt, maintaining an investment grade rating, and using partners' capital when it enhances financial returns or reduces investment risk. We seek to minimize refunding and repricing risk.

Our leverage includes our share of long-term, non-recourse property debt encumbering our apartment communities, together with outstanding borrowings under our revolving credit facility, our term loans, unsecured notes payable, and preferred equity.

We target a Net Leverage to Adjusted EBITDAre ratio of ~6.0x, which equates to approximately 33% on a loan-to-value basis, a low level for the AIR business model with no exposure to construction, second mortgage lending, or short-term rentals. We anticipate the Net Leverage to Adjusted EBITDAre ratio will vary based on the timing of transactions. As

of December 31, 2023, Net Leverage to Adjusted EBITDA was 6.1x, slightly elevated by 0.1x of a turn due to opportunistic fourth quarter share repurchases.

Under our credit agreement and unsecured notes payable, we have agreed to maintain a fixed charge coverage ratio of no less than 1.50 to 1.00. As of December 31, 2023, our fixed charge coverage ratio was 3.20.

Please refer to the Leverage Ratios subsection to the Non-GAAP Measures section in Item 7 for additional information regarding our leverage ratios.

We use our revolving credit facility for working capital, other short-term purposes, and to secure letters of credit. As of December 31, 2023, our share of cash and restricted cash, excluding amounts related to resident security deposits, was \$105.4 million. Additionally, we had the capacity to borrow up to \$1.8 billion under our revolving credit facility, after consideration of letters of credit, and committed property level financing through our secured credit facility with Fannie Mae thereby having total liquidity of just under \$2 billion.

We manage our financial flexibility by maintaining an investment grade rating from S&P and Moody's, and holding communities that are unencumbered by property debt. As of December 31, 2023, we held unencumbered apartment communities with an estimated fair market value of approximately \$4.9 billion. AIR's two investment grade ratings provide the company access to all debt capital market sources.

Please refer to the Executive Overview and Liquidity and Capital Resources sections in Item 7 for additional information regarding our balance sheet and liquidity.

## **Competition**

In attracting and retaining residents to occupy our apartment communities, we compete with numerous other housing providers. Our apartment communities compete directly with other rental apartments, as well as condominiums and single-family homes that are available for rent or purchase in the markets in which our apartment communities are located. Principal factors of competition include rent or price charged, attractiveness of the location and apartment community, and the quality and breadth of services. The number of competitive apartment communities relative to demand in a particular area has a material effect on our ability to lease apartment homes at our apartment communities and on the rents we charge. In certain markets, there exists a high supply of newly-constructed apartment homes, single-family homes, and condominiums relative to consumer demand, which affects the pricing and occupancy of our rental apartments.

We also compete with other real estate investors, including other apartment REITs, pension and investment funds, partnerships, and investment companies in acquiring, managing, obtaining financing for, and disposing of apartment communities. This competition affects our ability to acquire apartment communities we want to add to our portfolio and the price that we pay in such acquisitions; our ability to finance or refinance communities in our portfolio and the cost of such financing; and our ability to dispose of communities we no longer desire to retain in our portfolio and the timing and price available to us when we seek to dispose of such communities.

## **Taxation**

### *AIR*

AIR has elected to be taxed as a REIT under the Internal Revenue Code of 1986, as amended (the "Code"), commencing with our initial taxable year ended December 31, 2020, and intends to continue to operate in such a manner. The Code imposes various requirements related to organizational structure, distribution levels, diversity of stock ownership, and certain restrictions with regard to owned assets and categories of income that must be met in order to continue to qualify as a REIT. As a REIT, we are generally not subject to federal and certain state income tax on the net income that we currently distribute to stockholders. This treatment substantially eliminates the "double taxation" (at the corporate and stockholder levels) that generally results from an investment in a corporation.

Certain of our operations, or a portion thereof, including property management and risk management are conducted through taxable REIT subsidiaries, each of which we refer to as a "TRS." A TRS is a corporate subsidiary that has elected to be a TRS instead of a REIT and, as such, is subject to United States federal corporate income tax. We use TRS entities to facilitate our ability to offer certain services and activities to our residents and investment partners that cannot be offered directly by a REIT.

## *The AIR Operating Partnership*

The AIR Operating Partnership is treated as a “pass-through” entity for United States federal income tax purposes and is not subject to United States federal income taxation. Partners in the AIR Operating Partnership, however, are subject to tax on their allocable share of partnership income, gains, losses, deductions, and credits, regardless of whether the partners receive any actual distributions of cash or other property from the AIR Operating Partnership during the taxable year. Generally, the characterization of any particular item is determined by the AIR Operating Partnership rather than at the partner level, and the amount of a partner’s allocable share of such item is governed by the terms of the AIR Operating Partnership’s Partnership Agreement. The AIR Operating Partnership is subject to tax in certain states.

## **Regulation**

### *General*

Apartment communities and their owners are subject to various laws, ordinances, and regulations, including those related to real estate broker licensing and regulations relating to recreational facilities such as swimming pools, activity centers, and other common areas. Changes in laws increasing the potential liability for environmental conditions existing on communities or increasing the restrictions on discharges or other conditions, as well as changes in laws affecting development, construction, and safety requirements, may result in significant unanticipated expenditures, which would adversely affect our net income and cash flows from operating activities. In addition, existing rent control laws, as well as future enactment of rent control or rent stabilization laws, “just cause” evictions, or other laws regulating multi-family housing (such as resident screening requirements or limitations on fees) may reduce rental revenue, increase operating and compliance costs, require modification of resident screening requirements, or affect the stability of our communities.

### *Environmental*

Various federal, state, and local laws subject apartment community owners or operators to liability for management, and the costs of removal or remediation, of certain potentially hazardous materials that may be present at an apartment community. These materials may include lead-based paint, asbestos, polychlorinated biphenyls, and petroleum-based fuels. Such laws often impose liability without regard to fault or whether the owner or operator knew of, or was responsible for, the release or presence of such materials. In connection with the ownership, operation, and management of apartment communities, we could potentially be liable for environmental liabilities or costs associated with our current communities, communities we acquire or manage in the future, or communities we previously owned or operated in the past. These and other risks related to environmental matters are described in more detail in Item 1A. Risk Factors.

## **Insurance**

Our primary lines of insurance coverage are property, general liability, workers’ compensation, business interruption and cybersecurity. We believe that our insurance coverages adequately insure our apartment communities against the risk of loss attributable to fire, earthquake, hurricane, tornado, flood, terrorism, and other perils, and adequately insure us against other risk. Our coverage includes deductibles, retentions, and limits that are customary in the industry. We have established loss prevention, loss mitigation, claims handling, and litigation management procedures to manage our exposure.

## **Corporate Responsibility**

Corporate responsibility is a longstanding AIR priority and a key part of our culture. We offer benefits reinforcing our value of respect and caring for each other, including an opportunity to manage one’s life through flexible work schedules, paid time for parental leave, profit sharing, retirement plans for all, financial support for our teammates who are becoming United States citizens, and a bonus structure at all levels of the organization. We also pay full compensation and benefits for teammates who are actively deployed by the United States military.

Our team is also focused on making a difference in our local communities through our philanthropic endeavor, AIR Gives. For over 15 years, we have provided the flexibility for teammates to support a nonprofit or initiative that is important to them. Teammates have 15 hours of paid leave to volunteer with a nonprofit. Every hour volunteered also provides the teammate with charitable dollars to direct to a nonprofit of choice. Also, through AIR Gives, we award college scholarships to children of teammates. AIR Gives has supported over 675 students of our teammates with more than \$1.4 million in scholarships since 2006. We raised \$0.5 million from the AIR Gives Charity Golf Tournament in 2023 to benefit the Tragedy Assistance Program for Survivors, Project Sanctuary, and scholarships for students in affordable housing in

partnership with the National Leased Housing Association. We also provide financial assistance to AIR teammates experiencing a financial emergency or other crisis.

During the year, AIR met directly with holders of more than approximately 80% of its outstanding common shares. Through a series of lunches, dinners, video meetings, conferences, property tours, in-person meetings, and calls, various Board members and Management discussed a variety of topics, such as governance, investment strategy, operations, and corporate responsibility, including CEO succession planning and Environmental, Social, and Governance ("ESG").

Our commitment to strong corporate governance was further demonstrated in 2023, where AIR shareholders approved the Board's recommendation to amend AIR's charter to reduce to a simple majority vote the threshold to amend our bylaws. Our commitment extends not just to maintaining open lines of communication with shareholders, but also to improving as best practices in governance evolve. This direct shareholder engagement yielded positive results with the outcome of our annual meeting as shareholders overwhelmingly supported our directors, as well as "say on pay" for which AIR had the highest support among peers.

We are committed to transparency, and continuous improvement, as measured by Global Real Estate Sustainability Benchmark ("GRESB"). AIR received a score of 82 out of 100 in 2023, including a 100% score for leadership and reporting, a 12.5% improvement in environmental performance, a perfect social score and a near perfect governance score. AIR now has a four out of five-star GRESB rating for overall management and performance. AIR was given an "A" in GRESB Public Disclosure, ranking 2<sup>nd</sup> among peers. AIR earned a Best ESG Program award from Multi-Housing News ("MHN"). The award celebrates AIR's commitment to being an outstanding corporate citizen and its best-in-class program to achieve environmental, social, and governance goals. We also published our 2022-2023 Corporate Responsibility Report highlighting our commitment to community and published data consistent with the Taskforce on Climate-Related Financial Disclosures ("TCFD") and the Sustainability Accounting and Standards Board ("SASB"). AIR also certified 75% of its properties as sustainable, toward our goal of 95% by 2025.

Based on UN Sustainable Development Goals, we have set targets for energy, water, and greenhouse gas reductions. We published our goals and targets consistent with the UN Sustainability Goals, with an additional commitment to transparent, data-driven disclosures consistent with the SASB, which guides the disclosure of financially material sustainability information by companies to their investors. The standards identify the subset of environmental, social, and governance issues most relevant to financial performance in each industry.

## **Human Capital**

### *Team and Culture*

Our team and culture are keys to our success. We have a relentless focus on productivity and innovation. We continuously seek to reduce costs through the use of additional automation and continued technological investment, and by avoiding costs, for example by retention of residents. We apply this same focus to our general and administrative expenses, expecting these costs to be lower than our peers.

We are defined by a commitment to our mission, vision, and values. We strive to provide an exceptional living experience for residents and a great place to work for teammates, to be a good neighbor in the communities we serve, and a good steward for our investors. We are accountable to teammates in return for their hard and meaningful work of providing homes for others. We see our workforce as a team, and not employees only. Our view is relational, and not transactional, reflecting a longer view of the benefits of a cohesive and caring team.

Our intentional focus on a collaborative and productive culture based on respect for others and personal responsibility is reinforced by a preference for promotion from within. We focus on succession planning and talent development to produce a strong, stable team that is the enduring foundation of our success. The Compensation and Human Resources Committee of the Board of Directors is responsible for succession planning in all leadership positions, both in the short-term and the long-term, with particular focus on CEO succession.

Our focus on our team and culture is widely recognized. In 2023, AIR was named a Kingsley Excellence Elite Five multifamily company and a winner of the 2023 Kingsley Excellence Awards for customer service for the second year in a row. Of the winners, AIR ranked second among all operators, and first among publicly traded REITs. AIR is committed to world-class customer service, which we deliver through listening to, learning from, and responding to our residents every day. We also benefit from the support of great leadership, contributions from exceptional teammates, and a strong culture. These strengths are confirmed by such awards as AIR's 2023 Top Workplaces USA Award (the second

consecutive year), a 10-time winner of Top Workplace in Colorado (by the Denver Post), Top Workplace in Philadelphia (by The Philadelphia Inquirer), and in South Florida (by the Sun Sentinel) as well as two time winner of Built in 2023 Best Places to Work in Colorado, Los Angeles, Miami, and Washington, D.C., and the Denver Business Journal Healthiest Employer in Colorado for the third year in a row. We take seriously our responsibility to care for our customers, our neighbors, and each other as teammates. We are grateful for these recognitions and consider them confirmation of our success.

Our teammates are passionate about what we do, both inside and outside of work. We believe in doing whatever it takes to make our residents feel at home. We look at career growth as a jungle gym as well as a ladder, with opportunities to learn and grow in a variety of ways. Approximately 71% of all open manager level positions were filled internally in 2023, and approximately half of all open positions were filled internally. We provide both formal and informal training and coaching for teammates at every level of the organization. In 2023, 22% of AIR teammates voluntarily took part in AIR's leadership training.

As of December 31, 2023, we had approximately 760 teammates, of whom approximately 610 were at the apartment community level performing on-site functions or at our shared service center performing tasks that have been centralized there, with the balance managing corporate and area functions, including investment and debt transactions, legal, finance and accounting, information systems, human resources, and other support functions. As of December 31, 2023, unions represented approximately 27 of our teammates down from 2022 due to our exit from the New York market. We have never experienced a work stoppage and we believe we maintain satisfactory relations with our teammates.

We evaluate team engagement, retention, and efficiency and include those in our goals on which all teammates are compensated. Every teammate is surveyed annually via a third-party, confidential survey. The teammate engagement score consists of the average of the responses to the questions that comprise the engagement index, on a scale of 1 to 5, for all teammates who complete the survey. AIR's overall teammate engagement score from the 2023 Annual Lifecycle Surveys was 4.41, compared to the target of 4.35 with record high participation of 79.2%. With respect to our on-site goal, our primary objective is to maintain a highly engaged, stable workforce at our communities, enhanced by innovations in efficiency, all of which further our strategic objective of maximizing NOI margins. Our on-site teammate engagement score was 4.48, as compared to 4.47 in 2022. On-site voluntary turnover was 13.5%, down from 16.8% in 2022, and on-site overall turnover was 19.7%, down from 22.7% in 2022.

#### **Available Information**

The combined Annual Reports on Form 10-K, the combined Quarterly Reports on Form 10-Q, Current Reports on Form 8-K filed by AIR, the AIR Operating Partnership, and any amendments to any of those reports that were filed with the Securities and Exchange Commission are available free of charge through AIR's website at [www.aircommunities.com](http://www.aircommunities.com) and the SEC's website at [www.sec.gov](http://www.sec.gov). The information contained on AIR's website is not incorporated into this Annual Report.

#### **ITEM 1A. RISK FACTORS**

The risk factors noted in this section, and other factors noted throughout this Annual Report, describe certain risks and uncertainties that could cause our actual results to differ materially from those contained in any forward-looking statement.

##### **Risks Related to Our Business**

*Failure to generate sufficient net operating income may adversely affect our liquidity, limit our ability to fund necessary capital expenditures, or adversely affect our ability to pay dividends or distributions.*

Our ability to make payments to our investors depends on our ability to generate net operating income in excess of required debt payments and capital expenditure requirements. Our net operating income and liquidity may be adversely affected by events or conditions beyond our control, including:

- the general economic climate, including the impact of international hostilities and unrest;
- an inflationary environment in which the costs to operate and maintain our communities increase at a rate greater than our ability to increase rents, which we can only do upon renewal of existing leases or at the inception of new leases;
- competition from other apartment communities and other housing options;

- local conditions, such as loss of jobs, unemployment rates, recession, or an increase in the supply of apartments, which might adversely affect apartment occupancy or rental rates;
- changes in governmental regulations and the related cost of compliance;
- changes in tax laws and housing laws, including the enactment of rent control laws or other laws regulating multi-family housing; and
- changes in interest rates and the availability of financing.

Our ability to fund necessary capital expenditures on our communities depends on, among other things, our ability to generate net operating income in excess of required debt payments. If we are unable to fund capital expenditures on our communities, we may not be able to preserve the competitiveness of our communities, which could adversely affect their net operating income and long-term value.

*Competition could limit our ability to lease apartment homes or increase or maintain rents.*

Our apartment communities compete for residents with other housing alternatives, including other rental apartments and condominiums, and, to a lesser degree, single-family homes that are available for rent, as well as new and existing condominiums, and single-family homes for sale. Competitive residential housing, as well as household formation and job creation in a particular area, could adversely affect our ability to lease apartment homes and to increase or maintain rental rates.

*If our acquisitions do not perform as expected, our results of operations could be adversely affected.*

The selective acquisition of stabilized apartment communities when we have a favorable cost of capital is a component of our strategy. However, we may not be able to complete transactions successfully in the future. We expect that other real estate investors will compete with us for attractive investment opportunities in markets where we focus our acquisition efforts. We may not be in a position or have the opportunity in the future to make suitable property acquisitions on favorable terms.

Although we seek to acquire apartment communities when such acquisitions increase our free cash flow internal rates of return and are accretive to net asset value, such transactions may fail to perform in accordance with our expectations. In particular, following acquisition, the value and operational performance of an apartment community may be diminished if obsolescence or neighborhood changes occur before we are able to sell the apartment community. Additionally, occupancy rates and rents at these properties could fail to meet our expectations or we may underestimate the costs necessary to operate an acquired property to the standards established for its intended market position. This could have an adverse effect on our financial condition or results of operations.

*The Company may experience various increased costs, including increased property taxes.*

Real property taxes on our properties may increase as our properties are reassessed by tax assessors or as property tax rates change. A California law commonly referred to as Proposition 13 ("Prop 13") limits annual real estate tax assessment increases on California properties to 2% of assessed value while guaranteeing a base tax rate of 1%. However, under Prop 13, property tax reassessment at market value occurs as a result of a "change in ownership" of a property. Property tax assessors may not immediately recognize a "change in ownership" following a market transaction that has occurred leaving property owners unaware of the impact of a potential reassessment for a considerable amount of time following a particular transaction. Therefore, the property taxes we are required to pay could increase substantially from the prior or current years, including on a retroactive basis. Additionally, the base tax rate of 1% for all taxing authorities guaranteed under Prop 13 does not include additional property tax levies for approved voter indebtedness or non-ad valorem tax increases. Various initiatives to repeal or amend Prop 13, to eliminate its application to commercial and residential property, to increase the permitted annual real estate tax increases, and/or to introduce split tax roll legislation could increase the assessed value and/or tax rates applicable to commercial property in California. Further, changes in U.S. federal tax law could cause state and local governments to alter their taxation of real property.

*Rent control laws and other regulations that limit our ability to select residents, increase rental rates or limit our ability to evict residents to limited circumstances may negatively impact our rental income and profitability.*

State and local governmental agencies continue to introduce and enact rent control laws or other regulations that limit our ability to select residents, increase rental rates, or limit our ability to evict residents (known as "just cause" evictions), which 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. In addition, resident selection is a key component of our operating model – selecting for residents who pay rent and rent increases, stay with us longer, and make good neighbors. Certain jurisdictions limit our ability to consider the rental history, credit history, eviction history, and criminal backgrounds of potential residents. We intend to comply with resident screening laws that apply to our communities, and our failure to comply could harm our business or our reputation.

*Although we are insured for certain risks, the cost of insurance, increased claims activity, or losses resulting from casualty events may affect our financial condition and results of operations.*

The availability and cost of insurance are determined by the quality of our properties and their maintenance and our operating procedures, as well as by market conditions outside our control. Current market conditions are challenging with respect to capacity and price. No assurance can be made that we will be able to obtain and maintain insurance at the same levels and on the same terms as we do today. If we are not able to obtain or maintain insurance in amounts we consider appropriate for our business, or if the cost of obtaining such insurance increases materially, we may prefer to retain a larger portion of the potential loss associated with our exposures to risks. We are insured for a portion of our consolidated apartment communities' exposure to casualty losses resulting from fire, earthquake, hurricane, tornado, flood, and other perils, which insurance is subject to deductibles and self-insurance retention that exceed expected losses. We recognize casualty losses or gains based on the net book value of the affected apartment community and the amount of any related insurance proceeds. In many instances, the actual cost to repair or replace the apartment community may exceed its net book value and any insurance proceeds. We recognize the uninsured portion of losses as casualty losses in the periods in which they are incurred. In addition, we are self-insured for a portion of our exposure to third-party claims related to our teammate health insurance plans, workers' compensation coverage, and general liability exposure. With respect to our exposure to claims of third parties, we establish reserves at levels that reflect our known and estimated losses. The ultimate cost of losses and the impact of unforeseen events may vary materially from recorded reserves, and variances may adversely affect our operating results and financial condition. We purchase insurance to reduce our exposure to losses and limit our financial losses on large individual risks.

*Investments through joint ventures introduce governance risks even where the business of the joint venture adds no further business risks.*

We have in the past and may in the future acquire properties in, or contribute or sell properties to, joint ventures with other persons or entities when we believe circumstances warrant the use of such structures. We may choose to do so to access opportunities, or more often, to source equity capital at a lower cost than our alternatives.

These investments involve risks including, but not limited to, the possibility the other partners may have business, economic, or other objectives which are inconsistent with ours. In addition, the other partners may have the ability to take or force action (or withhold consent that may be required to take actions) contrary to our requests. In general, we structure such agreements with our partners so that we have full authority to use our expertise to make operating decisions.

Also, our partners might become insolvent or fail to make capital contributions when due, which may require us to contribute additional capital. In such event, the additional capital contributed is most often on favorable terms. In general, we and our partners may each have the right to trigger a buy-sell or other similar arrangement, which could cause us to sell our interest, or acquire our partner's interest, at a time when we otherwise would not have initiated such a transaction and may result in the valuation of our interest in the joint venture (if we are the seller) or of the other partner's interest in the joint venture (if we are the buyer) at levels which may not be representative of the valuation that would result from an arm's length marketing process and could cause us to recognize unanticipated capital gains or losses or the loss of fee income. Each joint venture agreement is individually negotiated and our ability to operate, finance, or dispose of properties and interests in such joint ventures in our sole discretion may be limited to varying degrees depending on the terms of the applicable joint venture agreement. We are also subject to other risks in connection with joint ventures, including (i) a deadlock if we and our partner are unable to agree upon certain major and other decisions (which could result in litigation or disposing of an asset at a time at which we otherwise would not sell the asset), and (ii) limitations on our ability to liquidate our position in the joint venture without the consent of the other partner.

*Our business and operations would suffer in the event of significant disruptions or cyberattacks of our information technology systems or our failure to comply with laws, rules and regulations related to privacy and data protection.*

Information technology, communication networks, and related systems are essential to the operation of our business. We use these systems to manage our resident and vendor relationships, internal communications, accounting and record-keeping systems, and many other key aspects of our business. Our operations rely on the secure processing, storage,



and transmission of confidential and other information in our computer systems and networks, which also depend on the strength of our procedures and the effectiveness of our internal controls. Information security risks have generally increased in recent years due to the rise in new technologies and the increased sophistication and activities of perpetrators of cyberattacks.

Despite system redundancy, risk transfer, insurance, indemnification, the implementation of security measures, our required teammate awareness training, and the existence of a disaster recovery plan for our internal information technology systems, our systems, and systems maintained by third-party vendors with which we do business, are vulnerable to damage from any number of sources. We face risks associated with energy blackouts, natural disasters, terrorism, war, telecommunication failures, and cyberattacks and intrusions, such as computer viruses, malware, attachments to emails, intrusion, and unauthorized access, including from persons inside our organization or from persons outside our organization with access to our systems. We expend financial resources to protect against threats and cyberattacks and may be required to expend additional financial and other resources to address disruptions caused by cyberattacks. Although we make efforts to maintain the security and integrity of our systems and have implemented various measures to manage the risk of a security breach or disruption, there can be no assurance that our security efforts and measures will be effective or that attempted security breaches or disruptions would not be successful or damaging. Any compromise of our security could also result in a violation of applicable privacy and other laws, significant legal and financial exposure, damage to our reputation, loss or misuse of the information (which may be confidential, proprietary, or commercially sensitive in nature), and a loss of confidence in our security measures, which could harm our business. Additionally, if our information systems suffer severe damage, disruption or shutdown, we could experience delays in our financial results and we may lose revenue as a result of our inability to collect payments from residents.

We also are subject to laws, rules, and regulations in the United States, such as the California Consumer Protection Act, or CCPA (which became effective on January 1, 2020), relating to the collection, use, and security of employee and other data. Evolving compliance and operational requirements under the CCPA and the privacy and data security laws of other jurisdictions in which we operate impose significant costs that are likely to increase over time. Our failure to comply with laws, rules, and regulations related to privacy and data protection could harm our business or reputation.

*Potential liability or other expenditures associated with potential environmental contamination may be costly.*

Various federal, state, and local laws subject apartment community owners or operators to liability for management, and the costs of removal or remediation, of certain potentially hazardous materials that may be present in the land or buildings of an apartment community. Potentially hazardous materials may include polychlorinated biphenyls, petroleum-based fuels, lead-based paint, or asbestos, among other materials. Such laws often impose liability without regard to fault or whether the owner or operator knew of, or was responsible for, the presence of such materials. The presence of, or the failure to manage or remediate properly, these materials may adversely affect occupancy at such apartment communities as well as the ability to sell or finance such apartment communities. In addition, governmental agencies may bring claims for costs associated with investigation and remediation actions, damages to natural resources, and for potential fines or penalties in connection with such damage or with respect to the improper management of hazardous materials. Moreover, private plaintiffs may potentially make claims for investigation and remediation costs they incur, or personal injury, disease, disability, or other infirmities related to the alleged presence of hazardous materials at an apartment community. In addition to potential environmental liabilities or costs associated with our current apartment communities, we may also be responsible for such liabilities or costs associated with communities we acquire or manage in the future, or apartment communities we no longer own or operate.

*Laws benefiting disabled persons may result in our incurrence of unanticipated expenses.*

Under the Americans with Disabilities Act of 1990 ("ADA"), all places intended to be used by the public are required to meet certain federal requirements related to access and use by disabled persons. The Fair Housing Amendments Act of 1988 ("FHAA") requires apartment communities first occupied after March 13, 1991, to comply with design and construction requirements for disabled access. For those apartment communities receiving federal funds, the Rehabilitation Act of 1973 also has requirements regarding disabled access. These and other federal, state, and local laws may require structural modifications to our apartment communities or changes in policy/practice or affect renovations of the communities. Noncompliance with these laws could result in the imposition of fines or an award of damages to private litigants and also could result in an order to correct any non-complying feature, which could result in substantial capital expenditures. Although we believe that our apartment communities are substantially in compliance with present requirements, we may incur unanticipated expenses to comply with the ADA, the FHAA, and the Rehabilitation Act of 1973 in connection with the ongoing operation of our apartment communities and the apartment communities we manage.

*Natural disasters and severe weather may affect our financial condition and results of operations.*

Natural disasters such as earthquakes and severe weather such as hurricanes may result in significant damage to our apartment communities. The extent of our casualty losses and loss in operating income in connection with such events is a function of the severity of the event and the total amount of exposure in the affected area. When we have geographic concentration of exposures, a single catastrophe (such as an earthquake) or destructive weather event (such as a hurricane) affecting a region may have a significant adverse effect on our financial condition and results of operations. We cannot accurately predict natural disasters or severe weather, or the number and type of such events that will affect us. As a result, our operating and financial results may vary significantly from one period to the next. Although we anticipate and plan for losses, there can be no assurance that our financial results will not be adversely affected by our exposure to losses arising from natural disasters or severe weather in the future that exceed our previous experience and assumptions.

*We depend on our senior management.*

Our success and our ability to implement and manage anticipated future growth depend, in large part, upon the efforts of our senior management team, who have extensive market knowledge and relationships, and exercise substantial influence over our operational, financing, acquisition, and disposition activity. Members of our senior management team have national or regional industry reputations that attract business and investment opportunities and assist us in negotiations with lenders, existing and potential residents, and other industry participants. The loss of services of one or more members of our senior management team, or our inability to attract and retain similarly qualified personnel, could adversely affect our business, diminish our investment opportunities, and weaken our relationships with lenders, business partners, existing and prospective residents, and industry participants, which could adversely affect our financial condition, results of operations, cash flow, per share trading price of AIR Common Stock, and ability to make distributions to our stockholders.

*Moisture infiltration and resulting mold remediation may be costly.*

Although we are proactively engaged in managing moisture intrusion and preventing the presence of mold at our apartment communities, it is not unusual for periodic moisture intrusion to cause mold in isolated locations within an apartment community. We have implemented policies, procedures, and training, and include a detailed moisture intrusion and mold assessment during acquisition due diligence. We believe these measures will manage mold exposure at our apartment communities and will minimize the effects that mold may have on our residents. To date, we have not incurred any material costs or liabilities relating to claims of mold exposure or to abate mold conditions. We have only limited insurance coverage for property damage claims arising from the presence of mold and for personal injury claims related to mold exposure.

*Adverse economic and geopolitical conditions, local, regional, national, or international health crises and dislocations in the credit markets could negatively impact our residents and our operations.*

Factors that could negatively impact our operations or those of entities in which we hold a partial interest during a pandemic or another health crisis, adverse economic or geopolitical event, or dislocation in the credit market include:

- our ability to collect rents and late fees on a timely basis or at all, without reductions or other concessions;
- our ability to evict residents for non-payment and for other reasons;
- our ability to ensure business continuity in the event our continuity of operations plan is not effective or improperly implemented or deployed during a disruption;
- fluctuations in regional and local economies, local real estate conditions, and rental rates;
- our ability to control incremental costs associated with such factors;
- our ability to dispose of communities at all or on terms favorable to us; and
- potential litigation.

*Contracts for redevelopment and development services create risk for non-performance.*

We do not expect development or redevelopment to be a regular part of our business. Whether the opportunity emerges from covered land or is forced upon us as after an extreme casualty, development and redevelopment by another party acting as our agent shields us from the execution risk, but only to the extent of the expertise and creditworthiness of

the other party. If such other qualified party acting as our agent fails to perform under our agreements with it, it could have a material adverse effect on our portfolio, financial condition and results of operations.

*Our business could be negatively affected as a result of the actions of activist stockholders.*

Publicly traded companies have increasingly become subject to campaigns by investors advocating corporate actions such as financial restructuring, increased borrowing, special dividends, stock repurchases, or even sales of assets or the entire company. Given our stockholder composition and other factors, it is possible our stockholders or future activist stockholders may attempt to effect such changes. Responding to proxy contests and other actions by such activist stockholders or others would be costly and time-consuming, disrupt our operations and divert the attention of our board of directors and senior management team from the pursuit of business strategies, which could adversely affect our results of operations and financial condition. Additionally, perceived uncertainties as to our future direction as a result of stockholder activism or changes to the composition of the board of directors may lead to the perception of a change in the direction of the business, instability, or lack of continuity, which may be exploited by our competitors, cause concern to our current or potential lenders, partners, or others with whom we do business, and make it more difficult to attract and retain qualified personnel.

### **Risks Related to Our Indebtedness and Financing**

*Increases in interest rates would increase our interest expense and reduce our profitability.*

As of December 31, 2023, we had approximately \$115.0 million of variable-rate indebtedness outstanding, net of in place floating to fixed rate swaps. After consideration of these swaps, we estimate that a change in the floating rate of 100-basis points with constant credit risk spreads would increase or decrease interest expense by \$1.2 million on an annual basis. Subsequent to the year ended December 31, 2023, we entered into interest rate swaps economically hedging \$200 million of our revolving credit facility at 4.9%.

As of December 31, 2023, we had \$117.5 million in cash and cash equivalents and restricted cash, a portion of which bears interest at variable rates, which may partially mitigate the effect of an increase in variable rates on our variable-rate indebtedness discussed above.

*Our debt financing could result in foreclosure resulting in a loss of income and value, prevent us from making distributions on our equity, or otherwise adversely affect our liquidity.*

We have a revolving credit facility, secured credit facility, and three tranches of term loans, maturing at various times over the next few years, each of which may be secured by assets of, or guaranteed by, certain subsidiaries of AIR, including the AIR Operating Partnership. Over time, we may become party to one or more additional financing arrangements, including credit facilities or other bank debt, and bonds.

In connection with such financing arrangements, we are subject to the risk that: (i) our cash flow from operations will be insufficient to make required payments of principal and interest; (ii) our indebtedness may not be refinanced; or (iii) the terms of any refinancing will not be as favorable as the terms of then-existing indebtedness. If we are unable to make required payments of principal and interest or are unable to refinance at maturity on favorable terms, or at all, the lenders could foreclose on the collateral securing that debt, resulting in the loss to us of income and asset value.

We also anticipate that certain of our subsidiaries will maintain a certain amount of secured property-level indebtedness. If we fail to make required payments of principal and interest on our mortgage debt, our lenders could foreclose on the apartment communities and other collateral securing such debt, resulting in the loss to us of income and asset value.

Our organizational documents do not limit the amount of debt that we may incur. Payments of principal and interest may leave us with insufficient cash resources to operate our communities or pay distributions required to maintain AIR's qualification as a REIT.

*Disruptions in the financial markets could affect our ability to obtain financing and the cost of available financing and could adversely affect our liquidity.*

Our ability to obtain financing and the cost of such financing depends on the overall condition of the United States credit markets. During periods of economic uncertainty, the United States credit markets may experience significant liquidity disruptions, which may cause the spreads on debt financings to widen considerably and make obtaining financing,

both non-recourse property debt and corporate borrowings such as those under a credit facility, more difficult. In particular, apartment borrowers have benefited from the historic willingness of the Federal National Mortgage Association ("Fannie Mae"), and the Federal Home Loan Mortgage Corporation ("Freddie Mac"), to make substantial amounts of loans secured by multi-family properties, even in times of economic distress. These two lenders are federally chartered and subject to federal regulation, which is subject to change, making uncertain their prospects and ability to provide liquidity in a future downturn.

If our ability to obtain financing is adversely affected, we may be unable to satisfy scheduled maturities on existing financing through other sources of liquidity, which could result in lender foreclosure, resulting in loss of income and asset value, both of which would adversely affect our liquidity.

*Because real estate investments are relatively illiquid, we may not be able to sell apartment communities when appropriate.*

Real estate investments are relatively illiquid and generally cannot be sold quickly. REIT tax rules may also restrict our ability to sell apartment communities. Thus, we may not be able to change our portfolio promptly in response to changes in economic or other market conditions. Our ability to dispose of apartment communities in the future will depend on prevailing economic and market conditions, including the cost and availability of financing. This could have a material adverse effect on our financial condition or results of operations.

*Failure to hedge effectively against interest rate changes may adversely affect our results of operations.*

From time to time, we may enter into interest rate hedge agreements to manage some of our exposure to interest rate volatility. Interest rate hedge agreements involve risks, such as the risk that counterparties may fail to honor their obligations under these arrangements. In addition, these arrangements may not be effective in reducing our exposure to changes in interest rates. These risk factors may lead to failure to hedge effectively against changes in interest rates and therefore could adversely affect our results of operations.

*Covenant restrictions may limit our operations and impact our ability to make payments to our investors.*

Some of our existing or future debt and other securities may contain covenants that restrict our operations and impact our ability to make distributions or other payments to our investors unless certain financial tests or other criteria are satisfied. AIR Operating Partnership's outstanding preferred units prohibits the payment of dividends on AIR Common Stock or AIR Operating Partnership Common Units if we fail to pay the dividends to which the holders of the preferred units are entitled. In addition, our debt agreements contain other customary affirmative and negative covenants.

*We may increase leverage, which could further exacerbate the risks associated with our indebtedness.*

We may decide to increase our leverage. Our board of directors will consider a number of factors when evaluating our level of indebtedness and when making decisions regarding the incurrence of new indebtedness, including the estimated market value of our assets and the ability of particular assets, and our company as a whole, to generate cash flow to cover the expected debt service. Although our credit facilities and unsecured notes payable may limit our ability to incur additional indebtedness, our governing documents do not limit the amount of debt we may incur, and our board of directors may change our target debt levels at any time without the approval of our stockholders. We may incur additional indebtedness from time to time in the future to finance working capital, capital expenditures, investments or acquisitions, or for other purposes. If we do so, the risks related to our indebtedness could intensify.

## **Risks Related to Tax Laws and Regulations**

*AIR may fail to qualify as a REIT.*

If AIR fails to qualify as a REIT, AIR will not be allowed a deduction for dividends paid to its stockholders in computing its taxable income and will be subject to United States federal income tax at regular corporate rates. This would substantially reduce our funds available for distribution to our investors. Unless entitled to relief under certain provisions of the Code, AIR also would be disqualified from taxation as a REIT for the four taxable years following the year during which it ceased to qualify as a REIT. In addition, AIR's failure to qualify as a REIT may place us in default under our credit facilities.

We believe that AIR will operate in a manner that enables it to meet the requirements for qualification and taxation as a REIT. However, qualification as a REIT involves the application of highly technical and complex Code

provisions for which only limited judicial and administrative authorities exist. Moreover, even a technical or inadvertent mistake could jeopardize our REIT status. AIR's qualification as a REIT will depend on its satisfaction of certain asset, income, investment, organizational, distribution, stockholder ownership, and other requirements on a continuing basis. AIR's ability to satisfy the asset tests will depend upon our analysis of the fair market values of our assets, some of which are not susceptible to a precise determination, and for which we do not obtain independent appraisals. AIR's compliance with the REIT annual income and quarterly asset requirements will also depend upon our ability to manage successfully the composition of our income and assets on an ongoing basis. Moreover, the proper classification of an instrument as debt or equity for U.S. federal income tax purposes may be uncertain in some circumstances, which could affect the application of the REIT qualification requirements. Accordingly, there can be no assurance that the IRS will not contend that our interests in subsidiaries or other issuers constitutes a violation of the REIT requirements. Moreover, future economic, market, legal, tax, or other considerations may cause AIR to fail to qualify as a REIT, or the board of directors of AIR may determine to revoke its REIT status.

*REIT distribution requirements limit our available cash.*

As a REIT, AIR is subject to annual distribution requirements. AIR Operating Partnership will pay distributions intended to enable AIR to satisfy its distribution requirements. This will limit the amount of cash available for other business purposes, including amounts to fund our growth. AIR will generally be required to distribute annually at least 90% of its "real estate investment trust taxable income," which is generally equivalent to net taxable ordinary income, determined without regard to the dividends paid deduction and excluding any net capital gain, in order for its distributed earnings not to be subject to United States federal corporate income tax. We intend to make distributions to AIR's stockholders to comply with the requirements applicable to REITs under the Code (which may be all cash or a combination of cash and stock satisfying the requirements of applicable law). However, differences in timing between the recognition of taxable income and the actual receipt of cash could require us to sell apartment communities or borrow funds on a short-term or long-term basis to meet the 90% distribution requirement of the Code.

*AIR may be subject to federal, state, and local income taxes in certain circumstances.*

Even as a REIT, AIR may be subject to United States federal income and excise taxes in various situations, such as on its undistributed income. AIR could also be required to pay a 100% tax on any net income on non-arm's-length transactions between AIR and a TRS and on any net income from sales of apartment communities that were held for sale primarily in the ordinary course of business. State and local tax laws may not conform to the United States federal income tax treatment, and AIR may be subject to state or local taxation in various state or local jurisdictions in which AIR transacts business. Any taxes imposed on AIR would reduce our operating cash flow and net income and could negatively impact our ability to pay dividends and distributions.

*Complying with the REIT requirements may cause AIR to forgo otherwise attractive business opportunities.*

To qualify as a REIT, AIR will need to continually satisfy tests concerning, among other things, the sources of its income, the nature and diversification of its assets, the amounts distributed to AIR stockholders, and the ownership of AIR stock. As a result of these tests, AIR may be required to make distributions to stockholders at disadvantageous times or when AIR does not have funds readily available for distribution, forgo otherwise attractive investment opportunities, liquidate assets in adverse market conditions, or contribute assets to a TRS that is subject to regular corporate federal income tax.

*The tax on prohibited transactions could limit our ability to engage in certain transactions which would be treated as prohibited transactions for U.S. federal income tax purposes.*

Net income that we derive from a prohibited transaction is subject to a 100% tax. The term "prohibited transaction" generally includes a sale or other disposition of property that is held primarily for sale to customers in the ordinary course of our trade or business. We might be subject to this tax if we were to dispose of our property in a manner that was treated as a prohibited transaction for U.S. federal income tax purposes.

We have conducted, and intend to continue to conduct, our operations so that no asset that we own (or that we treat as being owned) will be treated as, or as having been, held for sale to customers, and that a sale of any such asset will not be treated as having been in the ordinary course of our business. As a result, we may choose not to engage in certain sales at the REIT level, even though the sales might otherwise be beneficial to us. In addition, whether property is held "primarily for sale to customers in the ordinary course of a trade or business" depends on the particular facts and circumstances. No assurance can be given that any property that we sell will not be treated as property held for sale to customers, or that we can comply with certain safe harbor provisions of the Code that would prevent such treatment. The

100% prohibited transaction tax does not apply to gains from the sale of property that is held through a TRS or other taxable corporation, although such income will be subject to tax in the hands of the corporation at regular corporate rates. We intend to structure our activities to prevent prohibited transaction characterization.

*Changes to United States federal income tax laws could materially and adversely affect AIR and AIR's stockholders.*

The present United States federal income tax treatment of REITs may be modified, possibly with retroactive effect, by legislative, judicial, or administrative action at any time, which could affect the United States federal income tax treatment of an investment in AIR Common Stock. The United States federal income tax rules dealing with REITs are constantly under review by persons involved in the legislative process, the IRS, and the United States Treasury Department, which results in statutory changes as well as frequent revisions to regulations and interpretations. We cannot predict how changes in the tax laws might affect AIR and AIR's stockholders. Revisions in federal tax laws and interpretations thereof could significantly and negatively affect AIR's ability to qualify as a REIT and the tax considerations relevant to an investment in AIR Common Stock, or could cause AIR to change its investments and commitments.

#### **Risks Related to AIR Common Stock**

*We cannot guarantee the timing, amount, or payment of dividends on AIR Common Stock.*

We are required to distribute annually to holders of AIR Common Stock at least 90% of our "real estate investment trust taxable income," which is generally equivalent to net taxable ordinary income (and may be all cash or a combination of cash and stock satisfying the requirements of applicable law). Our board of directors will determine the amount of, and declare, our dividends. Our board of directors' decisions regarding the payment of dividends will depend on many factors, such as REIT distribution requirements, current market conditions, liquidity needs, other uses of cash, such as for deleveraging and accretive investment activities, and other factors that it deems relevant. Our ability to pay dividends will depend on our ongoing ability to generate cash from operations and access the capital markets. We cannot guarantee that we will pay a dividend in the future.

*Although unlikely to do so, we may choose to pay dividends in our own stock, in which case stockholders could be required to pay income taxes in excess of the cash dividends they receive.*

Although we have no plans to do so, we may choose to pay dividends in our own stock. If we do effect taxable dividends that are payable in cash or shares of AIR Common Stock, the current tax law allows up to only 20% of such dividend to be paid in cash. Taxable stockholders receiving such dividends are required to include the full amount of the dividend as ordinary income to the extent of our current and accumulated earnings and profits for U.S. federal income tax purposes. As a result, stockholders may be required to pay income taxes with respect to such dividends in excess of the cash dividends received. If a U.S. Holder sells the stock that it receives as a dividend in order to pay this tax, the sale proceeds may be less than the amount included in income with respect to the dividend, depending on the market price of our stock at the time of the sale. Furthermore, with respect to certain Non-U.S. Holders, we may be required to withhold U.S. tax with respect to such dividends, including in respect of all or a portion of such dividend that is payable in stock. In addition, if a significant number of our stockholders determine to sell shares of AIR Common Stock to pay taxes owed on dividends, it may put downward pressure on the trading price of AIR Common Stock.

It is unclear whether and to what extent we will be able to pay taxable dividends in cash and stock in future years. Moreover, the IRS may impose additional requirements with respect to taxable cash/stock dividends, including on a retroactive basis, or assert that the requirements for such taxable cash/stock dividends have not been met.

#### **Risks Related to AIR's Corporate Structure**

*AIR and its subsidiaries may be prohibited from making distributions and other payments.*

All of AIR's apartment communities are owned by subsidiaries of AIR Operating Partnership, and all of AIR's operations are conducted by subsidiaries of AIR. As a result, AIR depends on distributions and other payments from AIR Operating Partnership, and AIR Operating Partnership depends on distributions and payments from its subsidiaries in order to satisfy our financial obligations and make payments to our investors. The ability of AIR Operating Partnership and its subsidiaries to make such distributions and other payments depends on their earnings and cash flows and may be subject to statutory or contractual limitations. As an equity investor in the REIT subsidiaries, AIR Operating Partnership and its subsidiaries, our right to receive assets upon their liquidation or reorganization are effectively subordinated to the claims of their creditors and any holders of preferred equity senior to our equity investments. To the extent that we are recognized as

a creditor of such subsidiaries, our claims may still be subordinate to any security interest in or other lien on their assets and to any of their debt or other obligations that are senior to our claims.

*Limits on ownership of shares specified in AIR's charter may result in the loss of economic and voting rights by purchasers that violate those limits.*

AIR's charter provides for restrictions on ownership and transfer of AIR's shares of capital stock, including certain restrictions that, subject to certain exceptions, will prevent any person from beneficially or constructively owning more than (i) 8.7% (or 15% in the case of certain pension trusts, registered investment companies, and the initial holder, Terry Considine), by value or number of shares, whichever is more restrictive, of the outstanding shares of AIR Common Stock, or (ii) 8.7% (or 15% in the case of certain pension trusts, registered investment companies, and the initial holder, Terry Considine) in aggregate value of the outstanding shares of all classes and series of AIR capital stock, including AIR Common Stock and any AIR Class A Preferred Stock, ("Preferred Stock"). The charter also prohibits anyone from buying shares of AIR's capital stock if the purchase would result in AIR losing its REIT status. This could happen if a transaction results in five or fewer individuals (applying certain attribution rules of the Code) owning 50% or more of the value of all of AIR's shares of capital stock or in fewer than 100 persons owning all of AIR's shares of capital stock.

In addition to the ownership limits described above, AIR's charter prohibits any person from (i) beneficially or constructively owning shares of our capital stock that would result in our being "closely held" under section 856(h) of the Code, (ii) transferring shares of our capital stock if such transfer would result in shares of our capital stock being beneficially owned by fewer than 100 persons (determined without reference to any rules of attribution), (iii) beneficially or constructively owning shares of our stock to the extent such beneficial or constructive ownership in a tenant of AIR's real property that is described in Section 856(d)(2)(B) of the Code if the income derived by AIR from such tenant would cause AIR to fail to satisfy any of the gross income requirements of Section 856(c) of the Code, (iv) beneficially or constructively owning shares of our capital stock if such ownership would result in our failing to qualify as a REIT, and (v) beneficially or constructively owning shares of stock to the extent such beneficial ownership of stock would result in us failing to qualify as a "domestically controlled qualified investment entity" within the meaning of section 897(h) of the Code.

If anyone acquires shares in excess of the ownership limits or in violation of the ownership requirements of the Code for REITs or the transfer restrictions in AIR's charter:

- the transfer will be considered null and void;
- we will not reflect the transaction on AIR's books;
- we may institute legal action to enjoin the transaction;
- we may demand repayment of any dividends received by the affected person on those shares;
- we may redeem the shares;
- the affected person will not have any voting rights for those shares; and
- the shares (and all voting and dividend rights of the shares) will be held in trust for the benefit of one or more charitable organizations designated by AIR.

AIR may purchase the shares of capital stock held in trust at a price equal to the lesser of the price paid by the transferee of the shares or the then current market price. If the trust transfers any of the shares of capital stock, the affected person will receive the lesser of the price paid for the shares or the then current market price. An individual who acquires shares of capital stock that violate the above rules bears the risk that the individual:

- may lose control over the power to dispose of such shares;
- may not recognize profit from the sale of such shares if the market price of the shares increases;
- may be required to recognize a loss from the sale of such shares if the market price decreases; and
- may be required to repay to us any dividends received from us as a result of his or her ownership of the shares.

*AIR's charter may limit the ability of a third-party to acquire control of AIR.*

The 8.7% and other ownership limits discussed above may have the effect of delaying or precluding acquisition by a third-party of control of AIR without the consent of AIR's Board of Directors. AIR's charter authorizes its Board of



Directors to issue up to 1,022,175,000 shares of capital stock, consisting of 1,021,175,000 shares of Common Stock and 1,000,000 shares of Preferred Stock. As of December 31, 2023, 144,925,604 shares of Common Stock and 20 shares of Preferred Stock were outstanding. Under AIR's charter, its Board of Directors has the authority to classify and reclassify any of AIR's unissued shares of capital stock into shares of capital stock by setting or changing in any one or more respects the preferences, conversion or other rights, voting power restrictions, limitations as to dividends, qualifications, or terms or conditions of redemptions as the AIR Board of Directors may determine. The authorization and issuance of a new class of capital stock could have the effect of delaying or preventing someone from taking control of AIR, where there is a difference of opinion between the AIR Board of Directors and others as to what is in AIR's stockholders' best interests.

*The Maryland General Corporation Law may limit the ability of a third-party to acquire control of AIR.*

As a Maryland corporation, AIR is subject to various Maryland laws that may have the effect of discouraging offers to acquire AIR and increasing the difficulty of consummating any such offers, where there is a difference of opinion between the AIR board of directors and others as to what is in AIR's stockholders' best interests. The Maryland General Corporation Law, specifically the Maryland Business Combination Act, restricts mergers and other business combination transactions between AIR and any person who acquires, directly or indirectly, beneficial ownership of shares of AIR's stock representing 10% or more of the voting power without prior approval of the board of directors of AIR. Any such business combination transaction could not be completed until five years after the person acquired such voting power, and generally only with the approval of stockholders representing 80% of all votes entitled to be cast and 66-2/3% of the votes entitled to be cast, excluding the interested stockholder, or upon payment of a fair price.

The Maryland General Corporation Law, specifically the Maryland Control Share Acquisition Act, provides generally that a person who acquires shares of AIR's capital stock representing 10% or more of the voting power in electing directors will have no voting rights unless approved by a vote of two-thirds of the shares eligible to vote. Additionally, the Maryland General Corporation Law provides, among other things, that the board of directors of AIR will have broad discretion in adopting stockholders' rights plans and has the sole power to fix the record date, time, and place for special meetings of the stockholders. To date, AIR has not adopted a stockholders' rights plan.

In addition, the Maryland General Corporation Law provides that a corporation that (x) has at least three directors who are not officers or teammates of the entity or related to an acquiring person and (y) has a class of equity securities registered under the Exchange Act, may elect in its charter or bylaws or by resolution of the board of directors to be subject to all or part of a special subtitle that provides that: (i) the corporation will have a staggered board of directors (known as "board classification"); (ii) any director may be removed only for cause and by the vote of two-thirds of the votes entitled to be cast in the election of directors generally, even if a lesser proportion is provided in the charter or bylaws; (iii) the number of directors may only be set by the board of directors, even if the procedure is contrary to the charter or bylaws; (iv) vacancies may only be filled by the remaining directors, even if the procedure is contrary to the charter or bylaws; and (v) the secretary of the corporation may call a special meeting of stockholders at the request of stockholders only on the written request of the stockholders entitled to cast at least a majority of all the votes entitled to be cast at the meeting, even if the procedure is contrary to the charter or bylaws.

AIR has opted out of the provisions of the Maryland General Corporation Law that allow for board classification without stockholder approval.

#### **ITEM 1B. UNRESOLVED STAFF COMMENTS**

None.



## ITEM 1C. CYBERSECURITY

### Risk Management and Strategy

AIR takes a risk-based approach to cybersecurity and has implemented cybersecurity policies throughout its operations that are designed to address cybersecurity threats and incidents. AIR regularly assesses risks from cybersecurity threats, monitors its information systems for potential vulnerabilities, and tests those systems according to its cybersecurity policies, standards, processes, and practices, which are integrated into its overall approach to enterprise risk management. To protect its information systems from cybersecurity threats, AIR uses various security tools that help it identify, escalate, investigate, resolve, and recover from security incidents in a timely manner. AIR's cybersecurity program is designed to align with the National Institute of Technology Standards Cybersecurity Framework 1.1, which provides a structured approach for assessing, identifying, and managing material risks from cybersecurity threats.

AIR's technology team, under the leadership of AIR's Senior Vice President of Technology, who has over 30 years of technology management experience, defines an annual work plan designed to maintain strong cybersecurity maturity, set improvement objectives of key controls and systems, including feedback from third-party assessments, and identify and implement on-going investments to replace or upgrade systems or technologies and proactively maintain strong security. As part of our annual planning, management conducts regular tabletop testing of our incident response plan to increase awareness, establish key decision-making criteria, ensure effective communication among key stakeholders, and comply with AIR's disclosure obligations. AIR also partners with third-party experts to assess the effectiveness of our cybersecurity prevention and response systems and processes (e.g., periodic penetration testing and assessments of IT general controls). AIR also engages vendors to enhance cybersecurity safeguards and improve incident response and updates or replaces systems and applications as appropriate to improve data processing and storage management and enhance security. To further protect AIR's information systems, we structure and monitor our relationships with third-party service providers and periodically conduct due diligence on their cybersecurity architecture and process design.

To date, cybersecurity threats, including as a result of any previous cybersecurity incidents, have not materially affected AIR and we believe are not reasonably likely to have a material adverse effect on AIR, including its business strategy, results of operations, or financial condition. For additional information on cybersecurity risks and potential related impacts on AIR, refer to "Our business and operations would suffer in the event of significant disruptions or cyberattacks of our information technology systems or our failure to comply with laws, rules and regulations related to privacy and data protection." in Part I, Item 1A. Risk Factors.

### Governance

Our Board of Directors oversees AIR's risk management process, including cybersecurity risks. The Audit Committee oversees AIR's enterprise risk assessment. The Audit Committee meetings include discussions of specific risk areas, including, among others, those relating to cybersecurity. AIR's Senior Vice President of Technology reports, typically on a quarterly basis, to the Audit Committee on AIR's cybersecurity profile risk assessment and technology environment and the broader technology landscape. The Audit Committee also independently engages consultants to conduct cybersecurity assessments and, preparedness analyses, and to provide the Board with ongoing training concerning cybersecurity risk governance.

AIR's Senior Vice President of Technology, in coordination with other members of AIR's management, is responsible for leading the assessment and management of cybersecurity threats. AIR has implemented a governance program for its cybersecurity efforts. This includes regularly updating privacy notices, terms of use, and lease documents, as well as identifying responsible teammates to facilitate the implementation of cybersecurity priorities. These teammates report regularly to senior management and to the Board on risk identification, safeguards, and mitigation steps. AIR has developed and implemented policies to identify and mitigate cybersecurity risks and provides training to teammates at onboarding and annually thereafter. Updates are communicated to all teammates, and actionable guidance is provided when new risks arise.

## ITEM 2. PROPERTIES

Additional information about our consolidated real estate, including property debt, is contained in “ [Schedule III – Real Estate and Accumulated Depreciation](#)” in this Annual Report on Form 10-K.

Our portfolio is diversified by both geography and price point, with a mix of urban and suburban submarkets, and consists of market rate apartment communities in which we own a substantial interest. Our portfolio includes garden style, mid-rise, and high-rise apartment communities located in 10 states and the District of Columbia. Our portfolio strategy seeks predictable rent growth from a portfolio of apartment communities diversified among some of the largest markets in the United States. The following table sets forth information on the apartment communities in our portfolio as of December 31, 2023:

	Number of Apartment Communities	Number of Apartment Homes	Average Economic Ownership
Bay Area	8	2,077	73 %
Boston	6	1,284	100 %
Denver	8	2,280	87 %
Los Angeles	9	3,815	78 %
Miami	10	3,970	96 %
Philadelphia	9	2,748	75 %
San Diego	6	2,367	81 %
Washington, D.C.	12	6,477	70 %
Other markets	7	1,608	100 %
<b>Total portfolio (1)</b>	<b>75</b>	<b>26,626</b>	<b>81 %</b>

(1) Total portfolio represents the number of apartment communities in which we owned an equity interest.

As of December 31, 2023, on a consolidated basis, our apartment communities contained, on average, 355 apartment homes, with the largest community containing 2,113 apartment homes. These apartment communities offer residents a range of amenities, including resort pools with cabanas, grills, clubhouses, spas, fitness centers, package lockers, dog parks, and large open spaces. Many of the apartment homes offer features such as granite countertops, wood flooring, stainless steel appliances, fireplaces, spacious closets, washer and dryer connections, balconies, and patios.

As of December 31, 2023, on a consolidated basis, apartment communities in our portfolio were encumbered by, in aggregate, \$2.2 billion of property debt with a weighted-average interest rate of 3.6% and a weighted-average maturity of 7.7 years. The apartment communities collateralizing this non-recourse property debt have an estimated aggregate fair value of \$4.8 billion.

AIR's proportionate share of property debt as of December 31, 2023 is \$2.3 billion, with a weighted-average interest rate of 4.0% and a weighted-average maturity of 7.5 years. The apartment communities collateralizing this non-recourse property debt, on the same ownership adjusted basis, have an estimated aggregate fair value of \$4.0 billion.

As of December 31, 2023, we held, on an ownership adjusted basis, unencumbered apartment communities with an estimated fair value of approximately \$4.9 billion.

## ITEM 3. LEGAL PROCEEDINGS

Information regarding legal matters included in [Note 7](#) to our consolidated financial statements in Item 8 of this Annual Report on Form 10-K is incorporated by reference into this Item 3. In addition to the matters referred to in [Note 7](#), we are a party to various legal actions and administrative proceedings arising in the ordinary course of business, some of which are covered by our general liability insurance program, and none of which we expect to have a material adverse effect on our consolidated financial condition, results of operations, or cash flows.

## ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

## PART II

### ITEM 5. MARKET FOR THE REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS, AND ISSUER PURCHASES OF EQUITY SECURITIES

#### AIR

AIR's Common Stock is listed and traded on the NYSE under the symbol "AIRC."

On February 12, 2024, there were 144,917,372 shares of Common Stock outstanding, held by 812 stockholders of record. The number of holders does not include individuals or entities who beneficially own shares but whose shares are held of record by a broker or clearing agency, but does include each such broker or clearing agency as one record holder.

#### Unregistered Sales of Equity Securities

From time to time, we may issue shares of Common Stock in exchange for OP Units, defined under The AIR Operating Partnership heading below. Such shares are issued based on an exchange ratio of one share for each common OP Unit. Please refer to [Note 9](#) to the consolidated financial statements in Item 8 for further discussion of such exchanges. We may also issue shares of Common Stock in exchange for limited partnership interests in consolidated real estate partnerships. During the three months ended December 31, 2023, we issued no shares of Common Stock in exchange for OP Units. We did not issue any shares of Common Stock in exchange for limited partnership interests in consolidated real estate partnerships.

#### Repurchases of Equity Securities

The following table summarizes AIR's share repurchases, all of which were part of publicly announced programs:

Fiscal period	Total Number of Shares Repurchased	Average Price Paid per Unit	Total Number of Shares Repurchased as Part of Publicly Announced Plans or Programs	Maximum Dollar Value of Shares that May Yet Be Repurchased Under Plans or Programs (in thousands) (1)
October 1 – October 31, 2023	—	\$ —	—	\$ —
November 1 – November 30, 2023	—	\$ —	—	\$ —
December 1 – December 31, 2023	2,069,800	\$ 34.39	2,069,800	\$ 34,333
<b>Total</b>	<b>2,069,800</b>	<b>\$ 34.39</b>	<b>2,069,800</b>	

- (1) AIR's Board of Directors has authorized a share repurchase program of its outstanding capital stock for \$500 million. This authorization has no expiration date. These repurchases may be made from time to time in the open market or in privately negotiated transactions. As of December 31, 2023, there was \$34.3 million remaining available for future share repurchased under this authorization. Subsequent to the year ended December 31, 2023, AIR's Board of Directors authorized an additional \$500 million of share repurchases, which replaced the remaining \$34.3 million balance under the previous share repurchase authorization.

#### The AIR Operating Partnership

Interests in the AIR Operating Partnership that are held by limited partners other than AIR are referred to as OP Units. OP Units include common partnership units ("common OP Units") and partnership preferred units ("preferred OP Units"). There is no public market for OP Units, and we have no intention of listing them on any securities exchange. In addition, the AIR Operating Partnership's Partnership Agreement restricts the transferability of OP Units.

On February 12, 2024, there were 158,396,561 common partnership units and equivalents outstanding (144,917,372 of which were held by AIR) that were held by 1,863 unitholders of record.

#### Unregistered Sales of Equity Securities

During the three months ended December 31, 2023, the AIR Operating Partnership did not issue nor repurchase any unregistered OP Units.

### Repurchases of Equity Securities

The AIR Operating Partnership's Partnership Agreement generally provides that after holding common OP Units for one year, limited partners other than AIR have the right to redeem their common OP Units for cash or, at our election, shares of AIR Common Stock on a one-for-one basis (subject to customary antidilution adjustments). During the three months ended December 31, 2023, no OP Units were redeemed in exchange for shares of our Common Stock.

The following table summarizes the AIR Operating Partnership's repurchases or redemptions of common OP Units in exchange for cash:

Fiscal period	Total Number of Units Repurchased	Average Price Paid per Unit	Total Number of Units Repurchased as Part of Publicly Announced Plans or Programs	Maximum Number of Units that May Yet Be Repurchased Under Plans or Programs (1)
October 1 – October 31, 2023	7,766	\$ 31.23	N/A	N/A
November 1 – November 30, 2023	8,549	\$ 30.10	N/A	N/A
December 1 – December 31, 2023	13,393	\$ 32.11	N/A	N/A
<b>Total</b>	<b>29,708</b>	<b>\$ 31.30</b>		

(1) The terms of the AIR Operating Partnership's Partnership Agreement do not provide for a maximum number of OP Units that may be repurchased, and other than the express terms of its Partnership Agreement, the AIR Operating Partnership has no publicly announced plans or programs of repurchase.

### Dividend and Distribution Payments

As a REIT, AIR is required to distribute annually to holders of its Common Stock at least 90% of its "real estate investment trust taxable income," which, as defined by the Code and United States Department of Treasury regulations, is generally equivalent to net taxable ordinary income. AIR's Board of Directors determines and declares its dividends. In making a dividend determination, AIR's Board of Directors considers a variety of factors, including: REIT distribution requirements, current market conditions, liquidity needs, and other uses of cash, such as for deleveraging and accretive investment activities.

Stockholders receiving any dividend, whether payable in cash or shares of AIR Common Stock, will be required to include the full amount of such dividend as ordinary income to the extent of AIR's current and accumulated earnings and profits, as determined for United States federal income tax purposes for the year of such dividend, and may be required to pay income taxes with respect to such dividend in excess of the cash dividends received. With respect to certain non-United States stockholders, AIR may be required to withhold United States tax with respect to such dividend, including in respect of all or a portion of such dividend that is payable in Common Stock.

The Board of Directors of the AIR Operating Partnership's general partner determines and declares distributions on OP Units. AIR, through wholly-owned subsidiaries, is the general and special limited partner of the AIR Operating Partnership. As of December 31, 2023, AIR owned approximately 91.1% of the legal interest and 93.6% of the economic interest in the common OP Units of the AIR Operating Partnership. The legal ownership percentage is based on outstanding common stock and common OP Units, including unvested restricted stock and unvested LTIP units. The economic ownership percentage includes any unvested restricted stock and unvested LTIP units to the extent they are considered participating securities, as defined by GAAP.

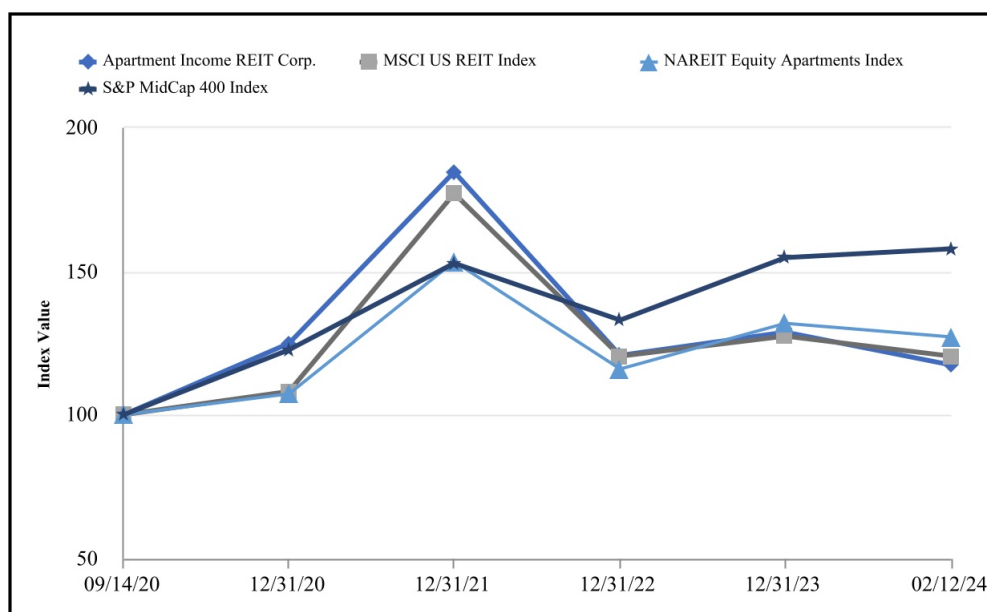
The AIR Operating Partnership holds all of AIR's assets and manages the daily operations of AIR's business. The distributions paid by the AIR Operating Partnership to AIR are used by AIR to fund the dividends paid to its stockholders. Accordingly, the per share dividends AIR pays to its stockholders generally equal the per unit distributions paid by the AIR Operating Partnership to holders of its common partnership units.

Our credit agreement includes customary covenants, including a restriction on dividends and distributions and other restricted payments, but permits dividends and distributions during any four consecutive fiscal quarters in an aggregate amount of up to 95% of AIR's funds from operations for such period, subject to certain non-cash adjustments, or such amount as may be necessary to maintain AIR's REIT status.

## Performance Graph

The following graph compares cumulative total returns for AIR's Common Stock, the MSCI US REIT Index, the NAREIT Equity Apartments Index, and the Standard & Poor's 400 Total Return Index ("S&P MidCap 400 Index"). The MSCI US REIT Index is published by MSCI, and the NAREIT Equity Apartments Index is published by FTSE Russell. The MSCI US REIT Index reflects total stockholder return for a broad range of equity REITs, while the NAREIT Equity Apartments Index provides a more direct multi-family peer comparison of total stockholder return. The indices are weighted for all companies that fit the definitional criteria of the particular index. All companies that fit the definitional criteria and existed at the point in time presented are included in the index calculations. The graph assumes the investment of \$100 and reinvestment of all dividends paid in AIR's Common Stock and in each index on September 14, 2020, the day prior to AIR's announcement of its Separation from Aimco. On December 15, 2020, the Separation from Aimco was completed and AIR began "regular way" trading. The historical information set forth below is not necessarily indicative of future performance.

### Total Return Performance



Index (1)	September 14, 2020	December 31, 2020	December 31, 2021	December 31, 2022	December 31, 2023	February 12, 2024
Apartment Income REIT Corp.	100.0	124.9	184.5	120.7	128.7	117.2
MSCI US REIT Index	100.0	108.2	177.0	120.5	127.5	120.4
NAREIT Equity Apartments Index	100.0	107.2	153.4	115.8	131.7	127.1
S&P MidCap 400 Index	100.0	122.5	152.8	132.9	154.7	157.8

(1) Source: S&P Global Market Intelligence © 2024

The Performance Graph will not be deemed to be incorporated by reference into any filing by AIR under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except to the extent that AIR specifically incorporates the same by reference.

## ITEM 6. RESERVED

## ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

### Executive Overview

We created AIR to be the most efficient and effective way to invest in U.S. multi-family real estate, due to our simple business model, diversified portfolio of stabilized apartment communities, and low leverage. The Board of Directors has set the following strategic objectives:

- Pursue a simple, efficient, and predictable business model with a low-risk premium.
- Maintain a high quality and diversified portfolio of stabilized multi-family properties.
- Continuously improve our best-in-class property operations platform, the "AIR Edge," to generate above-market organic growth.
- Maintain an efficient cost structure.
- Maintain a flexible, low levered balance sheet with access to multiple sources of debt capital.
- Enhance portfolio quality through a disciplined approach to capital allocation, targeting accretive opportunities on a leverage neutral basis.
- Form private capital partnerships as a source of equity capital for accretive growth.
- Continue our commitment to corporate responsibility with transparent and measurable goals.

We own and operate a portfolio of stabilized apartment communities, diversified by both geography and price point. As of December 31, 2023, our portfolio included 75 apartment communities with 26,626 apartment homes in which we held an average ownership of approximately 81%.

Our business is organized around four areas of strategic focus: operational excellence; portfolio management; balance sheet; and team and culture. The results from the execution of our strategy are further described in the sections that follow.

#### *Operational Excellence*

Same Store highlights for the year ended December 31, 2023 include:

- Full year Same Store Revenue, NOI, and FCF up 7.9%, 9.3%, and 9.5%, respectively
  - Transacted blended lease rate growth up 5.6%
  - Resident retention up 100 bps in the year to 62.3%
  - Controllable expenses up only 20 bps
  - Full year Same Store NOI and FCF margins of 74.5% and 68.4%, up to all-time highs
- Run-Rate FFO and AFFO per share increased 7.8% and 7.7%, respectively, for the full year
  - Recurring operations have generated Run-Rate FFO and AFFO per share Compound Annual Growth Rate ("CAGR") of 9.5% and 10.7%, respectively, since 2021
- Pro forma FFO of \$2.41 per share, meeting the mid-point of 2023 guidance
- 2.1 million shares (\$71 million) repurchased in the fourth quarter at an average \$34.39 per share
  - 13.4 million outstanding shares and OP units (8% of total) repurchased since year-end 2021

#### *Acquisition Portfolio: Operating Update*

AIR's acquisitions are expected to experience a rate of NOI and FCF growth during the initial years of AIR ownership that is higher than the rate in the Same Store Portfolio as operational improvements are realized and physical upgrades are completed.

Year	Properties	% of GAV (3)	Fourth Quarter Year-Over-Year Variance		
			Rev	Exp	NOI
Same Store excluding Class of 2021	58	75.2%	6.3%	1.0%	7.9%
Class of 2021 (1)	5	6.8%	5.7%	(5.7%)	10.7%
Class of 2022 (2)	4	5.9%	7.0%	6.0%	7.4%
Other Real Estate (2)	4	5.4%	5.7%	(16.0%)	15.1%
Class of 2023	4	5.8%			
Class of 2024	1	0.9%			
<b>Total Portfolio</b>	<b>76</b>	<b>100.0%</b>			

- (1) Class of 2021 acquisitions are included in, and contributed 20-basis points to, reported Same Store NOI growth metrics.
- (2) Class of 2022 expenses increased in the quarter primarily as a result of a tax revaluation in Florida, offset by continued improvement in controllable expenses across the Class. Favorable expenses in Other Real Estate reflect AIR's optimization of controllable expenses. Both portfolios continue to perform in line with expectations.
- (3) Gross Asset Value ("GAV") is based on third party estimates.

### Portfolio & Financial Highlights

	FY 2023	FY 2022	Variance	Variance (%)
<b>Portfolio Metrics</b>				
<u>New Residents</u>				
Average household income (\$)	\$237,000	\$238,000	(\$1,000)	flat
Median household income (\$)	\$170,000	\$163,000	\$7,000	4%
Rent-to-income %	19.0%	18.9%	0.1%	flat
Average FICO	723	727	(4)	(0.6%)
<u>Existing Residents</u>				
Customer Satisfaction (CSAT) (1)	4.28	4.23	0.05	1%
TTM Retention (%) (2)	62.3%	61.3%	1.0%	2%
# Properties	75	74	1	1%
# Apartment homes	21,674	22,200	(526)	(2%)
Average monthly revenue per apartment home (\$)	\$2,913	\$2,648	\$265	10%
Gross asset value (\$B) (3)	\$9.8B	\$10.9B	(\$1.1B)	(10%)
Assets under management (\$B) (4)	\$11.9B	\$12.4B	(\$0.5B)	(4%)
<b>Balance Sheet</b>				
Total shares, units, and dilutive equivalents (in thousands)	154,636	159,164	(4,528)	(3%)
<u>Total leverage (\$M)</u>				
Recourse debt (\$ / %)	\$990M / 30%	\$1,662M / 50%	(\$672M)	(40%)
Property debt (\$ / %)	\$2,299M / 68%	\$1,604M / 48%	\$695M	43%
Preferred equity (\$ / %)	\$79M / 2%	\$79M / 2%	—	flat
<b>Total leverage (\$)</b>	<b>\$3,368M</b>	<b>\$3,345M</b>	<b>\$23M</b>	<b>1%</b>
<b>Net leverage (\$)</b>	<b>\$3,263M</b>	<b>\$3,058M</b>	<b>\$205M</b>	<b>7%</b>
<u>Leverage metrics</u>				
Net leverage / Adjusted EBITDAre (x) (5)	6.1x	6.05x	0.05x	1%
Mark-to-Market Value (\$M)	\$201M	\$217M	(\$16M)	(7%)
Weighted Average Interest Rate (%)	4.3%	4.1%	0.2%	5%
Weighted Average Maturity (years)	6.5	6.3	0.2	3%
Unencumbered Properties (\$B) (6)	\$4.9B	\$7.6B	(\$2.7B)	(36%)

Note: All metrics presented at AIR share, unless noted

- (1) Customer satisfaction ("CSAT"), as graded on a scale from zero to five, represents ratings by our residents as to overall satisfaction with their interaction with AIR and/or AIR teammates in performance of services. We believe this is a useful metric for investors as our financial performance is affected by the satisfaction of our residents. Resident satisfaction is correlated to retention of customers and their willingness to pay higher rents, in turn increasing average daily occupancy, lease growth rates, and revenue growth, and also lowering operating expense.
- (2) Trailing twelve months ("TTM") retention represents the percentage of residents who have renewed in the trailing twelve months. It is calculated by dividing the number of renewed in the trailing twelve months, excluding intra-community transfers, by the daily average number of occupied apartment homes during the trailing twelve months.
- (3) GAV is based on third party estimates.
- (4) The value of assets under management ("AUM") is calculated using the estimated fair market value of properties based on third party estimates.
- (5) Please refer to the section titled Non-GAAP Measures within Item 7 for a reconciliation of the metrics Net Leverage and Adjusted EBITDAre.





- (6) The estimated fair value of unencumbered properties provides the investor with information on the flexibility of the Companies' balance sheet. We believe this is a useful metric for investors, as it allows the reader to evaluate the Companies' ability to source additional debt capital in the future.

#### *Transactions*

##### Acquisitions

In 2023, AIR improved its portfolio through the acquisition of three properties with 1,115 apartment homes for approximately \$459.2 million, including one property in Miami Beach, Florida, one in Raleigh, North Carolina, and one in Durham, North Carolina. The acquisitions are expected to be accretive to FCF in both 2024 and thereafter.

In January 2024, AIR acquired an apartment community located in Raleigh, North Carolina with 384 apartment homes for \$86.5 million; we expect a 5.7% forward NOI cap rate at stabilization in the third quarter of 2024, and a long-term unlevered IRR of >10%.

##### Joint Ventures

AIR formed two joint ventures in 2023. The first, with a global asset manager (the "Value-Add JV") was formed by contributing the Huntington Gateway property, a 443-unit property located in Virginia in exchange for \$9 million in cash and the assumption of \$94.1 million in debt by the joint venture. AIR has a 30% ownership in the Value-Add JV but will receive 50% of the net cash flows from operations, and various fees for providing property management, construction, and corporate services to the joint venture.

The second, with a global institutional investor (the "Core JV"), was formed by contributing 10 properties located in Philadelphia, PA, Washington, D.C. area, Denver, CO, Oceanside, CA, and Kendall, FL in exchange for \$201.9 million in cash and the assumption of \$644.4 million in debt by the joint venture. Subsequent to initial formation, AIR and our joint venture partner increased the investment in the Core JV, together funding the joint venture's acquisition of an 11th property in the third quarter of 2023. The Core JV now consists of 11 properties with 3,549 apartment homes. AIR has a 53% ownership in the joint venture.

##### Dispositions

During 2023, we sold three properties with 257 apartment homes located in New York for net proceeds of \$52.1 million, completing our strategic exit from New York market.

#### *Capital Allocation – Common and OP Unit Share Repurchases*

During the year ended December 31, 2023, we repurchased an aggregate of 4.3 million shares of Common Stock at an average price of \$34.48 for \$149.0 million. Subsequent to year ended December 31, 2023, AIR's Board of Directors authorized an additional \$500 million of share repurchases, which replaced the remaining \$34.3 million balance under the previous share repurchase authorization.

During the year ended December 31, 2023, we repurchased an aggregate of 0.5 million OP Units at an average price of \$35.05 for \$18.5 million.

#### *Balance Sheet*

We seek to increase financial returns by using leverage with appropriate caution. We limit risk through our balance sheet structure, employing low leverage and primarily long-dated debt. We target a Net Leverage to Adjusted EBITDAre ratio of ~6.0x, which equates to approximately 33% on a loan-to-value basis, a low level for the AIR business model with no exposure to construction, second mortgage lending, or short-term rentals. We anticipate the Net Leverage to Adjusted EBITDAre ratio will vary based on the timing of transactions. We maintain financial flexibility through ample unused and available credit, holding properties with substantial value unencumbered by property debt, maintaining an investment grade rating, and using partners' capital when it enhances financial returns or reduces investment risk. We seek to minimize refunding and repricing risk.

#### *Components of Leverage*

Our leverage includes AIR's share of long-term, non-recourse property debt encumbering our apartment communities, together with outstanding borrowings under our revolving credit facility, term loans, unsecured notes payable, and preferred equity.

Please see the Liquidity and Capital Resources section for additional information regarding our leverage and the Leverage Ratios subsection of the Non-GAAP Measures section for further information about the calculation of our leverage ratios.

#### Liquidity

We use our revolving credit facility for working capital, and other short-term purposes, and to secure letters of credit. As of December 31, 2023, our share of cash and restricted cash, excluding amounts related to resident security deposits, was \$105.4 million. Additionally, we had the capacity to borrow up to \$1.8 billion under our revolving credit facility, after consideration of letters of credit, and committed property level financing through our secured credit facility with Fannie Mae, thereby having total liquidity of just under \$2 billion.

We manage our financial flexibility by maintaining an investment grade rating from S&P and Moody's, and holding communities that are unencumbered by property debt. As of December 31, 2023, we held unencumbered apartment communities with an estimated fair market value of approximately \$4.9 billion. AIR's two investment grade ratings provide the company access to all debt capital market sources.

#### Dividend and Equity Capital Markets

On January 30, 2024, the AIR Board of Directors declared a quarterly cash dividend of \$0.45 per share of Common Stock. This amount is payable on February 27, 2024, to shareholders of record on February 16, 2024.

As planned, AIR's refreshed tax basis is resulting in a tax-efficient dividend being paid to stockholders. In 2023, approximately 3.5% of our dividend was taxable at capital gain rates, 83.5% was treated as return of capital, and the remaining 13% taxable at ordinary income rates. We believe the tax characteristics of our dividend makes our stock more attractive to taxable investors, such as foreign investors, taxable individuals, and corporations by comparison to peer shares whose dividends are taxed at higher rates. For example, AIR's dividend characteristics in 2023 compare to a peer average of approximately 20% at capital gains rates and 80% at ordinary income rates, with 0% treated as return of capital. As a result, an investor would retain approximately 95% more of its dividend on an after tax basis through AIR's common shares as compared to the peer average.

#### *Corporate Responsibility*

Corporate responsibility is a longstanding AIR priority and a key part of our culture. We offer benefits reinforcing our value of respect and caring for each other, including an opportunity to manage one's life through flexible work schedules, paid time for parental leave, profit sharing, retirement plans for all, financial support for our teammates who are becoming United States citizens, and a bonus structure at all levels of the organization. We also pay full compensation and benefits for teammates who are actively deployed by the United States military.

Our team is also focused on making a difference in our local communities through our philanthropic endeavor, AIR Gives. For over 15 years, we have provided the flexibility for teammates to support a nonprofit or initiative that is important to them. Teammates have 15 hours of paid leave to volunteer with a nonprofit. Every hour volunteered also provides the teammate with charitable dollars to direct to a nonprofit of choice. Also, through AIR Gives, we award college scholarships to children of teammates. AIR Gives has supported over 675 students of our teammates with more than \$1.4 million in scholarships since 2006. We raised \$0.5 million from the AIR Gives Charity Golf Tournament in 2023 to benefit the Tragedy Assistance Program for Survivors, Project Sanctuary, and scholarships for students in affordable housing in partnership with the National Leased Housing Association. We also provide financial assistance to AIR teammates experiencing a financial emergency or other crisis.

During the year, AIR met directly with holders of more than approximately 80% of its outstanding common shares. Through a series of lunches, dinners, video meetings, conferences, property tours, in-person meetings, and calls, various Board members and Management discussed a variety of topics, such as governance, investment strategy, operations, and corporate responsibility, including CEO succession planning and Environmental, Social, and Governance ("ESG").

Our commitment to strong corporate governance was further demonstrated in 2023, where AIR shareholders approved the Board's recommendation to amend AIR's charter to reduce to a simple majority vote the threshold to amend our bylaws. Our commitment extends not just to maintaining open lines of communication with shareholders, but also to improving as best practices in governance evolve. This direct shareholder engagement yielded positive results with the

outcome of our annual meeting as shareholders overwhelmingly supported our directors, as well as “say on pay” for which AIR had the highest support among peers.

We are committed to transparency, and continuous improvement, as measured by GRESB. AIR received a score of 82 out of 100 in 2023, including a 100% score for leadership and reporting, a 12.5% improvement in environmental performance, a perfect social score and a near perfect governance score. AIR now has a four out of five-star GRESB rating for overall management and performance. AIR was given an “A” in GRESB Public Disclosure, ranking 2<sup>nd</sup> among peers. AIR earned a [Best ESG Program award](#) from MHN. The award celebrates AIR’s commitment to being an outstanding corporate citizen and its best-in-class program to achieve environmental, social, and governance goals. We also published our 2022-2023 Corporate Responsibility Report highlighting our commitment to community and published data consistent with the TCFD and SASB. AIR also certified 75% of its properties as sustainable, toward our goal of 95% by 2025.

Based on UN Sustainable Development Goals, we have set targets for energy, water, and greenhouse gas reductions. We published our goals and targets consistent with the UN Sustainability Goals, with an additional commitment to transparent, data-driven disclosures consistent with the SASB, which guides the disclosure of financially material sustainability information by companies to their investors. The standards identify the subset of environmental, social, and governance issues most relevant to financial performance in each industry.

#### *Team and Culture*

Our team and culture are keys to our success. We have a relentless focus on productivity and innovation. We continuously seek to reduce costs through the use of additional automation and continued technological investment, and by avoiding costs, for example by retention of residents. We apply this same focus to our general and administrative expenses, expecting these costs to be lower than our peers.

We are defined by a commitment to our mission, vision, and values. We strive to provide an exceptional living experience for residents and a great place to work for teammates, to be a good neighbor in the communities we serve, and a good steward for our investors. We are accountable to teammates in return for their hard and meaningful work of providing homes for others. We see our workforce as a team, and not employees only. Our view is relational, and not transactional, reflecting a longer view of the benefits of a cohesive and caring team.

Our intentional focus on a collaborative and productive culture based on respect for others and personal responsibility is reinforced by a preference for promotion from within. We focus on succession planning and talent development to produce a strong, stable team that is the enduring foundation of our success. The Compensation and Human Resources Committee of the Board of Directors is responsible for succession planning in all leadership positions, both in the short-term and the long-term, with particular focus on CEO succession.

Our focus on our team and culture is widely recognized. In 2023, AIR was named a Kingsley Excellence Elite Five multifamily company and a winner of the 2023 Kingsley Excellence Awards for customer service for the second year in a row. Of the winners, AIR ranked second among all operators, and first among publicly traded REITs. AIR is committed to world-class customer service, which we deliver through listening to, learning from, and responding to our residents every day. We also benefit from the support of great leadership, contributions from exceptional teammates, and a strong culture. These strengths are confirmed by such awards as AIR’s 2023 Top Workplaces USA Award (the second consecutive year), a 10-time winner of Top Workplace in Colorado (by the Denver Post), Top Workplace in Philadelphia (by The Philadelphia Inquirer), and in South Florida (by the Sun Sentinel) as well as two time winner of Built in 2023 Best Places to Work in Colorado, Los Angeles, Miami, and Washington, D.C., and the Denver Business Journal Healthiest Employer in Colorado for the third year in a row. We take seriously our responsibility to care for our customers, our neighbors, and each other as teammates. We are grateful for these recognitions and consider them confirmation of our success.

#### **Results of Operations**

Because our operating results depend primarily on income from our apartment communities, the supply of and demand for apartments influences our operating results. Additionally, the level of expenses required to operate and maintain our apartment communities and the pace and price at which we acquire and dispose of our apartment communities affects our operating results.

The following discussion and analysis of the results of our operations and financial condition for the year ended December 31, 2023, compared to 2022, should be read in conjunction with the accompanying consolidated financial statements in [Item 8](#). For discussion of the year ended December 31, 2022, compared to 2021, please refer to Item 7

"Management's Discussion and Analysis of Financial Condition and Results of Operations" under the subheading "Results of Operations for the Year Ended December 31, 2022, Compared to 2021" included in AIR's and the AIR Operating Partnership's combined Annual Report on Form 10-K for the year ended December 31, 2022.

#### *Financial Highlights*

Net income attributable to AIR common stockholders per common share, on a dilutive basis, decreased \$1.54 for the year ended December 31, 2023, compared to 2022, due primarily to:

- Lower gains on dispositions of real estate and
- Lower interest income from the Aimco note receivable and prepayment penalty received in the second and third quarters of 2022, as well as and higher interest expense due to higher interest rates and higher outstanding property debt balances; partially offset by
- Same Store revenue growth of 7.9% which resulted in higher NOI of 9.3%, primarily driven by an increase of 7.0% in residential rents for the year ended December 31, 2023, compared to 2022. Additionally, acquisitions continue to grow at a high rate. For example, the property acquisitions that closed during 2021 (the "Class of 2021") had NOI growth of 20.5% for the year ended December 31, 2023, compared to 2022.

Pro forma FFO per share was \$2.41 for the years ended December 31, 2023 and 2022, due primarily to the below factors:

- Same Store revenue growth as noted above,
- Cash gains from derivative instruments, offset partially by
- A decrease in interest income as noted above, and
- An increase in interest expense as noted above.

For the year ended December 31, 2023, Pro forma FFO includes \$0.05 per share of non-recurring items including derivative gains that were accelerated through the repayment of certain previously hedged term loans, partially offset by higher than anticipated casualty and legal costs. After consideration of these non-recurring items Run-Rate FFO per share was \$2.36 for the year ended December 31, 2023. Please refer to [Item 7](#) Non-GAAP Measures for further discussion regarding Run-Rate FFO.

For the year ended December 31, 2022, Pro forma FFO includes \$0.22 per share, respectively, of non-recurring items including the Aimco note and 2022 prepayment. After consideration of these non-recurring items Run-Rate FFO per share was \$2.19 for the year ended December 31, 2022.

Run-Rate AFFO per share was \$2.09 for year ended December 31, 2023, compared to \$1.94 for the year ended December 31, 2022. Our 2023 capital allocation decisions have resulted in paired trades in which we have purchased apartment communities with an anticipated higher rate of NOI growth and lower recurring capital needs, and sold partial interests in apartment communities with lower anticipated rates of NOI growth and higher capital needs. Please refer to [Item 7](#) Non-GAAP Measures for further discussion regarding Run-Rate AFFO.

#### *Results of Operations for the Year Ended December 31, 2023, Compared to 2022*

##### Property Operations

We have two segments: Same Store and Other Real Estate. Our Same Store segment includes communities that are owned and managed by AIR and have reached a stabilized level of operations. Our Other Real Estate segment includes four properties acquired in 2022, four properties previously leased to Aimco, and four properties acquired in 2023.

As of December 31, 2023, our Same Store segment included 63 apartment communities with 22,794 apartment homes and our Other Real Estate segment included 12 apartment communities with 3,832 apartment homes, which we held an average ownership of approximately 81%.

### Proportionate Property Net Operating Income

Our proportionate share of financial information includes our share of unconsolidated real estate partnerships and excludes the noncontrolling interest partners' share of consolidated real estate partnerships. We believe proportionate information benefits the users of our financial information by providing the amount of revenues, expenses, assets, liabilities, and other items attributable to our stockholders.

We use proportionate property NOI to assess the operating performance of our communities. Proportionate property NOI reflects our share of rental and other property revenues, excluding utility reimbursements, less direct property operating expenses, net of utility reimbursements. In our consolidated statements of operations, utility reimbursements are included in rental and other property revenues in accordance with GAAP.

We do not include offsite costs associated with property management, casualty gains or losses, or the results of apartment communities sold or held for sale in our assessment of segment performance. Accordingly, these items are not allocated to our segment results discussed below.

Please refer to [Note 16](#) to the consolidated financial statements in [Item 8](#) for further discussion regarding our segments, including a reconciliation of these proportionate amounts to consolidated rental and other property revenues and property operating expenses.

(dollars in thousands)	Year Ended December 31,		Historical Change	
	2023	2022	\$	%
Rental and other property revenues, before utility reimbursements:				
Same Store	\$ 600,142	\$ 556,318	\$ 43,824	7.9 %
Other Real Estate	119,587	37,783	81,804	nm
Total	719,729	594,101	125,628	21.1 %
Property operating expenses, net of utility reimbursements:				
Same Store	152,898	147,084	5,814	4.0 %
Other Real Estate	37,899	12,399	25,500	nm
Total	190,797	159,483	31,314	19.6 %
Proportionate property net operating income:				
Same Store	447,244	409,234	38,010	9.3 %
Other Real Estate	81,688	25,384	56,304	nm
Total	<u>\$ 528,932</u>	<u>\$ 434,618</u>	<u>\$ 94,314</u>	<u>21.7 %</u>

For the year ended December 31, 2023, compared to 2022, our Same Store proportionate property NOI increased by 9.3%. This increase was attributable primarily to a \$43.8 million, or 7.9%, increase in rental and other property revenues due to a 7.0% increase in residential rents and a 80 basis point increase in late fees and other, partially offset by a 40 basis point decrease in Average Daily Occupancy ("ADO").

Other Real Estate proportionate property NOI increased by \$56.3 million for the year ended December 31, 2023, compared to 2022, due primarily to contribution from four properties acquired in 2023, four properties acquired in the second and third quarter of 2022, and NOI contribution from the four properties acquired on September 1, 2022, due to the cancellation of the respective master leases.

### Non-Segment Real Estate Operations

Operating income amounts not attributed to our segments include offsite costs associated with property management, casualty losses, and the results of apartment communities sold or held for sale, which we do not allocate to our segments for purposes of evaluating segment performance.

For the year ended December 31, 2023, compared to 2022, non-segment real estate operations decreased by \$29.7 million, due primarily to \$25.5 million of lower NOI attributable to sold properties due to decreased disposition activity, with dispositions of 15 additional properties during 2022 compared to 2023.

### Other Expenses, Net

Other expenses, net, includes costs associated with our risk management activities, partnership administration expenses, ground leases and certain non-recurring items.

For the year ended December 31, 2023, compared to 2022, other expenses, net, increased by \$16.8 million, due primarily to higher legal expenses, one-time severance payments, and incremental ground lease expense associated with an acquired property.

#### *Interest Income*

For the year ended December 31, 2023, compared to 2022, interest income decreased by \$42.0 million, or 83.5%, due primarily to lower interest income on our note receivable from Aimco, inclusive of the prepayment penalty and lower interest income associated with properties leased to Aimco through September 1, 2022, due to the cancellation of the respective master leases.

#### *Interest Expense*

For the year ended December 31, 2023, compared to 2022, interest expense increased by \$13.2 million, or 11.3%, due primarily to higher rates on our term loans and revolving credit facility, interest expense associated with our senior unsecured notes issued in the second quarter of 2022, and higher outstanding property debt balances; offset partially by the reclassification of gains on derivatives from accumulated other comprehensive income into interest expense, lower balances on our revolving credit facility, and repayment of \$325 million of term loans in the third quarter of 2023.

#### *Loss on Extinguishment of Debt*

For the year ended December 31, 2023, compared to 2022, loss on extinguishment of debt decreased by \$21.6 million, due to higher prepayment penalties incurred from the early payment of property debt in 2022.

#### *Gains on Dispositions and Impairments of Real Estate*

During the year ended December 31, 2023, we recognized \$677.7 million of gain on dispositions and impairments of real estate, net due primarily to:

- \$700.5 million of gain on dispositions of real estate from the contribution of 10 properties in connection with the Core JV;
- \$1.0 million of gain in connection with the formation of the Value-Add JV; offset partially by
- A non-cash impairment loss on real estate of \$23.6 million due to the evaluation of the expected hold period of three apartment communities included in our Other Real Estate reporting segment, which are now sold.

During the year ended December 31, 2022, we recognized \$939.8 million of gain on dispositions of real estate related to the sale of 18 apartment communities, and we did not recognize any real estate impairment losses.

#### *Gain on Derivative Instruments*

For the year ended December 31, 2023, we recognized \$16.7 million of gains on derivative instruments that are not designated as cash flow hedges primarily related to mark-to-market valuation changes in interest rate swaps and treasury locks during the period. During the year ended December 31, 2022, we did not recognize any gains on derivative instruments.

#### *Loss from Unconsolidated Real Estate Partnerships*

For the year ended December 31, 2023, loss from unconsolidated real estate partnerships increased \$26.1 million, compared to 2022. During the year ended December 31, 2023, our unconsolidated joint ventures generated proportionate NOI of \$29.0 million. This incremental NOI was offset by higher depreciation expense due to the step-up in value for properties in the Core and Value-Add JV's to fair market value.

#### *Income Tax (Expense) Benefit*

Certain of our operations, including property management, are conducted through taxable REIT subsidiaries ("TRS entities").

Our income tax (expense) benefit calculated in accordance with GAAP includes income taxes associated with the income or loss of our TRS entities for which the tax consequences have been realized or will be realized in future periods.

Income taxes related to these items, as well as changes in valuation allowance, are included in income tax (expense) benefit in our consolidated statements of operations.

For the year ended December 31, 2023, compared to 2022, income tax expense decreased \$1.5 million, due primarily to a decrease in income from sales of properties subject to state income tax.

### **Non-GAAP Measures**

Certain key financial indicators we use in managing our business and in evaluating our financial condition and operating performance are non-GAAP measures. Key non-GAAP measures we use are defined and described below, and for those non-GAAP measures used or disclosed within this annual report, we provide reconciliations of the non-GAAP measures to the most comparable financial measure computed in accordance with GAAP.

#### *NAREIT Funds From Operations, Pro forma Funds From Operations, Run-Rate FFO and Run-Rate Adjusted Funds From Operations*

Many of our investors focus on multiples of Funds From Operations ("FFO") as defined by the National Association of Real Estate Investment Trusts ("NAREIT"), referred to herein as "NAREIT FFO."

NAREIT FFO is a non-GAAP measure that we believe, when considered with the financial statements determined in accordance with GAAP, is helpful to investors in understanding our performance because it captures features particular to real estate performance by recognizing that real estate assets generally appreciate over time or maintain residual value to a much greater extent than do other depreciable assets such as machinery, computers, or other personal property. NAREIT defines FFO as net income computed in accordance with GAAP, excluding: (i) depreciation and amortization related to real estate; (ii) gains and losses from sales and impairment of depreciable assets and land used in our primary business; and (iii) income taxes directly associated with a gain or loss on the sale of real estate; and adjustments for our share of FFO of unconsolidated partnerships and joint ventures. Adjustments for unconsolidated partnerships and joint ventures are calculated on the same basis to determine NAREIT FFO. We calculate NAREIT FFO attributable to AIR common stockholders (diluted) by subtracting dividends on Preferred Stock and preferred units and amounts allocated from NAREIT FFO to participating securities.

These investors also focus on NAREIT FFO, as adjusted for non-cash, unusual, or non-recurring items. We refer to these metrics as Pro forma Funds From Operations ("Pro forma FFO"), Run-Rate Funds From Operations ("Run Rate FFO"), and Run-Rate Adjusted Funds From Operations ("Run Rate AFFO") to measure short-term and current period performance. Pro forma FFO is used to measure short-term, operational, performance and represents NAREIT FFO as defined above, excluding certain amounts that are unique or occur infrequently. Run-Rate FFO represents Pro forma FFO as defined above, and includes adjustments to provide a stabilized view of current performance that may be indicative of long-term performance. Run-Rate AFFO represents Run-Rate FFO as defined above, reduced by Capital Replacements and is a measure of current period performance.

NAREIT FFO, Pro forma FFO, Run-Rate FFO and Run-Rate AFFO should not be considered alternatives to net income determined in accordance with GAAP, as indications of our performance. Although we use these non-GAAP measures for comparability in assessing our performance compared to other REITs, not all REITs compute these same measures and those who do may not compute them in the same manner. Accordingly, there can be no assurance that our basis for computing these non-GAAP measures is comparable with that of other REITs.

NAREIT FFO, Pro forma FFO, Run-Rate FFO, and Run-Rate AFFO are calculated as follows (in thousands, except per share data):

	Year Ended December 31,	
	2023	2022
<b>Net income attributable to AIR common stockholders</b>	<b>\$ 634,444</b>	<b>\$ 903,642</b>
Adjustments:		
Real estate depreciation and amortization, net of noncontrolling partners' interest	356,357	332,401
Gain on dispositions and impairments of real estate, net of noncontrolling partners' interest	(675,726)	(939,700)
Income tax adjustments related to gain on dispositions and other tax-related items	961	1,093
Common noncontrolling interests in AIR OP's share of above adjustments and amounts allocable to participating securities	20,291	37,514
<b>NAREIT FFO attributable to AIR common stockholders</b>	<b>\$ 336,327</b>	<b>\$ 334,950</b>
Adjustments:		
Gain on derivative instruments (1)	(8,221)	—
Non-cash straight-line rent (2)	12,316	8,035
Business transformation and transition related costs (3)	7,585	5,333
Legal Reserve	3,500	—
Loss on extinguishment of debt (4)	2,008	23,636
Casualty losses and other (5)	3,993	2,027
Common noncontrolling interests in AIR OP's share of above adjustments and amounts allocable to participating securities	(1,351)	(2,423)
<b>Pro forma FFO attributable to AIR common stockholders</b>	<b>\$ 356,157</b>	<b>\$ 371,558</b>
Acceleration of swap settlement, net of common noncontrolling interests in AIR OP and participating securities	(13,711)	—
Non-recurring income, net associated with the Aimco note and 2022 prepayment, net of common noncontrolling interests in AIR OP and participating securities	—	(34,370)
Casualty and Legal expense in excess of run-rate, net of common noncontrolling interests in AIR OP and participating securities (5)	7,395	—
<b>Run-Rate FFO attributable to AIR common stockholders</b>	<b>\$ 349,841</b>	<b>\$ 337,188</b>
Capital Replacements, net of common noncontrolling interests in AIR OP and participating securities	(41,075)	(38,143)
<b>Run-Rate AFFO attributable to AIR common stockholders</b>	<b>\$ 308,766</b>	<b>\$ 299,045</b>
Weighted-average common shares outstanding – basic	147,899	154,093
Dilutive common share equivalents	77	226
<b>Total shares and dilutive share equivalents</b>	<b>147,976</b>	<b>154,319</b>
Net income attributable to AIR per share – diluted	\$ 4.27	\$ 5.81
NAREIT FFO per share – diluted	\$ 2.27	\$ 2.17
Pro forma FFO per share – diluted	\$ 2.41	\$ 2.41
Run-Rate FFO per share - diluted	\$ 2.36	\$ 2.19
Run-Rate AFFO per share - diluted	\$ 2.09	\$ 1.94

(1) During 2023, we entered into treasury locks and interest rate swaps that did not qualify for hedge accounting under GAAP. Changes in the fair value of these instruments are included in net income attributable to AIR common stockholders. Any non-cash changes in fair value are excluded in the determination of Pro forma FFO.

(2) In 2018 and 2022, we assumed 99-year ground leases with scheduled rent increases. Due to the terms of the leases, GAAP rent expense will exceed cash rent payments until 2076 and 2079, respectively. We include the cash rent payments for these ground leases in Pro forma FFO but exclude the incremental straight-line non-cash rent expense. The rent expense for these leases is included in other expenses, net, in our consolidated statements of operations.

(3) During 2023 and 2022, we incurred consulting, placement, legal, and other transformation related costs as we fully implement AIR's business model, including projects intended to increase efficiency and reduce costs in future periods. As we engage in and finalize our finance transformation initiative that modernizes our systems and processes, including a new ERP system, we expect to continue to incur these costs during the first half of 2024. We have excluded these costs from Pro forma FFO because we believe they are not related to ongoing operating performance.



- (4) During 2023 and 2022, we incurred debt extinguishment costs related to the prepayment of debt. In 2023, these costs are related to the prepayment of high-cost, floating-rate debt. We excluded these costs from Pro forma FFO because we believe they are not representative of future cash flows.
- (5) During 2023, we incurred significant casualty losses related to fire damage at our Palazzo East at Park La Brea apartment community. During 2021, we incurred significant casualty losses due to Hurricane Ida-induced flooding in downtown Philadelphia causing damage to our Park Towne Place apartment community, whose clean-up costs extended into 2022. During the third quarter of 2023, we recorded a net gain upon receipt of third-party funds, upon closing the 2021 Park Towne Place claim. AIR excludes individually significant casualty losses from the computation of FFO when the expected gains or losses are atypical, and costs are greater than \$1 million. Individual casualty losses less than \$1 million are included in FFO. In 2023, these "normal" casualty losses exceed historical averages and AIR's expectation entering the year by \$2.5 million. In 2023, legal expenses exceeded historical averages and AIR's expectation entering the year by \$5.4 million, which are excluded from the determination of Run-Rate FFO.

Please see the Results of Operations section for discussion of the factors affecting our Pro forma FFO for 2023.

### Leverage Ratios

We target Net Leverage to Adjusted EBITDAre of ~6.0x, which equates to approximately 33% on a loan-to-value basis, a low level for the AIR business model with no exposure to construction, second mortgage lending, or short-term rentals. We anticipate the Net Leverage to Adjusted EBITDAre ratio will vary based on the timing of transactions. We also focus on Proportionate Debt to Adjusted EBITDAre. We believe these ratios, which are based in part on non-GAAP financial information, are commonly used by investors and analysts to assess the relative financial risk associated with balance sheets of companies within the same industry, and they are believed to be similar to measures used by rating agencies to assess entity credit quality.

Our leverage ratios for the three months ended December 31, 2023, are presented below:

	Annualized Current Quarter
Proportionate Debt to Adjusted EBITDAre	6.0x
Net Leverage to Adjusted EBITDAre	6.1x

Proportionate Debt, as used in our leverage ratios, is a non-GAAP measure and includes our share of the long-term, non-recourse property debt, outstanding borrowings under our revolving credit facility, term loans, and unsecured notes. Proportionate Debt excludes unamortized debt issuance costs because these amounts represent cash expended in earlier periods and do not reduce our contractual obligations. We reduce our recorded debt by the amounts of cash and restricted cash on-hand, excluding resident security deposits included in restricted cash, assuming the remaining amounts of cash and restricted cash would be used to reduce our outstanding leverage.

We believe Proportionate Debt is useful to investors as it is a measure of our net exposure to debt obligations. Proportionate Debt, as used in our leverage ratios, is calculated as set forth in the table below.

Preferred equity represents the redemption amounts for AIR's Preferred Stock and the AIR Operating Partnership's Preferred Partnership Units and, although perpetual in nature, are another component of our overall leverage.

The reconciliation of total indebtedness to Proportionate Debt and Preferred Equity, as used in our leverage ratios is as follows (in thousands):

	December 31, 2023
Total indebtedness	\$ 3,210,344
Adjustments:	
Debt issuance costs related to non-recourse property debt and term loans	16,631
Proportionate share adjustments related to debt obligations	62,127
Cash and restricted cash	(117,491)
Resident security deposits included in restricted cash	11,156
Proportionate share adjustments related to cash and restricted cash	902
<b>Proportionate Debt</b>	<b>3,183,669</b>
Perpetual Preferred Stock	2,000
Preferred noncontrolling interests in AIR Operating Partnership	77,140
<b>Net Leverage</b>	<b>\$ 3,262,809</b>

We calculated Adjusted EBITDAre used in our leverage ratios based on annualized current quarter amounts. EBITDAre and Adjusted EBITDAre are non-GAAP measures, which we believe are useful to investors, creditors, and rating agencies as a supplemental measure of our ability to incur and service debt because they are recognized measures of performance by the real estate industry and facilitate comparison of credit strength between AIR and other companies. EBITDAre and Adjusted EBITDAre should not be considered alternatives to net income as determined in accordance with GAAP as indicators of liquidity. There can be no assurance that our method of calculating EBITDAre and Adjusted EBITDAre is comparable with that of other real estate investment trusts. NAREIT defines EBITDAre as net income computed in accordance with GAAP, before interest expense, income taxes, and depreciation and amortization expense, which we have further adjusted for:

- gains and losses on dispositions of depreciated property;
- impairment write-downs of depreciated property; and
- adjustments to reflect our share of EBITDAre of investments in unconsolidated entities and consolidated entities with non-controlling interests.

EBITDAre is defined by NAREIT and provides for an additional performance measure independent of capital structure for greater comparability between real estate investment trusts. We define Adjusted EBITDAre as EBITDAre adjusted for the effect of the following items for the reasons set forth below:

- net income attributable to noncontrolling interests in consolidated real estate partnerships and EBITDAre adjustments attributable to noncontrolling interests are excluded to allow investors to compare a measure of our earnings before the effects of our capital structure and indebtedness with that of other companies in the real estate industry; and
- the amount by which GAAP rent expense exceeds cash rent payments for two long-term ground leases until 2076 and 2079 is excluded. The excess of GAAP rent expense over the cash payments for these leases does not reflect a current obligation that affects our ability to service debt; and
- applicable Pro forma FFO adjustments to NAREIT FFO under the heading "NAREIT Funds From Operations and Pro forma Funds From Operations," excluding items that are not included in EBITDAre, to exclude certain amounts that are unique or occur infrequently.

The reconciliation of net income to EBITDAre and Adjusted EBITDAre, as used in our leverage ratios, is as follows (in thousands):

	Three Months Ended December 31, 2023
Net loss	\$ (11,875)
Adjustments:	
Interest expense	33,025
Income tax benefit	(3,484)
Depreciation and amortization	78,644
Gain on dispositions of real estate	(2,206)
Net income attributable to noncontrolling interests in consolidated real estate partnerships	(1,291)
EBITDAre adjustments attributable to noncontrolling interests and unconsolidated real estate partnerships	22,073
<b>EBITDAre</b>	<b>\$ 114,886</b>
Pro forma FFO and other adjustments, net (1)	23,972
<b>Quarterly Adjusted EBITDAre</b>	<b>\$ 138,858</b>
<b>Adjusted EBITDAre, before removal of annualization impact for non-recurring items</b>	<b>555,432</b>
Removal of annualization impact for non-recurring items (2)	\$ (22,945)
<b>Adjusted EBITDAre</b>	<b>\$ 532,487</b>

(1) Includes pro forma adjustments to NAREIT FFO under the heading NAREIT Funds From Operations and Pro forma Funds From Operations, excluding items that are not included in EBITDAre such as prepayment penalties, net. EBITDAre has also been adjusted by \$3.8 million non-cash gain on derivative instruments.

(2) Fourth quarter 2023 EBITDAre benefits from \$22.9 million of items that are not expected to recur in the future. As such, they were not annualized in the computation of Adjusted EBITDAre.

## Liquidity and Capital Resources

### *Liquidity*

Liquidity is the ability to meet present and future financial obligations. Our primary source of liquidity is cash flows from operations. Additional sources are proceeds from dispositions of apartment communities, proceeds from refinancing existing property debt, borrowings under new property debt, borrowings under our credit facilities, and proceeds from equity offerings. As of December 31, 2023, our available liquidity was just below \$2 billion, which consisted of:

- \$90.1 million of our share of cash and cash equivalents;
- \$15.3 million of our share of restricted cash, excluding amounts related to resident security deposits, which consists primarily of escrows held by lenders for capital additions, property taxes, and insurance;
- \$1.8 billion of available capacity to borrow under our revolving credit facility after consideration of letters of credit and committed property level financing through our secured credit facility with Fannie Mae.

Additional liquidity may also be provided through future secured and unsecured financings.

Uses for liquidity include normal operating activities, payments of principal and interest on outstanding debt, capital expenditures, dividends paid to stockholders, distributions paid to noncontrolling interest partners, and acquisitions of apartment communities. We use our cash and cash equivalents and cash provided by operating activities to meet short-term liquidity needs. In the event that our cash and cash equivalents and cash provided by operating activities are not sufficient to meet our short-term liquidity needs, we have additional means, such as short-term borrowing availability and proceeds from apartment community sales and debt refinancing. We may use our revolving credit facility for working capital and other short-term purposes, such as funding investments on an interim basis. We expect to meet our long-term liquidity requirements, including apartment community acquisitions, primarily through secured and unsecured borrowings, the issuance of equity securities (including OP Units), the sale of apartment communities, and cash generated from operations. Additionally, we expect to meet our liquidity requirements associated with our debt maturities.

For further information on our liquidity requirements related to our contractual obligations and commitments, refer to [Note 4](#), [Note 5](#), [Note 7](#), and [Note 9](#) to the consolidated financial statements in [Item 8](#). In addition to the commitments outlined in the aforementioned footnotes, we also anticipate interest payments, net of the impact of our economic hedges, for the years ended December 31, 2024 through 2028 and thereafter of approximately \$114 million, \$101 million, \$82 million, \$72 million, \$62 million, respectively, and approximately \$225 million in the aggregate thereafter based on balances outstanding as of December 31, 2023.

### *Leverage and Capital Resources*

The availability of credit and its related effect on the overall economy may affect our liquidity and future financing activities, both through changes in interest rates and access to financing. Any adverse changes in the lending environment could negatively affect our liquidity. We believe we have mitigated much of this exposure by reducing our short and intermediate-term maturity risk through refinancing such loans with long-dated debt.

If financing options become unavailable for our future debt needs, we may consider alternative sources of liquidity, such as reductions in capital spending, issuance of equity securities (including OP Units), or proceeds from the sale of apartment communities.

The combination of secured and unsecured debt and preferred OP Units, comprise our total leverage. The weighted-average remaining term to maturity for our total leverage was 6.5 years as of December 31, 2023, inclusive of extension options, with a weighted-average interest rate of 4.3%. We have sufficient committed credit to repay all debt coming due through the first quarter of 2027.

Under our credit agreement and unsecured notes payable, we have agreed to maintain certain financial covenants, as well as other covenants customary for similar credit arrangements. The financial covenants we are required to maintain include a maximum leverage ratio of no greater than 0.60 to 1.00; a fixed charge coverage ratio of no less than 1.50 to 1.00, a maximum secured indebtedness to total assets ratio of no greater than 0.40 to 1.00, a maximum unsecured leverage ratio no greater than 0.60 to 1.00, and a minimum unsecured interest coverage ratio no less than 1.50 to 1.00. We believe we

were in compliance with these covenants as of December 31, 2023, and expect to remain in compliance during the next 12 months.

#### *Changes in Cash, Cash Equivalents and Restricted Cash*

The following discussion relates to changes in consolidated cash, cash equivalents, and restricted cash due to operating, investing, and financing activities, which are presented in our consolidated statements of cash flows in [Item 8](#) of this report.

##### Operating Activities

For the year ended December 31, 2023, net cash provided by operating activities was \$370.4 million. Our operating cash flow is affected primarily by rental rates, occupancy levels, operating expenses related to our portfolio of apartment communities, and changes in working capital items. Cash provided by operating activities for the year ended December 31, 2023, decreased by \$50.2 million compared to 2022, due to lower interest income received and higher cash paid for interest, partially offset by a net increase in NOI contributions from properties.

##### Investing Activities

For the year ended December 31, 2023, our net cash used in investing activities of \$313.1 million consisted primarily of purchases of real estate and capital expenditures, offset partially by the contribution of apartment communities into unconsolidated real estate partnerships. Net cash provided by investing activities of \$650.3 million for the same period in 2022 consisted primarily of proceeds from dispositions of real estate and proceeds from the repayment of the note receivable from Aimco, offset partially by purchases of real estate and capital expenditures.

Capital additions totaled \$155.6 million and \$149.7 million during the years ended December 31, 2023 and 2022, respectively. We generally fund capital additions with cash provided by operating activities and cash proceeds from sales of apartment communities.

We categorize capital spending for communities in our portfolio broadly into five primary categories:

- capital replacements, expenditures that are necessary to help preserve the value of and maintain building infrastructure at the communities;
- capital enhancements, which may include kitchen and bath remodeling, energy conservation projects, and investments in more durable, longer-lived materials designed to position assets for higher rental levels in their respective markets;
- initial capital expenditures, which represent capital additions contemplated in the underwriting at our recently acquired communities. These amounts are considered in the underwriting of the acquisition and are therefore included with the purchase price when determining expected returns;
- casualty, which represents capitalized costs incurred in connection with the restoration of an apartment community after a casualty event; and
- other, which represents capitalized costs in connection with tenant improvements, entitlement, and planning.

We exclude the amounts of capital spending related to apartment communities sold or classified as held for sale at the end of the period from the foregoing measures in order to view the spend for the continuing portfolio.

A summary of the capital spending for these categories, along with a reconciliation of the total for these categories to the capital expenditures reported in the accompanying consolidated statements of cash flows, are presented below (in thousands):

	Year Ended December 31,	
	2023	2022
Capital replacements	\$ 32,497	\$ 30,925
Capital enhancements	71,996	77,549
Initial capital expenditures	43,415	30,188
Casualty	5,739	6,542
Other	1,927	4,502
Total capital additions	\$ 155,574	\$ 149,706
Plus: additions related to apartment communities sold and held for sale	12,674	43,654
Consolidated capital additions	\$ 168,248	\$ 193,360
Plus: net change in accrued capital spending	5,414	(956)
<b>Total capital expenditures per consolidated statements of cash flows</b>	<b>\$ 173,662</b>	<b>\$ 192,404</b>

For the years ended December 31, 2023 and 2022, we capitalized \$1.1 million and \$1.5 million of interest costs, respectively, and \$16.2 million and \$16.6 million of indirect costs, respectively.

#### Financing Activities

Net cash used in financing activities of \$241.3 million for the year ended December 31, 2023 consisted primarily of net repayments on our revolving credit facility, the repayment of term loans, payment of dividends, and repurchases of Common Stock and OP Units, offset partially by net proceeds from non-recourse property debt. Net cash used in financing activities of \$862.2 million for the year ended December 31, 2022, consisted primarily of repayments of non-recourse property debt and term loans, repurchase of shares of Common Stock and OP Units, and payment of dividends and distributions, offset partially by proceeds from the issuance of non-recourse property debt.

#### **Future Capital Needs**

We expect to fund any future acquisitions, debt maturities, and other capital spending principally with proceeds from apartment community sales (including the formation of joint ventures), secured and unsecured borrowings, the issuance of equity securities (including OP Units), and operating cash flows. We believe, based on the information available at this time, that we have sufficient cash on hand and access to additional sources of liquidity to meet our operational needs for 2024 and beyond.

#### **Critical Accounting Estimates**

We prepare our consolidated financial statements in accordance with GAAP, which requires us to make estimates and assumptions. We believe that the following critical accounting estimates involve our more significant judgments used in the preparation of our consolidated financial statements.

#### *Impairment of Long-Lived Assets*

Real estate and other long-lived assets to be held and used are individually evaluated for impairment when conditions exist that may indicate the carrying amount of a long-lived asset may not be recoverable. We use the held for sale impairment model for properties classified as held for sale, whereby an impairment charge is recognized if the carrying amount of the long-lived asset classified as held for sale exceeds its fair value less cost to sell. Upon determination that an impairment has occurred, we recognize an impairment loss to the extent the carrying amount exceeds the estimated fair value of the community. The measurement of the impairment loss is based on the fair value of the communities and incorporates various estimates, assumptions, and market data, the most significant being market rental rates, operating expense assumptions, expected hold period, capitalization rates, and purchase and sale agreements. We project future rental revenue growth rates using forecasted rates from third-party market research analytics. Property expense growth rates and capitalization rates are based on the apartment communities' historical, current, and expected future operating results, existing operating expense assumptions, and operational strategies. These projections are adjusted to reflect current economic conditions and require considerable management judgement. We recognized an impairment loss on real estate

included in our Other Real Estate segment of \$23.6 million under the held-for-sale impairment model during the year ended December 31, 2023. We did not recognize any such impairment during the years ended December 31, 2022 and 2021.

#### ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our chief market risks are refunding risk, that is the availability of property debt or other cash sources to refund maturing property debt, and repricing risk, that is the possibility of increases in base interest rates and credit risk spreads. During 2023, we refinanced a portion of our corporate debt with fixed rate property debt and we extended our debt maturities, with no debt maturities until the second quarter of 2025. We use short-term debt financing and working capital primarily to fund short-term uses and generally expect to refinance such borrowings with cash from operating activities, proceeds from apartment community sales, long-term debt, or equity financings. Our objective in managing these risks is to reduce fluctuations in earnings and cash flows associated with changes in interest rate movements. We use derivative financial instruments, principally interest rate swaps and treasury rate locks, to reduce our exposure to interest rate risk. We do not hold or issue derivatives for speculative purposes and closely monitor the credit quality of the institutions with which we transact.

As of December 31, 2023, on a consolidated basis, we had \$475.0 million of outstanding borrowings on our term loans, and \$115.0 million of variable-rate borrowings under our revolving credit facility. After consideration of our interest rate swap derivatives, which reduce our total variable rate exposure by \$475.0 million, we estimate that a change in the floating rate of 100-basis points with constant credit risk spreads would increase or decrease interest expense by \$1.2 million, net, on an annual basis. Subsequent to the year ended December 31, 2023, we entered into interest rate swaps economically hedging \$200 million of our revolving credit facility borrowings at 4.9%. Additionally, we restructured interest rate swaps, economically hedging the balance of our terms loans at 3.9% for the balance of the year. After consideration of these swaps, we have no variable rate exposure.

As of December 31, 2023, we had one undesignated forward starting interest rate swap with a notional value of \$50.0 million that was entered into in anticipation of future debt. We estimate that a change in the floating rate of 100-basis points with constant credit risk spreads would increase or decrease interest expense by \$0.5 million, net, on an annual basis.

As of December 31, 2023, we had \$117.5 million of cash and cash equivalents and restricted cash, a portion of which bears interest at variable rates, which may partially mitigate the effect of an increase in variable rates on our variable-rate debt discussed above.

We estimate the fair value of debt instruments as described in [Note 13](#) to the consolidated financial statements in [Item 8](#). The estimated fair value of total indebtedness, including our non-recourse property debt, term loans, revolving credit facility, and unsecured notes payable, was approximately \$3.0 billion as of December 31, 2023.

#### ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The independent registered public accounting firm's reports, consolidated financial statements and schedule listed in the "Index to Financial Statements" on page F-1 of this Annual Report are filed as part of this report and incorporated herein by this reference.

#### ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

#### ITEM 9A. CONTROLS AND PROCEDURES

##### AIR

##### *Disclosure Controls and Procedures*

AIR's management, with the participation of AIR's chief executive officer and chief financial officer, has evaluated the effectiveness of its disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act), as of the end of the period covered by this report. Based on such evaluation, AIR's chief executive officer and chief financial officer have concluded that, as of the end of such period, AIR's disclosure controls and procedures are effective.

### *Management's Report on Internal Control Over Financial Reporting*

AIR's management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is defined in Rule 13a-15(f) and 15d-15(f) under the Exchange Act as a process designed by, or under the supervision of, our principal executive and principal financial officers and effected by our Board of Directors, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles and includes those policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of assets;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures are being made only in accordance with authorizations of our management and directors; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risks that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management assessed the effectiveness of AIR's internal control over financial reporting as of December 31, 2023. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in *Internal Control-Integrated Framework* (2013 Framework).

Based on their assessment, management concluded that, as of December 31, 2023, AIR's internal control over financial reporting is effective.

AIR's independent registered public accounting firm has issued an attestation report on AIR's internal control over financial reporting.

### *Changes in Internal Control Over Financial Reporting*

There has been no change in AIR's internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the fourth quarter of 2023 that has materially affected, or is reasonably likely to materially affect, AIR's internal control over financial reporting.

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and the Board of Directors of Apartment Income REIT Corp.

### Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of Apartment Income REIT Corp. (the "Company") as of December 31, 2023, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2023, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as of and for the year ended December 31, 2023, of the Company and our report dated February 16, 2024, expressed an unqualified opinion on those financial statements.

### Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

### Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ DELOITTE & TOUCHE LLP

Denver, Colorado

February 16, 2024



## The AIR Operating Partnership

### *Disclosure Controls and Procedures*

The AIR Operating Partnership's management, with the participation of the chief executive officer and chief financial officer of AIR, who are the equivalent of the AIR Operating Partnership's chief executive officer and chief financial officer, respectively, has evaluated the effectiveness of the AIR Operating Partnership's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this report. Based on such evaluation, the chief executive officer and chief financial officer of AIR have concluded that, as of the end of such period, the AIR Operating Partnership's disclosure controls and procedures are effective.

### *Management's Report on Internal Control Over Financial Reporting*

Management of the AIR Operating Partnership is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is defined in Rule 13a-15(f) and 15d-15(f) under the Exchange Act as a process designed by, or under the supervision of, our principal executive and principal financial officers and effected by our Board of Directors, management and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles and includes those policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of assets;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures are being made only in accordance with authorizations of our management and directors; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risks that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management assessed the effectiveness of the AIR Operating Partnership's internal control over financial reporting as of December 31, 2023. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in *Internal Control-Integrated Framework* (2013 Framework).

Based on their assessment, management concluded that, as of December 31, 2023, the AIR Operating Partnership's internal control over financial reporting is effective.

The AIR Operating Partnership's independent registered public accounting firm has issued an attestation report on the AIR Operating Partnership's internal control over financial reporting.

### *Changes in Internal Control Over Financial Reporting*

There has been no change in the AIR Operating Partnership's internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the fourth quarter of 2023 that has materially affected, or is reasonably likely to materially affect, the AIR Operating Partnership's internal control over financial reporting.

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Partners and the Board of Directors of Apartment Income REIT, L.P.

### Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of Apartment Income REIT, L.P. (the "Partnership") as of December 31, 2023, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Partnership maintained, in all material respects, effective internal control over financial reporting as of December 31, 2023, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as of and for the year ended December 31, 2023, of the Partnership and our report dated February 16, 2024, expressed an unqualified opinion on those financial statements.

### Basis for Opinion

The Partnership's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Partnership's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Partnership in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

### Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ DELOITTE & TOUCHE LLP

Denver, Colorado  
February 16, 2024

**ITEM 9B. OTHER INFORMATION**

None.

**ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS**

Not applicable.

**PART III**

**ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE**

Each member of the Board of Directors of AIR also is a director of the general partner of the AIR Operating Partnership. The officers of AIR are also the officers of the general partner of the AIR Operating Partnership and hold the same titles.

The information required by Item 10 will be included in our 2024 Proxy Statement to be filed with the Securities and Exchange Commission in connection with the solicitation of proxies for our 2024 Annual Meeting of Stockholders and is incorporated herein by reference. The 2024 Proxy Statement will be filed with the Securities and Exchange Commission within 120 days after the end of the fiscal year to which this report relates.

**ITEM 11. EXECUTIVE COMPENSATION**

The information required by Item 11 will be included in our 2024 Proxy Statement and is incorporated herein by reference.

**ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS**

The information required by Item 12 will be included in our 2024 Proxy Statement and is incorporated herein by reference.

**ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE**

The information required by Item 13 will be included in our 2024 Proxy Statement and is incorporated herein by reference.

**ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES**

The information required by Item 14 will be included in our 2024 Proxy Statement and is incorporated herein by reference.

## PART IV

### ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

- (a)(1) The financial statements listed in the Index to Financial Statements on Page F-1 of this report are filed as part of this report and incorporated herein by reference.
- (a)(2) The financial statement schedule listed in the Index to Financial Statements on Page F-1 of this report is filed as part of this report and incorporated herein by reference.
- (a)(3) Exhibits.

#### INDEX TO EXHIBITS (1) (2)

EXHIBIT NO.	DESCRIPTION
<a href="#">1.1</a>	<u>Form of Equity Distribution Agreement, dated May 6, 2022, among Apartment Income REIT Corp., AIR OP, the Agents, the Forward Sellers and the Forward Purchasers (Exhibit 1.1 to AIR's Current Report on Form 8-K dated May 6, 2022, is incorporated herein by this reference)</u>
<a href="#">1.2</a>	<u>Form of Master Forward Confirmation, dated May 6, 2022, between Apartment Income REIT Corp. and each Forward Purchaser (Exhibit D to Exhibit 1.1 to AIR's Current Report on Form 8-K dated May 6, 2022, is incorporated herein by this reference)</u>
<a href="#">3.1</a>	<u>Amended and Restated Charter of Apartment Income REIT Corp. (Exhibit 3.1 to AIR's Current Report on Form 8-K, filed September 22, 2023, is incorporated herein by this reference)</u>
<a href="#">3.2</a>	<u>Amended and Restated Bylaws of Apartment Income REIT Corp. (Exhibit 3.1 to AIR's Current Report on Form 8-K dated May 22, 2023, is incorporated herein by this reference)</u>
<a href="#">4.1</a>	<u>Description of AIR's Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934 (Exhibit 4.1 to AIR's Annual Report on Form 10-K filed March 12, 2021, is incorporated herein by this reference)</u>
<a href="#">4.2</a>	<u>Credit Agreement, dated as of April 14, 2021, by and among Apartment Income REIT Corp., AIR REIT Sub 1, LLC, AIR REIT Sub 2, LLC, AIMCO SUBSIDIARY REIT I, LLC, Apartment Income REIT, L.P. (f/k/a AIMCO Properties, L.P.), AIR/Bethesda Holdings, Inc. (f/k/a AIMCO/Bethesda Holdings, Inc.), the lenders party thereto and PNC Bank, National Association, as administrative agent (Exhibit 10.1 to AIR's Current Report on Form 8-K filed April 14, 2021, is incorporated herein by this reference)</u>
<a href="#">4.3</a>	<u>First Amendment to Credit Agreement, dated as of May 2, 2022, by and among Apartment Income REIT, L.P., Apartment Income REIT Corp., AIR REIT Sub 1, LLC, AIR REIT Sub 2, LLC, AIR SUBSIDIARY REIT I, LLC, AIR/Bethesda Holdings, Inc., the lenders party thereto and PNC Bank, National Association, as administrative agent (Exhibit 10.2 to AIR's Current Report on Form 10-Q, filed May 4, 2022, is incorporated herein by this reference)</u>
<a href="#">4.4</a>	<u>Note and Guarantee Agreement, dated June 29, 2022, by and among Apartment Income REIT, L.P., Apartment Income REIT Corp., and the Purchasers party thereto (Exhibit 4.1 to AIR's Current Report on Form 8-K dated June 29, 2022, is incorporated herein by this reference)</u>
<a href="#">4.5</a>	<u>Affiliate Guarantee Agreement, dated June 29, 2022, by and among AIR REIT Sub 1, LLC, AIR REIT Sub 2, LLC, AIR Subsidiary REIT I, LLC and AIR/Bethesda Holdings, Inc. (Exhibit 4.2 to AIR's Current Report on Form 8-K dated June 29, 2022, is incorporated herein by this reference)</u>
<a href="#">10.1</a>	<u>Seventh Amended and Restated Partnership Agreement of Apartment Income REIT, L.P. (Exhibit 10.1 to AIR's Quarterly Report on Form 10-Q filed May 4, 2022, is incorporated herein by this reference)</u>
<a href="#">10.2</a>	<u>Form of Apartment Income REIT Corp. Executive Severance Policy (Exhibit 10.8 to AIR's Annual Report on Form 10-K, filed March 1, 2022, is incorporated herein by this reference)*</u>
<a href="#">10.3</a>	<u>Form of Apartment Income REIT Corp. 2007 Stock Award and Incentive Plan (Exhibit 10.9 to AIR's Current Report on Form 8-K, filed December 15, 2020, is incorporated herein by this reference)*</u>

<a href="#">10.4</a>	<a href="#"><u>Form of Non-Qualified Stock Option Agreement (2007 Stock Award and Incentive Plan) (Exhibit 10.11 to AIR's Registration Statement on Form 10-12B/A, filed November 24, 2020, is incorporated herein by this reference)*</u></a>
<a href="#">10.5</a>	<a href="#"><u>Form of Apartment Income REIT Corp. 2020 Employee Stock Purchase Plan (Exhibit 10.10 to AIR's Current Report on Form 8-K, filed December 15, 2020, is incorporated herein by this reference)*</u></a>
<a href="#">10.6</a>	<a href="#"><u>Form of Apartment Income REIT Corp. 2020 Stock Award and Incentive Plan (Exhibit 10.11 to AIR's Current Report on Form 8-K, filed December 15, 2020, is incorporated herein by this reference)*</u></a>
<a href="#">10.7</a>	<a href="#"><u>Form of Performance Restricted Stock Agreement (2020 Stock Award and Incentive Plan) (Exhibit 10.14 to AIR's Registration Statement on Form 10-12B/A, filed November 24, 2020, is incorporated herein by this reference)*</u></a>
<a href="#">10.8</a>	<a href="#"><u>Form of Restricted Stock Agreement (2020 Stock Award and Incentive Plan) (Exhibit 10.15 to AIR's Registration Statement on Form 10-12B/A, filed November 24, 2020, is incorporated herein by this reference)*</u></a>
<a href="#">10.9</a>	<a href="#"><u>Form of Non-Qualified Stock Option Agreement (2020 Stock Award and Incentive Plan) (Exhibit 10.16 to AIR's Registration Statement on Form 10-12B/A, filed November 24, 2020, is incorporated herein by this reference)*</u></a>
<a href="#">10.10</a>	<a href="#"><u>Form of LTIP Unit Agreement (2020 Stock Award and Incentive Plan) (Exhibit 10.17 to AIR's Registration Statement on Form 10-12B/A, filed November 24, 2020, is incorporated herein by this reference)*</u></a>
<a href="#">10.11</a>	<a href="#"><u>Form of Performance Vesting LTIP Unit Agreement (2020 Stock Award and Incentive Plan) (Exhibit 10.18 to AIR's Registration Statement on Form 10-12B/A, filed November 24, 2020, is incorporated herein by this reference)*</u></a>
<a href="#">10.12</a>	<a href="#"><u>Form of Non-Qualified Stock Agreement (2020 Stock Award and Incentive Plan) (Exhibit 10.19 to AIR's Registration Statement on Form 10-12B/A, filed November 24, 2020, is incorporated herein by this reference)*</u></a>
<a href="#">10.13</a>	<a href="#"><u>Form of Performance Vesting LTIP II Unit Agreement (2020 Stock Award and Incentive Plan) (Exhibit 10.20 to AIR's Registration Statement on Form 10-12B/A, filed November 24, 2020, is incorporated herein by this reference)*</u></a>
<a href="#">10.14</a>	<a href="#"><u>AIR 401(k) Retirement Plan (f/k/a AIMCO 401(k) Retirement Plan) (Exhibit 99.1 to AIR's Form S-8, filed December 15, 2020, is incorporated herein by this reference)*</u></a>
<a href="#">10.15</a>	<a href="#"><u>Employment Agreement, dated December 21, 2017, by and between Terry Considine and Apartment Income REIT, L.P. (f/k/a AIMCO Properties, L.P.) (Exhibit 10.1 to Aimco's Current Report on Form 8-K filed December 21, 2017, is incorporated herein by this reference)*</u></a>
<a href="#">10.16</a>	<a href="#"><u>Amendment, dated December 22, 2023, to the Employment Agreement by and between Terry Considine and Apartment Income REIT, L.P. (f/k/a AIMCO Properties, L.P.) (Exhibit 10.1 to AIR's Current Report on Form 8-K filed December 27, 2023, is incorporated herein by this reference)*</u></a>
<a href="#">10.17</a>	<a href="#"><u>Apartment Income REIT Corp. Amended and Restated 2020 Stock Award and Incentive Plan (Appendix A to AIR's Definitive Proxy Statement on Schedule 14A filed with the Securities and Exchange Commission on October 27, 2022) (Exhibit 99.1 to AIR's Form S-8, filed January 31, 2023, is incorporated herein by this reference)*</u></a>
<a href="#">21.1</a>	<a href="#"><u>List of Subsidiaries</u></a>
<a href="#">23.1</a>	<a href="#"><u>Consent of Deloitte &amp; Touche LLP - AIR</u></a>
<a href="#">23.2</a>	<a href="#"><u>Consent of Deloitte &amp; Touche LLP - AIR Operating Partnership</u></a>
<a href="#">31.1</a>	<a href="#"><u>Certification of Chief Executive Officer pursuant to Exchange Act Rules 13a-14(a)/15d-14(a), as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 – AIR</u></a>
<a href="#">31.2</a>	<a href="#"><u>Certification of Chief Financial Officer pursuant to Exchange Act Rules 13a-14(a)/15d-14(a), as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 – AIR</u></a>

<a href="#">31.3</a>	<a href="#"><u>Certification of Chief Executive Officer pursuant to Exchange Act Rules 13a-14(a)/15d-14(a), as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 - AIR Operating Partnership</u></a>
<a href="#">31.4</a>	<a href="#"><u>Certification of Chief Financial Officer pursuant to Exchange Act Rules 13a-14(a)/15d-14(a), as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 - AIR Operating Partnership</u></a>
<a href="#">32.1</a>	<a href="#"><u>Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 – AIR</u></a>
<a href="#">32.2</a>	<a href="#"><u>Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 – AIR</u></a>
<a href="#">32.3</a>	<a href="#"><u>Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 - AIR Operating Partnership</u></a>
<a href="#">32.4</a>	<a href="#"><u>Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 - AIR Operating Partnership</u></a>
<a href="#">97.1</a>	<a href="#"><u>Policy Relating to Recovery of Erroneously Awarded Compensation</u></a>
<a href="#">99.1</a>	<a href="#"><u>Agreement regarding disclosure of long-term debt instruments – AIR</u></a>
<a href="#">99.2</a>	<a href="#"><u>Agreement regarding disclosure of long-term debt instruments - AIR Operating Partnership</u></a>
101	The following materials from AIR's and the AIR Operating Partnership's combined Annual Report on Form 10-K for the year ended December 31, 2023, formatted in iXBRL (Inline Extensible Business Reporting Language): (i) consolidated balance sheets; (ii) consolidated statements of operations; (iii) consolidated statements of comprehensive income; (iv) consolidated statements of equity and consolidated statements of partners' capital; (v) consolidated statements of cash flows; (vi) notes to the consolidated financial statements; and (vii) Schedule III
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

(1) Schedule and similar attachments to the exhibits have been omitted but will be provided to the Securities and Exchange Commission or its staff upon request.

(2) The Commission file numbers for exhibits are 001-39686 (AIR) and 000-24497 (the AIR Operating Partnership).

\* Management contract or compensatory plan or arrangement

#### ITEM 16. FORM 10-K SUMMARY

None.

**SIGNATURES**

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, each registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

**APARTMENT INCOME REIT CORP.**

By: /s/ TERRY CONSIDINE  
Terry Considine  
*Director and Chief Executive Officer*  
Date: February 16, 2024

**APARTMENT INCOME REIT, L.P.**

By: AIR-GP, Inc., its General Partner  
By: /s/ TERRY CONSIDINE  
Terry Considine  
*Director and Chief Executive Officer*  
Date: February 16, 2024

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of each registrant and in the capacities and on the dates indicated.

Signature	Title	Date
<b>APARTMENT INCOME REIT CORP.</b>		
<b>APARTMENT INCOME REIT, L.P.</b>		
By: AIR-GP, Inc., its General Partner		
<u>/s/ TERRY CONSIDINE</u> Terry Considine	Director and Chief Executive Officer (principal executive officer)	February 16, 2024
<u>/s/ PAUL BELDIN</u> Paul Beldin	Executive Vice President and Chief Financial Officer (principal financial officer)	February 16, 2024
<u>/s/ MOLLY H.N. SYKE</u> Molly H.N. Syke	Vice President and Chief Accounting Officer (principal accounting officer)	February 16, 2024
<u>/s/ THOMAS L. KELTNER</u> Thomas L. Keltner	Chairman of the Board of Directors	February 16, 2024
<u>/s/ THOMAS N. BOHJALIAN</u> Thomas N. Bohjalian	Director	February 16, 2024
<u>/s/ KRISTIN R. FINNEY-COOKE</u> Kristin R. Finney-Cooke	Director	February 16, 2024
<u>/s/ MARGARITA PALÁU-HERNÁNDEZ</u> Margarita Paláu-Hernández	Director	February 16, 2024
<u>/s/ DEVIN I. MURPHY</u> Devin I. Murphy	Director	February 16, 2024
<u>/s/ JOHN D. RAYIS</u> John D. Rayis	Director	February 16, 2024
<u>/s/ ANN SPERLING</u> Ann Sperling	Director	February 16, 2024
<u>/s/ NINA A. TRAN</u> Nina A. Tran	Director	February 16, 2024



**APARTMENT INCOME REIT CORP.  
APARTMENT INCOME REIT, L.P.  
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All other schedules are omitted because they are not applicable or the required information is shown in the financial statements or notes thereto.

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and the Board of Directors of Apartment Income REIT Corp.

### Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Apartment Income REIT Corp. (the "Company") as of December 31, 2023 and 2022, the related consolidated statements of operations, comprehensive income, equity and cash flows, for each of the three years in the period ended December 31, 2023, and the related notes and financial statement schedule listed in the Index at Item 15 (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2023, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2023, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 16, 2024, expressed an unqualified opinion on the Company's internal control over financial reporting.

### Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

### Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

### Real Estate— Refer to Notes 2 and 3 to the financial statements

Upon the acquisition of real estate, the Company allocates the cost of apartment communities acquired based on the relative fair value of the assets acquired and liabilities assumed. Upon disposition, the related assets and liabilities are derecognized, and the gain or loss on disposition is recognized as the difference between the carrying amount of those assets and liabilities and the value of consideration received. Real estate is individually evaluated for impairment when conditions exist, which includes assumptions regarding the expected hold period, that may indicate the carrying amount of an asset may not be recoverable. Upon determination that an impairment has occurred, an impairment loss is recognized to the extent the carrying amount exceeds the estimated fair value (less costs to sell, if applicable) of the community. An apartment community is classified as held for sale when all relevant criteria for a plan of sale have been met.

Given management's (1) judgments and assumptions used to determine purchase price allocation based on the relative fair value of the assets acquired and liabilities assumed, (2) evaluation of gain or loss on disposition, (3) evaluation of possible

impairment indicators of real estate, including the evaluation of the expected hold period, and (4) application of held for sale criteria, performing audit procedures to evaluate real estate was challenging and required an increased extent of effort.

*How the Critical Audit Matter Was Addressed in the Audit*

Our audit procedures related to the evaluation of real estate included the following, among others:

- We tested the effectiveness of relevant controls over real estate, including management's controls over the acquisition, disposition, classification, and analysis of impairment indicators and impairment of its apartment communities.
- For all apartment communities acquired during the year, we evaluated the accuracy of the amounts recorded and appropriate transfer of title.
- With the assistance of our fair value specialists, we evaluated the (1) valuation methodologies utilized and (2) allocation of the initial purchase price for acquired apartment communities by developing independent estimates for the purchase price allocation for each apartment community acquired and comparing our estimates to the Company's actual allocation.
- For all apartment communities disposed of during the year, we evaluated the terms and conditions of the arrangement to assess whether the disposition was properly recorded, including the removal of relevant assets and liabilities from the accounting records, recognition and measurement of non-cash consideration received, and related gain or loss on disposition.
- We evaluated management's impairment analysis by assessing real estate assets for possible indications of impairment, including inquiring with management, searching for adverse asset-specific and/or market conditions, and evaluating the information included in the Company's evaluation of impairment indicators. For any apartment communities with impairment indicators, we evaluated the completeness and accuracy of the information used to estimate any impairment, including verification of the mathematical accuracy.
- For any apartment communities being considered for disposition, or that were evaluated by management against the criteria to be classified as held for sale during the year ended December 31, 2023, we further evaluated whether the change in the estimated holding period for these communities resulted in impairment losses by comparing the estimated fair value, which includes the estimated selling price, to the carrying amount of the apartment communities.
- We evaluated whether there were any apartment communities being considered for disposition within one year of December 31, 2023 as to whether these apartment communities met the criteria to be classified as held for sale as of December 31, 2023 through inquiring with management, inspection of minutes of the Board of Directors, inspection of any purchase and sale agreements executed subsequent to December 31, 2023, earnings calls, analyst reports, other communications to investors and any other indicators that management intends to dispose of any real estate in the near-term.

/s/ DELOITTE & TOUCHE LLP

Denver, Colorado  
February 16, 2024

We have served as the Company's auditor since 2021.

**APARTMENT INCOME REIT CORP.**  
**CONSOLIDATED BALANCE SHEETS**  
**As of December 31, 2023 and 2022**  
**(In thousands, except share data)**

	2023	2022
<b>ASSETS</b>		
Buildings and improvements	\$ 6,324,857	\$ 6,784,965
Land	1,285,710	1,291,429
Total real estate	7,610,567	8,076,394
Accumulated depreciation	( 2,245,589 )	( 2,449,883 )
Net real estate	5,364,978	5,626,511
Cash and cash equivalents	91,401	95,797
Restricted cash	26,090	205,608
Investment in unconsolidated real estate partnerships	336,077	41,860
Goodwill	32,286	32,286
Other assets, net	283,920	549,821
<b>Total assets</b>	<b>\$ 6,134,752</b>	<b>\$ 6,551,883</b>
<b>LIABILITIES AND EQUITY</b>		
Non-recourse property debt, net	\$ 2,223,791	\$ 1,985,430
Term loans, net	473,701	796,713
Revolving credit facility borrowings	115,000	462,000
Unsecured notes payable, net	397,852	397,486
Total indebtedness	3,210,344	3,641,629
Accrued liabilities and other	296,894	513,805
Total liabilities	3,507,238	4,155,434
Commitments and contingencies ( <a href="#">Note 7</a> )		
Preferred noncontrolling interests in AIR Operating Partnership	77,140	77,143
Equity:		
Perpetual Preferred Stock	2,000	2,000
Common Stock, \$ 0.01 par value, 1,021,175,000 shares authorized at December 31, 2023 and December 31, 2022, and 144,925,604 and 149,086,548 shares issued/outstanding at December 31, 2023 and December 31, 2022, respectively	1,449	1,491
Additional paid-in capital	3,284,716	3,436,635
Accumulated other comprehensive income	22,392	43,562
Distributions in excess of earnings	( 958,661 )	( 1,327,271 )
Total AIR equity	2,351,896	2,156,417
Noncontrolling interests in consolidated real estate partnerships	( 85,973 )	( 78,785 )
Common noncontrolling interests in AIR Operating Partnership	284,451	241,674
Total equity	2,550,374	2,319,306
<b>Total liabilities, preferred noncontrolling interests in AIR Operating Partnership, and equity</b>	<b>\$ 6,134,752</b>	<b>\$ 6,551,883</b>

See notes to the consolidated financial statements.

**APARTMENT INCOME REIT CORP.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
For the Years Ended December 31, 2023, 2022, and 2021  
(In thousands, except per share data)

	2023	2022	2021
<b>REVENUES</b>			
Rental and other property revenues	\$ 809,875	\$ 764,192	\$ 733,483
Other revenues	10,161	9,531	7,370
Total revenues	820,036	773,723	740,853
<b>EXPENSES</b>			
Property operating expenses	244,095	231,791	235,832
Property management expenses	31,737	29,473	32,269
Depreciation and amortization	342,593	350,945	319,742
General and administrative expenses	25,494	24,939	18,585
Other expenses, net	25,889	9,073	27,220
	669,808	646,221	633,648
Interest income	8,314	50,264	58,651
Interest expense	( 129,654 )	( 116,459 )	( 129,467 )
Loss on extinguishment of debt	( 2,008 )	( 23,636 )	( 156,707 )
Gain on dispositions of real estate, impairments of real estate, and derecognition of leased properties	677,740	939,806	594,861
Gain on derivative instruments, net	16,742	—	—
Loss from unconsolidated real estate partnerships	( 29,648 )	( 3,504 )	( 565 )
Income before income tax expense	691,714	973,973	473,978
Income tax (expense) benefit	( 2,427 )	( 3,923 )	5,246
Net income	689,287	970,050	479,224
Noncontrolling interests:			
Net (income) loss attributable to noncontrolling interests in consolidated real estate partnerships	( 5,185 )	( 458 )	3,243
Net income attributable to preferred noncontrolling interests in AIR Operating Partnership	( 6,280 )	( 6,388 )	( 6,413 )
Net income attributable to common noncontrolling interests in AIR Operating Partnership	( 42,721 )	( 58,772 )	( 28,433 )
Net income attributable to noncontrolling interests	( 54,186 )	( 65,618 )	( 31,603 )
Net income attributable to AIR	635,101	904,432	447,621
Net income attributable to AIR preferred stockholders	( 172 )	( 172 )	( 181 )
Net income attributable to participating securities	( 485 )	( 618 )	( 316 )
<b>Net income attributable to AIR common stockholders</b>	<b>\$ 634,444</b>	<b>\$ 903,642</b>	<b>\$ 447,124</b>
<b>Net income attributable to AIR common stockholders per share – basic</b>	<b>\$ 4.29</b>	<b>\$ 5.86</b>	<b>\$ 2.90</b>
<b>Net income attributable to AIR common stockholders per share – diluted</b>	<b>\$ 4.27</b>	<b>\$ 5.81</b>	<b>\$ 2.89</b>
<b>Weighted-average common shares outstanding – basic</b>	<b>147,899</b>	<b>154,093</b>	<b>154,135</b>
<b>Weighted-average common shares outstanding – diluted</b>	<b>150,220</b>	<b>156,587</b>	<b>154,503</b>

See notes to the consolidated financial statements.

**APARTMENT INCOME REIT CORP.**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**For the Years Ended December 31, 2023, 2022, and 2021**  
**(In thousands)**

	2023	2022	2021
Net income	\$ 689,287	\$ 970,050	\$ 479,224
Unrealized gain on derivative instruments, net	2,955	47,049	—
Reclassification of interest rate derivative (gain) loss to net income	( 25,823 )	273	—
Reclassification of unrealized losses on available for sale debt securities	—	—	( 3,251 )
Comprehensive income	666,419	1,017,372	475,973
Comprehensive income attributable to noncontrolling interests	( 52,488 )	( 69,378 )	( 31,391 )
<b>Comprehensive income attributable to AIR</b>	<b>\$ 613,931</b>	<b>\$ 947,994</b>	<b>\$ 444,582</b>

See notes to the consolidated financial statements.

**APARTMENT INCOME REIT CORP.**  
**CONSOLIDATED STATEMENTS OF EQUITY**  
**For the Years Ended December 31, 2023, 2022, and 2021**  
(In thousands, except share data)

	Perpetual Preferred Stock		Common Stock		Accumulated				Noncontrolling	Common	
	Shares Issued	Amount	Shares Issued	Amount	Additional Paid- in Capital	Other Comprehensive Income (Loss)	Distributions in Excess of Earnings	Total AIR Equity	Interests in	Noncontrolling	Total Equity
									Consolidated	Interests in AIR	
Balances at December 31, 2020	20	\$ 2,000	148,861,036	\$ 1,489	\$ 3,432,121	\$ 3,039	\$ ( 2,131,798 )	\$ 1,306,851	\$ ( 61,943 )	\$ 63,185	\$ 1,308,093
Issuance of Common Stock	—	—	7,825,000	79	342,391	—	—	342,470	—	—	342,470
Issuance of Preferred Stock	125	129	—	—	—	—	—	129	—	—	129
Issuance costs	—	—	—	—	( 486 )	—	—	( 486 )	—	—	( 486 )
Issuance of AIR Operating Partnership units	—	—	—	—	—	—	—	—	—	121,557	121,557
Redemption of AIR Operating Partnership units	—	—	—	—	—	—	—	—	—	( 17,827 )	( 17,827 )
Conversion of AIR Operating Partnership units	—	—	170,820	1	8,332	—	—	8,333	—	( 8,333 )	—
Amortization of share-based compensation cost	—	—	33,000	—	3,771	—	—	3,771	—	3,884	7,655
Effect of changes in ownership of consolidated entities	—	—	—	—	( 21,312 )	—	—	( 21,312 )	—	21,312	—
Contributions from noncontrolling interests in consolidated real estate partnerships	—	—	—	—	—	—	—	—	7,458	—	7,458
Change in accumulated other comprehensive income	—	—	—	—	—	( 3,039 )	—	( 3,039 )	—	( 212 )	( 3,251 )
Net income (loss)	—	—	—	—	—	—	447,621	447,621	( 3,243 )	28,433	472,811
Common Stock dividends	—	—	—	—	—	—	( 269,385 )	( 269,385 )	—	—	( 269,385 )
Preferred Stock dividends	—	—	—	—	—	—	( 179 )	( 179 )	—	—	( 179 )
Distributions to noncontrolling interests	—	—	—	—	—	—	—	—	( 12,913 )	( 15,216 )	( 28,129 )
Other, net	—	—	108,511	1	( 1,712 )	—	( 38 )	( 1,749 )	( 242 )	230	( 1,761 )
Balances at December 31, 2021	145	\$ 2,129	156,998,367	\$ 1,570	\$ 3,763,105	\$ —	\$ ( 1,953,779 )	\$ 1,813,025	\$ ( 70,883 )	\$ 197,013	\$ 1,939,155
Redemption of AIR Operating Partnership units	—	—	—	—	—	—	—	—	—	( 11,174 )	( 11,174 )
Repurchase of Common Stock, net	—	—	( 8,020,139 )	( 80 )	( 316,630 )	—	—	( 316,710 )	—	—	( 316,710 )
Conversion of AIR Operating Partnership units	—	—	3,116	—	119	—	—	119	—	( 119 )	—
Amortization of share-based compensation cost	—	—	—	—	4,270	—	—	4,270	—	3,696	7,966
Effect of changes in ownership of consolidated entities	—	—	—	—	( 7,791 )	—	—	( 7,791 )	—	7,791	—
Purchase of noncontrolling interests in consolidated real estate partnerships	—	—	—	—	( 5,529 )	—	—	( 5,529 )	120	—	( 5,409 )
Contributions from noncontrolling interests in consolidated real estate partnerships	—	—	—	—	—	—	—	—	9,206	—	9,206
Change in accumulated other comprehensive income	—	—	—	—	—	43,562	—	43,562	—	3,760	47,322
Net income	—	—	—	—	—	—	904,432	904,432	458	58,772	963,662
Common Stock dividends	—	—	—	—	—	—	( 277,639 )	( 277,639 )	—	—	( 277,639 )
Distributions to noncontrolling interests	—	—	—	—	—	—	—	—	( 17,623 )	( 17,821 )	( 35,444 )
Other, net	( 125 )	( 129 )	105,204	1	( 909 )	—	( 285 )	( 1,322 )	( 63 )	( 244 )	( 1,629 )
Balances at December 31, 2022	20	\$ 2,000	149,086,548	\$ 1,491	\$ 3,436,635	\$ 43,562	\$ ( 1,327,271 )	\$ 2,156,417	\$ ( 78,785 )	\$ 241,674	\$ 2,319,306
Issuance of AIR Operating Partnership units	—	—	—	—	—	—	—	—	—	22,383	22,383
Redemption of AIR Operating Partnership units	—	—	—	—	—	—	—	—	—	( 18,507 )	( 18,507 )
Repurchase of Common Stock, net	—	—	( 4,319,600 )	( 43 )	( 148,913 )	—	—	( 148,956 )	—	—	( 148,956 )
Amortization of share-based compensation cost	—	—	—	—	4,488	—	—	4,488	—	4,808	9,296
Effect of changes in ownership of consolidated entities	—	—	—	—	( 8,260 )	—	—	( 8,260 )	( 1,398 )	10,771	1,113
Purchase of noncontrolling interests in consolidated real estate partnerships	—	—	—	—	479	—	—	479	( 1,996 )	—	( 1,517 )
Contributions from noncontrolling interests in consolidated real estate partnerships	—	—	—	—	—	—	—	—	5,691	—	5,691
Change in accumulated other comprehensive income	—	—	—	—	—	( 21,170 )	—	( 21,170 )	—	( 1,698 )	( 22,868 )
Net income	—	—	—	—	—	—	625,101	625,101	5,185	42,731	683,007

net income	—	—	—	—	—	—	635,101	635,101	5,185	42,721	683,007
Common Stock dividends	—	—	—	—	—	—	( 266,422 )	( 266,422 )	—	—	( 266,422 )
Distributions to noncontrolling interests	—	—	—	—	—	—	—	—	( 14,376 )	( 17,704 )	( 32,080 )
Other, net	—	—	158,656	1	287	—	( 69 )	219	( 294 )	3	( 72 )
<b>Balances at December 31, 2023</b>	<b>20</b>	<b>\$ 2,000</b>	<b>144,925,604</b>	<b>\$ 1,449</b>	<b>\$ 3,284,716</b>	<b>\$ 22,392</b>	<b>\$ ( 958,661 )</b>	<b>\$ 2,351,896</b>	<b>\$ ( 85,973 )</b>	<b>\$ 284,451</b>	<b>\$ 2,550,374</b>

See notes to the consolidated financial statements.



**APARTMENT INCOME REIT CORP.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**For the Years Ended December 31, 2023, 2022, and 2021**  
**(In thousands)**

	2023	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Net income	\$ 689,287	\$ 970,050	\$ 479,224
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	342,593	350,945	319,742
Loss on extinguishment of debt	2,008	23,636	156,707
Gain on dispositions of real estate, impairments of real estate, and derecognition of leased properties	( 677,740 )	( 939,806 )	( 594,861 )
Income tax expense (benefit)	2,427	3,923	( 5,246 )
Share-based compensation expense	8,874	7,463	7,360
Other, net	29,231	3,195	7,230
Net changes in operating assets and operating liabilities:			
Accounts receivable and other assets, net	5,338	27,864	( 19,646 )
Accounts payable, accrued liabilities and other	( 31,618 )	( 26,713 )	( 17,554 )
Total adjustments	( 318,887 )	( 549,493 )	( 146,268 )
Net cash provided by operating activities	370,400	420,557	332,956
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Purchases of real estate and deposits related to purchases of real estate	( 346,626 )	( 861,320 )	( 364,055 )
Capital expenditures	( 173,662 )	( 192,404 )	( 174,499 )
Contributions to unconsolidated real estate partnerships	( 51,836 )	—	—
Distributions from unconsolidated real estate partnerships	207,101	—	—
Proceeds from dispositions of real estate	52,066	1,209,241	915,926
Purchase of corporate assets	( 15,862 )	( 13,940 )	( 5,171 )
Proceeds from repayment of note receivable	—	534,127	—
Proceeds from investments in debt securities	—	—	100,852
Other investing activities, net	15,757	( 25,447 )	5,229
Net cash (used in) provided by investing activities	( 313,062 )	650,257	478,282
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Proceeds from non-recourse property debt	1,005,920	54,156	—
Principal repayments on non-recourse property debt	( 119,508 )	( 449,535 )	( 1,492,446 )
Proceeds from term loans	—	—	1,150,000
Repayment of term loans	( 325,000 )	( 350,000 )	( 350,000 )
Net (repayments of) borrowings on revolving credit facility	( 347,000 )	159,205	36,756
Payment of debt extinguishment costs	( 1,115 )	( 22,680 )	( 149,725 )
Proceeds from the issuance of unsecured notes payable	—	400,000	—
Repurchases of Common Stock	( 124,361 )	( 316,710 )	—
Proceeds from the issuance of Common Stock	—	—	342,470
Payment of dividends to holders of Common Stock	( 266,140 )	( 277,551 )	( 269,601 )
Payment of distributions to common noncontrolling interests	( 32,485 )	( 35,472 )	( 28,170 )
Redemptions of noncontrolling interests in the AIR Operating Partnership	—	( 13,394 )	( 17,905 )
Contributions from noncontrolling interests in consolidated real estate partnerships	5,691	9,206	7,458
Other financing activities, net	( 37,254 )	( 19,395 )	( 20,794 )
Net cash used in financing activities	( 241,252 )	( 862,170 )	( 791,957 )
NET (DECREASE) INCREASE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	( 183,914 )	208,644	19,281
<b>CASH, CASH EQUIVALENTS, AND RESTRICTED CASH AT BEGINNING OF PERIOD</b>	301,405	92,761	73,480
<b>CASH, CASH EQUIVALENTS, AND RESTRICTED CASH AT END OF PERIOD</b>	<b>\$ 117,491</b>	<b>\$ 301,405</b>	<b>\$ 92,761</b>

See notes to the consolidated financial statements.



**APARTMENT INCOME REIT CORP.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**For the Years Ended December 31, 2023, 2022, and 2021**  
**(In thousands)**

	2023		2022		2021
<b>SUPPLEMENTAL CASH FLOW INFORMATION:</b>					
Interest paid, net of amounts capitalized	\$ 128,431	\$	114,340	\$	130,202
Cash paid for income taxes	\$ 5,720	\$	5,528	\$	6,763
Non-cash transactions associated with the acquisition or disposition of real estate:					
Non-recourse property debt assumed in connection with the acquisition of real estate	\$ 101,215	\$	—	\$	259,248
Issuance of common OP Units in connection with acquisition of real estate	\$ 22,383	\$	—	\$	121,557
Proceeds from investment in unconsolidated real estate partnerships for contribution of real estate	\$ 270,730	\$	—	\$	—
Other non-cash transactions:					
Recognition of right-of-use lease assets	\$ —	\$	80,651	\$	—
Recognition of lease liabilities	\$ —	\$	80,651	\$	—
Accrued capital expenditures (at end of period)	\$ 5,287	\$	10,701	\$	9,732
Accrued share repurchases (at end of period)	\$ 24,595	\$	—	\$	—

See notes to the consolidated financial statements.

## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Partners and the Board of Directors of Apartment Income REIT, L.P.

### Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Apartment Income REIT, L.P. (the "Partnership") as of December 31, 2023 and 2022, the related consolidated statements of operations, comprehensive income, partners' capital and cash flows, for each of the three years in the period ended December 31, 2023, and the related notes and financial statement schedule listed in the index at Item 15 (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Partnership as of December 31, 2023 and 2022, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2023, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Partnership's internal control over financial reporting as of December 31, 2023, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 16, 2024, expressed an unqualified opinion on the Partnership's internal control over financial reporting.

### Basis for Opinion

These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on the Partnership's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Partnership in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

### Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

### Real Estate— Refer to Notes 2 and 3 to the financial statements

Upon the acquisition of real estate, the Partnership allocates the cost of apartment communities acquired based on the relative fair value of the assets acquired and liabilities assumed. Upon disposition, the related assets and liabilities are derecognized, and the gain or loss on disposition is recognized as the difference between the carrying amount of those assets and liabilities and the value of consideration received. Real estate is individually evaluated for impairment when conditions exist, which includes assumptions regarding the expected hold period, that may indicate the carrying amount of an asset may not be recoverable. Upon determination that an impairment has occurred, an impairment loss is recognized to the extent the carrying amount exceeds the estimated fair value (less costs to sell, if applicable) of the community. An apartment community is classified as held for sale when all relevant criteria for a plan of sale have been met.

Given management's (1) judgments and assumptions used to determine purchase price allocation based on the relative fair value of the assets acquired and liabilities assumed, (2) evaluation of gain or loss on disposition, (3) evaluation of possible

impairment indicators of real estate, including the evaluation of the expected hold period, and (4) application of held for sale criteria, performing audit procedures to evaluate real estate was challenging and required an increased extent of effort.

*How the Critical Audit Matter Was Addressed in the Audit*

Our audit procedures related to the evaluation of real estate included the following, among others:

- We tested the effectiveness of relevant controls over real estate, including management's controls over the acquisition, disposition, classification, and analysis of impairment indicators and impairment of its apartment communities.
- For all apartment communities acquired during the year, we evaluated the accuracy of the amounts recorded and appropriate transfer of title.
- With the assistance of our fair value specialists, we evaluated the (1) valuation methodologies utilized and (2) allocation of the initial purchase price for acquired apartment communities by developing independent estimates for the purchase price allocation for each apartment community acquired and comparing our estimates to the Partnership's actual allocation.
- For all apartment communities disposed of during the year, we evaluated the terms and conditions of the arrangement to assess whether the disposition was properly recorded, including the removal of relevant assets and liabilities from the accounting records, recognition and measurement of non-cash consideration received, and related gain or loss on disposition.
- We evaluated management's impairment analysis by assessing real estate assets for possible indications of impairment, including inquiring with management, searching for adverse asset-specific and/or market conditions, and evaluating the information included in the Partnership's evaluation of impairment indicators. For any apartment communities with impairment indicators, we evaluated the completeness and accuracy of the information used to estimate any impairment, including verification of the mathematical accuracy.
- For any apartment communities being considered for disposition, or that were evaluated by management against the criteria to be classified as held for sale during the year ended December 31, 2023, we further evaluated whether the change in the estimated holding period for these communities resulted in impairment losses by comparing the estimated fair value, which includes the estimated selling price, to the carrying amount of the apartment communities.
- We evaluated whether there were any apartment communities being considered for disposition within one year of December 31, 2023 as to whether these apartment communities met the criteria to be classified as held for sale as of December 31, 2023 through inquiring with management, inspection of minutes of the Board of Directors, inspection of any purchase and sale agreements executed subsequent to December 31, 2023, earnings calls, analyst reports, other communications to investors and any other indicators that management intends to dispose of any real estate in the near-term.

/s/ DELOITTE & TOUCHE LLP

Denver, Colorado  
February 16, 2024

We have served as the Partnership's auditor since 2021.

**APARTMENT INCOME REIT, L.P.**  
**CONSOLIDATED BALANCE SHEETS**  
**As of December 31, 2023 and 2022**  
**(In thousands)**

	2023	2022
<b>ASSETS</b>		
Buildings and improvements	\$ 6,324,857	\$ 6,784,965
Land	1,285,710	1,291,429
Total real estate	7,610,567	8,076,394
Accumulated depreciation	( 2,245,589 )	( 2,449,883 )
Net real estate	5,364,978	5,626,511
Cash and cash equivalents	91,401	95,797
Restricted cash	26,090	205,608
Investment in unconsolidated real estate partnerships	336,077	41,860
Goodwill	32,286	32,286
Other assets, net	283,920	549,821
<b>Total assets</b>	<b>\$ 6,134,752</b>	<b>\$ 6,551,883</b>
<b>LIABILITIES AND PARTNERS' CAPITAL</b>		
Non-recourse property debt, net	\$ 2,223,791	\$ 1,985,430
Term loans, net	473,701	796,713
Revolving credit facility borrowings	115,000	462,000
Unsecured notes payable, net	397,852	397,486
Total indebtedness	3,210,344	3,641,629
Accrued liabilities and other	296,894	513,805
Total liabilities	3,507,238	4,155,434
Commitments and contingencies ( <a href="#">Note 7</a> )		
Redeemable preferred units	77,140	77,143
Partners' capital:		
Preferred units	2,000	2,000
General Partner and Special Limited Partner	2,349,896	2,154,417
Limited Partners	284,451	241,674
Partners' capital attributable to the AIR Operating Partnership	2,636,347	2,398,091
Noncontrolling interests in consolidated real estate partnerships	( 85,973 )	( 78,785 )
Total partners' capital	2,550,374	2,319,306
<b>Total liabilities, redeemable preferred units, and partners' capital</b>	<b>\$ 6,134,752</b>	<b>\$ 6,551,883</b>

See notes to the consolidated financial statements.

**APARTMENT INCOME REIT, L.P.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
**For the Years Ended December 31, 2023, 2022, and 2021**  
**(In thousands, except per unit data)**

	2023	2022	2021
<b>REVENUES</b>			
Rental and other property revenues	\$ 809,875	\$ 764,192	\$ 733,483
Other revenues	10,161	9,531	7,370
Total revenues	820,036	773,723	740,853
<b>EXPENSES</b>			
Property operating expenses	244,095	231,791	235,832
Property management expenses	31,737	29,473	32,269
Depreciation and amortization	342,593	350,945	319,742
General and administrative expenses	25,494	24,939	18,585
Other expenses, net	25,889	9,073	27,220
	669,808	646,221	633,648
Interest income	8,314	50,264	58,651
Interest expense	( 129,654 )	( 116,459 )	( 129,467 )
Loss on extinguishment of debt	( 2,008 )	( 23,636 )	( 156,707 )
Gain on dispositions of real estate, impairments of real estate, and derecognition of leased properties	677,740	939,806	594,861
Gain on derivative instruments, net	16,742	—	—
Loss from unconsolidated real estate partnerships	( 29,648 )	( 3,504 )	( 565 )
Income before income tax expense	691,714	973,973	473,978
Income tax (expense) benefit	( 2,427 )	( 3,923 )	5,246
Net income	689,287	970,050	479,224
Net (income) loss attributable to noncontrolling interests in consolidated real estate partnerships	( 5,185 )	( 458 )	3,243
Net income attributable to the AIR Operating Partnership	684,102	969,592	482,467
Net income attributable to the AIR Operating Partnership's preferred unitholders	( 6,452 )	( 6,560 )	( 6,594 )
Net income attributable to participating securities	( 485 )	( 618 )	( 316 )
<b>Net income attributable to the AIR Operating Partnership's common unitholders</b>	<b>\$ 677,165</b>	<b>\$ 962,414</b>	<b>\$ 475,557</b>
<b>Net income attributable to the AIR Operating Partnership common unitholders per unit – basic</b>	<b>\$ 4.29</b>	<b>\$ 5.86</b>	<b>\$ 2.92</b>
<b>Net income attributable to the AIR Operating Partnership common unitholders per unit – diluted</b>	<b>\$ 4.27</b>	<b>\$ 5.81</b>	<b>\$ 2.92</b>
<b>Weighted-average common units outstanding – basic</b>	<b>157,687</b>	<b>164,141</b>	<b>162,739</b>
<b>Weighted-average common units outstanding – diluted</b>	<b>160,008</b>	<b>166,635</b>	<b>163,108</b>

See notes to the consolidated financial statements.

**APARTMENT INCOME REIT, L.P.**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**For the Years Ended December 31, 2023, 2022, and 2021**  
**(In thousands)**

	2023	2022	2021
Net income	\$ 689,287	\$ 970,050	\$ 479,224
Unrealized gain on derivative instruments, net	2,955	47,049	—
Reclassification of interest rate derivative (gain) loss to net income	( 25,823 )	273	—
Reclassification of unrealized losses on available for sale debt securities	—	—	( 3,251 )
Comprehensive income	666,419	1,017,372	475,973
Comprehensive (income) loss attributable to noncontrolling interests	( 5,185 )	( 458 )	3,243
<b>Comprehensive income attributable to the AIR Operating Partnership</b>	<b>\$ 661,234</b>	<b>\$ 1,016,914</b>	<b>\$ 479,216</b>

See notes to the consolidated financial statements.



**APARTMENT INCOME REIT, L.P.**  
**CONSOLIDATED STATEMENTS OF PARTNERS' CAPITAL**  
**For the Years Ended December 31, 2023, 2022, and 2021**  
**(In thousands)**

		General Partner and Special Limited Partner	Limited Partners	Partners' Capital Attributable to the AIR Operating Partnership	Noncontrolling Interests in Consolidated Real Estate Partnerships	Total Partners' Capital
	Preferred Units					
<b>Balances at December 31, 2020</b>	<b>\$ 2,000</b>	<b>\$ 1,304,851</b>	<b>\$ 63,185</b>	<b>\$ 1,370,036</b>	<b>\$ (61,943)</b>	<b>\$ 1,308,093</b>
Issuance of common partnership units to AIR, net	—	342,470	—	342,470	—	342,470
Issuance of Preferred Stock	129	—	—	129	—	129
Issuance costs	—	( 486 )	—	( 486 )	—	( 486 )
Issuance of common partnership units	—	—	121,557	121,557	—	121,557
Redemption of common partnership units	—	—	( 17,827 )	( 17,827 )	—	( 17,827 )
Conversion of common partnership units	—	8,333	( 8,333 )	—	—	—
Amortization of share-based compensation cost	—	3,771	3,884	7,655	—	7,655
Effect of changes in ownership of consolidated entities	—	( 21,312 )	21,312	—	—	—
Contributions from noncontrolling interests in consolidated real estate partnerships	—	—	—	—	7,458	7,458
Change in accumulated other comprehensive loss	—	( 3,039 )	( 212 )	( 3,251 )	—	( 3,251 )
Net income (loss)	—	447,621	28,433	476,054	( 3,243 )	472,811
Distributions to common unitholders	—	( 269,385 )	—	( 269,385 )	—	( 269,385 )
Distributions to preferred unitholders	—	( 179 )	—	( 179 )	—	( 179 )
Distributions to noncontrolling interests	—	—	( 15,216 )	( 15,216 )	( 12,913 )	( 28,129 )
Other, net	—	( 1,749 )	230	( 1,519 )	( 242 )	( 1,761 )
<b>Balances at December 31, 2021</b>	<b>\$ 2,129</b>	<b>\$ 1,810,896</b>	<b>\$ 197,013</b>	<b>\$ 2,010,038</b>	<b>\$ (70,883)</b>	<b>\$ 1,939,155</b>
Redemption of common partnership units	—	—	( 11,174 )	( 11,174 )	—	( 11,174 )
Repurchase of common partnership units	—	( 316,710 )	—	( 316,710 )	—	( 316,710 )
Conversion of common partnership units	—	119	( 119 )	—	—	—
Amortization of share-based compensation cost	—	4,270	3,696	7,966	—	7,966
Effect of changes in ownership of consolidated entities	—	( 7,791 )	7,791	—	—	—
Purchase of noncontrolling interests in consolidated real estate partnerships	—	( 5,529 )	—	( 5,529 )	120	( 5,409 )
Contributions from noncontrolling interests in consolidated real estate partnerships	—	—	—	—	9,206	9,206
Change in accumulated other comprehensive income	—	43,562	3,760	47,322	—	47,322
Net income	—	904,432	58,772	963,204	458	963,662
Distributions to common unitholders	—	( 277,639 )	( 17,821 )	( 295,460 )	—	( 295,460 )
Distributions to noncontrolling interests	—	—	—	—	( 17,623 )	( 17,623 )
Other, net	( 129 )	( 1,193 )	( 244 )	( 1,566 )	( 63 )	( 1,629 )
<b>Balances at December 31, 2022</b>	<b>\$ 2,000</b>	<b>\$ 2,154,417</b>	<b>\$ 241,674</b>	<b>\$ 2,398,091</b>	<b>\$ (78,785)</b>	<b>\$ 2,319,306</b>
Issuance of AIR Operating Partnership units	—	—	22,383	22,383	—	22,383
Redemption of common partnership units	—	—	( 18,507 )	( 18,507 )	—	( 18,507 )
Repurchase of common partnership units	—	( 148,956 )	—	( 148,956 )	—	( 148,956 )
Amortization of share-based compensation cost	—	4,488	4,808	9,296	—	9,296
Effect of changes in ownership of consolidated entities	—	( 8,260 )	10,771	2,511	( 1,398 )	1,113
Purchase of noncontrolling interests in consolidated real estate partnerships	—	479	—	479	( 1,996 )	( 1,517 )
Contributions from noncontrolling interests in consolidated real estate partnerships	—	—	—	—	5,691	5,691
Change in accumulated other comprehensive income	—	( 21,170 )	( 1,698 )	( 22,868 )	—	( 22,868 )
Net income	—	635,101	42,721	677,822	5,185	683,007
Distributions to common unitholders	—	( 266,422 )	( 17,704 )	( 284,126 )	—	( 284,126 )
Distributions to noncontrolling interests	—	—	—	—	( 14,376 )	( 14,376 )
Other, net	—	219	3	222	( 294 )	( 72 )
<b>Balances at December 31, 2023</b>	<b>\$ 2,000</b>	<b>\$ 2,349,896</b>	<b>\$ 284,451</b>	<b>\$ 2,636,347</b>	<b>\$ (85,973)</b>	<b>\$ 2,550,374</b>

See notes to the consolidated financial statements.

**APARTMENT INCOME REIT, L.P.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**For the Years Ended December 31, 2023, 2022, and 2021**  
(In thousands)

	2023	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Net income	\$ 689,287	\$ 970,050	\$ 479,224
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	342,593	350,945	319,742
Loss on extinguishment of debt	2,008	23,636	156,707
Gain on dispositions of real estate, impairments of real estate, and derecognition of leased properties	( 677,740 )	( 939,806 )	( 594,861 )
Income tax expense (benefit)	2,427	3,923	( 5,246 )
Share-based compensation expense	8,874	7,463	7,360
Other, net	29,231	3,195	7,230
Net changes in operating assets and operating liabilities			
Accounts receivable and other assets, net	5,338	27,864	( 19,646 )
Accounts payable, accrued liabilities and other	( 31,618 )	( 26,713 )	( 17,554 )
Total adjustments	( 318,887 )	( 549,493 )	( 146,268 )
Net cash provided by operating activities	370,400	420,557	332,956
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Purchases of real estate and deposits related to purchases of real estate	( 346,626 )	( 861,320 )	( 364,055 )
Capital expenditures	( 173,662 )	( 192,404 )	( 174,499 )
Contributions to unconsolidated real estate partnerships	( 51,836 )	—	—
Distributions from unconsolidated real estate partnerships	207,101	—	—
Proceeds from dispositions of real estate	52,066	1,209,241	915,926
Purchase of corporate assets	( 15,862 )	( 13,940 )	( 5,171 )
Proceeds from repayment of note receivable	—	534,127	—
Proceeds from investments in debt securities	—	—	100,852
Other investing activities, net	15,757	( 25,447 )	5,229
Net cash (used in) provided by investing activities	( 313,062 )	650,257	478,282
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Proceeds from non-recourse property debt	1,005,920	54,156	—
Principal repayments on non-recourse property debt	( 119,508 )	( 449,535 )	( 1,492,446 )
Proceeds from term loans	—	—	1,150,000
Repayment of term loans	( 325,000 )	( 350,000 )	( 350,000 )
Net (repayments of) borrowings on revolving credit facility	( 347,000 )	159,205	36,756
Payment of debt extinguishment costs	( 1,115 )	( 22,680 )	( 149,725 )
Proceeds from the issuance of unsecured notes payable	—	400,000	—
Proceeds from the issuance of Common Stock	—	—	342,470
Payment of distributions General Partner and Special Limited Partner	( 266,140 )	( 277,551 )	( 269,601 )
Repurchases of common partnership units held by General Partner and Special Limited Partner	( 124,361 )	( 316,710 )	—
Payment of distributions to noncontrolling interests	( 14,377 )	( 17,623 )	( 12,913 )
Payment of distributions to Limited Partners	( 18,108 )	( 17,849 )	( 15,257 )
Redemptions of noncontrolling interests in the AIR Operating Partnership	—	( 13,394 )	( 17,905 )
Contributions from noncontrolling interests in consolidated real estate partnerships	5,691	9,206	7,458
Other financing activities, net	( 37,254 )	( 19,395 )	( 20,794 )
Net cash used in financing activities	( 241,252 )	( 862,170 )	( 791,957 )
NET (DECREASE) INCREASE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	( 183,914 )	208,644	19,281
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH AT BEGINNING OF PERIOD	301,405	92,761	73,480
<b>CASH, CASH EQUIVALENTS, AND RESTRICTED CASH AT END OF PERIOD</b>	<b>\$ 117,491</b>	<b>\$ 301,405</b>	<b>\$ 92,761</b>

See notes to the consolidated financial statements.



**APARTMENT INCOME REIT, L.P.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**For the Years Ended December 31, 2023, 2022, and 2021**  
(In thousands)

	2023	2022	2021
<b>SUPPLEMENTAL CASH FLOW INFORMATION:</b>			
Interest paid, net of amounts capitalized	\$ 128,431	\$ 114,340	\$ 130,202
Cash paid for income taxes	\$ 5,720	\$ 5,528	\$ 6,763
Non-cash transactions associated with the acquisition or disposition of real estate:			
Non-recourse property debt assumed in connection with the acquisition of real estate	\$ 101,215	\$ —	\$ 259,248
Issuance of common OP Units in connection with acquisition of real estate	\$ 22,383	\$ —	\$ 121,557
Proceeds from investment in unconsolidated real estate partnerships for contribution of real estate	\$ 270,730	\$ —	\$ —
Other non-cash transactions:			
Recognition of right-of-use lease assets	\$ —	\$ 80,651	\$ —
Recognition of lease liabilities	\$ —	\$ 80,651	\$ —
Accrued capital expenditures (at end of period)	\$ 5,287	\$ 10,701	\$ 9,732
Accrued repurchases of common partnership units (at end of period)	\$ 24,595	\$ —	\$ —

See notes to the consolidated financial statements.

**APARTMENT INCOME REIT CORP.  
APARTMENT INCOME REIT, L.P.  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 2023**

**Note 1 — Basis of Presentation and Organization**

*Basis of Presentation*

The accompanying consolidated financial statements include the accounts of Apartment Income REIT Corp. ("AIR"), Apartment Income REIT, L.P. ("AIR Operating Partnership"), and their consolidated subsidiaries. The AIR Operating Partnership's consolidated financial statements include the accounts of the AIR Operating Partnership and its consolidated subsidiaries. All significant intercompany balances and transactions have been eliminated in consolidation.

As used herein, and except where the context otherwise requires, "partnership" refers to a limited partnership or a limited liability company and "partner" refers to a partner in a limited partnership or a member of a limited liability company. Interests in the AIR Operating Partnership that are held by limited partners other than AIR are reflected in AIR's accompanying consolidated balance sheets as noncontrolling interests in the AIR Operating Partnership. Interests in partnerships consolidated by the AIR Operating Partnership that are held by third parties are reflected in AIR's and AIR Operating Partnership's accompanying consolidated balance sheets as noncontrolling interests in consolidated real estate partnerships.

Except as the context otherwise requires, "we," "our," and "us" refer to AIR, the AIR Operating Partnership, and their consolidated subsidiaries, collectively.

*Reclassifications*

Certain prior period balances in the consolidated balance sheets, statements of operations, and statements of cash flows have been combined or reclassified to conform to current period presentation. These changes had no impact on net income (loss), cash flows, assets and liabilities, equity or partners' capital previously reported.

*Organization and Business*

AIR is a self-administered and self-managed REIT. AIR owns, through its wholly-owned subsidiaries, the general partner interest and special limited partner interest in AIR Operating Partnership. AIR Operating Partnership conducts all of the business of AIR, which is focused on the ownership of stabilized multi-family properties located in top markets including eight important geographic concentrations: Boston; Philadelphia; Washington, D.C.; Miami; Denver; the San Francisco Bay Area; Los Angeles; and San Diego.

We own and operate a portfolio of apartment communities, diversified by both geography and price point, in 10 states and the District of Columbia. As of December 31, 2023, our portfolio included 75 apartment communities with 26,626 apartment homes, in which we held an average ownership of approximately 81 %. Any references to the number of apartment communities and homes, square footage, or occupancy percentage in these notes to our consolidated financial statements are unaudited.

Interests in the AIR Operating Partnership that are held by limited partners other than AIR are referred to as OP Units. OP Units include common partnership units, which we refer to as common OP Units, as well as preferred partnership units, which we refer to as preferred OP Units. As of December 31, 2023, after elimination of units held by consolidated subsidiaries, the AIR Operating Partnership had 159,130,441 common OP Units outstanding. As of December 31, 2023, AIR owned 144,925,604 of the common OP Units of the AIR Operating Partnership and AIR had an equal number of shares of its Class A Common Stock outstanding, which we refer to as Common Stock. AIR's ownership of the total common OP Units outstanding represents 91.1 % legal interest in the AIR Operating Partnership and a 93.6 % economic interest.

**Note 2 — Summary of Significant Accounting Policies**

*Principles of Consolidation*

We consolidate variable interest entities ("VIE"), in which we are considered the primary beneficiary. The primary beneficiary is the entity that has (i) the power to direct the activities that most significantly impact the entity's economic performance, and (ii) the obligation to absorb losses of the VIE or the right to receive benefits from the VIE that

could be significant to the VIE. As of December 31, 2023 and 2022, AIR consolidated five and seven VIEs, respectively, including the AIR Operating Partnership. Please see [Note 15](#) for further discussion regarding our consolidated VIEs.

## *Real Estate*

### Acquisitions

Upon the acquisition of real estate, we determine whether the purchase qualifies as an asset acquisition or meets the definition of an acquisition of a business. We generally recognize the acquisition of apartment communities or interests in partnerships that own communities at our cost, including the related transaction costs, as asset acquisitions.

We allocate the cost of apartment communities acquired based on the relative fair value of the assets acquired and liabilities assumed. The fair value of these assets and liabilities is determined using valuation techniques that rely on Level 2 and Level 3 inputs within the fair value framework. We determine the fair value of tangible assets, such as land, buildings, furniture, fixtures, and equipment using valuation techniques that consider comparable market transactions, replacement costs, and other available information. We determine the fair value of identified intangible assets or liabilities, which typically relate to in-place leases, using valuation techniques that consider the terms of the in-place leases, current market data for comparable leases, and our experience in leasing similar communities.

The intangible assets or liabilities related to in-place leases are comprised of: (a) the value of the above- and below-market leases in-place, measured over the period, including probable lease renewals for below-market leases, that the leases are expected to remain in effect; (b) the estimated unamortized portion of avoided leasing commissions and other costs that ordinarily would be incurred to originate the in-place leases; and (c) the value associated with leased apartment homes during an estimated absorption period, which estimates rental revenue that would not have been earned had leased apartment homes been vacant at the time of acquisition, assuming lease-up periods based on market demand and stabilized occupancy levels. The above- and below-market lease intangibles are amortized to rental revenue over the expected remaining terms of the associated leases, which include reasonably assured renewal periods. Other intangible assets related to in-place leases are amortized to depreciation and amortization over the expected remaining terms of the associated leases.

### Capital Additions

We capitalize costs, including certain indirect costs, incurred in connection with our capital additions activities, including tangible apartment community improvements and replacements of existing apartment community components. Costs, including ordinary repairs, maintenance, and resident turnover costs, are charged to property operating expense as incurred.

For the years ended December 31, 2023, 2022, and 2021, we capitalized to buildings and improvements \$ 1.1 million, \$ 1.5 million, and \$ 2.4 million of interest costs, respectively, and \$ 16.2 million, \$ 16.6 million, and \$ 10.3 million of other direct and indirect costs, respectively.

### Dispositions

A property is classified as held for sale when all of the following criteria for a plan of sale have been met: (i) management, having the authority to approve the action, commits to a plan to sell the asset or disposal group; (ii) the asset or disposal group is available for immediate sale in its present condition, subject only to terms that are usual and customary; (iii) an active program to locate a buyer and other actions required to complete the plan to sell the asset or disposal group have been initiated; (iv) the sale of the asset or disposal group is probable and is expected to be completed within one year; (v) the asset or disposal group is being actively marketed for sale at a price that is reasonable in relation to its current fair value; and (vi) actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn, which is typically indicated by receipt of all non-refundable deposits from the buyer pursuant to a sales contract. Depreciation of assets ceases upon designation of a property as held for sale.

For sales of real estate, we evaluate whether the disposition represents a strategic shift that has, or will have, a major effect on our operations and financial results. If so, it is classified as discontinued operations in our consolidated financial statements for all periods presented. If not, it is presented in continuing operations in our consolidated financial statements. The disposal of an individual property generally will not represent a strategic shift that has a major effect, and therefore will typically not meet the criteria for classification as a discontinued operations.

Gain or loss on real estate dispositions are recognized when we no longer hold a controlling financial interest in the real estate and sufficient consideration has been received. Upon disposition, the related assets and liabilities are derecognized, and the gain or loss on disposition is recognized as the difference between the carrying amount of those assets and liabilities and the value of consideration received.

#### Impairment

Real estate and other long-lived assets to be held and used are individually evaluated for impairment when conditions exist that may indicate the carrying amount of a long-lived asset may not be recoverable. We use the held for sale impairment model for properties classified as held for sale, whereby an impairment charge is recognized if the carrying amount of the long-lived asset classified as held for sale exceeds its fair value less cost to sell. If an impairment indicator exists, we compare the asset's expected future undiscounted cash flows to its current carrying value to assess whether impairment measurement is necessary. Upon determination that an impairment has occurred, we recognize an impairment loss to the extent the carrying amount exceeds the estimated fair value of the real estate and other long-lived assets. During 2023, we recognized a non-cash impairment loss on real estate of \$ 23.6 million. We did not recognize any such impairment during the years ended December 31, 2022 and 2021.

The measurement of impairment is based on the fair value of the community and incorporates various estimates, assumptions, and market data, the most significant being rental rates, operating expense assumptions, expected hold period, capitalization rate, and purchase and sale agreements. We project future rental revenue growth rates using forecasted rates from third-party market research analytics. Property expense growth rates and capitalization rates are based on the apartment communities' historical, current, and expected future operating results, existing operating expense assumptions, and operational strategies. These projections are adjusted to reflect current economic conditions and require considerable management judgment.

#### *Cash and Cash Equivalents*

We classify highly liquid investments with an original maturity of three months or less as cash equivalents. We maintain cash equivalents in financial institutions in excess of insured limits. We have not experienced any losses in these accounts in the past and believe that we are not exposed to significant credit risk because our accounts are deposited with major financial institutions.

#### *Restricted Cash*

As of December 31, 2023, restricted cash primarily consists of capital replacement reserves, completion repair reserves, real estate tax, insurance escrow accounts held by lenders, and resident security deposits. As of December 31, 2022, restricted cash primarily consists of cash deposited into 1031 exchange accounts in connection with tax-deferred exchange transactions that were released in conjunction with the Southgate Towers acquisition in January 2023 and the items above.

#### *Goodwill*

As of December 31, 2023 and 2022, goodwill associated with our reportable segments totaled \$ 32.3 million. We perform an impairment test of goodwill annually, or when an interim triggering event occurs, by evaluating qualitative factors and quantitative factors, if necessary, to determine the likelihood that goodwill may be impaired. As a result of our annual impairment test, we determined that our goodwill was not impaired during the years ended December 31, 2023, 2022, and 2021.

#### *Other Assets, net*

As of December 31, 2023 and 2022, other assets, net was comprised of the following amounts (in thousands):

	2023	2022
Mezzanine investment (1)	\$ —	\$ 158,726
Right-of-use lease assets	114,740	126,020
Other receivables, net	69,558	69,944
Other	99,622	195,131
<b>Total other assets, net</b>	<b>\$ 283,920</b>	<b>\$ 549,821</b>

(1) Please see [Note 15](#) for further discussion regarding our Mezzanine investment.



### Accrued Liabilities and Other

As of December 31, 2023 and 2022, accrued liabilities and other was comprised of the following amounts (in thousands):

	2023	2022
Mezzanine liability (1)	\$ —	\$ 158,726
Accrued expenses	234,679	225,888
Other	62,215	129,191
<b>Total accrued liabilities and other</b>	<b>\$ 296,894</b>	<b>\$ 513,805</b>

(1) Please see [Note 15](#) for further discussion regarding our Mezzanine liability.

### Investment in Unconsolidated Real Estate Partnerships

We may own general and limited partner interests in partnerships that either directly, or through interests in other real estate partnerships, own apartment communities. We generally account for investments in real estate partnerships that we do not consolidate under the equity method. Under the equity method, we recognize our share of the earnings or losses of the entity for the periods presented, inclusive of our share of any impairments and disposition gains or losses recognized by and related to such entities, and we present such amounts within income from unconsolidated real estate partnerships in our consolidated statements of operations. Investment in unconsolidated real estate partnerships is included as a separate line item in our consolidated balance sheets.

Investments in unconsolidated real estate partnerships are reviewed for impairments. An impairment loss is recorded when there is a decline in the fair value below the carrying value and we conclude such decline is other-than-temporary. An impairment loss is measured based on the excess of the carrying amount of an investment over its estimated fair value. We determine the fair value of investments in unconsolidated real estate partnerships using valuation techniques that consider the terms of the in-place leases, current market data for comparable leases, our experience in leasing similar communities, and current plans. We recognized no such impairments for any of the years ended December 31, 2023, 2022, and 2021.

The excess of our cost of the acquired partnership interests over our share of the partners' equity or deficit are included as a part of our investments in unconsolidated real estate partnerships. We amortize the excess cost over the term of the joint venture agreement. The amortization is recorded as an adjustment of the amounts of earnings or losses we recognize from such unconsolidated real estate partnerships. Please see [Note 6](#) for further discussion regarding our investment in unconsolidated real estate partnerships.

### Noncontrolling Interests in Consolidated Real Estate Partnerships

We generally report the unaffiliated partners' interests in the net assets of our consolidated real estate partnerships as noncontrolling interests in consolidated real estate partnerships within consolidated equity and partners' capital. If a real estate partnership includes redemption rights that are not within AIR and the AIR Operating Partnership's control, the noncontrolling interest is included as temporary equity or temporary capital.

The assets of real estate partnerships consolidated by the AIR Operating Partnership must first be used to settle the liabilities of such consolidated real estate partnerships. These consolidated real estate partnerships' creditors do not have recourse to the general credit of the AIR Operating Partnership.

Noncontrolling interests in consolidated real estate partnerships consist primarily of equity interests held by limited partners in consolidated real estate partnerships that have finite lives. We generally attribute to noncontrolling interests their share of income or loss of consolidated partnerships based on their proportionate interest in the results of operations of the partnerships, including their share of losses even if such attribution results in a deficit noncontrolling interest balance within our equity and partners' capital accounts.

The terms of the related partnership agreements generally require the partnerships to be liquidated following the sale of the underlying real estate. As the general partner in these partnerships, we ordinarily control the execution of real estate sales and other events that could lead to the liquidation, redemption or other settlement of noncontrolling interests.

Changes in our ownership interest in consolidated real estate partnerships generally consist of our purchase of an additional interest in or the sale of our entire or partial interest in a consolidated real estate partnership. The effect on our equity and partners' capital of our purchase of additional interests in consolidated real estate partnerships during the years

ended December 31, 2023, 2022, and 2021, is shown in our consolidated statements of equity and partners' capital. The effect on our equity and partners' capital of sales of consolidated real estate or sales of our entire interest in consolidated real estate partnerships is reflected in our consolidated statements of operations as gains or losses on dispositions of real estate and accordingly the effect on our equity and partners' capital is reflected within the amount of net income allocated to us and to noncontrolling interests. Upon our deconsolidation of a real estate partnership following the sale of our partnership interests or liquidation of the partnership following sale of the related apartment community, we derecognize any remaining noncontrolling interest of the associated partnership previously recorded in our consolidated balance sheets.

#### *Noncontrolling Interests in the AIR Operating Partnership*

Noncontrolling interests in the AIR Operating Partnership consist of common OP Units and preferred OP Units and are reflected in AIR's accompanying consolidated balance sheets as noncontrolling interests in AIR Operating Partnership. Holders of preferred OP Units participate in the AIR Operating Partnership's income or loss only to the extent of their preferred distributions. Within AIR's consolidated financial statements, after provision for preferred OP Unit distributions, the AIR Operating Partnership's income or loss is allocated to the holders of common OP Units based on the weighted-average number of common OP Units (including those held by AIR) outstanding during the period. During the years ended December 31, 2023, 2022, and 2021, the holders of common OP Units (excluding those held by AIR) had a weighted-average economic ownership interest in the AIR Operating Partnership of 6.37 %, 6.25 %, and 6.07 %, respectively. Please refer to [Note 9](#) for further information regarding the items comprising noncontrolling interests in the AIR Operating Partnership. Substantially all of the assets and liabilities of AIR are those of the AIR Operating Partnership.

#### *Revenue from Leases*

We are a lessor primarily for residential leases. Our operating leases with residents may also provide that the resident reimburse us for certain costs, primarily the resident's share of utilities expenses, incurred by the apartment community. These reimbursements represent revenue attributable to nonlease components for which the timing and pattern of recognition is the same as the revenue for the lease components. We use the practical expedient that allows us to account for the lease and nonlease components as a single component. Reimbursement and related expense are presented on a gross basis in our consolidated statements of operations, with the reimbursement included in rental and other property revenues attributable to real estate in our consolidated statements of operations. We recognize rental revenue attributed to lease components, net of any concessions, on a straight-line basis over the term of the lease.

#### *Insurance*

We believe our insurance coverages insure our apartment communities adequately against the risk of loss attributable to fire, earthquake, hurricane, tornado, flood, and other perils. In addition, we have third-party insurance coverage (after self-insured retentions) that defray the costs of large workers' compensation, health, and general liability exposures. We accrue losses based upon our estimates of the aggregate liability for uninsured losses incurred using certain actuarial assumptions followed in the insurance industry and based on our experience.

#### *Depreciation and Amortization*

Depreciation for all tangible assets is calculated using the straight-line method over their estimated useful life. Acquired buildings and improvements are depreciated over a useful life based on the age, condition, and other physical characteristics of the asset. Furniture, fixtures, and equipment are generally depreciated over five years .

We depreciate capitalized costs using the straight-line method over the estimated useful life of the related improvement, which is generally 5 , 15 , or 30 years.

Purchased software and other costs related to software purchased or developed for internal use are capitalized during the application development stage and are amortized using the straight-line method over the estimated useful life of the software, generally three to five years . Purchased equipment is recognized at cost and depreciated using the straight-line method over the estimated useful life of the asset, which is generally five years . Leasehold improvements are also recorded at cost and depreciated on a straight-line basis over the shorter of the asset's estimated useful life or the term of the related lease.

Certain homogeneous items that are purchased in bulk on a recurring basis, such as appliances, are depreciated using group methods that reflect the average estimated useful life of the items in each group. Except in the case of apartment community casualties, where the net book value of the lost asset is written off in the determination of casualty

gains or losses, we generally do not recognize any loss in connection with the replacement of an existing apartment community component because normal replacements are considered in determining the estimated useful life used in connection with our composite and group depreciation methods.

#### *Share-Based Compensation*

We issue various forms of share-based compensation, including stock options and restricted stock awards with service, performance or market conditions. We recognize share-based employee compensation based on the fair value on the grant date and recognize compensation cost over the awards' requisite service periods. We reduce compensation cost related to forfeited awards in the period of forfeiture. Please refer to [Note 10](#) for further discussion of our share-based compensation.

#### *Income Taxes*

AIR has elected to be taxed as a REIT under the Internal Revenue Code of 1986, as amended (the "Code"), commencing with its taxable year ended December 31, 2020, and it intends to continue to operate in such a manner. AIR's current and continuing qualification as a REIT depends on its ability to meet the various requirements imposed by the Code, which are related to organizational structure, distribution levels, diversity of stock ownership, and certain restrictions with regard to owned assets and categories of income. As a REIT, we are generally not subject to federal and certain state income tax on the net income that we currently distribute to stockholders. This treatment substantially eliminates the "double taxation" (at the corporate and stockholder levels) that generally results from an investment in a corporation.

Even if AIR qualifies as a REIT, it may be subject to United States federal income and excise taxes in various situations, such as on undistributed income. AIR could also be subject to a 100 % tax on transactions between it and a TRS (described below) that are determined to be non-arm's length and on any net income from sales of apartment communities that are determined to be dealer-type prohibited transactions. The state and local tax laws may not conform to the United States federal income tax treatment, and AIR may be subject to state or local taxation in various state or local jurisdictions, including those in which we transact business. Any taxes imposed on us reduce our operating cash flow and net income.

Certain of AIR's operations, or a portion thereof, including property management and risk management, are conducted through taxable REIT subsidiaries, which are subsidiaries of the AIR Operating Partnership, and each of which we refer to as a TRS. A TRS is a corporate subsidiary that has elected to be a TRS instead of a REIT and, as such, is subject to United States federal corporate income tax. We use TRS entities to facilitate our ability to offer certain services and activities to our residents and investment partners that cannot be offered directly by a REIT.

For our TRS entities, deferred income taxes result from temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts reported for United States federal income tax purposes, and are measured using the enacted tax rates and laws that are expected to be in effect when the differences reverse. We reduce deferred tax assets by recording a valuation allowance when we determine, based on available evidence, that it is more likely than not that the assets will not be realized. We recognize the tax consequences associated with intercompany transfers between the AIR Operating Partnership and TRS entities when such transactions occur. Please refer to [Note 11](#) for further information about our income taxes.

#### *Earnings per Share and Unit*

AIR and the AIR Operating Partnership calculate earnings per share and unit, respectively, based on the weighted-average number of shares of Common Stock or common OP units, participating securities, Common Stock or common unit equivalents, and dilutive convertible securities outstanding during the period. The AIR Operating Partnership considers both common OP units and equivalents, which have identical rights to distributions and undistributed earnings, to be common units for purposes of the earnings per unit computations. Please refer to [Note 12](#) for further information regarding earnings per share and unit computations.

#### *Use of Estimates*

The preparation of our consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts included in the consolidated financial statements and accompanying notes thereto. Actual results could differ from those estimates.

## Accounting Pronouncements Recently Issued

In November 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2023-07, "Segment Reporting – Improvements to Reportable Segments Disclosures." The amendments enhance disclosures of significant segment expenses by requiring to disclose significant segment expenses regularly provided to the chief operating decision maker ("CODM"), extend certain annual disclosures to interim periods, and permit more than one measure of segment profit or loss to be reported under certain conditions. The amendments are effective for AIR in fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. Early adoption of the amendment is permitted, including adoption in any interim periods for which financial statements have not been issued. AIR is currently evaluating the guidance and its impact to the consolidated financial statements.

In December 2023, the FASB issued ASU No. 2023-09, "Improvements to Income Tax Disclosures," which requires disaggregated information about a reporting entity's effective tax rate reconciliation as well as information on income taxes paid. The standard is intended to benefit investors by providing more detailed income tax disclosures that would be useful in making capital allocation decisions. This ASU is effective for public companies with annual periods beginning after December 15, 2024, with early adoption permitted. AIR is currently evaluating the guidance and its impact to the consolidated financial statements.

Accounting standards that have been issued by the FASB, or other standards-setting bodies, that are not yet effective or discussed above are not expected to have a material impact on the Company's consolidated financial statements upon adoption.

## Note 3 — Significant Transactions

### Apartment Community Acquisitions

During the year ended December 31, 2023, we acquired one apartment community located in Raleigh, North Carolina, one apartment community located in Durham, North Carolina, and one apartment community located in Miami Beach, Florida. Summarized information regarding these acquisitions is set forth in the table below (dollars in thousands) as of December 31, 2023:

Number of apartment communities		3
Number of apartment homes		1,115
Purchase price	\$	452,500
Capitalized transaction costs		6,739
<b>Total consideration (1)</b>	<b>\$</b>	<b>459,239</b>
Land	\$	118,564
Building and improvements		318,364
Intangible assets (2)		17,845
Mark-to-market on debt assumed		7,370
Below-market lease liabilities (2)		( 2,904 )
<b>Total consideration (1)</b>	<b>\$</b>	<b>459,239</b>

(1) Total consideration for the apartment community acquisition in South Florida includes \$ 101.2 million of debt assumed and the issuance of \$ 22.4 million in common OP Units, which represent non-cash financing.

(2) Intangible assets and below-market lease liabilities for the South Florida apartment community acquisition have a weighted-average term of 1.4 years and 0.5 years, respectively. Intangible assets and below-market lease liabilities for the North Carolina apartment community acquisitions have a weighted-average term of 0.5 years.

Subsequent to the year ended December 31, 2023, we acquired one apartment community located in Raleigh, North Carolina with 384 apartment homes for \$ 86.5 million.

#### *Apartment Community Dispositions*

Sold apartment communities during the years ended December 31, 2023, 2022, and 2021, are summarized below (dollars in thousands):

	2023	2022	2021
Number of apartment communities sold	3	18	16
Number of apartment homes sold	257	3,364	1,395
Gain on apartment community sales (1)	\$ —	\$ 939,806	\$ 243,369

(1) The apartment communities sold during the year ended December 31, 2023 generated net proceeds of \$ 52.1 million, which approximated their carrying value.

The apartment communities sold were predominantly located outside of primary markets or in lower-rated locations within primary markets and had average revenues per apartment home significantly below those of our retained portfolio.

At the end of each reporting period we evaluate whether any communities meet the criteria to be classified as held for sale. As of December 31, 2023, no communities were classified as held for sale.

#### *Lease Cancellation*

During 2021, we leased certain properties for the purpose of their development, which were accounted for as sales-type leases. During the years ended December 31, 2022 and 2021, we recognized income of \$ 17.3 million and \$ 26.0 million, respectively, related to these sales-type leases, which is reflected in interest income in our consolidated statements of operations. During the year ended December 31, 2023, we did not recognize any income as the sales-type leases were cancelled on September 1, 2022.

#### *Impairment*

Real estate and other long-lived assets to be held and used are individually evaluated for impairment when conditions exist that may indicate the carrying amount of a long-lived asset may not be recoverable. Impairment indicators include significant fluctuations in rental and other property revenues less property operating expenses, occupancy changes, significant near-term lease expirations, current and historical cash flow losses, rental rates, and if applicable, a comparison of an asset's carrying value to its estimated fair value. Upon determination that an impairment has occurred, we recognize an impairment loss to the extent the carrying amount exceeds the estimated fair value of the community.

As part of our exit from the New York market, during the year ended December 31, 2023, we evaluated the expected hold period of three apartment communities in our Other Real Estate reporting segment. Given management's assessment of the likelihood of the sale of these assets, which occurred during the year ended December 31, 2023, we reduced the carrying value of the three properties to their estimated fair value and recognized a non-cash impairment loss on real estate of \$ 23.6 million. As of December 31, 2023, the three impaired properties have been sold.

During the years ended December 31, 2022 and 2021, we did not recognize any impairment losses.

#### *Note Receivable from Aimco*

In 2020, we acquired a \$ 534 million note receivable (the "Note") pledged by a subsidiary of Aimco and was secured by a pool of properties owned by Aimco. The Note had an original maturity date of January 31, 2024, and bore interest at a rate of 5.2 % per annum. The Note was reported at the outstanding principal balance, and interest receivable related to the unpaid principal was recorded separately in other assets, net in our consolidated balance sheets. The note was prepaid in 2022 and we recognized interest income of \$ 13.8 million, and \$ 27.8 million, during the years ended December 31, 2022, and 2021, respectively.

## Note 4 — Leases

### Tenant Lessor Arrangements

The majority of lease payments we receive from our residents are fixed. We receive variable payments from our residents primarily for utility reimbursements. Our total lease income was comprised of the following amounts for all operating leases for the years ended December 31, 2023, 2022, and 2021 (in thousands):

	2023	2022	2021
Fixed lease income	\$ 752,068	\$ 715,060	\$ 685,423
Variable lease income	56,060	47,358	46,246
<b>Total lease income</b>	<b>\$ 808,128</b>	<b>\$ 762,418</b>	<b>\$ 731,669</b>

Generally, our residential leases do not provide extension options and, as of December 31, 2023, have an average remaining term of 8.7 months. In general, our commercial leases have options to extend for a certain period of time at the tenant's option. As of December 31, 2023, future minimum annual rental payments we are contractually obligated to receive under residential and commercial leases, excluding such extension options, are as follows (in thousands):

2024	\$ 420,571
2025	85,348
2026	12,975
2027	11,066
2028	9,411
Thereafter	30,685
<b>Total</b>	<b>\$ 570,056</b>

### Lessee Arrangements

We recognize right-of-use assets and related lease liabilities, which are included in other assets, net and accrued liabilities and other, respectively, in our consolidated balance sheets. We estimated the value of the lease liabilities using a discount rate equivalent to the rate we would pay on a secured borrowing with similar terms to the lease.

Substantially all of the payments under our ground and office leases are fixed. We exclude options to extend the lease in our minimum lease terms unless the option is reasonably certain to be exercised. During 2022, we assumed a ground lease for a property acquired in the Washington, D.C. area. Our total lease cost for ground and office leases for the years ended December 31, 2023, 2022, and 2021 was \$ 21.5 million, \$ 15.4 million, and \$ 5.3 million, respectively.

As of December 31, 2023, the ground and office leases have weighted-average remaining terms of 88.0 and 5.2 years, respectively, and weighted-average discount rates of 6.8 % and 3.8 %, respectively. As of December 31, 2023, minimum annual rental payments under these operating leases, reconciled to the lease liability included in accrued liabilities and other in our consolidated balance sheets, are as follows (in thousands):

2024	\$ 8,053
2025	8,084
2026	8,390
2027	8,344
2028	20,945
Thereafter	1,695,808
<b>Total</b>	<b>1,749,624</b>
Less: Discount	1,613,987
<b>Total lease liability</b>	<b>\$ 135,637</b>

Of the total lease liability as of December 31, 2023, \$ 128.1 million of the balance relates to our ground leases, with the remainder relating to our office leases.

## Note 5 — Debt

The following table summarizes our total consolidated indebtedness as of December 31, 2023 and 2022 (in thousands):

	2023	2022
<b>Secured debt:</b>		
Fixed-rate property debt due May 2025 to January 2055 (1)	\$ 2,236,975	\$ 1,906,151
Variable-rate property debt	—	88,500
Total non-recourse property debt	2,236,975	1,994,651
Debt issuance costs, net of accumulated amortization	( 13,184 )	( 9,221 )
<b>Total non-recourse property debt, net</b>	<b>\$ 2,223,791</b>	<b>\$ 1,985,430</b>
<b>Unsecured debt:</b>		
Term loans due December 2024 to April 2026 (2)	475,000	800,000
Revolving credit facility borrowings due April 2025 (3)	115,000	462,000
4.58 % Notes payable due June 2027	100,000	100,000
4.77 % Notes payable due June 2029	100,000	100,000
4.84 % Notes payable due June 2032	200,000	200,000
Total unsecured debt	990,000	1,662,000
Debt issuance costs, net of accumulated amortization	( 3,447 )	( 5,801 )
<b>Total unsecured debt, net</b>	<b>986,553</b>	<b>1,656,199</b>
<b>Total indebtedness</b>	<b>\$ 3,210,344</b>	<b>\$ 3,641,629</b>

- (1) In the first quarter of 2023, AIR borrowed \$ 320 million using 10 -year fixed rate financing, bearing interest at 4.9 %. Proceeds were used to refinance a floating rate loan and reduce borrowings by \$ 230 million on our revolving credit facility. The stated rates on our fixed-rate property debt are between 2.7 % to 5.7 %.
- (2) The term loans bear interest at a one-month Term Secured Overnight Financing Rate ("SOFR") plus 1.00 % and a SOFR adjustment of 10 -basis points, based on our current credit rating. As of December 31, 2023, the weighted-average interest rate for our term loans before consideration of in place interest rate swaps was 6.5 %. As of December 31, 2023, our entire \$ 475 million term loan balance is fixed via interest rate swaps at a weighted-average interest rate of 4.3 %. The term loans mature on the following schedule: \$ 125 million matures on December 15, 2024, with a one-year extension option; \$ 150 million matures on December 15, 2025; and \$ 200 million matures on April 14, 2026. As of December 31, 2023, the weighted-average remaining term of the term loans was 2.1 years. Subsequent to the year ended December 31, 2023, we restructured interest rate swaps, economically hedging the balance of our term loans at 3.9 % for the balance of the year.
- (3) As of December 31, 2023, we had capacity to borrow up to \$ 880.7 million under our revolving credit facility after consideration of undrawn letters of credit. The revolving credit facility bears interest at a one-month Term SOFR plus 0.89 %, based on our current credit rating, and a SOFR adjustment of 10 -basis points. As of December 31, 2023, the weighted-average interest rate for our revolving credit facility was 6.3 %. Subsequent to the year ended December 31, 2023, we entered into interest rate swaps economically hedging \$200 million of our revolving credit facility borrowings at 4.9%.

In April 2023, we established a secured credit facility that provides for up to \$ 1 billion of committed property level financing, on an as needed basis. The facility has a 15 -year term, and provides AIR the opportunity to place up to 10-year non-recourse property debt financing. Pricing can be fixed rate or variable rate at AIR's choice and is based on the Fannie Mae grid.

During the third quarter of 2023, AIR placed \$ 611.4 million in new fixed-rate property debt related to nine properties, which was subsequently contributed to the Core JV. Additionally, one property with \$ 33.0 million in fixed-rate property debt was also contributed to the Core JV, for a total of \$ 644.4 million of debt contributed. As the Core JV is unconsolidated, this fixed-rate property debt is excluded from our consolidated balance sheet as of December 31, 2023.

During the third quarter of 2023, AIR refinanced \$ 325 million of term loans with fixed rate property debt to lock in rates for debt with longer maturities. The amount included full repayment of \$ 150 million of our term loans with a maturity of December 15, 2023 and partial repayment of \$ 175 million of term loans with a maturity of December 15, 2024. In conjunction with the prepayment, AIR accelerated recognition of \$ 0.8 million of associated debt issuance costs, which is included in interest expense in our consolidated statements of operations. As of December 31, 2023, and after consideration of the secured credit facility, total liquidity is approximately \$ 1.9 billion.

As of December 31, 2023, our fixed-rate property debt was secured by 26 apartment communities that had an aggregate net book value of \$ 2.5 billion. AIR did not have any consolidated variable-rate property debt as of December 31, 2023. Principal and interest on fixed-rate property debt are generally payable monthly or in monthly interest-only payments with balloon payments due at maturity.

As of December 31, 2023, the scheduled principal amortization and maturity payments for our outstanding debt balances were as follows (in thousands):

	Amortization	Maturities	Total
2024 (1)	\$ 31,823	\$ —	\$ 31,823
2025 (1) (2)	29,146	646,323	675,469
2026 (1)	23,625	361,950	385,575
2027	21,071	163,098	184,169
2028	15,537	189,652	205,189
Thereafter	189,352	1,440,398	1,629,750
<b>Total</b>	<b>\$ 310,554</b>	<b>\$ 2,801,421</b>	<b>\$ 3,111,975</b>

(1) Amounts presented above are inclusive of extension options on our terms loans, as outlined above.

(2) The table above excludes our revolving credit facility due April 2025, which had an outstanding balance of \$ 115.0 million as of December 31, 2023.

Under our credit agreement and unsecured notes payable, we have agreed to maintain certain financial covenants, as well as other covenants customary for similar credit arrangements. The financial covenants we are required to maintain include a maximum leverage ratio of no greater than 0.60 to 1.00; a fixed charge coverage ratio of no less than 1.50 to 1.00, a maximum secured indebtedness to total assets ratio of no greater than 0.40 to 1.00, a maximum unsecured leverage ratio no greater than 0.60 to 1.00, and a minimum unsecured interest coverage ratio no less than 1.50 to 1.00.

## Note 6 — Investment in Unconsolidated Real Estate Partnerships

### Joint Venture Transactions

AIR formed two joint ventures in 2023. The first, the Value-Add JV, was formed by contributing the Huntington Gateway property, a 443 -unit property located in Virginia in exchange for \$ 9 million in cash and the assumption by the joint venture of \$ 94.1 million in debt, which represents non-cash financing activity during the period. AIR is the general partner and retains legal ownership of 30 %, and receives 50 % of the net cash flows from operations, and various fees for providing property management, construction, and corporate services to the joint venture. We recognized a gain of \$ 1.0 million in connection with this transaction during the year ended December 31, 2023.

We formed the Core JV by contributing 10 properties located in Philadelphia, PA, Washington, D.C. area, Denver, CO, Oceanside, CA, and Kendall, FL. The Core JV, in which we retain a 53 % interest, closed with respect to (i) eight of the properties in July 2023, (ii) one property in August 2023, and (iii) one property in September 2023. The 10 properties, with a total fair value of \$ 1.1 billion and a carrying value of \$ 373.3 million, were contributed to the Core JV subject to \$ 644.4 million of non-recourse property debt, which represents a non-cash financing activity during the period. In advance of the joint venture closing, AIR placed \$ 611.4 million in new non-recourse property debt, which was subsequently contributed to the joint venture. As a result of the transaction, AIR received \$ 201.9 million in cash and recognized a gain of \$ 700.5 million, including the measurement of the fair value of our interest in the Core JV during the year ended December 31, 2023. AIR will earn various fees for providing property management, construction, and corporate services to the joint venture.

Additionally, in the third quarter of 2023, AIR and our joint venture partner increased the investment in the Core JV to fund the joint venture's acquisition of an 11th property, a 456 -unit property located in Bethesda, Maryland. The Core JV funded the acquisition with \$ 155.0 million in new debt, and capital contributions to the joint venture of \$ 95.0 million, for a purchase price of \$ 250.0 million. AIR has a 53 % ownership in the joint venture's acquisition of the eleventh property.



### Unconsolidated Joint Ventures

As of December 31, 2023, AIR has equity investments in three significant unconsolidated joint ventures: the Core JV, the Value-Add JV, and the Virginia JV (collectively, the "Joint Venture Entities"). We account for these joint ventures using the equity method of accounting and our ownership interests meet the definition of a VIE. However, we are not the primary beneficiary and do not consolidate these entities.

	Virginia JV	Value-Add JV (1)	Core JV
Initial formation date	October 2021	June 2023	July 2023
AIR Ownership	20 %	30 %	53 %
Outside entities ownership	80 %	70 %	47 %
Number of apartment communities	3	1	11
Apartment units	1,748	443	3,549

(1) The purchaser acquired a 70 % legal ownership in the Huntington Gateway property, but AIR is entitled to 50 % of the net cash flows from operations, and various fees for providing property management, construction, and corporate services to the joint venture.

The carrying value of AIR's investment in each joint venture is included in investment in unconsolidated real estate partnerships in our consolidated balance sheets. AIR's exposure to the obligations of the VIEs is limited to the carrying value of the limited partnership interests and AIR's interest of the joint ventures' guarantor non-recourse liabilities. The following table summarizes certain relevant financial information with respect to our investment in unconsolidated joint ventures (in thousands):

December 31, 2023				
	Virginia JV	Value-Add JV	Core JV	
Net real estate	\$ 467,020	\$ 131,339	\$ 1,258,307	
Other assets, net	7,061	7,368	41,882	
Total assets	\$ 474,081	\$ 138,707	\$ 1,300,189	
Third-party debt	\$ 395,000	\$ 88,741	\$ 793,910	
Accrued liabilities and other	4,070	2,528	10,298	
Total liabilities	\$ 399,070	\$ 91,269	\$ 804,208	
Total equity	\$ 75,011	\$ 47,438	\$ 495,981	
AIR's investment in balance (1)	\$ 17,212	\$ 28,606	\$ 268,931	

(1) AIR's investment in balance includes certain basis differences that are subject to amortization. AIR's investment in unconsolidated real estate partnerships in our consolidated balance sheets also includes \$ 21.3 million related to two immaterial unconsolidated investments.

December 31, 2022				
	Virginia JV	Value-Add JV	Core JV	
Net real estate	\$ 481,939	\$ —	\$ —	
Other assets, net	10,841	—	—	
Total assets	\$ 492,780	\$ —	\$ —	
Third-party debt	\$ 395,000	\$ —	\$ —	
Accrued liabilities and other	5,179	—	—	
Total liabilities	\$ 400,179	\$ —	\$ —	
Total equity	\$ 92,601	\$ —	\$ —	
AIR's investment in balance (1)	\$ 20,684	\$ —	\$ —	

(1) AIR's investment in unconsolidated real estate partnerships in our consolidated balance sheets includes \$ 21.2 million related to two immaterial unconsolidated investments.

The following tables summarize the financial information related to the Joint Venture Entities for the years ended December 31, 2023, 2022, and 2021 (in thousands):

December 31, 2023					
	Virginia JV		Value-Add JV		Core JV
Total revenues	\$	44,725	\$	6,665	\$ 51,341
Total expenses		64,779		12,969	94,141
Net loss	\$	( 20,054 )	\$	( 6,304 )	\$ ( 42,800 )
AIR's loss from unconsolidated real estate partnerships	\$	( 3,999 )	\$	( 2,772 )	\$ ( 22,877 )
December 31, 2022					
	Virginia JV		Value-Add JV		Core JV
Total revenues	\$	41,422	\$	—	\$ —
Total expenses		57,316		—	—
Net loss	\$	( 15,894 )	\$	—	\$ —
AIR's loss from unconsolidated real estate partnerships	\$	( 3,504 )	\$	—	\$ —
December 31, 2021					
	Virginia JV		Value-Add JV		Core JV
Total revenues	\$	7,471	\$	—	\$ —
Total expenses		11,414		—	—
Net loss	\$	( 3,943 )	\$	—	\$ —
AIR's loss from unconsolidated real estate partnerships	\$	( 565 )	\$	—	\$ —

## Note 7 — Commitments and Contingencies

### Commitments

We enter into certain commitments for future purchases of goods and services in connection with the operations of our apartment communities. Those commitments generally have terms of one year or less and reflect expenditure levels comparable to our historical expenditures.

### Legal Matters

In addition to the matters described below, we are a party to various legal actions and administrative proceedings arising in the ordinary course of business, some of which are covered by our general liability insurance program, and none of which we expect to have a material adverse effect on our consolidated financial condition, results of operations or cash flows.

### Environmental

Various federal, state and local laws subject apartment community owners or operators to liability for management and the costs of removal or remediation of certain potentially hazardous materials that may be present in the land or buildings of an apartment community. Such laws often impose liability without regard to fault or whether the owner or operator knew of, or was responsible for, the presence of such materials. The presence of, or the failure to manage or remediate properly, these materials may adversely affect occupancy at such apartment communities as well as the ability to sell or finance such apartment communities. In addition, governmental agencies may bring claims for costs associated with investigation and remediation actions. Moreover, private plaintiffs may potentially make claims for investigation and remediation costs they incur or for personal injury, disease, disability, or other infirmities related to the alleged presence of hazardous materials. In addition to potential environmental liabilities or costs associated with our current apartment

communities, we may also be responsible for such liabilities or costs associated with communities we acquire or manage in the future or apartment communities we no longer own or operate.

We are engaged in discussions with the Environmental Protection Agency ("EPA"), regarding contaminated groundwater near an Indiana apartment community that has not been owned by us since 2008, for which we have recognized a contingent liability. The contamination allegedly derives from a dry cleaner that operated on our former property, prior to our ownership. We undertook a voluntary remediation of the dry cleaner contamination under state oversight. In 2016, EPA listed our former community and a number of residential communities in the vicinity on the National Priorities List ("NPL") (i.e., as a Superfund site). In May 2018, we prevailed on our federal judicial appeal vacating the Superfund listing. We continue to work with EPA to formulate an agreed order to reimburse EPA costs and finish clean-up of the site outside the Superfund program. Although the outcome of this process is uncertain, we do not expect the resolution to have a material adverse effect on our consolidated financial condition, results of operations, or cash flows.

We have a contingent liability related to a property in Lake Tahoe, California. An entity owned by us was the former general partner of a now-dissolved partnership that previously owned a site where a laundromat, with a self-service dry-cleaning machine, operated. That entity and the current property owner have been remediating the site since 2009, under the oversight of the Lahontan Regional Water Quality Control Board ("Lahontan"). In May 2017, Lahontan issued a final cleanup and abatement order that names four potentially-responsible parties, acknowledges that there may be additional responsible parties, and requires the named parties to perform additional groundwater investigation and corrective actions with respect to onsite and offsite contamination. We appealed the final order, and on June 1, 2020, the court vacated the Order against us. However, there are still civil suits pending related to this contingent liability. Although the outcome of this process is uncertain, we do not expect the resolution to have a material adverse effect on our consolidated financial condition, results of operations, or cash flows.

We have determined that our legal obligations to remove or remediate certain potentially hazardous materials may be conditional asset retirement obligations ("AROs"), as defined by GAAP. Except in limited circumstances where the asset retirement activities are expected to be performed in connection with a planned construction project or apartment community casualty, we believe that the fair value of our AROs cannot be reasonably estimated due to significant uncertainties in the timing and manner of settlement of those obligations. AROs that are reasonably estimable as of December 31, 2023, are immaterial to our consolidated financial statements.

## **Note 8 — AIR Equity**

### *Common Stock*

During the years ended December 31, 2023, 2022, and 2021, we declared regular, recurring cash dividends per common share of \$ 1.80 , \$ 1.80 , and \$ 1.74 , respectively.

### *Share Repurchases*

During the year ended December 31, 2023, we repurchased 4.3 million shares of Common Stock for \$ 149.0 million, at an average price of \$ 34.48 . Subsequent to year ended December 31, 2023, AIR's Board of Directors authorized an additional \$ 500 million of share repurchases, which replaced the remaining \$ 34.3 million balance under the previous share repurchase authorization. We consider share buybacks as part of a balanced investment program.

### *Equity Issuance*

On April 23, 2021, we issued and sold 7.8 million shares of our Class A Common Stock for \$ 43.77 per share in a private placement to a large global real estate-focused investment firm and received cash proceeds of \$ 342.2 million, net of fees. Proceeds raised were used to repay \$ 318.4 million of property debt with a weighted-average interest rate of 4.6 %.

### *Preferred Stock*

As of December 31, 2023 and 2022, we had a single class of perpetual Preferred Stock outstanding, our Class A Preferred Stock, with 20 shares issued and outstanding and a balance of \$ 2.0 million.

Our Class A Preferred Stock has a \$ 0.01 per share par value, is senior to our Common Stock, has a liquidation preference per share of \$ 100,000 , and is redeemable at our option on or after December 15, 2025. The holders of our Class

A Preferred Stock are generally not entitled to vote on matters submitted to stockholders. Dividends in an amount per share equal to 8.5 % per annum are subject to declaration by our Board of Directors.

## Note 9 — Partners' Capital

### Partnership Preferred Units Owned by AIR

At December 31, 2023 and 2022, the AIR Operating Partnership had Class A outstanding preferred units similar to AIR's Preferred Stock discussed in [Note 8](#). All Class A Partnership Preferred Units are senior to the AIR Operating Partnership common partnership units. Distributions on all Partnership Preferred Units are subject to being declared by the General Partner. The Partnership Preferred Units are redeemable by the AIR Operating Partnership only in connection with a concurrent redemption by AIR of the corresponding AIR Preferred Stock held by unrelated parties.

### Redeemable Preferred OP Units

The AIR Operating Partnership has outstanding various classes of redeemable preferred OP Units. As of December 31, 2023 and 2022, the AIR Operating Partnership had the following classes of preferred OP Units (stated at their redemption values, in thousands, except unit and per unit data):

Class of Preferred Units	Distributions per Annum		Units Issued and Outstanding		Redemption Values	
	Percent	Per Unit	2023	2022	2023	2022
Class One	8.75 %	\$ 8.00	90,000	90,000	\$ 8,229	\$ 8,229
Class Two	1.92 %	\$ 0.48	5,368	5,418	132	135
Class Three	7.88 %	\$ 1.97	1,310,902	1,310,902	32,772	32,772
Class Four	8.00 %	\$ 2.00	644,954	644,954	16,124	16,124
Class Six	8.50 %	\$ 2.13	769,585	769,585	19,240	19,240
Class Seven	7.87 %	\$ 1.97	25,715	25,715	643	643
<b>Total</b>			<b>2,846,524</b>	<b>2,846,574</b>	<b>\$ 77,140</b>	<b>\$ 77,143</b>

Each class of preferred OP Units is currently redeemable at the holders' option. The AIR Operating Partnership, at its sole discretion, may settle such redemption requests in cash or cause AIR to issue shares of its Common Stock with a value equal to the redemption price. In the event the AIR Operating Partnership requires AIR to issue shares of Common Stock to settle a redemption request, the AIR Operating Partnership would issue to AIR a corresponding number of common OP Units. The AIR Operating Partnership has a redemption policy that requires cash settlement of redemption requests for the preferred OP Units, subject to limited exceptions. Subject to certain conditions, the Class Four and Class Six preferred OP Units may be converted into common OP Units.

These redeemable preferred units are classified within temporary equity in AIR's consolidated balance sheets and within temporary capital in the AIR Operating Partnership's consolidated balance sheets.

During the years ended December 31, 2023, 2022, and 2021, approximately 50 , 89,000 , and 3,000 preferred OP Units, respectively, were redeemed in exchange for cash, and no preferred OP Units were redeemed in exchange for shares of AIR Common Stock or common OP Units.

The following table presents a rollforward of the AIR Operating Partnership's preferred OP Units' redemption value (in thousands):

Balance at January 1, 2023	\$ 77,143
Preferred distributions	( 6,280 )
Redemption of preferred units and other	( 3 )
Net income allocated to preferred units	6,280
<b>Balance at December 31, 2023</b>	<b>\$ 77,140</b>

## *AIR Operating Partnership Partners' Capital*

### Common Partnership Units

The common partnership units held by AIR are classified within Partners' Capital as General Partner and Special Limited Partner capital and the common OP Units are classified within Limited Partners' capital in the AIR Operating Partnership's consolidated balance sheets. The common OP Units are classified within permanent equity as common noncontrolling interests in the AIR Operating Partnership in AIR's consolidated balance sheets.

Common partnership units held by AIR are not redeemable whereas common OP Units are redeemable at the holders' option, subject to certain restrictions, on the basis of one common OP Unit for either one share of Common Stock or cash equal to the fair value of a share of Common Stock at the time of redemption, in AIR Operating Partnership's sole discretion. AIR has the option to deliver shares of Common Stock in exchange for all or any portion of the common OP Units tendered for redemption. When a limited partner redeems a common OP Unit for Common Stock, Limited Partners' capital is reduced and the General Partner and Special Limited Partners' capital is increased.

During the years ended December 31, 2023, 2022, and 2021, approximately 528,000 , 251,000 and 356,000 common OP Units, respectively, were redeemed in exchange for cash. During the year ended December 31, 2023 no common OP Units were redeemed for shares of Common Stock. During the years ended December 31, 2022 and 2021, approximately 3,000 and 171,000 common OP Units, respectively, were redeemed in exchange for shares of Common Stock.

The holders of the common OP Units receive distributions, prorated from the date of issuance, in an amount equivalent to the dividends paid to holders of Common Stock. During the years ended December 31, 2023, 2022, and 2021, the AIR Operating Partnership declared regular, recurring distributions per common unit of \$ 1.80 , \$ 1.80 , and \$ 1.74 , respectively.

### **Note 10 — Share-Based Compensation**

We have a stock award and incentive program to attract and retain officers and independent directors. As of December 31, 2023, approximately 2.4 million shares were available for issuance under our Amended and Restated 2020 Stock Award and Incentive Plan (the "Plan"). The total number of shares available for issuance under this Plan may increase due to any forfeiture, cancellation, exchange, surrender, termination, or expiration of an award outstanding under the Plan. Awards under the Plan may be in the form of restricted stock, stock options, or other types of awards as authorized under the Plan. Our plans are administered by the Compensation and Human Resources Committee of the Board of Directors.

We grant awards that are subject to time-based vesting and require continuous employment, typically over a period of four years from the grant date. We also grant awards that vest based on AIR's total shareholder return ("TSR") relative to various indices or other performance based metrics.

The vesting of TSR awards is based on AIR's TSR relative to apartment REIT indices, or other real estate indices, over a forward-looking performance period of three years. Earned TSR-based awards, if any, typically vest 50 % on each of the third anniversary and fourth anniversary of the grant date, based on continued employment. The vesting of performance awards is conditioned on performance goals achieved in the current year, and typically vest over two to three years. Vested LTIP II units may be converted at the holders' option to common OP Units for a conversion price over a term of 10 years. Our stock options expire generally 10 years from the date of grant. In the case of stock options, the exercise price of the options granted may not be less than the fair market value of a share of Common Stock at the date of grant.

We recognize compensation cost associated with time-based awards ratably over the requisite service periods, which are typically four years. We recognize compensation cost related to the TSR-based awards, which have graded vesting periods, over the requisite service period for each separate vesting tranche of the award, commencing on the grant date. The value of the TSR-based awards takes into consideration the probability that the market condition will be achieved; therefore previously recorded compensation cost is not adjusted in the event that the market condition is not achieved and awards do not vest.

Total compensation cost recognized for share-based awards was as follows for the years ended December 31, 2023, 2022, and 2021 (in thousands):

	2023	2022	2021
Share-based compensation expense (1)	\$ 8,874	\$ 7,463	\$ 7,360
Capitalized share-based compensation (2)	422	503	295
<b>Total share-based compensation (3)</b>	<b>\$ 9,296</b>	<b>\$ 7,966</b>	<b>\$ 7,655</b>

(1) Amounts are recorded in general and administrative expenses and property management expenses in our consolidated statements of operations.

(2) Amounts are recorded in building and improvements in our consolidated balance sheets.

(3) Amounts are recorded in additional paid-in capital and common noncontrolling interests in AIR Operating Partnership in the AIR consolidated balance sheets, and in general partner and special limited partner and limited partners in the AIR Operating Partnership consolidated balance sheets.

As of December 31, 2023, total unvested compensation cost not yet recognized was \$ 12.9 million. We expect to recognize this compensation over a weighted-average period of approximately 1.6 years.

#### *Stock Options*

As of December 31, 2023, we had stock options outstanding of 831,297, which had no aggregate intrinsic value and a weighted-average remaining contractual term of 2.2 years. We had 718,961 of stock options exercisable as of December 31, 2023, which had no aggregate intrinsic value and a weighted-average remaining contractual term of 1.8 years. The intrinsic value of a stock option represents the amount by which the current price of the underlying stock exceeds the exercise price of the option.

During 2023, we granted stock options with a weighted-average grant date fair value of \$ 11.62. We did not grant any stock options during 2022 and 2021.

#### *Restricted Stock Awards*

As of December 31, 2023, we had 134,615 shares unvested at a weighted-average grant date fair value of \$ 47.78 per share for restricted stock awards that vest over time. As of December 31, 2023, we had 308,327 of shares unvested based on the target performance payout, at a weighted-average grant date fair value of \$ 43.72 per share for performance based restricted stock awards.

The aggregate fair value of restricted stock awards that vested during the years ended December 31, 2023, 2022, and 2021 was \$ 1.7 million, \$ 4.3 million, and \$ 3.2 million, respectively.

#### *LTIP II Units*

As of December 31, 2023, we had 3,317,384 of TSR LTIP II units unvested, at a weighted-average grant date fair value of \$ 9.20 per share.

#### *Determination of Grant-Date Fair Value of Awards*

Options are granted with an exercise price at the fair market value of our Common Stock on the date of grant and expiration, subject to employment, which is generally 10 years from the date of grant. Factors considered are the simulated stock price as well as total stockholder return relative to both the NAREIT Equity Apartment Index and the MSCI US REIT Index.

We estimated the fair value of TSR-based awards granted in 2023, 2022, and 2021 using a Monte Carlo model with the assumptions set forth in the table below.

The risk-free interest rate reflects the annualized yield of a zero coupon United States Treasury security with a term equal to the expected term of the awards. The expected dividend yield reflects expectations regarding cash dividend amounts per share paid on our Common Stock during the expected term of the awards. Expected volatility reflects an average of the historical volatility of our Common Stock during the historical period commensurate with the expected term of the award that ended on the date of grant, and the implied volatility is calculated from observed call option contracts closest to the expected term. The derived vesting period of restricted stock and TSR LTIP I units was determined based on

the graded vesting terms. The expected term of the stock options and TSR LTIP II units was based on historical exercises and post-vesting terminations. The valuation assumptions for the 2023, 2022, and 2021 grants were as follows:

	2023	2022	2021
Grant date market value of a common share	\$ 38.26	\$ 53.91	\$ 36.84
Risk-free interest rate	3.85 % - 4.14 %	1.20 % - 1.68 %	0.24 % - 0.78 %
Dividend yield	4.70 %	3.50 %	4.00 %
Expected volatility	28.56 % - 28.59 %	22.63 % - 24.83 %	23.08 % - 28.21 %
Derived vesting period of TSR Restricted Stock and TSR LTIP I units	3.5 years	3.5 years	3.2 years
Weighted average expected term of TSR Stock Options and LTIP II units	5.5 years	5.4 years	5.4 years

The grant date fair value for the time-based restricted stock awards reflects the closing price of a share of our Common Stock on the grant date.

#### Note 11 — Income Taxes

During the year ended December 31, 2020, and consistent with AIR's simplified business structure and strategy, we converted one of our former taxable REIT subsidiaries into a REIT, and we elected for such entity to be taxed as a REIT under the Code commencing with its taxable year ended December 31, 2021. As a result, AIR has lower income taxes on a consolidated basis, providing more cash for distributions and other corporate uses.

As a REIT, this subsidiary will generally be allowed a deduction for dividends that it pays, and therefore, will not be subject to United States federal corporate income tax on the taxable income that is currently distributed to stockholders, however, it may be subject to federal and state tax on the net built-in gain in the converted property under the rules of Section 1374 of the Code, certain state gross income and franchise taxes, as well as taxes on any undistributed income and federal and state corporate taxes on any income earned.

The income tax effects of a REIT conversion for financial reporting purposes are reflected in the period in which all significant actions necessary to qualify as a REIT are completed and the entity has committed to becoming a REIT, including (i) obtaining approval from the appropriate parties; (ii) purging through a distribution to stockholders any accumulated earnings and profits from its operations as a C corporation; and (iii) having any remaining actions for the entity to achieve REIT status be perfunctory legal and administrative matters. All significant actions necessary to qualify as a REIT were met as of December 31, 2020, and as such its deferred tax assets and liabilities as of that date were adjusted to reflect a tax rate of zero percent, resulting in the elimination of its deferred tax assets and liabilities as of December 31, 2020.

Because the statute of limitations has not yet elapsed, our United States federal income tax returns for the year ended December 31, 2015, and subsequent years and certain of our state income tax returns for the year ended December 31, 2019, and subsequent years are currently subject to examination by the IRS or other taxing authorities.

We include any interest and penalties related to income taxes within income tax (expense) benefit in our consolidated statements of operations.

Significant components of the income tax benefit or expense are as follows and are classified within income tax (expense) benefit in our consolidated statements of operations for the years ended December 31, 2023, 2022, and 2021 (in thousands):

	2023	2022	2021
Current:			
Federal	\$ (1,349)	\$ (756)	\$ 7,409
State	(952)	(2,807)	(1,971)
Total current	(2,301)	(3,563)	5,438
Deferred:			
Federal	(102)	(291)	(153)
State	(24)	(69)	(39)
Total deferred	(126)	(360)	(192)
<b>Total (expense) benefit</b>	<b>\$ (2,427)</b>	<b>\$ (3,923)</b>	<b>\$ 5,246</b>

Consolidated income or loss subject to tax consists of pretax income or loss from the continuing operations of our TRS entities and income and gains retained by the continuing operations of the REIT. For the years ended December 31, 2023, 2022, and 2021, we had consolidated net income subject to tax of \$ 24.1 million, \$ 7.4 million, \$ 28.9 million, respectively.

The reconciliation of income tax computed at the United States statutory rate to income tax benefit is shown below (dollars in thousands):

	2023		2022		2021	
	Amount	Percent	Amount	Percent	Amount	Percent
Tax expense provision at United States statutory rates on consolidated income from continuing operations subject to tax	\$ (5,065)	(21.0 %)	\$ (1,554)	(21.0 %)	\$ (6,064)	(21.0 %)
State income tax expense, net of federal tax expense	(996)	(4.1 %)	(2,853)	(38.6 %)	(2,011)	(7.0 %)
Tax credits	3,420	14.2 %	191	2.6 %	3,508	12.1 %
TRS REIT election	—	— %	—	— %	9,656	33.4 %
Other	214	0.9 %	293	4.0 %	157	0.5 %
<b>Total income tax expense</b>	<b>\$ (2,427)</b>	<b>(10.0 %)</b>	<b>\$ (3,923)</b>	<b>(53.0 %)</b>	<b>\$ 5,246</b>	<b>18.0 %</b>

For income tax purposes, dividends paid to holders of Common Stock primarily consist of ordinary income, capital gains, qualified dividends, unrecaptured Section 1250 gains, return of capital, or a combination thereof. For the years ended December 31, 2023, 2022, and 2021, dividends per share held for the entire year were estimated to have the following tax attributes:

	2023		2022		2021	
(unaudited)	Amount	Percentage	Amount	Percentage	Amount	Percentage
Ordinary income	\$ 0.24	13.1 %	\$ 0.21	11.8 %	\$ —	— %
Capital gains	0.06	3.5 %	1.37	76.0 %	0.44	25.3 %
Qualified dividends	—	— %	0.03	1.9 %	—	— %
Unrecaptured Section 1250 gain	—	— %	0.19	10.3 %	0.13	7.5 %
Return of capital	1.50	83.4 %	—	— %	1.17	67.2 %
<b>Total</b>	<b>\$ 1.80</b>	<b>100.0 %</b>	<b>\$ 1.80</b>	<b>100.0 %</b>	<b>\$ 1.74</b>	<b>100.0 %</b>



## Note 12 — Earnings and Dividends per Share and per Unit

AIR and the AIR Operating Partnership calculate basic earnings per common share and basic earnings per common unit, respectively, based on the weighted-average number of shares of Common Stock and common partnership units outstanding, respectively. We calculate diluted earnings per share and diluted earnings per unit taking into consideration dilutive Common Stock and common partnership unit equivalents and dilutive convertible securities outstanding during the period.

Our Common Stock and common partnership unit equivalents include: (i) options to purchase shares of Common Stock, which, if exercised, would result in AIR's issuance of additional shares and the AIR Operating Partnership's issuance to AIR of additional common partnership units equal to the number of shares purchased under the options; (ii) unvested total stockholder return ("TSR") restricted stock awards that do not meet the definition of participating securities, which would result in an increase in the number of shares of Common Stock and common partnership units outstanding equal to the number of the shares that vest; and (iii) preferred OP Units, which may be redeemed at the holders' option for cash or shares of Common Stock. Common partnership unit equivalents also include unvested long-term incentive partnership units. We include in the denominator securities with dilutive effect in calculating diluted earnings (loss) per share and per unit during these periods.

Our restricted stock awards that are subject to time-based vesting receive non-forfeitable dividends similar to shares of Common Stock and common partnership units prior to vesting. Our TSR long-term incentive partnership units receive non-forfeitable distributions based on specified percentages of the distributions paid to common partnership units prior to vesting and conversion. The unvested restricted shares and units related to these awards are participating securities. We include the effect of participating securities in basic and diluted earnings per share and unit computations using the two-class method of allocating distributed and undistributed earnings when the two-class method is more dilutive than the treasury stock method.

Reconciliations of the numerator and denominator in the calculations of basic and diluted earnings per share and per unit for the years ended December 31, 2023, 2022, and 2021 are as follows (in thousands, except per share and per unit data):

	2023	2022	2021
<b>Earnings per share</b>			
Numerator:			
Basic and dilutive net income attributable to AIR common stockholders	\$ 634,444	\$ 903,642	\$ 447,124
Effect of dilutive instruments	6,280	6,388	—
<b>Dilutive net income attributable to AIR common stockholders</b>	<b>\$ 640,724</b>	<b>\$ 910,030</b>	<b>\$ 447,124</b>
Denominator – shares:			
Basic weighted-average common shares outstanding	147,899	154,093	154,135
Dilutive common share equivalents outstanding	2,321	2,494	368
<b>Dilutive weighted-average common shares outstanding</b>	<b>150,220</b>	<b>156,587</b>	<b>154,503</b>
<b>Earnings per share – basic</b>	<b>\$ 4.29</b>	<b>\$ 5.86</b>	<b>\$ 2.90</b>
<b>Earnings per share – diluted</b>	<b>\$ 4.27</b>	<b>\$ 5.81</b>	<b>\$ 2.89</b>
<b>Earnings per unit</b>			
Numerator:			
Basic and dilutive net income attributable to the AIR Operating Partnership's common unitholders	\$ 677,165	\$ 962,414	\$ 475,557
Effect of dilutive instruments	6,280	6,388	—
<b>Basic and dilutive net income attributable to the AIR Operating Partnership's common unitholders</b>	<b>\$ 683,445</b>	<b>\$ 968,802</b>	<b>\$ 475,557</b>
Denominator – units:			
Basic weighted-average common units outstanding	157,687	164,141	162,739
Dilutive common unit equivalents outstanding	2,321	2,494	369
<b>Dilutive weighted-average common units outstanding</b>	<b>160,008</b>	<b>166,635</b>	<b>163,108</b>
<b>Earnings per unit – basic</b>	<b>\$ 4.29</b>	<b>\$ 5.86</b>	<b>\$ 2.92</b>
<b>Earnings per unit – diluted</b>	<b>\$ 4.27</b>	<b>\$ 5.81</b>	<b>\$ 2.92</b>

The number of common share equivalent securities excluded from the diluted earnings per share calculation were approximately 3.4 million, — , and 1.5 million for the years ended December 31, 2023, 2022, and 2021 respectively.

#### Note 13 — Fair Value Measurements

We estimate the fair value of certain assets and liabilities using pricing models that rely on observable market information, including contractual terms, market prices, and interest rate yield curves. A three-level valuation hierarchy prioritizes observable and unobservable inputs used to measure fair value, as described below:

- Level 1 – Quoted prices in active markets for identical assets or liabilities that the entity has the ability to access.
- Level 2 – Observable inputs other than prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated with observable market data.
- Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities. This includes certain pricing models, discounted cash flow methodologies, and similar techniques that use significant unobservable inputs.

### Recurring Fair Value Measurements

The following table summarizes investments measured at fair value on a recurring basis, which are presented in other assets, net, and accrued liabilities and other in our consolidated balance sheets (in thousands):

	As of December 31, 2023				As of December 31, 2022			
	Total Fair Value	Level 1	Level 2	Level 3	Total Fair Value	Level 1	Level 2	Level 3
Interest rate option (1)	\$ —	\$ —	\$ —	\$ —	\$ 53,481	\$ —	\$ 53,481	\$ —
Interest rate swaps - pay-fixed, receive floating	\$ 14,679	\$ —	\$ 14,679	\$ —	\$ 32,222	\$ —	\$ 32,222	\$ —
Interest rate swaps - pay-floating, receive fixed	\$ 465	\$ —	\$ 465	\$ —	\$ —	\$ —	\$ —	\$ —
Interest rate swap - forward starting	\$ 331	\$ —	\$ 331	\$ —	\$ —	\$ —	\$ —	\$ —
Treasury rate locks	\$ —	\$ —	\$ —	\$ —	\$ 319	\$ —	\$ 319	\$ —

(1) During the second quarter of 2023, the interest rate swap option asset and offsetting liability associated with the Parkmerced mezzanine investment was settled, resulting in equal decreases in other assets and accrued liabilities and other in the consolidated balance sheets which represents non-cash activity.

### Financial Assets and Liabilities Not Measured at Fair Value

We believe that the carrying value of the consolidated amounts of cash and cash equivalents, restricted cash, accounts receivable, and accounts payable approximated their estimated fair value as of December 31, 2023 and 2022, due to their relatively short-term nature and high probability of realization. The carrying value of our revolving credit facility and term loans, which we classify as Level 2 in the GAAP fair value hierarchy, approximated their estimated fair value as of December 31, 2023 and 2022, as they bear interest at floating rates which approximate market rates.

We classify the fair value of our non-recourse property debt, unsecured notes payable, seller financing notes receivable, and preferred equity investment within Level 2 of the GAAP fair value hierarchy, as summarized in the following table (in thousands):

	As of December 31, 2023		As of December 31, 2022	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Non-recourse property debt	\$ 2,236,975	\$ 2,001,532	\$ 1,994,651	\$ 1,753,222
Unsecured notes payable	\$ 400,000	\$ 384,244	\$ 400,000	\$ 371,368
Seller financing note receivable, net (1)	\$ 32,459	\$ 33,042	\$ 31,611	\$ 32,286
Preferred equity investment (2)	\$ 22,693	\$ 23,562	\$ —	\$ —

(1) During the year ended December 31, 2022, we provided \$ 40.0 million of seller financing as partial consideration for the sale of our New England portfolio. The contractual interest rate on the note is 4.5 %. The difference between the stated rate and the market interest rate as of the date of sale resulted in a discount recorded of \$ 8.5 million. The seller financing note and related discount are included in other assets, net in our consolidated balance sheets.

(2) As a result of the Value-Add JV transaction in the year ended December 31, 2023, AIR holds a preferred equity investment in the Value-Add JV. The contractual interest rate on the preferred equity investment is 7.25 %. The difference between the stated rate and the effective interest rate as of the date of the transaction resulted in a discount recorded of \$ 5.9 million, which represents noncash activity. The preferred equity investment and related discount are included in investment in unconsolidated real estate partnerships in our consolidated balance sheets.

### Note 14 — Derivative Financial Instruments and Hedging Activities

#### Risk Management Objective of Using Derivatives

Our objectives in using interest rate derivatives are to add predictability to interest expense and to manage our exposure to interest rate movements. To accomplish these objectives, we primarily use interest rate swaps and treasury locks as part of our interest rate management strategy. Interest rate swaps primarily involve the receipt of variable-rate or fixed-rate amounts from a counterparty in exchange for us making fixed-rate or variable-rate payments over the life of the agreements without exchange of the underlying notional amounts.

Changes in fair value of derivatives designated as cash flow hedges are recognized in accumulated other comprehensive income and subsequently reclassified into earnings as an increase or decrease to interest expense. During

the year ended December 31, 2023, we reclassified gains of \$ 25.8 million out of accumulated other comprehensive income into interest expense, inclusive of the Company's acceleration of the reclassification of amounts in accumulated other comprehensive income given that certain hedged forecasted transactions are not expected to occur. During the third quarter of 2023, the Company accelerated a gain of \$ 11.5 million into earnings due to the early payoff of the hedged term loans previously designated. During the year ended December 31, 2022, we reclassified losses of \$ 0.3 million out of accumulated other comprehensive income into interest expense. As of December 31, 2023, we estimate that during the next 12 months, we will reclassify into earnings approximately \$ 6.7 million of the unrealized gain in accumulated other comprehensive income.

Changes in fair value of derivatives not designated in a hedge relationship, or economic hedges, are recognized in gain on derivative instruments, net, in our consolidated statements of operations. During the year ended December 31, 2023, we recorded gains of \$ 16.7 million. During the year ended December 31, 2022, no amounts were recognized related to derivatives not designated in a hedge relationship.

During the second quarter of 2023, we de-designated \$ 830 million of notional value pay-fixed, receive-floating interest rate swaps. As a result, the accumulated unrealized gains at time of de-designation of \$ 29.5 million was expected to be reclassified into earnings over the remaining term of the forecasted transactions. During the year ended December 31, 2023, \$ 4.2 million of this balance was reclassified out of accumulated other comprehensive income into interest expense, and \$ 11.5 million was accelerated into interest expense. The remaining balance of \$ 13.8 million is included within accumulated other comprehensive income as of December 31, 2023 and will be reclassified into earnings over the remaining term of the forecasted transaction.

During the year ended December 31, 2023, we fully terminated eight and partially terminated two interest rate swap positions not designated as hedging instruments. Four of the fully terminated instruments and one of the partially terminated instruments were pay-floating, receive-fixed interest rate swaps with a notional value of \$ 330 million and \$ 100 million, respectively. Four of the fully terminated and one of the partially terminated instruments were offsetting pay-fixed, receive-floating interest rate swaps with a notional value of \$ 330 million, and \$ 100 million, respectively. Upon termination, AIR received \$ 15.5 million in cash.

During the fourth quarter of 2023, AIR entered into a notional value \$ 125 million pay-fixed, receive-floating interest rate swap, economically hedging the remaining \$ 125 million of variable-rate term loans, which results in the outstanding term loan balance of \$ 475 million, with an effective interest rate of 4.3 %.

As of December 31, 2023, AIR had a notional value of \$ 555 million of pay-fixed, receive-floating interest rate swaps that are not designated as hedging instruments, and a notional value of \$ 50 million of forward starting interest rate swaps that are not designated as hedging instruments. These derivative instruments are partially offset by a notional value of \$ 80 million of pay-floating, receive-fixed interest rate swaps that are not designated as hedging instruments. Accordingly, the changes in the fair value of these derivatives are recognized in gain on derivative instruments, net, in our consolidated statements of operations. As a result of the \$ 80 million of pay-floating, receive-fixed interest rate swaps that are not designated as hedging instruments, we expect to receive monthly fixed interest income representing the spread between the offsetting pay-fixed and receive-fixed legs of our interest rate swap positions over a weighted-average term of 2.8 years.

The following table summarizes our derivative financial instruments (dollars in thousands):

	As of December 31, 2023				
		Aggregate	Derivative Assets	Derivative Liabilities	
	Number of	Notional	(included in Other	(included in Accrued	
	Instruments	Amount	Assets, net)	Liabilities and Other)	
			Fair Value		
Derivatives not designated as hedging instruments:					
Interest rate swaps - pay-fixed, receive floating	7	\$ 555,000	\$ 15,266	\$ ( 587 )	
Interest rate swaps - pay-floating, receive fixed	2	\$ 80,000	\$ 472	\$ ( 7 )	
Interest rate swap, forward starting	1	\$ 50,000	\$ 331	\$ —	
	As of December 31, 2022				
		Aggregate	Derivative Assets	Derivative Liabilities	
	Number of	Notional	(included in Other	(included in Accrued	
	Instruments	Amount	Assets, net)	Liabilities and Other)	
			Fair Value		
Derivatives designated as hedging instruments:					
Treasury rate lock	1	\$ 100,000	\$ 319	\$ —	
Interest rate swaps - pay-fixed, receive floating	10	\$ 830,000	\$ 32,222	\$ —	

Subsequent to the year ended December 31, 2023, AIR entered into three pay-fixed, receive floating interest rate swaps, with a notional value of \$ 200 million and a term of 2.2 years. The pay-fixed, receive-floating interest rate swaps, economically hedges the balance of our variable-rate revolving credit facility at a weighted-average all-in rate of 4.9 %. Additionally, AIR restructured one forward starting interest rate swap on our anticipated fixed-rate property debt and one pay-fixed, receive-floating interest rate swap, on our term loans .

#### Note 15 — Variable Interest Entities

##### Consolidated Entities

AIR consolidates the AIR Operating Partnership, a VIE of which AIR is the primary beneficiary. AIR, through the AIR Operating Partnership, consolidates all VIEs for which it is the primary beneficiary. Substantially all of the assets and liabilities of AIR are that of the AIR Operating Partnership.

The AIR Operating Partnership consolidates (i) three VIEs that own interests in one or more apartment communities and are typically structured to generate a return for their partners through the operation and ultimate sale of the communities and (ii) one VIE related to a lessor entity that owns an interest in a property leased to a third party. The AIR Operating Partnership is the primary beneficiary in the limited partnerships in which it is the sole decision maker and has a substantial economic interest.

The table below summarizes apartment community information regarding VIEs consolidated by the AIR Operating Partnership:

	December 31, 2023 (1)	December 31, 2022
VIEs with interests in apartment communities	3	5
Apartment communities owned by VIEs	14	16
Apartment homes in communities owned by VIEs	4,866	5,369

(1) During 2023, the number of our VIEs with interests in apartment communities decreased due to our Core JV partner's acquisition of an indirect 47 % interest through the Core JV in one consolidated limited partnership with 175 apartment homes, and our purchase of the remaining non-controlling interest in a consolidated limited partnership with 328 apartment homes, which was subsequently contributed to the Core JV during the third quarter of 2023.

Assets of the AIR Operating Partnership's consolidated VIEs must first be used to settle the liabilities of such consolidated VIEs. These consolidated VIEs' creditors do not have recourse to the general credit of the AIR Operating

Partnership. Assets and liabilities of VIEs, excluding those of the AIR Operating Partnership, are summarized in the table below (in thousands):

	December 31, 2023	December 31, 2022
<b>ASSETS:</b>		
Net real estate	\$ 1,013,770	\$ 1,066,482
Cash and cash equivalents	41,219	54,319
Restricted cash	2,179	2,378
Other assets, net	22,546	20,944
<b>LIABILITIES:</b>		
Non-recourse property debt, net	\$ 1,196,280	\$ 1,212,065
Accrued liabilities and other	34,903	35,365

#### *Unconsolidated Entities*

We have an interest in a partnership that owns Parkmerced Apartments, which meets the definition of a VIE. However, we are not the primary beneficiary and do not consolidate this partnership. Subsequent to 2020, all risks and rewards of ownership are Aimco's, however, as legal transfer has not occurred, there is an equal and offsetting liability included in accrued liabilities and other in our consolidated balance sheets. Accordingly, there is no net effect on AIR's equity or the AIR Operating Partnership's partners' capital, and any changes in the equal and offsetting asset and liability represent non-cash activity. As of December 31, 2023 and 2022, the investment balance of \$ — and \$ 158.7 million, respectively, is included in other assets, net in our consolidated balance sheets.

Please see [Note 6](#) for further discussion regarding our unconsolidated joint ventures.

#### **Note 16 — Business Segments**

We have two segments: Same Store and Other Real Estate. Our Same Store segment includes communities that are owned and managed by AIR and have reached a stabilized level of operations. Our Other Real Estate segment includes four properties acquired in 2022, four properties previously leased to Aimco, and four properties acquired in 2023.

Our CODM uses proportionate property NOI to assess the operating performance of our communities. Proportionate property NOI reflects our share of rental and other property revenues, excluding utility reimbursements, less direct property operating expenses, net of utility reimbursements. In our consolidated statements of operations, utility reimbursements are included in rental and other property revenues in accordance with GAAP.

As of December 31, 2023, our Same Store segment included 63 apartment communities with 22,794 apartment homes and our Other Real Estate segment included 12 apartment communities with 3,832 apartment homes.

The following tables present the total revenues, property operating expenses, proportionate property net operating income (loss), and income before income tax expense of our segments on a proportionate basis, excluding amounts related

to communities sold. To reflect how the CODM evaluates the business, prior period segment information has been recast to conform with our reportable segment composition as of December 31, 2023 (in thousands):

	Same Store	Other Real Estate	Proportionate and Other Adjustments (1)	Corporate and Amounts Not Allocated to Segments (2)	Consolidated
Year ended December 31, 2023:					
Total revenues	\$ 600,142	\$ 119,587	\$ 85,825	\$ 14,482	\$ 820,036
Property management and operating expenses	152,898	37,899	44,295	40,740	275,832
Other operating expenses not allocated to segments (3)	—	—	—	393,976	393,976
Total operating expenses	152,898	37,899	44,295	434,716	669,808
Proportionate property net operating income (loss)	447,244	81,688	41,530	( 420,234 )	150,228
Other items included in income before income tax expense (4)	—	—	—	541,486	541,486
<b>Income before income tax expense</b>	<b>\$ 447,244</b>	<b>\$ 81,688</b>	<b>\$ 41,530</b>	<b>\$ 121,252</b>	<b>\$ 691,714</b>

	Same Store	Other Real Estate	Proportionate and Other Adjustments (1)	Corporate and Amounts Not Allocated to Segments (2)	Consolidated
Year ended December 31, 2022:					
Total revenues	\$ 556,318	\$ 37,783	\$ 125,800	\$ 53,822	\$ 773,723
Property management and operating expenses	147,084	12,399	51,350	50,431	261,264
Other operating expenses not allocated to segments (3)	—	—	—	384,957	384,957
Total operating expenses	147,084	12,399	51,350	435,388	646,221
Proportionate property net operating income (loss)	409,234	25,384	74,450	( 381,566 )	127,502
Other items included in income before income tax expense (4)	—	—	—	846,471	846,471
<b>Income before income tax expense</b>	<b>\$ 409,234</b>	<b>\$ 25,384</b>	<b>\$ 74,450</b>	<b>\$ 464,905</b>	<b>\$ 973,973</b>

	Same Store	Other Real Estate	Proportionate and Other Adjustments (1)	Corporate and Amounts Not Allocated to Segments (2)	Consolidated
Year ended December 31, 2021:					
Total revenues	\$ 499,896	\$ —	\$ 113,634	\$ 127,323	\$ 740,853
Property management and operating expenses	140,829	—	48,101	79,171	268,101
Other operating expenses not allocated to segments (3)	—	—	—	365,547	365,547
Total operating expenses	140,829	—	48,101	444,718	633,648
Proportionate property net operating income (loss)	359,067	—	65,533	( 317,395 )	107,205
Other items included in income before income tax expense (4)	—	—	—	366,773	366,773
<b>Income before income tax expense</b>	<b>\$ 359,067</b>	<b>\$ —</b>	<b>\$ 65,533</b>	<b>\$ 49,378</b>	<b>\$ 473,978</b>

- (1) Represents adjustments to: (i) exclude AIR's proportionate share of the results of unconsolidated apartment communities, which is excluded in the related consolidated amounts, and (ii) include the noncontrolling interests in consolidated real estate partnerships' proportionate share of the results of communities, which is included in the related consolidated amounts. Also includes the reclassification of utility reimbursements from revenues to property operating expenses for the purpose of evaluating segment results. Utility reimbursements are included in rental and other property revenues in our consolidated statements of operations prepared in accordance with GAAP.
- (2) Includes: (i) the operating results of apartment communities sold during the periods shown or held for sale at the end of the period, if any, (ii) property management revenues, which are not part of our segment performance measure, property management expenses and casualty gains and

losses, which are included in consolidated property management and operating expenses and are not part of our segment performance measure, and (iii) the depreciation of capitalized costs of non-real estate assets.

- (3) Includes depreciation and amortization, general and administrative expenses, and other expenses, net, and may also include write-offs of deferred leasing commissions, which are not included in our measure of segment performance.
- (4) Includes interest income, interest expense, loss on extinguishment of debt, gain on dispositions of real estate, impairments of real estate, and derecognition of leased properties, loss from unconsolidated real estate partnerships, and gain on derivative instruments, net.

The assets of our segments and the consolidated assets not allocated to our segments were as follows (in thousands):

	December 31, 2023	December 31, 2022
Same Store	\$ 4,131,039	\$ 4,610,356
Other Real Estate	1,519,326	1,211,136
Corporate and other assets (1)	484,387	730,391
<b>Total consolidated assets</b>	<b>\$ 6,134,752</b>	<b>\$ 6,551,883</b>

- (1) Includes the assets not allocated to our segments including: (i) corporate assets; (ii) the mezzanine loan investment where the rights and obligations of ownership have been assigned to Aimco; and (iii) properties sold or classified as held for sale.

Capital additions related to our segments were as follows (in thousands):

	2023	2022	2021
Same Store	\$ 134,850	\$ 145,881	\$ 130,207
Other Real Estate	20,724	3,825	—
<b>Total capital additions</b>	<b>\$ 155,574</b>	<b>\$ 149,706</b>	<b>\$ 130,207</b>



**APARTMENT INCOME REIT CORP.**  
**APARTMENT INCOME REIT, L.P.**  
**SCHEDULE III: REAL ESTATE AND ACCUMULATED DEPRECIATION**  
**December 31, 2023**  
**(In Thousands, Except Apartment Home Data)**

							Initial Cost		(2)	As of December 31, 2023				
		(1)							Cost					
Apartment									Capitalized			(4)		
Community	Apartment	Date		Year	Apartment		Buildings and		Subsequent to		Buildings and	(3)	Depreciation	Total Cost
Name	Type	Consolidated	Location	Built	Homes	Land	Improvements		Consolidation	Land	Improvements	Total	(AD)	Net of AD
Encumbrances														
<b>Same Store:</b>														
21 Fitzsimons	Mid Rise	Aug 2014	Aurora, CO	2008	601	\$ 13,176	\$ 110,795	\$ 40,086	\$ 13,176	\$ 150,881	\$ 164,057	\$ ( 53,485 )	\$ 110,572	\$ 81,838
3400 Avenue of the Arts	Mid Rise	Mar 2002	Costa Mesa, CA	1987	770	57,241	65,506	101,943	57,241	167,449	224,690	( 116,299 )	108,391	—
777 South Broad Street	Mid Rise	May 2018	Philadelphia, PA	2010	146	6,986	67,512	5,229	6,986	72,741	79,727	( 16,149 )	63,578	37,051
Axiom	Mid Rise	Apr 2015	Cambridge, MA	2015	115	—	63,612	5,133	—	68,745	68,745	( 21,542 )	47,203	—
Bay Parc Plaza	High Rise	Sep 2004	Miami, FL	2000	474	22,680	41,847	65,092	22,680	106,939	129,619	( 43,586 )	86,033	69,987
Boulder Creek	Garden	Jul 1994	Boulder, CO	1973	221	754	7,730	19,634	754	27,364	28,118	( 21,125 )	6,993	—
Broadcast Center	Garden	Mar 2002	Los Angeles, CA	1990	279	29,407	41,244	44,820	29,407	86,064	115,471	( 46,287 )	69,184	—
Calhoun Beach Club	High Rise	Dec 1998	Minneapolis, MN	1928	332	11,708	73,334	62,140	11,708	135,474	147,182	( 101,407 )	45,775	—
Charlesbank Apartment Homes	Mid Rise	Sep 2013	Watertown, MA	2012	44	3,399	11,726	1,720	3,399	13,446	16,845	( 4,902 )	11,943	—
Chestnut Hall	High Rise	Oct 2006	Philadelphia, PA	1923	315	12,338	14,299	14,895	12,338	29,194	41,532	( 16,044 )	25,488	32,291
City Center on 7th	Garden	Jun 2021	Pembroke Pines, FL	2014	700	35,196	186,823	33,250	35,196	220,073	255,269	( 21,858 )	233,411	—
Flamingo Point, Center Tower	High Rise	Sep 1997	Miami Beach, FL	2003	513	15,279	29,358	240,993	15,279	270,351	285,630	( 146,577 )	139,053	—
Flamingo Point, South Tower (6)	High Rise	Sep 1997	Miami Beach, FL	1960	260	—	14,570	74,656	—	89,226	89,226	( 21,537 )	67,689	—
Foxchase	Garden	Dec 1997	Alexandria, VA	1940	2,113	15,496	96,062	95,399	15,496	191,461	206,957	( 127,305 )	79,652	170,000
Hidden Cove	Garden	Jul 1998	Escondido, CA	1983	334	3,043	17,616	20,372	3,043	37,988	41,031	( 23,334 )	17,697	64,757
Hidden Cove II	Garden	Jul 2007	Escondido, CA	1986	118	12,849	6,530	7,518	12,849	14,048	26,897	( 7,867 )	19,030	25,183
Hillcrest	Garden	Mar 2002	Century City, CA	1989	315	35,862	47,216	26,720	35,862	73,936	109,798	( 41,057 )	68,741	—
Indian Oaks	Garden	Mar 2002	Simi Valley, CA	1986	254	24,523	15,801	13,395	24,523	29,196	53,719	( 21,548 )	32,171	58,955
Indigo	High Rise	Aug 2016	Redwood City, CA	2016	463	26,932	296,116	12,194	26,932	308,310	335,242	( 80,869 )	254,373	171,938
Laurel Crossing	Garden	Jan 2006	San Mateo, CA	1971	418	49,474	17,756	20,756	49,474	38,512	87,986	( 22,212 )	65,774	—
Lincoln Place (7)	Garden	Oct 2004	Venice, CA	1951	795	128,332	10,439	256,641	44,198	351,214	395,412	( 193,540 )	201,872	169,960
Malibu Canyon	Garden	Mar 2002	Calabasas, CA	1986	698	69,834	53,438	45,720	69,834	99,158	168,992	( 70,914 )	98,078	158,950
Mariners Cove	Garden	Mar 2002	San Diego, CA	1984	500	—	66,861	18,641	—	85,502	85,502	( 52,801 )	32,701	—
Meadow Creek	Garden	Jul 1994	Boulder, CO	1968	332	1,435	24,533	13,660	1,435	38,193	39,628	( 27,091 )	12,537	—
Mezzo	High Rise	Mar 2015	Atlanta, GA	2008	95	4,292	34,178	3,616	4,292	37,794	42,086	( 12,332 )	29,754	—
Monterey Grove	Garden	Jun 2008	San Jose, CA	1999	224	34,325	21,939	19,497	34,325	41,436	75,761	( 20,533 )	55,228	45,541
North Park	High Rise	Oct 2021	Chevy Chase, MD	1973	310	42,900	68,090	11,492	42,933	79,549	122,482	( 6,726 )	115,756	73,634



						Initial Cost		(2)	As of December 31, 2023						
		(1)						Cost	(4)						
Apartment								Capitalized				Accumulated			
Community	Apartment	Date		Year	Apartment		Buildings and	Subsequent to		Buildings and	(3)	Depreciation	Total Cost		(5)
Name	Type	Consolidated	Location	Built	Homes	Land	Improvements	Consolidation	Land	Improvements	Total	(AD)	Net of AD		Encumbrances
Ocean House on															
Prospect	Mid Rise	Apr 2013	La Jolla, CA	1970	53	12,528	\$ 18,805	\$ 17,298	\$ 12,528	\$ 36,103	\$ 48,631	\$ ( 15,618 )	\$ 33,013	\$	—
One Ardmore	Mid Rise	Apr 2019	Ardmore, PA	2019	110	4,929	61,631	4,135	4,929	65,766	70,695	( 11,520 )	59,175		28,504
One Canal	High Rise	Sep 2013	Boston, MA	2016	310	—	15,873	184,077	—	199,950	199,950	( 59,287 )	140,663		—
Pacific Bay															
Vistas (7)	Garden	Mar 2001	San Bruno, CA	1987	308	28,694	62,460	34,167	23,354	101,967	125,321	( 51,306 )	74,015		95,804
Pacifica Park	Garden	Jul 2006	Pacifica, CA	1977	104	12,970	6,579	9,765	12,970	16,344	29,314	( 10,197 )	19,117		37,264
Palazzo at Park			Los Angeles,												
La Brea, The	Mid Rise	Feb 2004	CA	2002	521	48,362	125,464	61,144	48,362	186,608	234,970	( 111,787 )	123,183		205,883
Palazzo East at															
Park La Brea,			Los Angeles,												
The	Mid Rise	Mar 2005	CA	2005	611	72,578	136,503	43,699	72,578	180,202	252,780	( 110,240 )	142,540		174,531
Parc Mosaic	Garden	Dec 2014	Boulder, CO	1970	226	15,300	—	111,319	15,300	111,319	126,619	( 24,893 )	101,726		—
Peachtree Park	Garden	Jan 1996	Atlanta, GA	1969	303	4,684	11,713	17,696	4,684	29,409	34,093	( 20,455 )	13,638		—
Preserve at			Corte Madera,												
Marin	Mid Rise	Aug 2011	CA	1964	126	13,516	30,132	81,922	13,516	112,054	125,570	( 48,841 )	76,729		—
Residences at															
Capital Crescent															
Trail	High Rise	Oct 2021	Bethesda, MD	2002	258	15,975	84,167	8,019	15,975	92,186	108,161	( 7,664 )	100,497		—
Royal Crest			North Andover,												
Estates	Garden	Aug 2002	MA	1970	588	51,292	36,808	29,995	51,292	66,803	118,095	( 45,758 )	72,337		—
Saybrook Pointe	Garden	Dec 2014	San Jose, CA	1995	324	32,842	84,457	27,878	32,842	112,335	145,177	( 37,931 )	107,246		107,347
			Philadelphia,												
SouthStar Lofts	High Rise	May 2018	PA	2014	85	1,780	37,428	1,458	1,780	38,886	40,666	( 8,261 )	32,405		17,000
Sterling															
Apartment			Philadelphia,												
Homes, The	Garden	Oct 1999	PA	1961	534	8,871	55,365	120,985	8,871	176,350	185,221	( 121,690 )	63,531		—
			Philadelphia,												
The Left Bank	Mid Rise	May 2018	PA	1929	282	—	130,893	26,672	—	157,565	157,565	( 34,431 )	123,134		73,658
Tremont	Mid Rise	Dec 2014	Atlanta, GA	2009	78	5,274	18,011	4,365	5,274	22,376	27,650	( 7,708 )	19,942		—
Vaughan Place			Washington,												
Apartments (6)	High Rise	Oct 2021	D.C.	1988	382	47,276	125,213	17,339	47,244	142,584	189,828	( 12,428 )	177,400		150,000
Villas at Park La			Los Angeles,												
Brea, The	Garden	Mar 2002	CA	2002	250	8,630	48,871	24,942	8,630	73,813	82,443	( 46,528 )	35,915		—
Villas of															
Pasadena	Mid Rise	Jan 2006	Pasadena, CA	1973	92	9,693	6,818	5,826	9,693	12,644	22,337	( 7,888 )	14,449		20,500
Vivo	High Rise	Jun 2016	Cambridge, MA	2015	91	6,450	35,974	6,623	6,450	42,597	49,047	( 19,812 )	29,235		—
Waterways															
Village	Garden	Jun 1997	Aventura, FL	1994	180	4,504	11,064	19,088	4,504	30,152	34,656	( 19,909 )	14,747		—
						1,063,609			974,136		5,846,393		3,673,314		
Total Same Store					17,555	\$	\$ 2,649,160	\$ 2,133,624	\$	\$ 4,872,257	\$	\$ ( 2,173,079 )	\$	\$ 2,070,576	

Other Real															
Estate:															
			Redwood City,												
707 Leahy	Garden	Sep 2022	CA	1973	110	\$ 20,956	\$ 62,605	\$ 185	\$ 20,956	\$ 62,790	\$ 83,746	\$ ( 3,069 )	\$ 80,677	\$	—
Brizo Apartments	Garden	Jul 2023	Durham, NC	2019	260	7,652	60,170	1,055	7,652	61,225	68,877	( 738 )	68,139		41,026
Flamingo Point,			Miami Beach,												
North Tower	High Rise	Sep 2022	FL	1960	366	91,529	290,682	1,561	91,529	292,243	383,772	( 13,602 )	370,170		—
PRISM	Mid Rise	Sep 2022	Cambridge, MA	2019	136	13,768	74,541	572	13,768	75,113	88,881	( 3,668 )	85,213		—
Southgate			Miami Beach,												
Towers	High Rise	Jan 2023	FL	1958	495	99,338	187,427	3,392	99,338	190,819	290,157	( 6,855 )	283,302		84,336
The District at			Fort Lauderdale,												
Flagler Village	High Rise	Jul 2022	FL	2021	350	14,472	156,718	1,526	14,472	158,244	172,716	( 8,721 )	163,995		—
The Fremont	Mid Rise	Sep 2022	Aurora, CO	2020	253	7,218	92,621	213	7,218	92,834	100,052	( 4,651 )	95,401		—



					Initial Cost			(2)	As of December 31, 2023						
								Cost	(4)						
Apartment	(1)							Capitalized	Accumulated						
Community	Apartment	Date		Year	Apartment	Buildings and		Subsequent to	Buildings and		(3)	Depreciation	Total Cost	(5)	
Name	Type	Consolidated	Location	Built	Homes	Land	Improvements	Consolidation	Land	Improvements	Total	(AD)	Net of AD	Encumbrances	
The Reserve at															
Coconut Point	Garden	May 2022	Fort Myers, FL	2022	180	\$ 5,162	\$ 66,593	\$ 237	\$ 5,162	\$ 66,830	\$ 71,992	\$ ( 4,732 )	\$ 67,260	\$ —	
Villages at Olde															
Towne	Garden	Jul 2023	Raleigh, NC	2022	360	11,575	70,767	535	11,575	71,302	82,877	( 1,244 )	81,633	33,500	
Watermarc at															
Biscayne Bay	High Rise	Jun 2022	Miami, FL	2021	296	34,710	174,237	2,531	34,710	176,768	211,478	( 10,271 )	201,207	—	
			Washington,												
Willard Towers	High Rise	Jun 2022	D.C.	1969	525	334	179,141	12,701	334	191,842	192,176	( 10,776 )	181,400	—	
Other (8)						4,863	—	12,590	4,860	12,590	17,450	( 4,183 )	13,267	7,537	
											1,764,174	1,691,664			
Total Other Real Estate						3,331	\$ 311,577	\$ 1,415,502	\$ 37,098	\$ 311,574	\$ 1,452,600	\$ ( 72,510 )	\$	\$ 166,399	
						1,375,186				1,285,710	7,610,567	5,364,978			
Total Portfolio						20,886	\$	\$ 4,064,662	\$ 2,170,722	\$	\$ 6,324,857	\$ ( 2,245,589 )	\$	\$ 2,236,975	

- (1) Date we acquired the apartment community or first consolidated the partnership that owns the community.
- (2) Includes costs capitalized since acquisition or date of initial consolidation of the community.
- (3) The aggregate cost of land and depreciable property for federal income tax purposes was approximately \$ 6.9 billion as of December 31, 2023 (unaudited).
- (4) Depreciable life for buildings and improvements ranges from 5 to 30 years and is calculated on a straight-line basis.
- (5) Encumbrances are presented before reduction for debt issuance costs.
- (6) Initial cost of buildings and improvements includes the cost of additional apartment homes acquired subsequent to consolidation.
- (7) The current carrying value of the apartment community reflects an impairment loss recognized.
- (8) Other includes apartment communities under development, land parcels, and certain non-residential properties held for future development.

**APARTMENT INCOME REIT CORP.**  
**APARTMENT INCOME REIT, L.P.**  
**SCHEDULE III: REAL ESTATE AND ACCUMULATED DEPRECIATION**  
**For the Years Ended December 31, 2023, 2022, and 2021**  
**(In Thousands)**

	2023	2022	2021
Total real estate balance at beginning of year	\$ 8,076,394	\$ 6,885,081	\$ 7,468,864
Additions during the year:			
Acquisitions and lease cancellation	447,945	1,300,122	723,599
Capital additions	168,248	193,360	168,920
Amounts related to assets held for sale	—	—	( 253,547 )
Dispositions and other	( 1,082,020 )	( 302,169 )	( 1,222,755 )
<b>Total real estate balance at end of year</b>	<b>\$ 7,610,567</b>	<b>\$ 8,076,394</b>	<b>\$ 6,885,081</b>
Accumulated depreciation balance at beginning of year	\$ 2,449,883	\$ 2,284,793	\$ 2,455,505
Depreciation	310,952	308,382	298,789
Amounts related to assets held for sale	—	—	( 107,055 )
Dispositions and other	( 515,246 )	( 143,292 )	( 362,446 )
<b>Accumulated depreciation balance at end of year</b>	<b>\$ 2,245,589</b>	<b>\$ 2,449,883</b>	<b>\$ 2,284,793</b>

Entity Name	State Code
<b>APARTMENT INCOME REIT CORP.</b>	
APARTMENT INCOME REIT CORP.	MD
AIR-GP, INC.	DE
<b>APARTMENT INCOME REIT CORP. and APARTMENT INCOME REIT, L.P.</b>	
APARTMENT INCOME REIT, L.P.	DE
1108 MERRION AVE., LLC	DE
12955 E MONTVIEW, LLC	DE
2150 N BAYSHORE, LLC	DE
4701 WILLARD AVE., LLC	DE
4710 ELM STREET REIT, LLC	DE
4710 ELM STREET, LLC	DE
555 NE 8TH ST, LLC	DE
AIC REIT PROPERTIES LLC	DE
AIR 159 FIRST STREET, LLC	DE
AIR 21 FITZSIMONS, LLC	DE
AIR 234 EAST 88TH ST, LLC	DE
AIR 270 THIRD STREET, LLC	DE
AIR 3131 WALNUT STREET MEMBER I, LLC	DE
AIR 3131 WALNUT STREET MEMBER II, LLC	DE
AIR 3131 WALNUT STREET, LLC	DE
AIR 50 ROGERS STREET, LLC	DE
AIR 777 SOUTH BROAD MEMBER, LLC	DE
AIR 777 SOUTH BROAD, LLC	DE
AIR AVERY ROW REIT, LLC	DE
AIR BALAYE APARTMENTS I, LLC	DE
AIR AVERY ROW, LLC	DE
AIR BEACH CLUB, INC.	DE
AIR BEACH CLUB, LLC	DE
AIR BEACH, LLC	DE
AIR BENT TREE, LLC	DE
AIR BOSTON LOFTS, L.P.	DE
AIR BRIAR RIDGE GP, LLC	DE
AIR BRIAR RIDGE, LLC	DE
AIR BUENA VISTA APARTMENTS GP, LLC	DE
AIR BUENA VISTA APARTMENTS, LLC	DE
AIR BURKSHIRE COMMONS GP, LLC	DE
AIR CHANTILLY GP, LLC	DE
AIR CHESTNUT HALL GP, LLC	DE
AIR CHESTNUT HALL LIMITED PARTNERSHIP	DE
AIR CLEARING ACCOUNT, LLC	DE
AIR COMMUNITIES SERVICE COMPANY, LLC	DE
AIR EASTPOINTE, LLC	DE
AIR FITZSIMONS 3A LESSEE, LLC	DE
AIR FITZSIMONS 3A LESSOR, LLC	DE
AIR FITZSIMONS 3A, LLC	DE
AIR FLAMINGO HEALTH CLUB, LLC	DE
AIR FOXCHASE GP, LLC	DE

Entity Name	State Code
AIR FOXCHASE, L.P.	DE
AIR GP LA, L.P.	DE
AIR HOLDINGS I, LLC	DE
AIR HOLDINGS II, LLC	DE
AIR HOLDINGS QRS, INC.	DE
AIR HOLDINGS QRS, L.P.	DE
AIR HUNTINGTON GATEWAY MEMBER, LLC	DE
AIR INDIGO GP, LLC	DE
AIR INDIGO, LLC	DE
AIR IPLP, L.P.	DE
AIR JV 2 MEMBER, LLC	DE
AIR LA QRS, INC.	DE
AIR LEAHY SQUARE APARTMENTS, LLC	DE
AIR LOCUST ON THE PARK MEMBER I, LLC	DE
AIR LOCUST ON THE PARK MEMBER II, LLC	DE
AIR LOCUST ON THE PARK, LLC	DE
AIR LP LA, L.P.	DE
AIR MADERA VISTA, LLC	DE
AIR MALIBU CANYON, LLC	DE
AIR MEADOW CREEK GP, LLC	DE
AIR MEZZO, LLC	DE
AIR MONTEREY GROVE APARTMENTS TIC 2, LLC	DE
AIR MONTEREY GROVE APARTMENTS, LLC	DE
AIR NORTH ANDOVER, L.L.C.	DE
AIR ONE ARDMORE PLACE MEMBER I, LLC	DE
AIR ONE ARDMORE PLACE MEMBER II, LLC	DE
AIR ONE ARDMORE PLACE, LLC	DE
AIR ONE CANAL, LLC	DE
AIR OPPORTUNITY FUND 3A, LP	DE
AIR OPPORTUNITY FUND 3A-2, LP	DE
AIR OPPORTUNITY ZONE 3A BUSINESS, LP	DE
AIR PACIFICA GP, LLC	DE
AIR PACIFICA PARK, LLC	DE
AIR PALAZZO ACQUISITION, LLC	DE
AIR PARK LA BREA HOLDINGS, LLC	DE
AIR PARK LA BREA, INC.	MD
AIR PLEASANT STREET, LLC	DE
AIR PROPERTIES FINANCE CORP.	DE
AIR PROPERTIES FINANCE PARTNERSHIP, L.P.	DE
AIR PROPERTIES, LLC	DE
AIR PROPERTY MANAGEMENT COMPANY, LLC	DE
AIR PROPERTY MANAGEMENT TRS, LLC	DE
AIR PROSPECT 400 GP, LLC	DE
AIR PROSPECT 400, L.P.	DE
AIR REIT SUB 1, LLC	DE
AIR REIT SUB 2, LLC	DE
AIR ROBIN DRIVE GP, LLC	DE



Entity Name	State Code
AIR ROBIN DRIVE, L.P.	DE
AIR SAN BRUNO APARTMENTS PARTNERS, LLC	DE
AIR SCOTCHHOLLOW APARTMENTS GP, LLC	DE
AIR SCOTCHHOLLOW APARTMENTS, L.P.	DE
AIR SELECT PROPERTIES, L.P.	DE
AIR SOUTHSTAR LOFTS MEMBER I, LLC	DE
AIR SOUTHSTAR LOFTS MEMBER II, LLC	DE
AIR SOUTHSTAR LOFTS, LLC	DE
AIR SUBSIDIARY REIT I, LLC	DE
AIR SUNSET ESCONDIDO, L.L.C.	DE
AIR TELLURIDE DC GP, LLC	DE
AIR TELLURIDE DC HOLDINGS, L.P.	DE
AIR TOWNSHIP AT HIGHLANDS APARTMENTS, LLC	DE
AIR TOWNSHIP AT HIGHLANDS REIT, LLC	DE
AIR TREMONT, LLC	DE
AIR VENEZIA, LLC	DE
AIR WATERWAYS VILLAGE, LLC	DE
AIR/BETHESDA EMPLOYEE, L.L.C.	DE
AIR/BETHESDA HOLDINGS, INC.	DE
AIR/BLUFFS, L.L.C.	DE
AIR/BRANDYWINE, L.P.	DE
AIR/IPT, INC.	DE
AIR/NASHUA, L.L.C.	DE
AIR/PARK TOWNE PLACE ASSOCIATES GP, LLC	DE
AIVCAP I GP LLC	DE
AIVCAP I LP	DE
APMH 1 LLC	DE
APMSF COMMON LLC	DE
APMSF HOLDINGS LLC	DE
APMSF INVESTOR LLC	DE
APMSF PHASE 1 LLC	DE
APMSF PHASE 1B LLC	DE
APMSF PHASE 1C LLC	DE
APMSF PHASE 1D LLC	DE
APMSF TRS MEMBER LLC	DE
AUP JV HOLDINGS, LLC	DE
BAY PARC PLAZA APARTMENTS, L.P.	DE
BREEZE ABHLD MEMBER, LLC	DE
BREEZE AIROP MEMBER, LLC	DE
BREEZE HOLDINGS ONE, LLC	DE
BREEZE HOLDINGS TWO, LLC	DE
BREEZE NEW HOLDINGS ONE, LLC	DE
BREEZE NEW TRS HOLDINGS LLC	DE
BREEZE TRS HOLDINGS, LLC	DE
BRIARCLIFF-OXFORD ASSOCIATES LLC	MI
BROAD RIVER PROPERTIES, L.L.C.	DE
BROOKWOOD LIMITED PARTNERSHIP	IL

Entity Name	State Code
BURKSHIRE COMMONS APARTMENTS PARTNERS, L.P.	DE
CAPITAL CRESCENT TRAIL, LLC	DE
CCIP STERLING, L.L.C.	DE
CCIP STERLING, L.P.	PA
CENTURY PROPERTIES FUND XVII, LLC	DE
CHANTILLY PARTNERS LIMITED PARTNERSHIP	VA
CIP18 FLAGLER VILLAGE LLC	DE
CITY CENTER ON 7TH LESSEE, LLC	DE
CITY CENTER ON 7TH LESSOR, LLC	DE
CONCAP EQUITIES, INC.	DE
CONGRESS REALTY COMPANIES LIMITED PARTNERSHIP	MA
CONGRESS REALTY CORP.	MA
CONSOLIDATED CAPITAL INSTITUTIONAL PROPERTIES, LP	DE
COOPER RIVER PROPERTIES, L.L.C.	DE
CPF CREEKSIDE, LLC	DE
CRC CONGRESS REALTY CORP.	MA
FLAMINGO SOUTH ACQUISITIONS, LLC	DE
FOUR QUARTERS HABITAT APARTMENTS ASSOCIATES, LLC	DE
FOUR QUARTERS LESSEE, LLC	DE
FOX CAPITAL MANAGEMENT CORPORATION	CA
FOX PARTNERS	CA
FOX REALTY INVESTORS	CA
GP-OP PROPERTY MANAGEMENT, LLC	DE
HERITAGE PARK INVESTORS, INC.	CA
HUNTINGTON GATEWAY HOLDCO, LLC	DE
HUNTINGTON GATEWAY, LLC	DE
IPLP ACQUISITION I LLC	DE
ISLAND CLUB LESSEE, LLC	DE
ISTC CORPORATION	DE
LA BROADCAST CENTER GP LLC	DE
LA BROADCAST CENTER QRS INC.	DE
LA HILLCRESTE APARTMENTS LLC	DE
LA INDIAN OAKS GP LLC	DE
LA INDIAN OAKS LLC	DE
LA LAKES GP LLC	DE
LA LAKES LP	DE
LA LAKES QRS INC.	DE
LA MALIBU CANYON GP LLC	DE
LA MALIBU CANYON LLC	DE
LA MALIBU CANYON QRS INC.	DE
LA PARK LA BREA A LLC	DE
LA PARK LA BREA B LLC	DE
LA PARK LA BREA C HOLDINGS 1 LLC	DE
LA PARK LA BREA C HOLDINGS 2 LLC	DE
LA PARK LA BREA C LLC	DE
LA PARK LA BREA C MEMBER LLC	DE
LA PARK LA BREA LLC	DE

Entity Name	State Code
LAC PROPERTIES GP II LIMITED PARTNERSHIP	DE
LAC PROPERTIES OPERATING PARTNERSHIP, L.P.	DE
LAC PROPERTIES QRS II INC.	DE
LAKERIDGE-ISLAND CLUB APARTMENTS PARTNERS, LLC	DE
LINCOLN MARINERS ASSOCIATES LIMITED	CA
LINCOLN PROPERTY COMPANY NO. 409, LTD.	CA
LOCUST ON THE PARK REIT, LLC	DE
MADISON RIVER PROPERTIES, L.L.C.	DE
MAERIL, INC.	DE
MAYER BEVERLY PARK LIMITED PARTNERSHIP	CA
MB FLORIDA INVESTORS, LLC	DE
MCZ/CENTRUM FLAMINGO II, L.L.C.	DE
MCZ/CENTRUM FLAMINGO III, L.L.C.	DE
MONROE-OXFORD ASSOCIATES LLC	DE
MORTON TOWERS APARTMENTS, L.P.	DE
MORTON TOWERS HEALTH CLUB, LLC	DE
NATIONAL BOSTON LOFTS ASSOCIATES, LLC	DE
NATIONAL BOSTON LOFTS REIT, LLC	DE
NHP A&R SERVICES, LLC	VA
NHP-HG FOUR, INC.	VA
NHPMN MANAGEMENT, L.P.	DE
NHPMN MANAGEMENT, LLC	DE
NHPMN-GP, INC.	DE
NORTH PARK AVENUE, LLC	DE
NPI EQUITY INVESTMENTS II, INC.	FL
OP PROPERTY MANAGEMENT, L.P.	DE
OP PROPERTY MANAGEMENT, LLC	DE
OXFORD EQUITIES CORPORATION	IN
OXFORD EQUITIES CORPORATION III	DE
OXFORD HOLDING CORPORATION	MD
OXFORD INVESTMENT CORPORATION	MD
OXFORD MANAGERS I LIMITED PARTNERSHIP	MD
OXFORD PARTNERS X, L.L.C.	MD
PARK LA BREA ACQUISITION, LLC	DE
PARK TOWNE PLACE ASSOCIATES LIMITED PARTNERSHIP	DE
PARK TOWNE PLACE LESSEE, LLC	DE
REEDY RIVER PROPERTIES, L.L.C.	DE
RESERVE AT COCONUT POINT, LLC	DE
RI-15 GP, LLC	DE
RI-15 LIMITED PARTNERSHIP	DC
RIVER LOFT APARTMENTS GP, LLC	DE
RIVER LOFT APARTMENTS LIMITED PARTNERSHIP	PA
RIVER LOFT ASSOCIATES LIMITED PARTNERSHIP	MA
SEAGULL CAPITAL, LLC	DE
SEAGULL HOLDINGS, LLC	DE
SOUTHGATE TOWERS, LLC	DE

Entity Name	State Code
VAUGHAN PLACE ACQUISITIONS, LLC	DE
VAUGHAN PLACE CONDOS LLC	DE
VAUGHAN PLACE HOLDINGS, LLC	DE
VAUGHAN PLACE INVESTMENTS, LLC	DE
VAUGHAN PLACE, LLC	DE
VILLAGES AT OLDE TOWNE, LLC	DE
VILLAGES AT SUNNYBROOK, LLC	DE
ZIMCO XI L.L.C.	MD
ZIMCO/MONROE CORPORATION XI	MD
BREEZE TWO HOLDINGS 1, LLC	DE
BREEZE TWO HOLDINGS 2, LLC	DE
BREEZE TWO HOLDINGS 3, LLC	DE
BREEZE TWO HOLDINGS 4, LLC	DE
BREEZE TWO HOLDINGS 5, LLC	DE
BREEZE TWO HOLDINGS 6, LLC	DE
BREEZE TWO HOLDINGS 7, LLC	DE
BREEZE TWO HOLDINGS 8, LLC	DE
BREEZE TWO HOLDINGS 9, LLC	DE
BREEZE TWO HOLDINGS 10, LLC	DE
BREEZE TWO HOLDINGS 11, LLC	DE
BREEZE TWO HOLDINGS 12, LLC	DE
BREEZE TWO HOLDINGS 13, LLC	DE
BREEZE TWO HOLDINGS 14, LLC	DE
BREEZE TWO HOLDINGS 15, LLC	DE
BREEZE TWO HOLDINGS 16, LLC	DE
BREEZE TWO HOLDINGS 17, LLC	DE
BREEZE TWO HOLDINGS 18, LLC	DE
BREEZE TWO HOLDINGS 19, LLC	DE
BREEZE TWO HOLDINGS 20, LLC	DE
BREEZE TWO HOLDINGS 21, LLC	DE
BREEZE TWO HOLDINGS 22, LLC	DE
BREEZE TWO HOLDINGS 23, LLC	DE
BREEZE TWO HOLDINGS 24, LLC	DE
BREEZE TWO HOLDINGS 25, LLC	DE
BREEZE TWO HOLDINGS 26, LLC	DE
BREEZE TWO HOLDINGS 27, LLC	DE
BREEZE TWO HOLDINGS 28, LLC	DE
BREEZE TWO HOLDINGS 29, LLC	DE
BREEZE TWO HOLDINGS 30, LLC	DE
BREEZE TWO HOLDINGS 31, LLC	DE
BREEZE TWO HOLDINGS 32, LLC	DE
BREEZE TWO HOLDINGS 33, LLC	DE
BREEZE TWO HOLDINGS 34, LLC	DE

Entity Name	State Code
BREEZE TWO HOLDINGS 35, LLC	DE
BREEZE TWO HOLDINGS 36, LLC	DE
BREEZE TWO HOLDINGS 37, LLC	DE
BREEZE TWO HOLDINGS 38, LLC	DE
BREEZE TWO HOLDINGS 39, LLC	DE
BREEZE TWO HOLDINGS 40, LLC	DE

**CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

We consent to the incorporation by reference in Registration Statement No. 333-261445 on Form S-3ASR and Registration Statement Nos. 333-251343, 333-251344, 333-251345, and 333-269478 on Form S-8 of our reports dated February 16, 2024, relating to the financial statements of Apartment Income REIT Corp. and the effectiveness of Apartment Income REIT Corp.'s internal control over financial reporting appearing in this Annual Report on Form 10-K for the year ended December 31, 2023.

/s/ DELOITTE & TOUCHE LLP

Denver, Colorado  
February 16, 2024

**CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

We consent to the incorporation by reference in Registration Statement No. 333-261445-01 on Form S-3ASR of our reports dated February 16, 2024, relating to the financial statements of Apartment Income REIT, L.P. and the effectiveness of Apartment Income REIT, L.P.'s internal control over financial reporting appearing in this Annual Report on Form 10-K for the year ended December 31, 2023.

/s/ DELOITTE & TOUCHE LLP

Denver, Colorado  
February 16, 2024

**CHIEF EXECUTIVE OFFICER CERTIFICATION**

I, Terry Considine, certify that:

1. I have reviewed this annual report on Form 10-K of Apartment Income REIT Corp.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 16, 2024

/s/ Terry Considine

Terry Considine

Director and Chief Executive Officer



**CHIEF FINANCIAL OFFICER CERTIFICATION**

I, Paul Beldin, certify that:

1. I have reviewed this annual report on Form 10-K of Apartment Income REIT Corp.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 16, 2024

/s/ Paul Beldin

Paul Beldin

Executive Vice President and Chief Financial Officer

**CHIEF EXECUTIVE OFFICER CERTIFICATION**

I, Terry Considine, certify that:

1. I have reviewed this annual report on Form 10-K of Apartment Income REIT, L.P.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 16, 2024

/s/ Terry Considine

Terry Considine

Director and Chief Executive Officer

**CHIEF FINANCIAL OFFICER CERTIFICATION**

I, Paul Beldin, certify that:

1. I have reviewed this annual report on Form 10-K of Apartment Income REIT, L.P.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 16, 2024

/s/ Paul Beldin

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Paul Beldin

Executive Vice President and Chief Financial Officer

**Certification of CEO Pursuant to  
18 U.S.C. Section 1350,  
As Adopted Pursuant to  
Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the annual report of Apartment Income REIT Corp. (the "Company") on Form 10-K for the period ended December 31, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, to the best of my knowledge, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Partnership.

/s/ Terry Considine

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Terry Considine

Director and Chief Executive Officer

February 16, 2024

**Certification of CFO Pursuant to  
18 U.S.C. Section 1350,  
As Adopted Pursuant to  
Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the annual report of Apartment Income REIT Corp. (the "Company") on Form 10-K for the period ended December 31, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, to the best of my knowledge, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Partnership.

/s/ Paul Beldin

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Paul Beldin

Executive Vice President and Chief Financial Officer

February 16, 2024

**Certification of CEO Pursuant to  
18 U.S.C. Section 1350,  
As Adopted Pursuant to  
Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the annual report of Apartment Income REIT, L.P. (the "Partnership") on Form 10-K for the period ended December 31, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, to the best of my knowledge, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Partnership.

/s/ Terry Considine

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Terry Considine

Director and Chief Executive Officer

February 16, 2024

**Certification of CFO Pursuant to  
18 U.S.C. Section 1350,  
As Adopted Pursuant to  
Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the annual report of Apartment Income REIT, L.P. (the "Partnership") on Form 10-K for the period ended December 31, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, to the best of my knowledge, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Partnership.

/s/ Paul Beldin

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Paul Beldin

Executive Vice President and Chief Financial Officer

February 16, 2024

## APARTMENT INCOME REIT CORP. CLAWBACK POLICY

The Board of Directors (the “Board”) of Apartment Income REIT Corp. (the “Company”) believes that it is appropriate for the Company to adopt this Clawback Policy (the “Policy”) to be applied to the Executive Officers of the Company and adopts this Policy to be effective as of the Effective Date.

### 1. Definitions

For purposes of this Policy, the following definitions shall apply:

- a) “Committee” means the Compensation and Human Resources Committee of the Board.
- b) “Company Group” means the Company and each of its Subsidiaries, as applicable.
- c) “Covered Compensation” means any Incentive-Based Compensation granted, vested or paid to a person who served as an Executive Officer at any time during the performance period for the Incentive-Based Compensation and that was Received (i) on or after the effective date of the NYSE listing standard, (ii) after the person became an Executive Officer and (iii) at a time that the Company had a class of securities listed on a national securities exchange or a national securities association.
- d) “Effective Date” means October 30, 2023.
- e) “Erroneously Awarded Compensation” means the amount of Covered Compensation granted, vested or paid to a person during the fiscal period when the applicable Financial Reporting Measure relating to such Covered Compensation was attained that exceeds the amount of Covered Compensation that otherwise would have been granted, vested or paid to the person had such amount been determined based on the applicable Restatement, computed without regard to any taxes paid (i.e., on a pre-tax basis). For Covered Compensation based on stock price or total shareholder return, where the amount of Erroneously Awarded Compensation is not subject to mathematical recalculation directly from the information in a Restatement, the Committee will determine the amount of such Covered Compensation that constitutes Erroneously Awarded Compensation, if any, based on a reasonable estimate of the effect of the Restatement on the stock price or total shareholder return upon which the Covered Compensation was granted, vested or paid and the Committee shall maintain documentation of such determination and provide such documentation to the NYSE.
- f) “Exchange Act” means the U.S. Securities Exchange Act of 1934.
- g) “Executive Officer” means each “officer” of the Company as defined under Rule 16a-1(f) under Section 16 of the Exchange Act, which shall be deemed to include any individuals identified by the Company as executive officers pursuant to Item 401(b) of Regulation S-K under the Exchange Act. Both current and former Executive Officers are subject to the Policy in accordance with its terms.



- h) “Financial Reporting Measure” means (i) any measure that is determined and presented in accordance with the accounting principles used in preparing the Company’s financial statements, and any measures derived wholly or in part from such measures and may consist of GAAP or non-GAAP financial measures (as defined under Regulation G of the Exchange Act and Item 10 of Regulation S-K under the Exchange Act), (ii) stock price or (iii) total shareholder return. Financial Reporting Measures may or may not be filed with the SEC and may be presented outside the Company’s financial statements, such as in Management’s Discussion and Analysis of Financial Conditions and Result of Operations or in the performance graph required under Item 201(e) of Regulation S-K under the Exchange Act.
- i) “Home Country” means the Company’s jurisdiction of incorporation.
- j) “Incentive-Based Compensation” means any compensation that is granted, earned or vested based wholly or in part upon the attainment of a Financial Reporting Measure.
- k) “Lookback Period” means the three completed fiscal years (plus any transition period of less than nine months that is within or immediately following the three completed fiscal years and that results from a change in the Company’s fiscal year) immediately preceding the date on which the Company is required to prepare a Restatement for a given reporting period, with such date being the earlier of: (i) the date the Board, a committee of the Board, or the officer or officers of the Company authorized to take such action if Board action is not required, concludes, or reasonably should have concluded, that the Company is required to prepare a Restatement, or (ii) the date a court, regulator or other legally authorized body directs the Company to prepare a Restatement. Recovery of any Erroneously Awarded Compensation under the Policy is not dependent on if or when the Restatement is actually filed.
- l) “NYSE” means the New York Stock Exchange.
- m) “Received”: Incentive-Based Compensation is deemed “Received” in the Company’s fiscal period during which the Financial Reporting Measure specified in or otherwise relating to the Incentive-Based Compensation award is attained, even if the grant, vesting or payment of the Incentive-Based Compensation occurs after the end of that period.
- n) “Restatement” means a required accounting restatement of any Company financial statement due to the material noncompliance of the Company with any financial reporting requirement under the securities laws, including (i) to correct an error in previously issued financial statements that is material to the previously issued financial statements (commonly referred to as a “Big R” restatement) or (ii) to correct an error in previously issued financial statements that is not material to the previously issued financial statements but that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period (commonly referred to as a “little r” restatement). Changes to the Company’s financial statements that do not represent error corrections under the then- current relevant accounting standards will not constitute Restatements. Recovery of any Erroneously Awarded Compensation under the Policy is not dependent on fraud or misconduct by any person in connection with the Restatement.

- o) “SEC” means the U.S. Securities and Exchange Commission.
- p) “Subsidiary” means any domestic or foreign corporation, partnership, association, joint stock company, joint venture, trust or unincorporated organization “affiliated” with the Company, that is, directly or indirectly, through one or more intermediaries, “controlling”, “controlled by” or “under common control with”, the Company. “Control” for this purpose means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of such person, whether through the ownership of voting securities, contract or otherwise.

## 2. Recoupment of Erroneously Awarded Compensation

In the event of a Restatement, any Erroneously Awarded Compensation Received during the Lookback Period prior to the Restatement (a) that is then-outstanding but has not yet been paid shall be automatically and immediately forfeited and (b) that has been paid to any person shall be subject to reasonably prompt repayment to the applicable member of the Company Group in accordance with Section 3 of this Policy. The Committee must pursue (and shall not have the discretion to waive) the forfeiture and/or repayment of such Erroneously Awarded Compensation in accordance with Section 3 of this Policy, except as provided below.

Notwithstanding the foregoing, the Committee (or, if at any time the Committee is not a committee of the Board responsible for the Company’s executive compensation decisions and composed entirely of independent directors, a majority of the independent directors serving on the Board) may determine not to pursue the forfeiture and/or recovery of Erroneously Awarded Compensation from any person if the Committee determines that such forfeiture and/or recovery would be impracticable due to any of the following circumstances: (i) the direct expense paid to a third party (for example, reasonable legal expenses and consulting fees) to assist in enforcing the Policy would exceed the amount to be recovered (following reasonable attempts by one or more members of the Company Group to recover such Erroneously Awarded Compensation, the documentation of such attempts, and the provision of such documentation to the NYSE), (ii) pursuing such recovery would violate the Company’s Home Country laws adopted prior to November 28, 2022 (provided that the Company obtains an opinion of Home Country counsel acceptable to the NYSE that recovery would result in such a violation and provides such opinion to the NYSE), or (iii) recovery would likely cause any otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the applicable member of the Company Group, to fail to meet the requirements of 26 U.S.C. 401(a)(13) or 26 U.S.C. 411(a) and regulations thereunder.

## 3. Means of Repayment

In the event that the Committee determines that any person shall repay any Erroneously Awarded Compensation, the Committee shall provide written notice to such person by email or certified mail to the physical address on file with the Company Group for such person, and the person shall satisfy such repayment in a manner and on such terms as required by the Committee, and any member of the Company Group shall be entitled to set off the repayment amount against any amount owed to the person by the applicable member of the Company Group, to require the forfeiture of any award granted by any member of the Company Group to the person, or to take any and all necessary actions to reasonably promptly recoup the repayment amount from the person, in each case, to the fullest extent permitted under applicable law, including without limitation, Section 409A of the U.S. Internal Revenue Code of 1986, as amended, and the regulations and guidance thereunder. If the Committee does not specify a repayment timing in the written notice described above, the applicable person shall be required to repay the Erroneously Awarded Compensation to the Company by wire, cash or cashier’s check no later than thirty (30) days after receipt of such notice.

#### **4. No Indemnification**

No person shall be indemnified, insured or reimbursed by any member of the Company Group in respect of any loss of compensation by such person in accordance with this Policy, nor shall any person receive any advancement of expenses for disputes related to any loss of compensation by such person in accordance with this Policy, and no person shall be paid or reimbursed by the Company Group for any premiums paid by such person for any third-party insurance policy covering potential recovery obligations under this Policy. For this purpose, "indemnification" includes any modification to current compensation arrangements or other means that would amount to *de facto* indemnification (for example, providing the person a new cash award which would be cancelled to effect the recovery of any Erroneously Awarded Compensation). In no event shall the Company Group be required to award any person an additional payment if any Restatement would result in a higher incentive compensation payment.

#### **5. Miscellaneous**

This Policy generally will be administered and interpreted by the Committee, provided that the Board may, from time to time, exercise discretion to administer and interpret this Policy, in which case, all references herein to "Committee" shall be deemed to refer to the Board. Any determination by the Committee with respect to this Policy shall be final, conclusive and binding on all interested parties.

Any discretionary determinations of the Committee under this Policy, if any, need not be uniform with respect to all persons, and may be made selectively amongst persons, whether or not such persons are similarly situated.

This Policy is intended to satisfy the requirements of Section 954 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, as it may be amended from time to time, and any related rules or regulations promulgated by the SEC or the NYSE, including any additional or new requirements that become effective after the Effective Date which upon effectiveness shall be deemed to automatically amend this Policy to the extent necessary to comply with such additional or new requirements.

The provisions in this Policy are intended to be applied to the fullest extent of the law. To the extent that any provision of this Policy is found to be unenforceable or invalid under any applicable law, such provision will be applied to the maximum extent permitted and shall automatically be deemed amended in a manner consistent with its objectives to the extent necessary to conform to applicable law. The invalidity or unenforceability of any provision of this Policy shall not affect the validity or enforceability of any other provision of this Policy. Recoupment of Erroneously Awarded Compensation under this Policy is not dependent upon the Company Group satisfying any conditions in this Policy, including any requirements to provide applicable documentation to the NYSE.

The rights of the members of the Company Group under this Policy to seek forfeiture or reimbursement are in addition to, and not in lieu of, any rights of recoupment, or remedies or rights other than recoupment, that may be available to any member of the Company Group pursuant to the terms of any law, government regulation or stock exchange listing requirement or any other policy, code of conduct, employee handbook, employment agreement, offer letter, equity award agreement, or other plan or agreement of any member of the Company Group.

#### **6. Amendment and Termination**

To the extent permitted by, and in a manner consistent with applicable law, including SEC and NYSE rules, the Committee may terminate, suspend or amend this Policy at any time in its discretion.

#### **7. Successors**

This Policy shall be binding and enforceable against all persons and their respective beneficiaries, heirs, executors, administrators or other legal representatives with respect to any Covered Compensation granted, vested or paid to or administered by such persons or entities.

**APARTMENT INCOME REIT CORP. CLAWBACK POLICY****ACKNOWLEDGMENT, CONSENT AND AGREEMENT**

I acknowledge that I have received and reviewed a copy of the Apartment Income REIT Corp. Clawback Policy (as may be amended from time to time, the "Policy") and I have been given an opportunity to ask questions about the Policy and review it with my counsel. I knowingly, voluntarily and irrevocably consent to and agree to be bound by and subject to the Policy's terms and conditions, including that I will return any Erroneously Awarded Compensation that is required to be repaid in accordance with the Policy. I further acknowledge, understand and agree that (i) the compensation that I receive, have received or may become entitled to receive from the Company Group is subject to the Policy, and the Policy may affect such compensation and (ii) I have no right to indemnification, insurance payments or other reimbursement by or from any member of the Company Group for any compensation that is subject to recoupment and/or forfeiture under the Policy. Capitalized terms used but not defined herein have the meanings set forth in the Policy.

**Signed:**

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**Printed Name:**

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**Date:**

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**Agreement Regarding Disclosure of Long-Term Debt Instruments**

In reliance upon Item 601(b)(4)(iii)(A) of Regulation S-K, Apartment Income REIT Corp., a Maryland corporation (the “Company”), has not filed as an exhibit to its annual report on Form 10-K for the annual period ended December 31, 2023, any instrument with respect to long-term debt not being registered where the total amount of securities authorized thereunder does not exceed ten percent of the total assets of the Company and its subsidiaries on a consolidated basis. Pursuant to Item 601(b)(4)(iii)(A) of Regulation S-K, the Company hereby agrees to furnish a copy of any such agreement to the Securities and Exchange Commission upon request.

By: /s/ Paul Beldin

Paul Beldin

Executive Vice President and Chief Financial Officer

February 16, 2024

**Agreement Regarding Disclosure of Long-Term Debt Instruments**

In reliance upon Item 601(b)(4)(iii)(A) of Regulation S-K, Apartment Income REIT, L.P., a Delaware limited partnership (the "Partnership"), has not filed as an exhibit to its annual report on Form 10-K for the annual period ended December 31, 2023, any instrument with respect to long-term debt not being registered where the total amount of securities authorized thereunder does not exceed ten percent of the total assets of the Partnership and its subsidiaries on a consolidated basis. Pursuant to Item 601(b)(4)(iii)(A) of Regulation S-K, the Partnership hereby agrees to furnish a copy of any such agreement to the Securities and Exchange Commission upon request.

By: /s/ Paul Beldin

Paul Beldin

Executive Vice President and Chief Financial Officer

February 16, 2024