REFINITIV

DELTA REPORT

10-Q

APARTMENT INCOME REIT, L.

10-Q - MARCH 31, 2024 COMPARED TO 10-Q - SEPTEMBER 30, 2023

The following comparison report has been automatically generated

TOTAL DELTAS	1236
CHANGES	242
DELETIONS	511
ADDITIONS	483

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-Q

(Mark One)

x **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2023 March 31, 2024

OR

o **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.)

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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)

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

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

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 x No o   *Apartment Income REIT, L.P.*: Yes x No o

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 x No o   *Apartment Income REIT, L.P.*: Yes x No o

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	x	Accelerated filer	o	Large accelerated filer	x	Accelerated filer	o
Non-accelerated filer	o	Smaller reporting company	o	Non-accelerated filer	o	Smaller reporting company	o
		Emerging growth company	o			Emerging growth company	o

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.: o   *Apartment Income REIT, L.P.*: o

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 o No x   *Apartment Income REIT, L.P.*: Yes o No x

The number of shares of Apartment Income REIT Corp. Class A Common Stock outstanding as of November 1, 2023 May 6, 2024: 146,992,711 145,104,221

EXPLANATORY NOTE

This filing combines the quarterly reports on Form 10-Q for the quarterly period ended September 30, 2023 March 31, 2024, of Apartment Income REIT Corp. ("AIR"), Apartment Income REIT, L.P. ("AIR Operating Partnership"), and their consolidated subsidiaries. The AIR Operating Partnership's condensed 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 September 30, 2023 March 31, 2024, AIR owned approximately 91.2% 91.7% of the legal interest and 93.6% 93.7% of the economic interest in the common partnership units of the AIR Operating Partnership, respectively. The remaining 8.8% 8.3% legal interest is owned by third parties. A portion of the 8.8% 8.3% owned by third parties is subject to vesting. If the vesting requirements are not met, the 8.8% 8.3% ownership will be reduced to no less than 6.4% 6.3%. 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 condensed 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.

To help investors understand the differences between AIR and the AIR Operating Partnership, this report provides separate condensed consolidated financial statements for AIR and the AIR Operating Partnership; a single set of condensed

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 I, Item 4. 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.

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

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

APARTMENT INCOME REIT CORP.
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except share data)
(Unaudited)

		September 30, 2023	December 31, 2022		
	March 31, 2024			**March 31, 2024**	**December 31, 2023**
ASSETS	**ASSETS**				
Buildings and improvements					
Buildings and improvements					
Buildings and improvements	Buildings and improvements	$6,290,960	$6,784,965		
Land	Land	1,285,398	1,291,429		
Total real estate	Total real estate	7,576,358	8,076,394		
Accumulated depreciation	Accumulated depreciation	(2,173,273)	(2,449,883)		
Net real estate	Net real estate	5,403,085	5,626,511		
Cash and cash equivalents	Cash and cash equivalents	106,630	95,797		
Restricted cash	Restricted cash	27,540	205,608		
Investment in unconsolidated real estate partnerships					
Goodwill	Goodwill	32,286	32,286		
Investment in unconsolidated real estate partnerships		352,096	41,860		
Other assets, net	Other assets, net	477,612	549,821		
Total assets	**Total assets**	**$6,399,249**	**$6,551,883**		
LIABILITIES AND EQUITY	**LIABILITIES AND EQUITY**				
LIABILITIES AND EQUITY					
LIABILITIES AND EQUITY					
Non-recourse property debt, net					
Non-recourse property debt, net					
Non-recourse property debt, net	Non-recourse property debt, net	$2,231,238	$1,985,430		
Term loans, net	Term loans, net	473,486	796,713		
Revolving credit facility borrowings	Revolving credit facility borrowings	25,750	462,000		
Unsecured notes payable, net	Unsecured notes payable, net	397,760	397,486		
Total indebtedness	Total indebtedness	3,128,234	3,641,629		
Accrued liabilities and other	Accrued liabilities and other	483,147	513,805		
Total liabilities	Total liabilities	3,611,381	4,155,434		
Commitments and contingencies (Note 7)					

Commitments and contingencies (Note 7)			
Commitments and contingencies (Note 7)			
Commitments and contingencies (Note 7)			
Preferred noncontrolling interests in AIR Operating Partnership			
Preferred noncontrolling interests in AIR Operating Partnership			
Preferred noncontrolling interests in AIR Operating Partnership	Preferred noncontrolling interests in AIR Operating Partnership	77,140	77,143
Equity:	Equity:		
Equity:			
Equity:			
Perpetual Preferred Stock	Perpetual Preferred Stock	2,000	2,000
Common Stock, $0.01 par value, 1,021,175,000 shares authorized at September 30, 2023 and December 31, 2022, and 146,973,055 and 149,086,548 shares issued/outstanding at September 30, 2023 and December 31, 2022, respectively		1,470	1,491
Perpetual Preferred Stock			
Perpetual Preferred Stock			
Common Stock, $0.01 par value, 1,021,175,000 shares authorized at March 31, 2024 and December 31, 2023, and 145,104,220 and 144,925,604 shares issued/outstanding at March 31, 2024 and December 31, 2023, respectively			
Additional paid-in capital	Additional paid-in capital	3,355,316	3,436,635
Accumulated other comprehensive income	Accumulated other comprehensive income	24,794	43,562
Distributions in excess of earnings	Distributions in excess of earnings	(876,116)	(1,327,271)
Total AIR equity	Total AIR equity	2,507,464	2,156,417
Noncontrolling interests in consolidated real estate partnerships	Noncontrolling interests in consolidated real estate partnerships	(83,110)	(78,785)

Common noncontrolling interests in AIR Operating Partnership	Common noncontrolling interests in AIR Operating Partnership	286,374	241,674
Total equity	Total equity	2,710,728	2,319,306
Total liabilities, preferred noncontrolling interests in AIR Operating Partnership, and equity	**Total liabilities, preferred noncontrolling interests in AIR Operating Partnership, and equity**	**$6,399,249**	**$6,551,883**

See notes to the condensed consolidated financial statements.

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APARTMENT INCOME REIT CORP.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share data)
(Unaudited)

		Three Months Ended		Nine Months Ended	
		September 30, 2023	**September 30, 2022**	**September 30, 2023**	**September 30, 2022**
		Three Months Ended March 31,			
		Three Months Ended March 31,			
		Three Months Ended March 31,			
	2024			**2024**	**2023**
REVENUES	**REVENUES**				
Rental and other property revenues					
Rental and other property revenues					
Rental and other property revenues	Rental and other property revenues	$ 194,244	$ 198,413	$ 616,659	$ 558,686
Other revenues	Other revenues	3,063	2,458	7,018	7,163
Total revenues	Total revenues	197,307	200,871	623,677	565,849
EXPENSES	**EXPENSES**				
EXPENSES					
EXPENSES					
Property operating expenses					
Property operating expenses					
Property operating expenses	Property operating expenses	58,076	64,009	190,122	176,679
Property management expenses	Property management expenses	7,899	7,241	23,318	21,594

Depreciation and amortization	Depreciation and amortization	79,023	90,445	263,949	253,650
General and administrative expenses	General and administrative expenses	5,663	7,663	18,866	19,593
Other expenses, net	Other expenses, net	8,110	4,941	14,434	5,883
Other expenses, net					
Other expenses, net					
	169,075				
		158,771	174,299	510,689	477,399
Interest income					
Interest income					
Interest income	Interest income	2,918	9,613	6,133	48,746
Interest expense	Interest expense	(22,888)	(32,656)	(96,629)	(80,790)
Loss on extinguishment of debt	Loss on extinguishment of debt	—	—	(2,008)	(23,636)
Gain on dispositions and impairments of real estate		692,861	—	675,534	587,609
Gain on derivative instruments, net		14,070	—	23,322	—
Gain (loss) on derivative instruments, net					
Gain (loss) on derivative instruments, net					
Gain (loss) on derivative instruments, net					
Loss from unconsolidated real estate partnerships	Loss from unconsolidated real estate partnerships	(10,390)	(87)	(12,267)	(2,974)
Income before income tax expense		715,107	3,442	707,073	617,405
Loss from unconsolidated real estate partnerships					
Loss from unconsolidated real estate partnerships					
Loss before income tax expense					
Income tax expense	Income tax expense	(4,595)	(46)	(5,911)	(966)
Net income		710,512	3,396	701,162	616,439
Net loss					
Noncontrolling interests:	Noncontrolling interests:				
Net (income) loss attributable to noncontrolling interests in consolidated real estate partnerships		(2,525)	102	(3,894)	285
Noncontrolling interests:					
Noncontrolling interests:					

Net income attributable to noncontrolling interests in consolidated real estate partnerships					
Net income attributable to noncontrolling interests in consolidated real estate partnerships					
Net income attributable to noncontrolling interests in consolidated real estate partnerships					
Net income attributable to preferred noncontrolling interests in AIR Operating Partnership	Net income attributable to preferred noncontrolling interests in AIR Operating Partnership	(1,570)	(1,602)	(4,710)	(4,807)
Net income attributable to common noncontrolling interests in AIR Operating Partnership		(42,386)	(137)	(41,245)	(37,053)
Net loss attributable to common noncontrolling interests in AIR Operating Partnership					
Net income attributable to noncontrolling interests	Net income attributable to noncontrolling interests	(46,481)	(1,637)	(49,849)	(41,575)
Net income attributable to AIR		664,031	1,759	651,313	574,864
Net loss attributable to AIR					
Net income attributable to AIR preferred stockholders	Net income attributable to AIR preferred stockholders	(44)	(43)	(129)	(128)
Net (income) loss attributable to participating securities		(391)	44	(484)	(373)
Net income attributable to AIR common stockholders		**$ 663,596**	**$ 1,760**	**$ 650,700**	**$ 574,363**
Net loss (income) attributable to participating securities					
Net loss attributable to AIR common stockholders					
Net income attributable to AIR common stockholders per share – basic		**$ 4.50**	**$ 0.01**	**$ 4.39**	**$ 3.69**
Net income attributable to AIR common stockholders per share – diluted		**$ 4.43**	**$ 0.01**	**$ 4.35**	**$ 3.68**
Net loss attributable to AIR common stockholders per share – basic and diluted					

Net loss attributable to AIR common stockholders per share – basic and diluted						
Net loss attributable to AIR common stockholders per share – basic and diluted						
Weighted-average common shares outstanding – basic	**147,474**	**153,811**	**148,372**	**155,488**		
Weighted-average common shares outstanding – diluted	**150,045**	**154,057**	**150,692**	**157,440**		
Weighted-average common shares outstanding – basic and diluted						
Weighted-average common shares outstanding – basic and diluted						
Weighted-average common shares outstanding – basic and diluted					**144,550**	**148,810**

See notes to the condensed consolidated financial statements.

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APARTMENT INCOME REIT CORP.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS) LOSS
(In thousands)
(Unaudited)

	Three Months Ended		Nine Months Ended	
	September 30, 2023	**September 30, 2022**	**September 30, 2023**	**September 30, 2022**
Net income	$ 710,512	$ 3,396	$ 701,162	$ 616,439
Unrealized (loss) gain on derivative instruments, net	(2,236)	34,209	2,955	47,141
Reclassification of interest rate derivative (gain) loss to net income (loss)	(14,186)	731	(23,704)	2,720
Comprehensive income	694,090	38,336	680,413	666,300
Comprehensive income attributable to noncontrolling interests	(44,608)	(4,379)	(47,868)	(45,488)
Comprehensive income attributable to AIR	**$ 649,482**	**$ 33,957**	**$ 632,545**	**$ 620,812**

	Three Months Ended March 31,	
	2024	**2023**
Net loss	$ (4,278)	$ (9,948)
Unrealized loss on derivative instruments, net	—	(19,748)
Reclassification of interest rate derivative (gain) loss to net loss	(2,101)	4,154
Comprehensive loss	(6,379)	(25,542)
Comprehensive income attributable to noncontrolling interests	(2,132)	(327)
Comprehensive loss attributable to AIR	**$ (8,511)**	**$ (25,869)**

See notes to the condensed consolidated financial statements.

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APARTMENT INCOME REIT CORP.
CONDENSED CONSOLIDATED STATEMENTS OF EQUITY
For the Three Months Ended September 30, 2023 March 31, 2024 and 2022 2023
(In thousands, except share data)
(Unaudited)

	Perpetual Preferred Stock Shares Issued	Perpetual Preferred Stock	Common Stock	Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Distributions in Excess of Earnings	Total AIR Equity	Non Int Co Re Par
Balances at December 31, 2022								
Balances at December 31, 2022								
Balances at December 31, 2022								
Issuance of Common Stock								
Redemption of AIR Operating Partnership units								

	Perpetual Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Distributions in Excess of Earnings	Total AIR Equity	Noncontrolling Interests in Consolidated Real Estate Partnerships	Common Noncontrolling Interests in AIR Operating Partnership	Total Equity
	Shares Issued	Amount	Shares Issued	Amount							
Balances at June 30, 2022	**20**	**$ 2,000**	**154,187,241**	**$ 1,542**	**$ 3,636,906**	**$ 13,750**	**$ (1,521,749)**	**$ 2,132,449**	**$ (70,609)**	**$ 226,985**	**$ 2,288,825**
Redemption of AIR Operating Partnership units	—	—	—	—	—	—	—	—	—	(3,178)	(3,178)
Repurchase of Common Stock, net	—	—	(1,195,690)	(12)	(46,699)	—	—	(46,711)	—	—	(46,711)
Amortization of share-based compensation cost Amortization of share-based compensation cost	—	—	—	—	878	—	—	878	—	943	1,821
Effect of changes in ownership of consolidated entities	—	—	—	—	(2,140)	—	—	(2,140)	—	2,140	—
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	—	—	—	—	—	—	—	—	529	—	529
Change in accumulated other comprehensive income	—	—	—	—	—	32,198	—	32,198	—	2,742	34,940
Net income (loss)	—	—	—	—	—	—	1,759	1,759	(102)	137	1,794
Common Stock dividends	—	—	—	—	—	—	(69,377)	(69,377)	—	—	(69,377)
Distributions to noncontrolling interests	—	—	—	—	—	—	—	—	(6,226)	(4,472)	(10,698)
Other, net	—	—	1,897	—	(305)	—	(42)	(347)	88	(235)	(494)
Balances at September 30, 2022	**20**	**$ 2,000**	**152,993,448**	**$ 1,530**	**$ 3,583,111**	**$ 45,948**	**$ (1,589,409)**	**$ 2,043,180**	**$ (76,200)**	**$ 225,062**	**$ 2,192,042**

Balances at June 30, 2023		**20**	**$ 2,000**	**149,223,526**	**$ 1,492**	**$ 3,430,731**	**$ 39,343**	**$ (1,474,101)**	**$ 1,999,465**	**$ (80,087)**	**$ 249,512**	**$ 2,168,890**
Redemption of AIR Operating Partnership units		—	—	—	—	—	—	—	—	—	(1,745)	(1,745)
Repurchase of Common Stock, net		—	—	(2,249,800)	(22)	(77,760)	—	—	(77,782)	—	—	(77,782)
Amortization of share-based compensation cost												
Amortization of share-based compensation cost	Amortization of share-based compensation cost	—	—	—	—	816	—	—	816	—	1,155	1,971
Effect of changes in ownership of consolidated entities	Effect of changes in ownership of consolidated entities	—	—	—	—	1,446	—	—	1,446	(1,397)	1,070	1,119
Contributions from noncontrolling interests in consolidated real estate partnerships	Contributions from noncontrolling interests in consolidated real estate partnerships	—	—	—	—	—	—	—	—	718	—	718
Change in accumulated other comprehensive loss		—	—	—	—	—	(14,549)	—	(14,549)	—	(1,873)	(16,422)
Net income		—	—	—	—	—	—	664,031	664,031	2,525	42,386	708,942
Contributions from noncontrolling interests in consolidated real estate partnerships												
Contributions from noncontrolling interests in consolidated real estate partnerships												
Change in accumulated other comprehensive income												
Net (loss) income												
Common Stock dividends												
Distributions to noncontrolling interests												
Distributions to noncontrolling interests												
Distributions to noncontrolling interests												
Other, net												
Balances at March 31, 2023												
Balances at December 31, 2023												

Balances at December 31, 2023												
Balances at December 31, 2023												
Redemption of AIR Operating Partnership units												
Redemption of AIR Operating Partnership units												
Redemption of AIR Operating Partnership units												
Amortization of share-based compensation cost												
Amortization of share-based compensation cost												
Amortization of share-based compensation cost												
Effect of changes in ownership of consolidated entities												
Change in accumulated other comprehensive income												
Change in accumulated other comprehensive income												
Change in accumulated other comprehensive income												
Net (loss) income												
Common Stock dividends	Common Stock dividends	—	—	—	—	—	—	(66,002)	(66,002)	—	—	(66,002)
Distributions to noncontrolling interests	Distributions to noncontrolling interests	—	—	—	—	—	—	—	—	(4,851)	(4,134)	(8,985)
Other, net	Other, net	—	—	(671)	—	83	—	(44)	39	(18)	3	24
Balances at September 30, 2023		**20**	**$ 2,000**	**146,973,055**	**$ 1,470**	**$ 3,355,316**	**$ 24,794**	**$ (876,116)**	**$ 2,507,464**	**$ (83,110)**	**$ 286,374**	**$ 2,710,728**
Balances at March 31, 2024												

See notes to the condensed consolidated financial statements.

APARTMENT INCOME REIT CORP.
CONDENSED CONSOLIDATED STATEMENTS OF EQUITY
For the Nine Months Ended September 30, 2023 and 2022
(In thousands, except share data)
(Unaudited)

	Perpetual Preferred Stock	Common Stock	Additional	Accumulated	Distributions	Total AIR	Noncontrolling	Common	Total

	Shares Issued	Amount	Shares Issued	Amount	Paid-in Capital	Other Comprehensive Income (Loss)	in Excess of Earnings	Equity	Interests in Consolidated Real Estate Partnerships	Noncontrolling Interests in AIR Operating Partnership	Equity
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	—	—	—	—	—	—	—	—	—	(7,423)	(7,423)
Repurchase of Common Stock, net	—	—	(4,107,451)	(41)	(171,670)	—	—	(171,711)	—	—	(171,711)
Amortization of share-based compensation cost	—	—	—	—	3,519	—	—	3,519	—	2,753	6,272
Effect of changes in ownership of consolidated entities	—	—	—	—	(5,404)	—	—	(5,404)	—	5,404	—
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	—	—	—	—	—	—	—	—	8,337	—	8,337
Change in accumulated other comprehensive income	—	—	—	—	—	45,948	—	45,948	—	3,913	49,861
Net income (loss)	—	—	—	—	—	—	574,864	574,864	(285)	37,053	611,632
Common Stock dividends	—	—	—	—	—	—	(210,361)	(210,361)	—	—	(210,361)
Distributions to noncontrolling interests	—	—	—	—	—	—	—	—	(13,561)	(13,408)	(26,969)
Other, net	(125)	(129)	102,532	1	(910)	—	(133)	(1,171)	72	(243)	(1,342)
Balances at September 30, 2022	**20**	**$ 2,000**	**152,993,448**	**$ 1,530**	**$ 3,583,111**	**$ 45,948**	**$ (1,589,409)**	**$ 2,043,180**	**$ (76,200)**	**$ 225,062**	**$ 2,192,042**
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	—	—	—	—	—	—	—	—	—	(17,559)	(17,559)
Repurchase of Common Stock, net	—	—	(2,249,800)	(22)	(77,760)	—	—	(77,782)	—	—	(77,782)
Amortization of share-based compensation cost	—	—	—	—	3,607	—	—	3,607	—	3,465	7,072
Effect of changes in ownership of consolidated entities	—	—	—	—	(7,840)	—	—	(7,840)	(1,397)	10,356	1,119
Purchase of noncontrolling interests in consolidated real estate partnerships	—	—	—	—	479	—	—	479	(1,996)	—	(1,517)
Contributions from noncontrolling interests in consolidated real estate partnerships	—	—	—	—	—	—	—	—	5,235	—	5,235
Change in accumulated other comprehensive loss	—	—	—	—	—	(18,768)	—	(18,768)	—	(1,981)	(20,749)
Net income	—	—	—	—	—	—	651,313	651,313	3,894	41,245	696,452
Common Stock dividends	—	—	—	—	—	—	(200,142)	(200,142)	—	—	(200,142)
Distributions to noncontrolling interests	—	—	—	—	—	—	—	—	(9,908)	(13,212)	(23,120)
Other, net	—	—	136,307	1	195	—	(16)	180	(153)	3	30
Balances at September 30, 2023	**20**	**$ 2,000**	**146,973,055**	**$ 1,470**	**$ 3,355,316**	**$ 24,794**	**$ (876,116)**	**$ 2,507,464**	**$ (83,110)**	**$ 286,374**	**$ 2,710,728**

See notes to the condensed consolidated financial statements.

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APARTMENT INCOME REIT CORP.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

Three Months Ended March 31,	Three Months Ended March 31,	
2024	**2024**	**2023**

CASH FLOWS FROM OPERATING ACTIVITIES:

Net loss

Net loss

Net loss

Adjustments to reconcile net loss to net cash provided by operating activities:

Depreciation and amortization

Depreciation and amortization

Depreciation and amortization

		Nine Months Ended September 30,	
		2023	**2022**
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income		$ 701,162	$ 616,439
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization		263,949	253,650
Gain on dispositions and impairments of real estate		(675,534)	(587,609)
Loss on extinguishment of debt	Loss on extinguishment of debt	2,008	23,636
Loss on extinguishment of debt			
Loss on extinguishment of debt			
Income tax expense	Income tax expense	5,911	966
Other, net	Other, net	4,308	6,890
Net changes in operating assets and operating liabilities	Net changes in operating assets and operating liabilities	(55)	37,484
Net cash provided by operating activities	Net cash provided by operating activities	301,749	351,456
CASH FLOWS FROM INVESTING ACTIVITIES:	**CASH FLOWS FROM INVESTING ACTIVITIES:**		
Purchases of real estate	Purchases of real estate	(339,696)	(858,815)
Purchases of real estate			
Purchases of real estate			
Capital expenditures	Capital expenditures	(140,855)	(151,115)
Contribution to unconsolidated joint ventures		(51,836)	—

Proceeds from dispositions of real estate		52,066	759,227
Distributions from unconsolidated joint ventures		207,137	—
Proceeds from repayment of note receivable		—	534,127
Other investing activities, net	Other investing activities, net	3,194	(30,500)
Net cash (used in) provided by investing activities		(269,990)	252,924
Other investing activities, net			
Other investing activities, net			
Net cash used in investing activities			
CASH FLOWS FROM FINANCING ACTIVITIES:	**CASH FLOWS FROM FINANCING ACTIVITIES:**		
Principal repayments on non-recourse property debt		(111,699)	(361,056)
Proceeds from non-recourse property debt	Proceeds from non-recourse property debt	1,005,920	—
Proceeds from non-recourse property debt			
Proceeds from non-recourse property debt			
Principal repayments of non-recourse property debt			
Repayment of term loan		(325,000)	(350,000)
Net (repayments of) borrowings on revolving credit facility		(436,250)	176,205
Proceeds from the issuance of unsecured notes payable		—	400,000
Net borrowings on (repayments of) revolving credit facility			
Net borrowings on (repayments of) revolving credit facility			
Net borrowings on (repayments of) revolving credit facility			
Repurchases of Common Stock			
Repurchases of Common Stock			
Repurchases of Common Stock	Repurchases of Common Stock	(77,782)	(171,711)
Payment of dividends to holders of Common Stock	Payment of dividends to holders of Common Stock	(200,137)	(210,377)
Payment of distributions to noncontrolling interests		(23,524)	(18,262)
Payment of dividends to holders of Common Stock			
Payment of dividends to holders of Common Stock			

Redemptions of noncontrolling interests in the AIR Operating Partnership			
Redemptions of noncontrolling interests in the AIR Operating Partnership			
Redemptions of noncontrolling interests in the AIR Operating Partnership			
Other financing activities, net	Other financing activities, net	(30,522)	(47,294)
Net cash used in financing activities		(198,994)	(582,495)
NET (DECREASE) INCREASE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH		(167,235)	21,885
Other financing activities, net			
Other financing activities, net			
Net cash provided by (used in) financing activities			
NET DECREASE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH			
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH AT BEGINNING OF PERIOD	**CASH, CASH EQUIVALENTS, AND RESTRICTED CASH AT BEGINNING OF PERIOD**	301,405	92,761
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH AT END OF PERIOD	**CASH, CASH EQUIVALENTS, AND RESTRICTED CASH AT END OF PERIOD**	**$ 134,170**	**$ 114,646**

See notes to the condensed consolidated financial statements.

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APARTMENT INCOME REIT, L.P.
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands)
(Unaudited)

		September 30, 2023	**December 31, 2022**		
	March 31, 2024			**March 31, 2024**	**December 31, 2023**
ASSETS	**ASSETS**				
Buildings and improvements					
Buildings and improvements					

Buildings and improvements	Buildings and improvements	$6,290,960	$6,784,965
Land	Land	1,285,398	1,291,429
Total real estate	Total real estate	7,576,358	8,076,394
Accumulated depreciation	Accumulated depreciation	(2,173,273)	(2,449,883)
Net real estate	Net real estate	5,403,085	5,626,511
Cash and cash equivalents	Cash and cash equivalents	106,630	95,797
Restricted cash	Restricted cash	27,540	205,608
Investment in unconsolidated real estate partnerships			
Goodwill	Goodwill	32,286	32,286
Investment in unconsolidated real estate partnerships		352,096	41,860
Other assets, net	Other assets, net	477,612	549,821
Total assets	**Total assets**	**$6,399,249**	**$6,551,883**
LIABILITIES AND PARTNERS' CAPITAL	**LIABILITIES AND PARTNERS' CAPITAL**		
LIABILITIES AND PARTNERS' CAPITAL			
LIABILITIES AND PARTNERS' CAPITAL			
Non-recourse property debt, net			
Non-recourse property debt, net			
Non-recourse property debt, net	Non-recourse property debt, net	$2,231,238	$1,985,430
Term loans, net	Term loans, net	473,486	796,713
Revolving credit facility borrowings	Revolving credit facility borrowings	25,750	462,000
Unsecured notes payable, net	Unsecured notes payable, net	397,760	397,486
Total indebtedness	Total indebtedness	3,128,234	3,641,629
Accrued liabilities and other	Accrued liabilities and other	483,147	513,805
Total liabilities	Total liabilities	3,611,381	4,155,434
Commitments and contingencies (Note 7)			

Commitments and contingencies (Note 7)			
Commitments and contingencies (Note 7)			
Commitments and contingencies (Note 7)			
Redeemable preferred units			
Redeemable preferred units			
Redeemable preferred units	Redeemable preferred units	77,140	77,143
Partners' capital:	Partners' capital:		
Partners' capital:			
Partners' capital:			
Preferred units			
Preferred units			
Preferred units	Preferred units	2,000	2,000
General Partner and Special Limited Partner			
General Partner and Special Limited Partner			
General Partner and Special Limited Partner	General Partner and Special Limited Partner	2,505,464	2,154,417
Limited Partners	Limited Partners	286,374	241,674
Partners' capital attributable to the AIR Operating Partnership	Partners' capital attributable to the AIR Operating Partnership	2,793,838	2,398,091
Noncontrolling interests in consolidated real estate partnerships	Noncontrolling interests in consolidated real estate partnerships	(83,110)	(78,785)
Total partners' capital	Total partners' capital	2,710,728	2,319,306
Total liabilities, redeemable preferred units, and partners' capital	**Total liabilities, redeemable preferred units, and partners' capital**	**$6,399,249**	**$6,551,883**

See notes to the condensed consolidated financial statements.

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APARTMENT INCOME REIT, L.P.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per unit data)
(Unaudited)

		Three Months Ended		Nine Months Ended			
		September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022		
		Three Months Ended March 31,					
		Three Months Ended March 31,					
		Three Months Ended March 31,					
	2024					2024	2023
REVENUES	REVENUES						
Rental and other property revenues							
Rental and other property revenues							
Rental and other property revenues	Rental and other property revenues	$ 194,244	$ 198,413	$ 616,659	$ 558,686		
Other revenues	Other revenues	3,063	2,458	7,018	7,163		
Total revenues	Total revenues	197,307	200,871	623,677	565,849		
EXPENSES	EXPENSES						
EXPENSES							
EXPENSES							
Property operating expenses							
Property operating expenses							
Property operating expenses	Property operating expenses	58,076	64,009	190,122	176,679		
Property management expenses	Property management expenses	7,899	7,241	23,318	21,594	Property management expenses 8,197	7,676
Depreciation and amortization	Depreciation and amortization	79,023	90,445	263,949	253,650		
General and administrative expenses	General and administrative expenses	5,663	7,663	18,866	19,593		
Other expenses, net	Other expenses, net	8,110	4,941	14,434	5,883		
Other expenses, net							
Other expenses, net							
	169,075						
		158,771	174,299	510,689	477,399		
Interest income							
Interest income							
Interest income	Interest income	2,918	9,613	6,133	48,746		
Interest expense	Interest expense	(22,888)	(32,656)	(96,629)	(80,790)		

Loss on extinguishment of debt	Loss on extinguishment of debt	—	—	(2,008)	(23,636)		
Gain on dispositions and impairments of real estate		692,861	—	675,534	587,609		
Gain on derivative instruments, net		14,070	—	23,322	—		
Gain (loss) on derivative instruments, net							
Gain (loss) on derivative instruments, net							
Gain (loss) on derivative instruments, net							
Loss from unconsolidated real estate partnerships	Loss from unconsolidated real estate partnerships	(10,390)	(87)	(12,267)	(2,974)		
Income before income tax expense		715,107	3,442	707,073	617,405		
Loss from unconsolidated real estate partnerships							
Loss from unconsolidated real estate partnerships							
Loss before income tax expense							
Income tax expense	Income tax expense	(4,595)	(46)	(5,911)	(966)		
Net income		710,512	3,396	701,162	616,439		
Net (income) loss attributable to noncontrolling interests in consolidated real estate partnerships		(2,525)	102	(3,894)	285		
Net income attributable to the AIR Operating Partnership		707,987	3,498	697,268	616,724		
Net loss							
Net income attributable to noncontrolling interests in consolidated real estate partnerships	Net income attributable to noncontrolling interests in consolidated real estate partnerships					(1,101)	(685)
Net loss attributable to the AIR Operating Partnership	Net loss attributable to the AIR Operating Partnership					(5,379)	(10,633)
Net income attributable to the AIR Operating Partnership's preferred unitholders	Net income attributable to the AIR Operating Partnership's preferred unitholders	(1,614)	(1,645)	(4,839)	(4,935)		
Net (income) loss attributable to participating securities		(391)	44	(484)	(373)		
Net income attributable to the AIR Operating Partnership's common unitholders		**$ 705,982**	**$ 1,897**	**$ 691,945**	**$ 611,416**		

Net income attributable to the AIR Operating Partnership common unitholders per unit – basic	**$ 4.49**	**$ 0.01**	**$ 4.38**	**$ 3.69**
Net income attributable to the AIR Operating Partnership common unitholders per unit – diluted	**$ 4.42**	**$ 0.01**	**$ 4.34**	**$ 3.68**
Net income attributable to the AIR Operating Partnership's preferred unitholders				
Weighted-average common units outstanding – basic	**157,366**	**163,866**	**158,138**	**165,578**
Weighted-average common units outstanding – diluted	**159,937**	**164,112**	**160,458**	**167,529**

Net income attributable to the AIR Operating Partnership's preferred unitholders		(1,614)	(1,613)
Net loss (income) attributable to participating securities	Net loss (income) attributable to participating securities	66	(37)
Net loss attributable to the AIR Operating Partnership's common unitholders			
Net loss attributable to the AIR Operating Partnership common unitholders per unit – basic and diluted			
Net loss attributable to the AIR Operating Partnership common unitholders per unit – basic and diluted			
Net loss attributable to the AIR Operating Partnership common unitholders per unit – basic and diluted			
Weighted-average common units outstanding – basic and diluted			
Weighted-average common units outstanding – basic and diluted			
Weighted-average common units outstanding – basic and diluted		**154,323**	**159,284**

See notes to the condensed consolidated financial statements.

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APARTMENT INCOME REIT, L.P.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(In thousands)
(Unaudited)

	Three Months Ended March 31,			
	2024		2023	
Net loss	$	(4,278)	$	(9,948)
Unrealized loss on derivative instruments, net		—		(19,748)
Reclassification of interest rate derivative (gain) loss to net loss		(2,101)		4,154
Comprehensive loss		(6,379)		(25,542)
Comprehensive income attributable to noncontrolling interests		(1,101)		(685)
Comprehensive loss attributable to the AIR Operating Partnership	**$**	**(7,480)**	**$**	**(26,227)**

See notes to the condensed consolidated financial statements.

APARTMENT INCOME REIT, L.P.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(In thousands)
(Unaudited)

	Three Months Ended				Nine Months Ended			
	September 30, 2023		September 30, 2022		September 30, 2023		September 30, 2022	
Net income	$	710,512	$	3,396	$	701,162	$	616,439
Unrealized (loss) gain on derivative instruments, net		(2,236)		34,209		2,955		47,141
Reclassification of interest rate derivative (gain) loss to net income (loss)		(14,186)		731		(23,704)		2,720
Comprehensive income		694,090		38,336		680,413		666,300
Comprehensive (income) loss attributable to noncontrolling interests		(2,525)		102		(3,894)		285
Comprehensive income attributable to the AIR Operating Partnership	**$**	**691,565**	**$**	**38,438**	**$**	**676,519**	**$**	**666,585**

See notes to the condensed consolidated financial statements.

APARTMENT INCOME REIT, L.P.
CONDENSED CONSOLIDATED STATEMENTS OF PARTNERS' CAPITAL
For the Three Months Ended September 30, 2023 March 31, 2024 and 2022
(In thousands)
(Unaudited)

	Preferred Units		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	
Balances at June 30, 2022	$	2,000	$	2,130,449	$	226,985	$	2,359,434	$	(70,609)	$	2,288,825
Redemption of common partnership units		—		—		(3,178)		(3,178)		—		(3,178)
Repurchase of common partnership units		—		(46,711)		—		(46,711)		—		(46,711)
Amortization of share-based compensation cost		—		878		943		1,821		—		1,821
Effect of changes in ownership of consolidated entities		—		(2,140)		2,140		—		—		—
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		—		—		—		—		529		529
Change in accumulated other comprehensive income		—		32,198		2,742		34,940		—		34,940
Net income (loss)		—		1,759		137		1,896		(102)		1,794
Distributions to common unitholders		—		(69,377)		(4,472)		(73,849)		—		(73,849)
Distributions to noncontrolling interests		—		—		—		—		(6,226)		(6,226)

Other, net	—	(347)	(235)	(582)	88	(494)
Balances at September 30, 2022	**$ 2,000**	**$ 2,041,180**	**$ 225,062**	**$ 2,268,242**	**$ (76,200)**	**$ 2,192,042**
Balances at June 30, 2023	**$ 2,000**	**$ 1,997,465**	**$ 249,512**	**$ 2,248,977**	**$ (80,087)**	**$ 2,168,890**
Redemption of common partnership units	—	—	(1,745)	(1,745)	—	(1,745)
Repurchase of common partnership units	—	(77,782)	—	(77,782)	—	(77,782)
Amortization of share-based compensation cost	—	816	1,155	1,971	—	1,971
Effect of changes in ownership of consolidated entities	—	1,446	1,070	2,516	(1,397)	1,119
Contributions from noncontrolling interests in consolidated real estate partnerships	—	—	—	—	718	718
Change in accumulated other comprehensive loss	—	(14,549)	(1,873)	(16,422)	—	(16,422)
Net income	—	664,031	42,386	706,417	2,525	708,942
Distributions to common unitholders	—	(66,002)	(4,134)	(70,136)	—	(70,136)
Distributions to noncontrolling interests	—	—	—	—	(4,851)	(4,851)
Other, net	—	39	3	42	(18)	24
Balances at September 30, 2023	**$ 2,000**	**$ 2,505,464**	**$ 286,374**	**$ 2,793,838**	**$ (83,110)**	**$ 2,710,728**

See notes to the condensed consolidated financial statements.

APARTMENT INCOME REIT, L.P.

CONDENSED CONSOLIDATED STATEMENTS OF PARTNERS' CAPITAL

For the Nine Months Ended September 30, 2023 and 2022 2023

(In thousands)

(Unaudited)

	Preferred Units	Preferred Units	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
Balances at December 31, 2022							
Issuance of AIR Operating Partnership units							

		Preferred Units	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
Balances at December 31, 2021		**$ 2,129**	**$1,810,896**	**$197,013**	**$ 2,010,038**	**$ (70,883)**	**$1,939,155**
Redemption of common partnership units	Redemption of common partnership units	—	—	(7,423)	(7,423)	—	(7,423)

Repurchase of common partnership units		—	(171,711)	—	(171,711)	—	(171,711)
Redemption of common partnership units							
Redemption of common partnership units							
Amortization of share-based compensation cost							
Amortization of share-based compensation cost							
Amortization of share-based compensation cost	Amortization of share-based compensation cost	—	3,519	2,753	6,272	—	6,272
Effect of changes in ownership of consolidated entities	Effect of changes in ownership of consolidated entities	—	(5,404)	5,404	—	—	—
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							
Contributions from noncontrolling interests in consolidated real estate partnerships							
Contributions from noncontrolling interests in consolidated real estate partnerships	Contributions from noncontrolling interests in consolidated real estate partnerships	—	—	—	—	8,337	8,337
Change in accumulated other comprehensive income	Change in accumulated other comprehensive income	—	45,948	3,913	49,861	—	49,861
Net income (loss)		—	574,864	37,053	611,917	(285)	611,632
Net (loss) income							
Distributions to common unitholders	Distributions to common unitholders	—	(210,361)	(13,408)	(223,769)	—	(223,769)
Distributions to noncontrolling interests	Distributions to noncontrolling interests	—	—	—	—	(13,561)	(13,561)
Other, net	Other, net	(129)	(1,042)	(243)	(1,414)	72	(1,342)
Balances at September 30, 2022		**$ 2,000**	**$ 2,041,180**	**$ 225,062**	**$ 2,268,242**	**$ (76,200)**	**$ 2,192,042**
Balances at March 31, 2023							

Balances at December 31, 2022		**$ 2,000**	**$ 2,154,417**	**$ 241,674**	**$ 2,398,091**	**$ (78,785)**	**$ 2,319,306**
Issuance of AIR Operating Partnership units		—	—	22,383	22,383	—	22,383
Balances at December 31, 2023							
Balances at December 31, 2023							
Balances at December 31, 2023							
Redemption of common partnership units	Redemption of common partnership units	—	—	(17,559)	(17,559)	—	(17,559)
Repurchase of common partnership units		—	(77,782)	—	(77,782)	—	(77,782)
Redemption of common partnership units							
Redemption of common partnership units							
Amortization of share-based compensation cost							
Amortization of share-based compensation cost							
Amortization of share-based compensation cost	Amortization of share-based compensation cost	—	3,607	3,465	7,072	—	7,072
Effect of changes in ownership of consolidated entities	Effect of changes in ownership of consolidated entities	—	(7,840)	10,356	2,516	(1,397)	1,119
Purchase of noncontrolling interests in consolidated real estate partnerships		—	479	—	479	(1,996)	(1,517)
Contributions from noncontrolling interests in consolidated real estate partnerships		—	—	—	—	5,235	5,235
Change in accumulated other comprehensive loss		—	(18,768)	(1,981)	(20,749)	—	(20,749)
Net income		—	651,313	41,245	692,558	3,894	696,452
Change in accumulated other comprehensive income							
Change in accumulated other comprehensive income							
Change in accumulated other comprehensive income							
Net (loss) income							
Distributions to common unitholders	Distributions to common unitholders	—	(200,142)	(13,212)	(213,354)	—	(213,354)

Distributions to noncontrolling interests	Distributions to noncontrolling interests	—	—	—	—	(9,908)	(9,908)
Other, net	Other, net	—	180	3	183	(153)	30
Balances at September 30, 2023		**$ 2,000**	**$ 2,505,464**	**$ 286,374**	**$ 2,793,838**	**$ (83,110)**	**$ 2,710,728**
Balances at March 31, 2024							

See notes to the condensed consolidated financial statements.

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APARTMENT INCOME REIT, L.P.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	Three Months Ended March 31,	Three Months Ended March 31,	
	2024	**2024**	**2023**
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net loss			
Net loss			
Net loss			
Adjustments to reconcile net loss to net cash provided by operating activities:			
Depreciation and amortization			
Depreciation and amortization			
Depreciation and amortization			

	Nine Months Ended September 30,	
	2023	**2022**
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 701,162	$ 616,439
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	263,949	253,650
Gain on dispositions and impairments of real estate	(675,534)	(587,609)
Loss on extinguishment of debt / Loss on extinguishment of debt	2,008	23,636
Loss on extinguishment of debt		
Loss on extinguishment of debt		

Income tax expense	Income tax expense	5,911	966
Other, net	Other, net	4,308	6,890
Net changes in operating assets and operating liabilities	Net changes in operating assets and operating liabilities	(55)	37,484
Net cash provided by operating activities	Net cash provided by operating activities	301,749	351,456
CASH FLOWS FROM INVESTING ACTIVITIES:	**CASH FLOWS FROM INVESTING ACTIVITIES:**		
Purchases of real estate	Purchases of real estate	(339,696)	(858,815)
Purchases of real estate			
Purchases of real estate			
Capital expenditures	Capital expenditures	(140,855)	(151,115)
Contribution to unconsolidated joint ventures		(51,836)	—
Proceeds from dispositions of real estate		52,066	759,227
Distributions from unconsolidated joint ventures		207,137	—
Proceeds from repayment of note receivable		—	534,127
Other investing activities, net	Other investing activities, net	3,194	(30,500)
Net cash (used in) provided by investing activities		(269,990)	252,924
Other investing activities, net			
Other investing activities, net Net cash used in investing activities			
CASH FLOWS FROM FINANCING ACTIVITIES:	**CASH FLOWS FROM FINANCING ACTIVITIES:**		
Principal repayments on non-recourse property debt		(111,699)	(361,056)
Proceeds from non-recourse property debt	Proceeds from non-recourse property debt	1,005,920	—
Proceeds from non-recourse property debt			
Proceeds from non-recourse property debt Principal repayments of non-recourse property debt			
Repayment of term loan		(325,000)	(350,000)

Net (repayments of) borrowings on revolving credit facility		(436,250)	176,205
Proceeds from the issuance of unsecured notes payable		—	400,000
Net borrowings on (repayments of) revolving credit facility			
Net borrowings on (repayments of) revolving credit facility			
Net borrowings on (repayments of) revolving credit facility			
Repurchases of common partnership units held by General Partner and Special Limited Partner			
Repurchases of common partnership units held by General Partner and Special Limited Partner			
Repurchases of common partnership units held by General Partner and Special Limited Partner	Repurchases of common partnership units held by General Partner and Special Limited Partner	(77,782)	(171,711)
Payment of distributions to General Partner and Special Limited Partner	Payment of distributions to General Partner and Special Limited Partner	(200,137)	(210,377)
Payment of distributions to Limited Partners		(13,591)	(13,439)
Payment of distributions to noncontrolling interests		(9,933)	(4,823)
Payment of distributions to General Partner and Special Limited Partner			
Payment of distributions to General Partner and Special Limited Partner			
Redemption of common and preferred units			
Redemption of common and preferred units			
Redemption of common and preferred units			
Other financing activities, net	Other financing activities, net	(30,522)	(47,294)
Net cash used in financing activities		(198,994)	(582,495)
NET (DECREASE) INCREASE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH		(167,235)	21,885
Other financing activities, net			
Other financing activities, net			
Net cash provided by (used in) financing activities			

NET DECREASE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH			
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH AT BEGINNING OF PERIOD	**CASH, CASH EQUIVALENTS, AND RESTRICTED CASH AT BEGINNING OF PERIOD**	301,405	92,761
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH AT END OF PERIOD	**CASH, CASH EQUIVALENTS, AND RESTRICTED CASH AT END OF PERIOD**	**$ 134,170**	**$ 114,646**

See notes to the condensed consolidated financial statements.

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APARTMENT INCOME REIT CORP.
APARTMENT INCOME REIT, L.P.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2023 March 31, 2024
(Unaudited)

Note 1 — Basis of Presentation and Organization

Basis of Presentation

The accompanying condensed 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 condensed 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 condensed 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 condensed 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.

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with the instructions to Form 10-Q and Article 10 of Regulation S-X. Certain information and footnote disclosures normally included in financial statements prepared in accordance with GAAP have been condensed or omitted in accordance with such rules and regulations, although management believes the disclosures are adequate to prevent the information presented from being misleading. In the opinion of management, all adjustments, consisting of normal recurring items, considered necessary for a fair presentation have been included. Operating results for the three and nine months ended September 30, 2023 March 31, 2024, are not necessarily indicative of the results that may be expected for the year ending December 31, 2023 December 31, 2024.

The condensed consolidated balance sheets of AIR, the AIR Operating Partnership, and their consolidated subsidiaries as of December 31, 2022 December 31, 2023, have been derived from their respective audited financial statements at that date, but do not include all of the information and disclosures required by GAAP for complete financial statements. For further information, refer to the financial statements and notes thereto included in AIR’s and the AIR Operating Partnership’s combined Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023. Except where indicated, the footnotes refer to AIR, the AIR Operating Partnership and their consolidated subsidiaries, collectively.

Reclassifications

Certain prior period balances in the condensed consolidated balance sheets, statements of operations and statements of cash flows have been combined or reclassified to conform to current period presentation pursuant to Rule 10-01(a)(2) of Regulation S-X of the SEC. 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 stabilized apartment communities, diversified by both geography and price point, in 10 states and the District of Columbia. As of September 30, 2023 March 31, 2024, our portfolio included 75 76 apartment

communities with 26,623 27,015 apartment homes, in which we held an average ownership of approximately 81% 82%. We also have one land parcel and one indirect land interest that we lease to third parties.

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 September 30, 2023 March 31, 2024, after elimination of units held by consolidated subsidiaries, the AIR Operating Partnership had 156,840,617 158,247,357 common OP Units and equivalents outstanding. As of September 30, 2023 March 31, 2024, AIR owned 146,973,055 145,104,220 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 a 91.2% 91.7% legal interest in the AIR Operating Partnership and a 93.6% 93.7% economic interest.

Note 2 — Summary of Significant Accounting Policies

Principles of Consolidation

We consolidate variable interest entities ("VIEs" 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 September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, AIR consolidated five and seven VIEs, respectively, including the AIR Operating Partnership. Please see Note 10 for further discussion regarding our consolidated VIEs.

Redeemable Preferred OP Units

The AIR Operating Partnership has various classes of preferred OP Units. 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. The preferred OP Units are therefore presented within temporary equity in AIR's condensed consolidated balance sheets and within temporary partners' capital in the AIR Operating Partnership's condensed consolidated balance sheets.

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

Balance at January 1, 2023January 1, 2024	$	77,143 77,140
Preferred distributions		(4,710) (1,570)
Net income allocated to preferred units		4,710 1,570
Balance at September 30, 2023March 31, 2024	**$**	**77,140**

The AIR Operating Partnership has outstanding various classes of redeemable preferred OP Units. As of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, the AIR Operating Partnership had 2,846,524 and 2,846,574 redeemable preferred OP Units issued and outstanding, respectively. outstanding. Distributions per annum range from 1.92% to 8.75% per class and $0.48 to $8.00 per unit, respectively.

Use of Estimates

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

Note 3 — Significant Transactions

Apartment Community Acquisitions

During the three months ended September 30, 2023 March 31, 2024, we acquired one apartment community located in Raleigh, North Carolina and one with 384 apartment community located in Durham, North Carolina. During the nine months ended September 30, 2023, we acquired one additional apartment community located in South Florida with 495 apartment homes

and 29,000 square feet of commercial space. homes. Summarized information regarding these acquisitions this acquisition is set forth in the table below (dollars in thousands):

	Three Months Ended September 30, 2023		Nine Months Ended September 30, 2023	
Number of apartment communities		2		3
Number of apartment homes		620		1,115
Purchase price	$	154,500	$	452,500
Capitalized transaction costs		1,270		6,739
Total consideration (1)	**$**	**155,770**	**$**	**459,239**
Land	$	19,226	$	118,564
Building and improvements		130,937		318,364
Intangible assets (2)		5,768		17,845
Mark-to-market on debt assumed		—		7,370
Below-market lease liabilities (2)		(161)		(2,904)
Total consideration (1)	**$**	**155,770**	**$**	**459,239**

	Three Months Ended March 31, 2024	
Purchase price	$	86,500
Capitalized transaction costs		713
Total consideration	**$**	**87,213**
Land	$	11,704
Building and improvements		73,102
Intangible assets (1)		2,482
Below-market lease liabilities (1)		(75)
Total consideration	**$**	**87,213**

(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.

(2) Intangible assets and below-market lease liabilities for the South Florida Raleigh, North Carolina 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.

Apartment Community Dispositions Subsequent to March 31, 2024, we acquired one apartment community located in Bethesda, Maryland with 359 apartment homes and 50,500 square feet of commercial space for $150.0 million. In connection with the acquisition, AIR placed $97.3 million of non-recourse property debt on the property.

During Dividends and Distributions

For the three months ended September 30, 2023, we sold one apartment community March 31, 2024 and 2023, dividends and distributions paid per share of Common Stock and per common unit were $0.45. As a result of the announced Plan of Merger with 195 apartment homes included in our Other Blackstone Real Estate segment as described in Note 12, payment of additional quarterly dividends has been suspended, effective immediately, other than for net proceeds the purpose of $19.9 million which approximates its carrying value. During meeting REIT status, and any such dividends would result in an offsetting decrease to the nine months ended September 30, 2023, we sold three apartment communities with 257 apartment homes included in our Other Real Estate segment for net proceeds Common Stock Merger Consideration. Subject to and upon consummation of $52.1 million which approximates their carrying value.

During the three months ended September 30, 2022, we did not sell any apartment communities. During Merger, the nine months ended September 30, 2022, we sold 12 apartment communities with 2,050 homes, 10 of which were included in our Same Store segment and two included in our Other Real Estate segment, for a gain Company's Class A common stock will no longer be listed on disposition of $587.6 million.

At the end of each reporting period, we evaluate whether any communities meet the criteria to be classified as held for sale. As of September 30, 2023, no communities were classified as held for sale.

Impairment

Impairments are rare; however, in exiting the New York market, we impaired three properties in 2023 as further described below. 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.

During the three months ended September 30, 2023, we did not recognize any impairment losses. During the nine months ended September 30, 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 nine months ended September 30, 2023, we reduced the carrying value of three properties to their estimated fair value and recognized a non-cash impairment loss on real estate of $23.6 million. As of September 30, 2023, the three impaired properties have been sold.

During the three and nine months ended September 30, 2022, we did not recognize any impairment losses.

Share Repurchases

During the three months ended September 30, 2023, AIR repurchased 2.2 million shares for $77.8 million, at an average price of $34.57 per share. As of September 30, 2023, we are authorized by the AIR Board of Directors to repurchase an additional $105.5 million of shares. We consider share buybacks as part of a balanced investment program.

Joint Venture Transactions

In the third quarter of 2023, we formed an unconsolidated joint venture with a global institutional investor (the "Core JV") and in the second quarter of 2023, we formed an unconsolidated joint venture (the "Value-Add JV") with a global asset manager. Please see Note 6 for discussion regarding our joint venture transactions. Stock Exchange.

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 (in thousands):

		Three Months Ended		Nine Months Ended			
		September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022		
		Three Months Ended March 31, Three Months Ended March 31, Three Months Ended March 31,					
	2024					2024	2023
Fixed lease income	Fixed lease income	$ 179,069	$ 184,509	$ 572,123	$ 522,074		
Variable lease income	Variable lease income	14,502	13,141	43,043	35,165		
Total lease income	**Total lease income**	**$ 193,571**	**$ 197,650**	**$ 615,166**	**$ 557,239**		

Generally, our residential leases do not provide extension options and, as of September 30, 2023 March 31, 2024, have an average remaining term of 10.8 7.2 months. In general, our commercial leases have options to extend for a certain period of time at the tenant's option. As of September 30, 2023March 31, 2024, 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):

2023 (remaining)		$	164,948
2024			379,399
2024 (remaining)			
2025	2025		69,870
2026	2026		11,740
2027	2027		10,218
2028			
Thereafter	Thereafter		36,463
Total	**Total**	**$**	**672,638**

Note 5 — Debt

The following table summarizes our total indebtedness (in thousands):

March 31, 2024	**March 31, 2024**	**December 31, 2023**
Secured debt:		
Fixed-rate property debt due May 2025 to January 2055 (1)		
Fixed-rate property debt due May 2025 to January 2055 (1)		
Fixed-rate property debt due May 2025 to January 2055 (1)		

		September 30, 2023	**December 31, 2022**
Secured debt:			
Fixed-rate property debt due May 2025 to January 2055 (1)		$2,244,776	$1,906,151
Variable-rate property debt		—	88,500
Total non-recourse property debt		2,244,776	1,994,651
Debt issuance costs, net of accumulated amortization			
Debt issuance costs, net of accumulated amortization			
Debt issuance costs, net of accumulated amortization	Debt issuance costs, net of accumulated amortization	(13,538)	(9,221)
Total non-recourse property debt, net	**Total non-recourse property debt, net**	**$2,231,238**	**$1,985,430**
Unsecured debt:	**Unsecured debt:**		
Unsecured debt:			
Unsecured debt:			

Term loans due December 2024 to April 2026 (2)			
Term loans due December 2024 to April 2026 (2)			
Term loans due December 2024 to April 2026 (2)	Term loans due December 2024 to April 2026 (2)	$ 475,000	$ 800,000
Revolving credit facility borrowings due April 2025 (3)	Revolving credit facility borrowings due April 2025 (3)	25,750	462,000
4.58% Notes payable due June 2027	4.58% Notes payable due June 2027	100,000	100,000
4.77% Notes payable due June 2029	4.77% Notes payable due June 2029	100,000	100,000
4.84% Notes payable due June 2032	4.84% Notes payable due June 2032	200,000	200,000
Total unsecured debt	Total unsecured debt	900,750	1,662,000
Debt issuance costs, net of accumulated amortization	Debt issuance costs, net of accumulated amortization	(3,754)	(5,801)
Total unsecured debt, net	**Total unsecured debt, net**	**$ 896,996**	**$1,656,199**
Total indebtedness	**Total indebtedness**	**$3,128,234**	**$3,641,629**

(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 September 30, 2023 March 31, 2024, the weighted-average interest rate for our term loans before consideration of in place interest rate swaps was 6.4%. As of September 30, 2023 During the three months ended March 31, 2024, $350 million of our term loans are fixed via we restructured and terminated certain interest rate swaps, economically hedging our entire $475 million term loan balance at a weighted-average interest rate of 4.3%. The blended weighted-average an effective interest rate for our $475 million term loans, after consideration 2024 of in place interest rate swaps, is 4.9% 3.5%. 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 September 30, 2023 March 31, 2024, the weighted-average remaining term of the term loans was 2.3 1.8 years.

(3) As of September 30, 2023 March 31, 2024, we had capacity to borrow up to $970.0 million $735.7 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. points based on our current credit rating. During the three months ended March 31, 2024, we entered into interest rate swaps economically hedging $200 million of our $260 million revolving credit facility borrowings at 4.9%. As of September 30, 2023 March 31, 2024, the weighted-average interest rate for the remaining $60 million outstanding on our revolving credit facility was 6.3%.

During the three months ended September 30, 2023 March 31, 2024, AIR refinanced we increased the borrowings against our $325 million revolving credit facility primarily to fund the acquisition of term loans with fixed rate property debt to lock one apartment community located in rates for debt with longer maturities. The amount included full repayment Raleigh, North Carolina.

As of $150 million of March 31, 2024, 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, available liquidity was approximately $1.7 billion, which is included in interest expense in comprised of available capacity on our condensed consolidated statements secured and revolving credit facilities, our share of operations.

In advance of a joint venture closing during the period, 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 condensed consolidated balance sheet as of September 30, 2023.

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 minimal upfront costs, a 15-year term, restricted cash, 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. As of September 30, 2023, and after consideration of the secured credit facility, our share of cash and cash equivalents, and our share equivalents. As a result of restricted cash, total liquidity the announced Plan of Merger with Blackstone Real Estate as described in Note 12, AIR is approximately $2.1 billion. generally prohibited from creating, incurring, assuming, replacing, prepaying, or guaranteeing any indebtedness for borrowed money or issuing or materially amending the terms of any indebtedness.

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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 Joint Ventures

Joint Venture Transactions

In the third quarter of 2023, we formed the Core JV by contributing 10 properties included in our Same Store reporting segment located in Philadelphia, Washington, D.C. area, Denver area, Oceanside, and Kendall. 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 $698.8 million, including the measurement of the fair value of our interest in the Core JV during the three months ended September 30, 2023. AIR will earn various fees for providing property management, construction, and corporate services to the joint venture.

Additionally, during 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 eleventh 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.

In addition, during the second quarter of 2023, we formed the Value-Add JV by contributing the Huntington Gateway property, a 443-unit property located in Virginia. AIR is the general partner and retains legal ownership of 30%, and AIR 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. We recognized a gain of $0.5 million during the nine months ended September 30, 2023 in connection with this transaction.

Unconsolidated Joint Ventures Real Estate Partnerships

As of September 30, 2023 March 31, 2024, AIR has equity investments in three significant unconsolidated joint ventures: the Core JV, joint venture with a global institutional investor (the “Core JV”), the joint venture with a global asset manager (“Value-Add JV, JV”), and the Virginia JV “Virginia JV” (collectively, the "Joint “Joint Venture Entities" Entities”). We account for these joint ventures utilizing 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) A global asset manager acquired a 70% legal ownership in the Huntington Gateway property, but AIR will receive 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 condensed 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 information with respect to our investments in unconsolidated joint ventures real estate partnerships (in thousands):

	September 30, 2023		
	Virginia JV	Value-Add JV	Core JV
Total Third-Party Debt	$ 395,000	$ 94,105	$ 799,164
AIR's Investment In Balance (1)	$ 18,198	$ 29,341	$ 272,957

	March 31, 2024		
	Virginia JV	Value-Add JV	Core JV
Third-party debt	$ 395,000	$ 89,053	$ 793,874
AIR's investment in balance (1)	$ 16,539	$ 28,482	$ 258,590

(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 condensed consolidated balance sheets also includes $21.3 million related to two immaterial unconsolidated investments.

	December 31, 2023		
	Virginia JV	Value-Add JV	Core JV
Third-party debt	$ 395,000	$ 88,741	$ 793,910
AIR's investment in balance (1)	$ 17,212	$ 28,606	$ 268,931

(1) AIR's investment in unconsolidated real estate partnerships in our condensed consolidated balance sheets includes $31.6 million related to two immaterial unconsolidated investments and certain basis differences.

	December 31, 2022		
	Virginia JV	Value-Add JV	Core JV
Total Third-Party Debt	$ 395,000	—	—
AIR's Investment In Balance (1)	$ 20,660	—	—

(1) AIR's investment in unconsolidated real estate partnerships in our condensed consolidated balance sheets includes $21.2 $21.3 million related to two immaterial unconsolidated investments.

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The Company recognizes earnings or losses from our investments in unconsolidated joint ventures real estate partnerships consisting of our proportionate share of the net earnings or losses of the joint ventures. In addition, we earn various fees for providing property management, construction, and corporate services to the Joint Venture Entities. The table below presents earnings or losses attributable to our investments in unconsolidated joint ventures, real estate partnerships, which is included in loss from unconsolidated real estate partnerships in our combined condensed consolidated statements of operations (in thousands):

	Three Months Ended		Nine Months Ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
	Three Months Ended March 31, Three Months Ended March 31, Three Months Ended March 31,			
	2024		2024	2023
Virginia JV Virginia JV	$ (1,113)	$ (87)	$ (3,004)	$ (2,974)
Value-Add JV				
Core JV Core JV	(7,930)	—	(7,930)	—
Value-Add JV	(1,347)	—	(1,333)	—
Total Total	**$ (10,390)**	**$ (87)**	**$ (12,267)**	**$ (2,974)**

Note 7 — Commitments and Contingencies

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 condensed 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 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 September 30, 2023 March 31, 2024, are immaterial to our condensed consolidated financial statements.

Note 8 — Earnings and Dividends per Share and per Unit

Reconciliations of the numerator and denominator in the calculations of basic and diluted earnings per share and per unit are as follows (in thousands, except per share and per unit data):

	Three Months Ended		Nine Months Ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Earnings per share				
Numerator:				
Basic net income attributable to AIR common stockholders	$ 663,596	$ 1,760	$ 650,700	$ 574,363
Effect of dilutive instruments	1,570	—	4,710	4,807
Dilutive net income attributable to AIR common stockholders	**$ 665,166**	**$ 1,760**	**$ 655,410**	**$ 579,170**
Denominator – shares:				
Basic weighted-average common shares outstanding	147,474	153,811	148,372	155,488
Dilutive common share equivalents outstanding	2,571	246	2,320	1,952
Dilutive weighted-average common shares outstanding	**150,045**	**154,057**	**150,692**	**157,440**
Earnings per share – basic	**$ 4.50**	**$ 0.01**	**$ 4.39**	**$ 3.69**
Earnings per share – diluted	**$ 4.43**	**$ 0.01**	**$ 4.35**	**$ 3.68**
Earnings per unit				
Numerator:				
Basic net income attributable to the AIR Operating Partnership's common unitholders	$ 705,982	$ 1,897	$ 691,945	$ 611,416
Effect of dilutive instruments	1,570	—	4,710	4,935
Dilutive net income attributable to the AIR Operating Partnership's common unitholders	**$ 707,552**	**$ 1,897**	**$ 696,655**	**$ 616,351**
Denominator – units:				
Basic weighted-average common units outstanding	157,366	163,866	158,138	165,578
Dilutive common unit equivalents outstanding	2,571	246	2,320	1,951
Dilutive weighted-average common units outstanding	**159,937**	**164,112**	**160,458**	**167,529**
Earnings per unit – basic	**$ 4.49**	**$ 0.01**	**$ 4.38**	**$ 3.69**
Earnings per unit – diluted	**$ 4.42**	**$ 0.01**	**$ 4.34**	**$ 3.68**

For the three and nine months ended September 30, 2023 and 2022, dividends and distributions paid per share of Common Stock and per common unit were $0.45 and $1.35, respectively.

The number of common share equivalent securities excluded from the diluted earnings per share calculation was approximately 4.0 million and 3.4 million for the three and nine months ended September 30, 2023, respectively. The number of common share equivalent securities excluded from the diluted earnings per share calculation was approximately 1.9 million for the three months ended September 30, 2022. There were no anti-dilutive securities for the nine months

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ended September 30, 2022. These securities, which include preferred OP Units redeemable for Common Stock for the comparable period in 2022, were excluded from the earnings per share calculation as they were anti-dilutive.

Note 9 — 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.

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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 condensed consolidated balance sheets (in thousands):

	As of September 30, 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	$ 29,898	$ —	$ 29,898	$ —	$ 32,222	$ —	$ 32,222	$ —
Interest rate swaps - pay-floating, receive fixed	$ (3,035)	$ —	$ (3,035)	$ —	$ —	$ —	$ —	$ —
Interest rate swaps - forward starting	$ 3,333	$ —	$ 3,333	$ —	$ —	$ —	$ —	$ —
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, net and accrued liabilities and other in the condensed consolidated balance sheets.

	As of March 31, 2024				As of December 31, 2023			
	Total Fair Value	Level 1	Level 2	Level 3	Total Fair Value	Level 1	Level 2	Level 3
Interest rate swaps - pay-fixed, receive floating	$ 14,026	$ —	$ 14,026	$ —	$ 14,679	$ —	$ 14,679	$ —
Interest rate swaps - pay-floating, receive fixed	$ —	$ —	$ —	$ —	$ 465	$ —	$ 465	$ —
Interest rate swaps - forward starting	$ 1,574	$ —	$ 1,574	$ —	$ 331	$ —	$ 331	$ —

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 September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, 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 September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, 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 September 30, 2023	As of December 31, 2022

		Carrying Value	Fair Value	Carrying Value	Fair Value
	As of March 31, 2024	As of March 31, 2024		As of December 31, 2023	
	Carrying Value	Carrying Value	Fair Value	Carrying Value	Fair Value
Non-recourse property debt	Non-recourse property debt	$ 2,244,776	$ 1,938,885	$ 1,994,651	$ 1,753,222
Unsecured notes payable	Unsecured notes payable	$ 400,000	$ 363,609	$ 400,000	$ 371,368
Seller financing note receivable, net (1)	Seller financing note receivable, net (1)	$ 32,246	$ 30,723	$ 31,611	$ 32,286
Preferred equity investment (2)	Preferred equity investment (2)	$ 22,398	$ 22,486	$ —	$ —

(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 condensed consolidated balance sheets.

(2) In conjunction with the Value-Add JV transaction, AIR received a preferred equity investment within the joint venture. 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. The preferred equity investment and related discount are included in investment in unconsolidated real estate partnerships in our condensed consolidated balance sheets.

Note 10 9 — 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 and 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 three and nine months ended September 30, 2023 March 31, 2024, we reclassified gains of $14.2 million and $23.7 million $2.1 million out of accumulated other comprehensive income into interest expense, respectively, 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. expense. During the three and nine months ended September 30, 2022 March 31, 2023, we reclassified losses of $0.7 million and $2.7 million $4.2 million out of accumulated other comprehensive income, net into interest expense, respectively. expense. As of September 30, 2023 March 31, 2024, we estimate that during the next 12 months, we will reclassify into earnings approximately $7.4 million $6.1 million of the unrealized gain in accumulated other comprehensive income.

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Changes in fair value of derivatives not designated in a hedge relationship, or economic hedges, are recognized in gain (loss) on derivative instruments, net, in our condensed consolidated statements of operations once realized. During the three and nine months ended September 30, 2023, we recorded gains of $14.1 million March 31, 2024 and $23.3 million, respectively. During the three and nine months ended September 30, 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 three months ended September 30, 2023, $2.6 million of this balance was reclassified out of accumulated other comprehensive income into interest expense, and $11.5 million was accelerated into gain (loss) on derivative instruments net, as described above. The remaining balance of $15.4 was $9.6 million and $(2.1) million, is included within accumulated other comprehensive income as of September 30, 2023 and will be reclassified into earnings over the remaining term of the forecasted transaction. respectively.

During the three months ended September 30, 2023 March 31, 2024, we terminated six five interest rate swap positions not designated as hedging instruments. Three Two of the terminated instruments were pay-fixed, receive-floating interest rate swaps with a notional value of $80 million, and two were offsetting pay-floating, receive-fixed interest rate swaps with a notional value of $230 $80 million. One of the terminated instruments was a forward starting interest rate swap entered into in anticipation of additional fixed-rate property debt with a notional value of $50 million and three were offsetting was replaced by a new forward starting interest rate swap with a notional value of $42 million. Additionally, AIR entered into one forward starting interest rate swap with a notional value of $51.7 million, and restructured one pay-fixed, receive-floating interest rate swap, to better align the maturity date with the related term loans. As a result of these transactions, AIR received $6.2 million in cash during the three months ended March 31, 2024.

During the three months ended March 31, 2024, AIR entered into three pay-fixed, receive floating interest rate swaps, with a notional value of $230 million. Upon termination, AIR received $11.1 $200 million, in cash. economically hedging $200 million of our $260 million revolving credit facility borrowings outstanding as of March 31, 2024, at 4.9%.

As of September 30, 2023 March 31, 2024, AIR had a notional value of $600 million $675 million of pay-fixed, receive-floating interest rate swaps that are not designated as hedging instruments, and a notional value of $50 million $94 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 $250 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 (loss) on derivative instruments, net, in our condensed consolidated statements of operations. As a result of the $250 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 2.6 years.

Subsequent to September 30, 2023, AIR entered into a notional value $125 million pay-fixed, receive-floating interest rate swap, which economically hedges the remaining $125 million of variable-rate term loans, which results in the $475 million in term loans having an effective interest rate of 4.3%.

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

	As of March 31, 2024			
	Number of Instruments	Aggregate Notional Amount	Derivative Assets (included in Other Assets, net) — Fair Value	Derivative Liabilities (included in Accrued Liabilities and Other) — Fair Value
Derivatives not designated as hedging instruments:				
Interest rate swaps, pay-fixed, receive floating	8	$ 675,000	$ 14,123	$ (97)
Interest rate swaps, forward starting	2	$ 93,700	$ 1,574	$ —

	As of September 30, 2023			
	Number of Instruments	Aggregate Notional Amount	Derivative Assets (included in Other Assets, net) — Fair Value	Derivative Liabilities (included in Accrued Liabilities and Other) — Fair Value
Derivatives not designated as hedging instruments:				
Interest rate swap, floating to fixed	7	$ 600,000	$ 29,898	$ —
Interest rate swap, fixed to floating	3	$ 250,000	$ —	$ (3,035)
Interest rate swap, forward starting	1	$ 50,000	$ 3,333	$ —

	As of December 31, 2023			
	Number of Instruments	Aggregate Notional Amount	Derivative Assets (included in Other Assets, net) — Fair Value	Derivative Liabilities (included in Accrued 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 swaps, forward starting	1	$	50,000	$	331	$	—

	As of December 31, 2022						
	Number of Instruments		Aggregate Notional Amount		Derivative Assets (included in Other Assets, net)		Derivative Liabilities (included in Accrued Liabilities and Other)
					Fair Value		
Derivatives designated as hedging instruments:							
Treasury rate locks	1	$	100,000	$	319	$	—
Interest rate swaps, floating to fixed	10	$	830,000	$	32,222	$	—

Subsequent to the three months ended March 31, 2024, AIR terminated one forward starting interest rate swap with a notional value of $51.7 million.

Note 11 10 — 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 those 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

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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:

	September 30, 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 the nine months ended September 30, 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.

	March 31, 2024	December 31, 2023
VIEs with interests in apartment communities	3	3
Apartment communities owned by VIEs	14	14
Apartment homes in communities owned by VIEs	4,866	4,866

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):

	September 30, 2023		December 31, 2022	
ASSETS:				
Net real estate	$	1,024,555	$	1,066,482

Cash and cash equivalents	$ 42,133	$ 54,319
Restricted cash	$ 1,970	$ 2,378
Other assets, net	$ 21,216	$ 20,944
LIABILITIES:		
Non-recourse property debt, net	$ 1,200,279	$ 1,212,065
Accrued liabilities and other	$ 40,007	$ 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. As of September 30, 2023 and December 31, 2022, the investment balance of $158.3 million and $158.7 million, respectively, is included in other assets, net, in our condensed consolidated balance sheets. Subsequent to the December 2020 separation, all risks and rewards of ownership are retained by the third party; however, as legal transfer has not occurred, there is an equal and offsetting liability included in accrued liabilities and other in our condensed consolidated balance sheets. Accordingly, there is no net effect on AIR's stockholders' equity or the AIR Operating Partnership's partners' capital.

Please see Note 6 for further discussion regarding our unconsolidated joint ventures.

	March 31, 2024	December 31, 2023
ASSETS:		
Net real estate	$ 1,008,068	$ 1,013,770
Cash and cash equivalents	47,570	41,219
Restricted cash	2,386	2,179
Other assets, net	29,288	22,546
LIABILITIES:		
Non-recourse property debt, net	$ 1,192,891	$ 1,196,280
Accrued liabilities and other	41,244	34,903

Note 12 11 — 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 2023, one property acquired in 2023. 2024, and two properties undergoing planned property capital investment.

Our chief operating decision maker ("CODM") uses proportionate property net operating income ("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 condensed consolidated statements of operations, utility reimbursements are included in rental and other property revenues in accordance with GAAP.

As of September 30, 2023 March 31, 2024, our Same Store segment included 63 69 apartment communities with 22,794 24,271 apartment homes and our Other Real Estate segment included 12 7 apartment communities with 3,829 2,744 apartment homes.

The following tables present the total revenues, property operating expenses, proportionate property net operating income (loss), and income (loss) 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 September 30, 2023 March 31, 2024 (in thousands):

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	Same Store	Other Real Estate	Proportionate and Other Adjustments (1)	Corporate and Amounts Not Allocated to Segments (2)	Consolidated
Three months ended September 30, 2023:					
Total revenues	$ 151,619	$ 29,543	$ 11,981	$ 4,164	**$ 197,307**
Property operating expenses	40,353	8,158	9,076	489	**58,076**
Other operating expenses not allocated to segments (3)	—	—	—	100,695	**100,695**
Total operating expenses	40,353	8,158	9,076	101,184	**158,771**
Proportionate property net operating income (loss)	111,266	21,385	2,905	(97,020)	**38,536**
Other items included in income before income tax expense (4)	—	—	—	676,571	**676,571**
Income before income tax expense	**$ 111,266**	**$ 21,385**	**$ 2,905**	**$ 579,551**	**$ 715,107**

	Same Store	Other Real Estate	Proportionate and Other Adjustments (1)	Corporate and Amounts Not Allocated to Segments (2)	Consolidated
Nine months ended September 30, 2023:					

Same Store	Same Store	Other Real Estate	Proportionate and Other Adjustments (1)	Corporate and Amounts Not Allocated to Segments (2)	Consolidated

Three Months Ended March 31, 2024:						
Total revenues	Total revenues	$445,881	$86,104	$ 80,124	$ 11,568	**$ 623,677**
Property operating expenses		117,014	28,010	37,850	7,248	**190,122**
Total revenues						
Total revenues						
Property management and operating expenses						
Other operating expenses not allocated to segments (3)	Other operating expenses not allocated to segments (3)	—	—	—	320,567	**320,567**
Total operating expenses	Total operating expenses	117,014	28,010	37,850	327,815	**510,689**
Proportionate property net operating income (loss)	Proportionate property net operating income (loss)	328,867	58,094	42,274	(316,247)	**112,988**
Other items included in income before income tax expense (4)	Other items included in income before income tax expense (4)	—	—	—	594,085	**594,085**
Income before income tax expense		**$328,867**	**$58,094**	**$ 42,274**	**$ 277,838**	**$ 707,073**
Income (loss) before income tax expense						

	Same Store	Other Real Estate	Proportionate and Other Adjustments (1)	Corporate and Amounts Not Allocated to Segments (2)	Consolidated
Three months ended September 30, 2022:					
Total revenues	$ 142,009	$ 14,025	$ 32,402	$ 12,435	**$ 200,871**
Property operating expenses	37,349	4,783	13,468	8,409	**64,009**
Other operating expenses not allocated to segments (3)	—	—	—	110,290	**110,290**
Total operating expenses	37,349	4,783	13,468	118,699	**174,299**
Proportionate property net operating income (loss)	104,660	9,242	18,934	(106,264)	**26,572**
Other items included in income before income tax expense (4)	—	—	—	(23,130)	**(23,130)**
Income (loss) before income tax expense	**$ 104,660**	**$ 9,242**	**$ 18,934**	**$ (129,394)**	**$ 3,442**

	Same Store	Other Real Estate	Proportionate and Other Adjustments (1)	Corporate and Amounts Not Allocated to Segments (2)	Consolidated
Nine months ended September 30, 2022:					

	Same Store	Same Store	Other Real Estate	Proportionate and Other Adjustments (1)	Corporate and Amounts Not Allocated to Segments (2)	Consolidated
Three Months Ended March 31, 2023:						

Total revenues	Total revenues	$411,052	$16,437	$	93,187	$	45,173	$	**565,849**
Property operating expenses		111,316	5,799		38,559		21,005		**176,679**
Total revenues									
Total revenues									
Property management and operating expenses									
Other operating expenses not allocated to segments (3)	Other operating expenses not allocated to segments (3)	—	—		—		300,720		**300,720**
Total operating expenses	Total operating expenses	111,316	5,799		38,559		321,725		**477,399**
Proportionate property net operating income (loss)	Proportionate property net operating income (loss)	299,736	10,638		54,628		(276,552)		**88,450**
Other items included in income before income tax expense (4)	Other items included in income before income tax expense (4)	—	—		—		528,955		**528,955**
Income from before income tax expense		**$299,736**	**$10,638**	**$**	**54,628**	**$**	**252,403**	**$**	**617,405**
Income (loss) before income tax expense									

(1) Represents adjustments to: (i) include exclude AIR's proportionate share of the results of unconsolidated apartment communities, which is excluded in the related consolidated amounts, and (ii) exclude 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 condensed 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, provision for impairment loss, and loss from unconsolidated real estate partnerships. 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):

		September 30, 2023	December 31, 2022		
	March 31, 2024			**March 31, 2024**	**December 31, 2023**
Same Store	Same Store	$4,119,544	$4,610,356		
Other Real Estate	Other Real Estate	1,575,415	1,211,136		
Corporate and other assets (1)	Corporate and other assets (1)	704,290	730,391		

Total consolidated assets	**Total consolidated assets**	**$6,399,249**	**$6,551,883**

(1) Includes the assets not allocated to our segments including: (i) corporate assets; asset and (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.

For the nine three months ended September 30, 2023 March 31, 2024 and 2022, 2023, capital additions related to our segments were as follows (in thousands):

		2023	2022
	2024	2024	2023
Same Store	Same Store	$114,844	$109,768
Other Real Estate	Other Real Estate	13,530	1,422
Total capital additions	**Total capital additions**	**$128,374**	**$111,190**

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Note 12 — Subsequent Events

On April 7, 2024, the Company entered into an Agreement and Plan of Merger (the "Merger Agreement") with Apex Purchaser LLC ("Buyer 1"), Aries Purchaser LLC ("Buyer 2"), Astro Purchaser LLC ("Buyer 3"), and Astro Merger Sub, Inc. ("Merger Sub"), which are affiliates of Blackstone Real Estate Partners X ("Blackstone"). Pursuant to the terms and subject to the conditions set forth in the Merger Agreement, upon the closing of the transactions contemplated by the Merger Agreement, Merger Sub will merge with and into the Company (the "Merger") and each share of the Company's Class A common stock ("Company Common Stock") (other than those held by the Company or any of its subsidiaries, or by Buyer 1, Buyer 2, Buyer 3 or Merger Sub (the "Cancelled Shares")) that is issued and outstanding immediately prior to the Merger will be automatically canceled and converted into the right to receive an amount in cash equal to $39.12 (the "Common Stock Merger Consideration"), without interest. Additionally, substantially concurrently with the consummation of the Merger, the Company shall effect the redemption of, or make an irrevocable deposit pursuant to the terms of the Class A preferred stock, $0.01 par value per share, of the Company ("Company Preferred Stock") in respect to the amount required to redeem, all outstanding shares of the Company Preferred Stock at a redemption price payable in cash, by or on behalf of the Company, in an amount equal to $100,000 per share of Company Preferred Stock plus accumulated, accrued and unpaid dividends thereon ("Preferred Stock Redemption Payment") and from and after the consummation of the Merger, the Company Preferred Stock shall no longer be outstanding and all rights of the holders thereof will terminate, except for the right to receive the Preferred Stock Redemption Payment.

The Merger was unanimously approved by the Company's Board of Directors and is expected to close in the third quarter of 2024, subject to approval by the Company's stockholders and other customary closing conditions. Pursuant to the terms of the Merger Agreement, the Company may not pay dividends, including its quarterly dividend, effective immediately except as necessary to preserve its tax status as a real estate investment trust, and any such dividends would result in an offsetting decrease to the Common Stock Merger Consideration. Subject to and upon consummation of the Merger, the Company's Class A common stock will no longer be listed on the New York Stock Exchange.

The issued and outstanding equity interests of the AIR Operating Partnership, including the Partnership Common Units, each class of Partnership Preferred Units, Partnership LTIP Units and Class I High Performance Partnership Units (each as defined in the Merger Agreement), will be unaffected by the Merger and will remain issued and outstanding and will continue to have the rights and privileges set forth in the Partnership LPA (as defined in the Merger Agreement). At or prior to the consummation of the Merger, the Partnership LPA will be amended by AIR-GP, Inc. (the "General Partner") in substantially the form attached to the Merger Agreement (the "LPA Amendment") to provide that, following the closing, (i) the AIR Operating Partnership will pay cash to those of holders of Partnership Units (as defined in the Merger Agreement) who elect to redeem their Partnership Units in accordance with the terms of the Partnership LPA (and will not exercise its right to pay for such redeemed Partnership Units in shares of Company Common Stock), (ii) any Partnership Units redeemed on the Closing Date (as defined in the Merger Agreement) or within ten (10) days thereafter will be valued at an amount equal to the Common Stock Merger Consideration minus the aggregate amount of all distributions per Partnership Common Unit declared or paid to the holders of Partnership Common Units during the period commencing on the Closing Date and ending on the date a notice of redemption is received and (iii) any Partnership Units redeemed after the tenth (10th) day following the Closing Date will be valued by the General Partner in good faith on the basis of such information as it considers, in its reasonable judgment, as appropriate.

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ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Forward-Looking Statements

The Private Securities Litigation Reform Act of 1995 provides a “safe harbor” for forward-looking statements in certain circumstances. This Quarterly Report on Form 10-Q 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 and expectations regarding acquisitions and dispositions; dispositions, including the Merger; 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; dispositions, including the Merger; changes in operating costs, including energy costs; negative economic conditions in our geographies of operation; loss the ability of AIR to hire and retain key personnel; personnel, including in connection with the Merger; 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 AIR; risks associated with the Merger, including our ability to complete the Merger on the anticipated terms and timing, or at all, including our ability to obtain the required stockholder approval, and our ability to satisfy the other conditions to the completion of the Merger; potential litigation relating to the Merger that could be instituted against AIR or its directors, managers or officers, including the effects of any outcomes related thereto; the risk that disruptions from the Merger will harm AIR’s business, including current plans and operations, including during the pendency of the Merger; potential adverse reactions or changes to business relationships resulting from the announcement or completion of the Merger; certain restrictions during the pendency of the Merger that may impact AIR’s ability to pursue certain business opportunities or strategic transactions; unpredictability and severity of catastrophic events, including but not limited to acts of terrorism, outbreaks of war or hostilities or a pandemic, as well as management’s response to any of the aforementioned factors; the possibility that the Merger may be more expensive to complete than anticipated, including as a result of unexpected factors or events; the occurrence of any event, change or other circumstance that could give rise to the termination of the Merger, including in circumstances requiring AIR to pay a termination fee; and those other risks and uncertainties are described in this Quarterly Report on Form 10-Q, as well as the section entitled “Risk Factors” in Item 1A of AIR’s and AIR Operating Partnership’s combined Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023, and subsequent filings with the SEC. SEC, including the proxy statement that will be filed in connection with the Merger.

Certain of these risks, as well as other risks associated with the Merger, will be more fully discussed in the proxy statement that will be filed with the SEC in connection with the Merger. There can be no assurance that the Merger will be completed, or if it is completed, that it will close within the anticipated time period. These factors should not be construed as exhaustive and should be read in conjunction with the other forward-looking statements. The forward-looking statements relate only to events as of the date on which the statements are made. AIR does not undertake any obligation to publicly update or review any forward-looking statement except as required by law, whether as a result of new information, future developments or otherwise. If one or more of these or other risks or uncertainties materialize, or if our underlying assumptions prove to be incorrect, our actual results may vary materially from what we may have expressed or implied by these forward-looking statements. We caution that you should not place undue reliance on any of our forward-looking statements. You should specifically consider the factors identified in this quarterly report that could cause actual results to differ. Furthermore, new risks and uncertainties arise from time to time, and it is impossible for us to predict those events or how they may affect AIR.

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.

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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.

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 simplified 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 to keep net general and administrative expenses less than or equal to 15-basis points of gross asset value.
- Maintain a flexible, low levered balance sheet with access to public debt markets.
- 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, in 10 states and the District of Columbia. As of September 30, 2023 March 31, 2024, our portfolio included 75 76 apartment communities with 26,623 27,015 apartment homes, in which we held an average ownership of approximately 81% 82%. We also have one land parcel

On April 7, 2024, the Company entered into the Merger Agreement with Buyer 1, Buyer 2, Buyer 3 and one indirect land interest that we lease Merger Sub, which are affiliates of Blackstone. Pursuant to third parties.

Our business is organized around four areas of strategic focus: operational excellence; portfolio management; balance sheet; the terms and team and culture. The results from subject to the execution of our strategy are further described conditions set forth in the sections Merger Agreement, upon the closing of the Merger, each share of Company Common Stock (other than the Cancelled Shares) that follow. is issued and outstanding immediately prior to the Merger will be automatically canceled and converted into the right to receive the Common Stock Merger Consideration, without interest. Additionally, substantially concurrently with the consummation of the Merger, the Company shall effect the redemption of, or make an irrevocable deposit pursuant to the terms of the Company Preferred Stock in respect to the amount required to redeem, all outstanding shares of the Company Preferred Stock at a redemption price payable in cash, by or on behalf of the Company, in an amount equal to the Preferred Stock Redemption Payment and from and after the consummation of the Merger, the Company Preferred Stock shall no longer be outstanding and all rights of the holders thereof will terminate, except for the right to receive the Preferred Stock Redemption Payment.

Operational Excellence

In The Merger was unanimously approved by the Company's Board of Directors and is expected to close in the third quarter of 2023, Pro forma FFO increased 10.3% year-over-year 2024, subject to approval by the Company's stockholders and other customary closing conditions. Pursuant to the terms of the Merger Agreement, the Company may not pay dividends, including its quarterly dividend, effective immediately except as necessary to preserve its tax status as a real estate investment trust, and any such divided would result in an offsetting decrease to the Common Stock Merger Consideration. Subject to and upon consummation of same store revenue growth the Merger, the Company's Class A common stock will no longer be listed on the New York Stock Exchange.

The issued and outstanding equity interests of 6.8% the AIR Operating Partnership, including the Partnership Common Units, each class of Partnership Preferred Units, Partnership LTIP Units and Class I High Performance Partnership Units will be unaffected by the Merger and will remain issued and outstanding and will continue to have the rights and privileges set forth in the Partnership LPA. The LPA Amendment, which drove higher net operating income will be effected at or prior to the consummation of 6.3% the Merger, will provide that, following the Closing, (i) the AIR Operating Partnership will pay cash to those of holders of Partnership Units who elect to redeem their Partnership Units in accordance with the terms of the Partnership LPA (and will not exercise its right to pay for such redeemed Partnership Units in shares of Company Common Stock), primarily driven by (ii) any Partnership Units redeemed on the Closing Date or within ten (10) days thereafter will be valued at an increase amount equal to the Common Stock Merger Consideration minus the aggregate amount of 5.6% in residential rents.

Portfolio Performance

Approximately 20% all distributions per Partnership Common Unit declared or paid to the holders of AIR's capital is invested in acquisitions made since 2021. Acquisition properties experience a rate of NOI growth Partnership Common Units during the first few years period commencing on the Closing Date and ending on the date a notice of AIR management that redemption is much higher than received and (iii) any Partnership Units redeemed after the same store portfolio rate. Two-thirds tenth (10th) day following the Closing Date will be valued by the General Partner in good faith on the basis of these investments were made prior to July 2022; therefore, comparative such information is available. These properties' year-over-year NOI growth was up 17.4%, increasing year-over-year NOI growth rate of the total Acquisition and Same Store portfolios by 170 basis points to 7.2%.

Third Quarter 2023 Paired Trades

As previously announced, AIR contributed 10 properties to the Core JV, retaining a 53% interest. In exchange for the 47% interest sold, AIR received $505 million of gross consideration. AIR also completed as it considers, in its strategic exit from New York City through the sale of a property for $21 million in gross proceeds.

In turn, AIR improved its portfolio through reinvesting $287 million in three new properties. In comparison to the property interests sold, the acquired properties:

- have 11% higher average rents at $2,751 per month;
- were constructed in the last two years (in contrast to 26 years for the interests sold); and
- require annual capital replacement spending that is $2,600 per unit lower than the interests sold.

AIR used the remaining proceeds to:

- repurchase 2.2 million shares for $77.8 million (reflecting an average price of $34.57 per share, and a forward NOI yield of approximately 6.3%).
- reduce leverage, with an average interest cost of 6.1%, by approximately $161 million.

Balance Sheet and Liquidity

During the third quarter of 2023, AIR refinanced $154 million of borrowings on AIR's revolving credit facility and $325 million of term loans maturing in 2023 and 2024, with new fixed rate property debt. The new debt has a weighted-average life of 5.3 years and a weighted-average interest rate of 5.2%; 30-basis points greater than the short-term debt repaid.

Today, AIR has:

- Near-term exposure to rising interest rates limited to:
  - $79 million on our share of the Virginia JV debt due to the maturity in January 2024 of the in-place interest rate cap; plus
  - $26 million on our revolving credit facility
- No debt maturities until the second quarter of 2025;

- Available liquidity of $2.1 billion;

- $5.3 billion of properties unencumbered by non-recourse debt; and
- Limited refunding risk with the ability to fund all maturities through 2027 from cash on hand, and a 10-year commitment to make $1 billion of property loans with up to 10-year maturities.

At year-end, AIR anticipates Net Leverage to Adjusted EBITDAre to be below 6.0x; consistent with its target range of 5.0x to 6.0x. As of September 30, 2023, AIR's leverage is temporarily elevated due to the timing of third quarter acquisitions.

Dividend and Equity Capital Markets

On October 30, 2023, the AIR Board of Directors declared a quarterly cash dividend of $0.45 per share of Common Stock, payable on November 30, 2023 to shareholders of record on November 17, 2023. In setting the 2023 dividend rate, the Board of Directors targeted a 75% payout ratio of Pro forma FFO, in 2023 equivalent to approximately 86% of Run-Rate AFFO.

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, reasonable judgment, as a percentage of the gross asset value of our investments, than are 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.

We are committed to transparency, and continuous improvement, as measured by Global Real Estate Sustainability Benchmark ("GRESB"). Strong progress was made by AIR in 2023 in advancing its commitments to responsibility beyond governance, achieving a GRESB score of 82 out of 100, placing AIR in the top 20% of residential companies in the Americas. We also published our 2022-2023 Corporate Responsibility Report highlighting our commitment to community and continued progress on our goals. appropriate.

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 should be read in conjunction with the accompanying condensed consolidated financial statements included in Item 1. 1.

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Financial Highlights

Net income loss attributable to common stockholders per common share, on a dilutive basis was $4.43 and $4.35 $(0.05) for the three and nine months ended September 30, 2023, respectively, March 31, 2024 compared to $0.01 and $3.68 $(0.08) for the three and nine months ended September 30, 2022 March 31, 2023, respectively, due primarily to:

- Same Store revenue growth of 6.8% 4.3% which resulted in higher net operating income ("NOI") NOI of 6.3%, primarily driven by an increase of 5.6% 3.4% in residential rents, for the three months ended September 30, 2023 compared to 2022. Additionally, acquisitions are growing faster than Same Store. For example, the Class of 2022 had revenue growth of 9.9%, which resulted in higher NOI of 20.1% for the three months ended September 30, 2023 compared to 2022,

- Higher gains on dispositions of real estate,

- Gains gain on derivative instruments, and

- Lower lower loss on extinguishment of debt, offset partially by

- Lower interest income higher loss from the note receivable from Aimco, which was repaid in the second and third quarters of 2022, and the $17.4 million prepayment penalty received from Aimco in connection with these repayments, and unconsolidated real estate partnerships.

- Higher interest expense due to higher interest rates and higher outstanding property debt balances.

Pro forma FFO per share was $0.64 and $1.76 for the three and nine months ended September 30, 2023, respectively, compared to $0.58 and $1.81 for the three and nine months ended September 30, 2022, respectively, due primarily to the below factors.

- Same Store revenue growth of 6.8% which resulted in higher NOI of 6.3% primarily driven by an increase of 5.6% in residential rents for the three months ended September 30, 2023 compared to 2022. Additionally, acquisitions are growing faster than Same Store. For example, the Class of 2022 had revenue growth of 9.9% which resulted in higher NOI of 20.1% for the three month ended September 30, 2023 compared to 2022, and

- Gains on derivative instruments as noted above, offset partially by

- A decrease in interest income as noted above, and

- An increase in interest expense as noted above.

For the three and nine months ended September 30, 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 $0.59 and $1.72 for the three and nine months ended September 30, 2023, respectively.

For the three and nine months ended September 30, 2022, Pro forma FFO includes $0.03 and $0.22 per share, respectively, of non-recurring items including the impact from the Aimco note receivable prepayment. After consideration of these non-recurring items Run-Rate FFO per share was $0.55 and $1.59 for three and nine months ended September 30, 2022, respectively.

Additionally, Run-Rate AFFO per share was $0.52 and $1.51 for three and nine months ended September 30, 2023, respectively, compared to $0.50 and $1.42 for three and nine months ended September 30, 2022, respectively. 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.

Results of Operations for the Three and Nine Months Ended September 30, 2023 March 31, 2024, Compared to 2022 2023

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 2023, one property acquired in 2023. 2024, and two properties undergoing planned property capital investment.

As of September 30, 2023 March 31, 2024, our Same Store segment included 63 69 apartment communities with 22,794 24,271 apartment homes and our Other Real Estate segment included 12 7 apartment communities with 3,829 2,744 apartment homes.

Transactions

33 During the three months ended March 31, 2024, we acquired one apartment community located in Raleigh, North Carolina with 384 apartment homes.

Subsequent to March 31, 2024, we acquired one apartment community located in Bethesda, Maryland with 359 apartment homes and 50,500 square feet of commercial space for $150.0 million. In connection with the acquisition, AIR placed $97.3 million of non-recourse property debt on the property. AIR anticipates that this property will be contributed to the Core JV, and AIR will receive cash consideration of $24.8 million and a reduction in its share of property debt of $45.7 million.

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 condensed 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 see Note 12 11 to the condensed consolidated financial statements in Item 1 for further discussion regarding our segments, including a reconciliation of these proportionate amounts to consolidated rental and other property revenues and property operating expenses.

		Three Months Ended September 30,		Historical Change	
		Three Months Ended March 31,			
		Three Months Ended March 31,			
		Three Months Ended March 31,			
(dollars in thousands)					
(dollars in thousands)					
(dollars in thousands)	**(dollars in thousands)**	**2023**	**2022**	**$**	**%**
Rental and other property revenues, before utility reimbursements:	Rental and other property revenues, before utility reimbursements:				
Rental and other property revenues, before utility reimbursements:					
Rental and other property revenues, before utility reimbursements:					
Same Store					
Same Store					
Same Store	Same Store	$ 151,619	$ 142,009	$ 9,610	6.8 %
Other Real Estate	Other Real Estate	29,543	14,025	15,518	nm
Other Real Estate					
Other Real Estate					
Total					
Total					
Total	Total	181,162	156,034	25,128	16.1 %
Property operating expenses, net of utility reimbursements:	Property operating expenses, net of utility reimbursements:				
Property operating expenses, net of utility reimbursements:					
Property operating expenses, net of utility reimbursements:					
Same Store					
Same Store					
Same Store	Same Store	40,353	37,349	3,004	8.0 %
Other Real Estate	Other Real Estate	8,158	4,783	3,375	nm
Other Real Estate					
Other Real Estate					
Total					
Total					
Total	Total	48,511	42,132	6,379	15.1 %
Proportionate property net operating income:	Proportionate property net operating income:				
Proportionate property net operating income:					
Proportionate property net operating income:					
Same Store					
Same Store					
Same Store	Same Store	111,266	104,660	6,606	6.3 %
Other Real Estate	Other Real Estate	21,385	9,242	12,143	nm
Other Real Estate					
Other Real Estate					
Total	**Total**	**$ 132,651**	**$ 113,902**	**$ 18,749**	**16.5 %**

Total

Total

For the three months ended September 30, 2023 March 31, 2024, compared to 2022, 2023, excluding changes attributable to changes in ownership, our Same Store proportionate property NOI increased by 6.3%. This increase was attributable primarily to a $9.6 million, 3.4% increase in residential rates, a 50 basis point increase in Average Daily Occupancy, and a 40 basis point increase in other residential income, resulting in a $7.0 million, or 6.8% 4.3%, increase in rental and other property revenues due to a 5.6% increase in residential rental rates, and a 1.2% increase in other rental income, partially offset by a 0.6% decrease in ADO. revenues.

Other Real Estate proportionate property NOI for the three months ended September 30, 2023 March 31, 2024, compared to 2022, 2023, increased by $12.1 million, $3.5 million, due primarily to the contribution from four three properties acquired in 2023 four properties subsequent to March 31, 2023 and one property acquired in 2022, and NOI contribution from the four properties acquired on September 1, 2022, when their respective master leases were canceled. 2024.

(dollars in thousands)	Nine Months Ended September 30, 2023	2022	Historical Change $	%
Rental and other property revenues, before utility reimbursements:				
Same Store	$ 445,881	$ 411,052	$ 34,829	8.5 %
Other Real Estate	86,104	16,437	69,667	nm
Total	531,985	427,489	104,496	24.4 %
Property operating expenses, net of utility reimbursements:				
Same Store	117,014	111,316	5,698	5.1 %
Other Real Estate	28,010	5,799	22,211	nm
Total	145,024	117,115	27,909	23.8 %
Proportionate property net operating income:				
Same Store	328,867	299,736	29,131	9.7 %
Other Real Estate	58,094	10,638	47,456	nm
Total	**$ 386,961**	**$ 310,374**	**$ 76,587**	**24.7 %**

For the nine months ended September 30, 2023, compared to 2022, excluding changes attributable to changes in ownership, our Same Store proportionate property NOI increased by 9.7%. This increase was attributable primarily to a $34.8 million, or 8.5%, increase in rental and other property revenues due to an 8.1% increase in residential rental rates, and an 0.8% increase in other residential income, partially offset by a 0.7% decrease in ADO.

Other Real Estate proportionate property NOI for the nine months ended September 30, 2023, compared to 2022, increased by $47.5 million, due primarily to contribution from four properties acquired in 2023, four properties acquired in 2022, and NOI contribution from the four properties acquired on September 1, 2022, when their respective master leases were canceled.

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 three months ended March 31, 2024, compared to 2023, non-segment real estate operations increased by $1.6 million, due primarily to an increase in property management revenues and a decrease in casualty losses.

Other Revenues

For the three and nine months ended September 30, 2023 March 31, 2024, compared to 2022, non-segment real estate operations decreased by 2023, other revenues increased $1.2 million, and $21.8 million, respectively, due primarily to $5.9 million fees earned for providing property management services for the Value-Add JV and $22.1 million of lower NOI attributable to sold properties due to decreased disposition activity, with dispositions of nine additional properties during 2022 compared to 2023. the Core JV.

Additionally, for Property operating expenses

For the three months ended September 30, 2023 March 31, 2024, compared to 2023, property operating expenses decreased $8.2 million, or 12.2%, due primarily to the contribution of apartment communities to two unconsolidated joint ventures subsequent to the first quarter of 2023; the Core JV and the Value-Add JV, and a decrease in non-segment real estate operations was offset partially by $4.7 million of lower casualty losses due to receipt of third-party casualty recoveries in 2023. losses.

Depreciation and Amortization

For the three months ended September 30, 2023 March 31, 2024, compared to 2022, 2023, depreciation and amortization expense decreased $11.4 $15.9 million, or 12.6% 16.6%, due primarily to the reduction in depreciation associated with properties sold properties, subsequent to March 31, 2023, offset partially by properties acquired subsequent to September 30, 2022 March 31, 2023.

For the nine months ended September 30, 2023, compared to 2022, depreciation and amortization expense increased $10.3 million, or 4.1%, due primarily to properties acquired subsequent to September 30, 2022, offset partially by the reduction in depreciation associated with sold properties.

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General and administrative expenses

For the three months ended September 30, 2023 March 31, 2024, compared to 2022, 2023, general and administrative expenses decreased $2.0 increased by $3.2 million, or 26.1% 44.0%, due primarily to lower one-time personnel costs.

For the nine months ended September 30, 2023, compared costs, that are not expected to 2022, recur. Future increases in general and administrative expenses were relatively flat.

are anticipated to be limited.

Other expenses, net

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

For the three and nine months ended September 30, 2023 March 31, 2024, compared to 2022, 2023, other expenses, net, increased by $3.2 $7.6 million, and $8.6 million, respectively, due primarily to higher legal expenses incurred and one-time severance payments. Additionally, for the nine months ended September 30, 2023, other expenses, net further increased a reduction in short duration income due to incremental ground lease expense associated with an acquired property.

Interest Income

For the three and nine months ended September 30, 2023, compared to 2022, interest income decreased by $6.7 million, or, 69.6%, and $42.6 million, or 87.4%, respectively, due primarily to $17.4 million of lower interest income associated with the 2022 prepayment sale of our notes receivable from Aimco. Interest income decreased further due to lower interest income associated with properties leased to Aimco through September 1, 2022, when the leases were canceled.

Interest Expense

For the three months ended September 30, 2023, compared to 2022, interest expense decreased $9.8 million, or 29.9%, due primarily to the the impact of hedged derivative activity on interest expense, lower balances on our revolving credit facility, and repayment of $325 million of term loans.

For the nine months ended September 30, 2023, compared to 2022, interest expense increased $15.8 million, or 19.6%, due primarily to higher rates on our term loans and revolving credit facility, interest expense associated with our senior unsecured notes issued New England portfolio in the second quarter of 2022, and higher outstanding property debt balances; offset partially by the impact of hedged derivative activity on interest expense, lower balances on our revolving credit facility, and repayment of $325 million of term loans. 2023.

Loss on Extinguishment of Debt

During the three months ended September 30, 2023 and 2022, March 31, 2024, we did not incur a recorded no loss on extinguishment of debt.

For During the nine three months ended September 30, 2023 March 31, 2023, compared to 2022, loss on extinguishment of debt decreased by $21.6 we recognized $2.0 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 three months ended September 30, 2023, we recognized a $692.9 million gain on dispositions of real estate and impairments of real estate due primarily to the gain associated with sale of a partial interest in 10 properties in connection with the Core JV.

During the nine months ended September 30, 2023, we recognized a $675.5 million gain on dispositions and impairments of real estate due primarily to:

- $698.8 million of gain on dispositions of real estate from the sale of 10 properties in connection with the Core JV;
- $0.5 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 three months ended September 30, 2022, there were no apartment communities sold. During the nine months ended September 30, 2022, we recognized $587.6 million of gain on dispositions of real estate related to the sale of 12 apartment communities. During the three and nine months ended September 30, 2022, we did not recognize any real estate impairment losses. 2023.

Gain (loss) on Derivative Instruments

During the three and nine months ended September 30, 2023, March 31, 2024 and 2023, we recognized $14.1 million and $23.3 million, respectively, $9.6 million of gains on and $2.1 million of losses, respectively, due to the mark-to-market adjustment of certain derivative instruments that are were not designated as cash flow hedges primarily related to mark-to- in a hedge relationship.

market valuation changes and cancellation of certain interest swaps and treasury locks during the period. During the three and nine months ended September 30, 2022, we did not recognize any gains on derivative instruments.

Loss from Unconsolidated Real Estate Partnerships

For the three and nine months ended September 30, 2023 March 31, 2024, compared to 2022, 2023, loss from unconsolidated real estate partnerships increased $10.3 million $5.8 million. Subsequent to the first quarter of 2023, AIR formed two joint ventures; the Core JV and $9.3 million, respectively. the Value-Add JV. During the third quarter of 2023, three months ended March 31, 2024, our unconsolidated joint ventures generated NOI of $11.1 million $14.1 million. This incremental NOI was offset by higher depreciation expense due to valuing the step-up in value for properties in the Core JV and the Value-Add JV's at JV to fair market value.

Income Tax Expense

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

Our income tax expense 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 in our condensed consolidated statements of operations.

For the three and nine months ended September 30, 2023, compared to 2022, income tax expense increased $4.5 million and $4.9 million, respectively, due primarily to the recognition of an income tax liability resulting from the formation of the Core JV.

Critical Accounting Estimates

We prepare our condensed consolidated financial statements in accordance with GAAP, which requires us to make estimates and assumptions. We believe that the critical accounting policies that involve our more significant judgments and estimates used in the preparation of our condensed consolidated financial statements relate to the impairment of our long-lived assets.

Our critical accounting estimates are described in more detail in Item 7, *Management’s Discussion and Analysis of Financial Condition and Results of Operations,* of AIR’s and the AIR Operating Partnership’s combined Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023. There have been no other significant changes in our critical accounting estimates from those reported in our Form 10-K and we believe that the related judgments and assessments have been consistently applied and produce financial information that fairly depicts the financial condition, results of operations, and cash flows for all periods presented.

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 quarterly report, we provide reconciliations of the non-GAAP measures to the most directly 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.” These investors also focus on NAREIT FFO, as adjusted for non-cash, unusual, or non-recurring items. We refer to this metric as Pro forma Funds From Operations (“Pro forma FFO”) and use it as a measure

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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 (loss) 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.

In addition to These investors also focus on NAREIT FFO, we use as adjusted for non-cash, unusual, or non-recurring items. We refer to these metrics as Pro forma FFO, Run-Rate FFO Funds From Operations (“Pro forma FFO”) and Run-Rate Adjusted Funds From Operations (“AFFO”). Pro forma FFO is used to measure short-term, operational, performance and current period performance. Pro forma FFO 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, excluding certain amounts that are unique or occur infrequently. Run-Rate AFFO represents Pro forma 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 (loss) 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) thousands):

	Three Months Ended		Nine Months Ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Net income attributable to AIR common stockholders	**$ 663,596**	**$ 1,760**	**$ 650,700**	**$ 574,363**
Adjustments:				
Real estate depreciation and amortization, net of noncontrolling partners’ interest	87,169	85,057	260,930	240,436
Gain on dispositions and impairments of real estate, net of noncontrolling partners’ interest	(690,992)	—	(673,520)	(587,453)
Income tax adjustments related to gain on dispositions and other tax-related items	4,400	(348)	4,400	(1,448)
Common noncontrolling interests in AIR OP’s share of above adjustments and amounts allocable to participating securities	38,773	(5,250)	25,962	21,327
NAREIT FFO attributable to AIR common stockholders	**$ 102,946**	**$ 81,219**	**$ 268,472**	**$ 247,225**
Adjustments:				
Gain on derivative instruments (1)	(12,436)	—	(21,688)	—
Non-cash straight-line rent (2)	3,068	3,660	9,248	4,944
Business transformation and transition related costs (3)	897	1,419	1,420	3,881
Loss on extinguishment of debt (4)	—	—	2,008	23,636
Casualty losses and other (5)	(272)	4,389	1,855	4,635
Common noncontrolling interests in AIR OP’s share of above adjustments and amounts allocable to participating securities	541	(581)	454	(1,887)
Pro forma FFO attributable to AIR common stockholders	**$ 94,744**	**$ 90,106**	**$ 261,769**	**$ 282,434**
Cash swap acceleration income, net of common noncontrolling interests in AIR OP and participating securities	(10,854)	—	(10,854)	—
Aimco note prepayment, net of common noncontrolling interests in AIR OP and participating securities	—	(4,673)	—	(34,456)
Casualty and Legal expense in excess of run-rate, net of common noncontrolling interests in AIR OP and participating securities	2,665	—	4,628	—
Run Rate FFO attributable to AIR common stockholders	**$ 86,555**	**$ 85,433**	**$ 255,543**	**$ 247,978**
Capital Replacements, net of common noncontrolling interests in AIR OP and participating securities	(7,476)	(6,706)	(26,449)	(22,912)
Leasing Commissions, net of common noncontrolling interests in AIR OP and participating securities	(1,712)	(1,632)	(5,029)	(4,227)
Run-Rate AFFO attributable to AIR common stockholders	**$ 77,367**	**$ 77,095**	**$ 224,065**	**$ 220,839**
Weighted-average common shares outstanding – basic	147,474	153,811	148,372	155,488
Dilutive common share equivalents	299	246	143	269
Total shares and dilutive share equivalents	147,773	154,057	148,515	155,757

Net income attributable to AIR per share – diluted	$ 4.43	$ 0.01	$ 4.35	$ 3.68
NAREIT FFO per share – diluted	$ 0.70	$ 0.53	$ 1.81	$ 1.59
Pro forma FFO per share – diluted	$ 0.64	$ 0.58	$ 1.76	$ 1.81
Run-Rate FFO per share - diluted	$ 0.59	$ 0.55	$ 1.72	$ 1.59
Run-Rate AFFO per share - diluted	$ 0.52	$ 0.50	$ 1.51	$ 1.42

	Three Months Ended March 31,	
	2024	2023
Net loss attributable to AIR common stockholders	**$ (6,570)**	**$ (11,457)**
Adjustments:		
Real estate depreciation and amortization, net of noncontrolling partners' interest	86,184	90,012
Common noncontrolling interests in AIR OP's share of above adjustments and amounts allocable to participating securities	(5,480)	(5,922)
NAREIT FFO attributable to AIR common stockholders	**$ 74,134**	**$ 72,633**
Adjustments:		
(Gain) loss on derivative instruments (1)	(1,361)	2,144
Non-cash straight-line rent (2)	3,068	3,090
Business transformation and transition related costs (3)	1,824	213
Loss on extinguishment of debt (4)	—	2,008
Casualty losses and other (5)	872	1,846
Blackstone transaction costs (6)	3,200	—
Common noncontrolling interests in AIR OP's share of above adjustments and amounts allocable to participating securities	(455)	(626)
Pro forma FFO attributable to AIR common stockholders	**$ 81,282**	**$ 81,308**
Capital Replacements, net of common noncontrolling interests in AIR OP and participating securities	(9,141)	(9,678)
AFFO attributable to AIR common stockholders	**$ 72,141**	**$ 71,630**

(1) During 2023 in anticipation of future financing transactions, and 2024, 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 loss 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 condensed 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 throughout 2023. 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 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 Pro forma 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 Pro forma FFO. In 2023, these "normal" casualty losses are

(6) During 2024, we entered into a Merger Agreement with Blackstone which is expected to exceed historical averages and AIR's expectation entering the year by $1.7 million. AIR has excluded casualty losses that exceeded our beginning of year expectations close in the determination third quarter of Run-Rate FFO.

Please see 2024. In connection with the Results of Operations section for discussion of the factors affecting our Merger Agreement, we incurred one-time transactions costs which have been excluded from Pro forma FFO for 2023. because we believe they are not representative of ongoing operating performance.

Leverage Ratios

We target Net Leverage to Adjusted EBITDAre of ~6.0x, which equates to approximately 36% on a loan-to-value basis, an amount considered low within the multifamily sector where participants typically consider borrowing levels of between 5.0x 40% and 6.0x. 65%. 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 September 30, 2023 March 31, 2024, are presented below:

	Annualized Current Quarter
Proportionate Debt to Adjusted EBITDAre	6.2x 6.8x
Net Leverage to Adjusted EBITDAre	6.3x 6.9x

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 tenant 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):

		September 30, 2023 March 31, 2024
Total indebtedness	$	3,128,234 3,349,049
Adjustments:		
Debt issuance costs related to non-recourse property debt and term loans		17,292 15,793
Proportionate share adjustments related to debt obligations		60,530 63,518
Cash and restricted cash		(134,170) (114,737)
Tenant Resident security deposits included in restricted cash		11,548 11,890
Proportionate share adjustments related to cash and restricted cash		10,791 6,410
Proportionate Debt	**3,094,567 $**	**3,331,581**
Perpetual Preferred Stock		2,000
Preferred noncontrolling interests in AIR Operating Partnership		77,140
Net Leverage	**$**	**3,173,707 3,410,721**

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 loss 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 (loss) 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;
- 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, and Adjusted 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 loss to EBITDAre and Adjusted EBITDAre, as used in our leverage ratios, is as follows (in thousands):

		Three Months Ended September 30, 2023 March 31, 2024	
Net incomeloss	$	710,512 (4,278)	
Adjustments:			
Interest expense		22,888 35,282	
Income tax expense		319	4,595
Depreciation and amortization		79,023 79,754	
Net income attributable to noncontrolling interests in consolidated real estate partnerships		(2,525) (1,101)	
EBITDAre adjustments attributable to noncontrolling interests and unconsolidated real estate partnerships		13,437 11,135	
EBITDAre	**$**	**135,069 121,111**	
Pro forma FFO and other adjustments, net (1)		177 54	
Quarterly Adjusted EBITDAre	**$**	**135,246 121,165**	
Adjusted EBITDAre, before removal of annualization impact for non-recurring items	**$**	**540,984 484,660**	
One-time adjustments to annualized EBITDA (2)		Removal of annualization impact for non-recurring items (2) 8,298 (38,313)	
Adjusted EBITDAre	**$**	**502,671 492,958**	

(1) Includes pro forma adjustments to NAREIT FFO under the heading, NAREIT “NAREIT Funds From Operations, Pro forma Funds From Operations, and Pro forma Adjusted Funds From Operations, Operations”, excluding items that are not included in EBITDAre such as prepayment penalties, net. EBITDAre has also been adjusted by $0.9 million to reflect the disposition of two properties and the Core Joint Venture, as if the transactions closed on July 1, 2023, and an adjustment of $11.5 million $8.2 million non-cash gain on derivative instruments. instruments and $0.3 million to reflect the acquisition of one property as if the transaction closed on January 1, 2024.

(2) Third First quarter 2023 2024 EBITDAre benefits from $12.8 million includes $2.4 million of items expenses, net, that are not expected to recur in the future. As such, they were not their annualized in impact has been added to the computation of Adjusted EBITDAre.

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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 September 30, 2023 March 31, 2024, our available liquidity was $2.1 approximately $1.7 billion, which consisted of:

- $95.7 80.6 million of our share of cash and cash equivalents;
- $15.8 16.2 million of our share of restricted cash, excluding amounts related to tenant security deposits, which consists primarily of escrows held by lenders for capital additions, property taxes, and insurance; and
- $970.0 million 1.6 billion of available capacity to borrow under our revolving credit facility after consideration of letters of credit; credit and
- $1.0 billion of committed property level financing through our secured credit facility with Fannie Mae.

Additional liquidity may also be provided through future secured and unsecured financings. As a result of the announced Merger with Blackstone, AIR is generally prohibited from creating, incurring, assuming, replacing, prepaying, or guaranteeing any indebtedness for borrowed money or issuing or materially amending the terms of any indebtedness.

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, acquisitions of apartment communities, and repurchases of equity securities. 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.

There have been no material changes to our contractual obligations and commitments outside the ordinary course of business from those disclosed in Item 7, *Management's Discussion and Analysis of Financial Condition and Results of Operations,* of AIR's and the AIR Operating Partnership's combined Annual Report on Form 10-K for the year ended December 31, 2022 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 community dispositions. communities.

The combination of secured and unsecured debt, preferred OP Units, and redeemable noncontrolling interests in a consolidated real estate partnership comprise our total leverage. The weighted-average remaining term to maturity for our total leverage was 6.9 6.1 years as of September 30, 2023 March 31, 2024, inclusive of extension options, with a weighted-average interest rate of 4.3% 4.4%. 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 September 30, 2023 March 31, 2024 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 condensed consolidated statements of cash flows in Item 1 of this report.

Operating Activities

For the nine three months ended September 30, 2023 March 31, 2024, net cash provided by operating activities was $301.7 million $76.9 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 nine three months ended September 30, 2023 March 31, 2024, decreased by $49.7 million $12.0 million compared to the same period in 2022, 2023, due primarily to lower net operating income associated with sold the contribution of apartment communities to two unconsolidated joint ventures subsequent to the first quarter of 2023; the Core JV and the Value-Add JV, offset partially offset by increased a net increase in NOI contribution from properties recently acquired. properties.

Investing Activities

For the nine three months ended September 30, 2023, March 31, 2024 and 2023, our net cash used in investing activities of $270.0 million was $113.4 million and $191.3 million, respectively, and consisted primarily of purchases of real estate and capital expenditures, offset partially by proceeds from dispositions of real estate and distributions from unconsolidated real estate partnerships. Net cash provided by investing activities of $252.9 million for the same period in 2022 consisted primarily of proceeds from dispositions of real estate and proceeds from the partial repayment of the notes receivable from Aimco, which was repaid in the second and third quarters of 2022, offset partially by purchases of real estate and capital expenditures.

Capital additions totaled $128.4 million $27 million and $111.2 million $33 million during the nine three months ended September 30, 2023 March 31, 2024 and 2022, 2023, 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 functionality 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.

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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 condensed consolidated statements of cash flows, are presented below (in thousands):

		Nine Months Ended			
		September 30, 2023	September 30, 2022		
		Three Months Ended March 31,		Three Months Ended March 31,	
		2024		2024	2023
Capital Replacements	Capital Replacements	$ 24,605	$ 19,965		
Capital Enhancements	Capital Enhancements	65,244	61,795		
Initial Capital Expenditures	Initial Capital Expenditures	32,620	22,157		
Casualty	Casualty	5,036	3,649		
Other	Other	869	3,624		

Total capital additions	Total capital additions	$ 128,374	$ 111,190
Plus: additions related to apartment communities sold and held for sale	Plus: additions related to apartment communities sold and held for sale	12,674	37,962
Consolidated capital additions	Consolidated capital additions	$ 141,048	$ 149,152
Plus: net change in accrued capital spending	Plus: net change in accrued capital spending	(193)	1,963
Total capital expenditures per condensed consolidated statements of cash flows	**Total capital expenditures per condensed consolidated statements of cash flows**	**$ 140,855**	**$ 151,115**

For the nine three months ended September 30, 2023 March 31, 2024 and 2022, 2023, we capitalized $1.0 $— million and $1.1 $0.4 million of interest costs, respectively, and $12.7 $3.6 million and $12.6 $4.0 million of indirect costs, respectively.

Financing Activities

Net cash provided by financing activities of $33.7 million for the three months ended March 31, 2024 consisted primarily of net borrowings on our revolving credit facility, offset partially by the payment of dividends. Net cash used in financing activities of $199.0 million $84.0 million for the nine three months ended September 30, 2023 March 31, 2023 consisted primarily of net repayments on of our revolving credit facility and the repayment of term loans, payment of dividends, and repurchases of Common Stock and OP Units, partially offset partially by net proceeds from non-recourse property debt. Net cash used in financing activities of $582.5 million for the nine months ended September 30, 2022 consisted primarily of repayments of non-recourse debt and term loans, payment of dividends and distributions, and repurchases of Common Stock and OP Units, offset partially by proceeds from the issuance of unsecured notes payable.

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 2023 2024 and beyond.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our chief primary market risks are refunding risk, that is the availability of property debt corporate 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 September 30, 2023 March 31, 2024, on a consolidated basis, we had $475.0 million of outstanding borrowings on our term loans, and $25.8 million $260.0 million of variable-rate borrowings under our revolving credit facility. After consideration of our interest rate swap derivatives, which reduce reduces our total variable rate exposure by $350 million $675 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 $1.5 million $0.6 million, net, on an annual basis.

As of September 30, 2023 March 31, 2024, we had $134.2 million $114.7 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.

As of September 30, 2023 March 31, 2024, we had one two undesignated forward starting interest rate swap swaps with a notional value of $50.0 million $93.7 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 $0.9 million, net, on an annual basis.

We estimate the fair value of debt instruments as described in Note 9 8 to the condensed consolidated financial statements in Item 1. The estimated fair value of total indebtedness, including our non-recourse property debt, term loans, revolving credit facility, and unsecured notes payable, was approximately $2.8 billion $3.1 billion as of September 30, 2023 March 31, 2024.

ITEM 4. 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 AIR'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, 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.

Changes in Internal Control Over Financial Reporting

There During the three months ended March 31, 2024, the Company implemented a new financial and accounting system that improves the efficiency and effectiveness of the Company's operational and financial accounting processes. As with any new system the Company implements, the design of the internal controls has been evaluated for effectiveness. Other than these new controls, 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 third first quarter of 2023 2024 that has materially affected, or is reasonably likely to materially affect, AIR's internal control over financial reporting.

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.

Changes in Internal Control Over Financial Reporting

There During the three months ended March 31, 2024, the Company implemented a new financial and accounting system that improves the efficiency and effectiveness of the Company's operational and financial accounting processes. As with any new system the Company implements, the design of the internal controls has been evaluated for effectiveness. Other than these new controls, 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 third first quarter of 2023 2024 that has materially affected, or is reasonably likely to materially affect, the AIR Operating Partnership's internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1A. RISK FACTORS

As Except as set forth below, as of the date of this report, there have been no material changes from the risk factors in AIR's and the AIR Operating Partnership's combined Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023.

The Merger may not be completed on the terms or timeline currently contemplated or at all

The completion of the Merger is subject to certain conditions, including (i) approval by our common stockholders; (ii) receipt by Parent (as defined in the Merger Agreement) of an opinion to the effect that, commencing with our initial taxable year ended December 31, 2020 through our hypothetical short taxable year ended on the closing date immediately prior to the closing, we have been organized and have operated in conformity with the requirements for qualification and taxation as a REIT under the Code (without regard to the effects of the closing, any action (or inaction) taken after the closing, or the distribution requirements of Section 857(b) of the Code for the hypothetical short taxable year) and (iii) other closing conditions set forth in the Merger Agreement. While it is currently anticipated that the Merger will be completed in the third quarter of 2024, there can be no assurance that such conditions will be satisfied in a timely manner or at all, or that an effect, change, development, circumstance, occurrence or event will not transpire that could delay or prevent these conditions from being satisfied.

If the Merger is completed, our stockholders will forgo the opportunity to benefit from potential future appreciation in the value of the Company.

The Merger Agreement provides for the holders of record of our outstanding Class A common stock (other than holders of the Cancelled Shares) to receive cash consideration of $39.12 per share, without interest, upon closing of the Merger. If the Merger is consummated, stockholders will no longer hold interests in the Company and, therefore, will not be entitled to benefit from any potential future appreciation in the value of the Company. In the absence of the Merger, the Company could have various opportunities to enhance its value, including, but not limited to, entering into a transaction that values the shares of common stock higher than the value provided for in the Merger Agreement. Therefore, if the Merger is completed, stockholders will forgo future appreciation, if any, in the value of the Company and the opportunity to participate in any other potential transactions that may have resulted in a higher price per share than the price to be paid in the Merger.

If the Merger is not consummated by 5:00 p.m. (Eastern Time) on October 7, 2024 (or, if extended, by 5:00 p.m. (Eastern Time) on January 7, 2025), or in certain other circumstances, either of us or Parent may terminate the Merger Agreement.

We or Parent may terminate the Merger Agreement if the Merger has not been consummated by 5:00 p.m. (Eastern Time) on October 7, 2024, except that such date may be extended at the option of Parent or us, by written notice to the other party, to 5:00 p.m. (Eastern Time) on January 7, 2025, if a governmental order restraining, enjoining, rendering illegal or prohibiting consummation of the Merger (which has arisen as a result of a proceeding initiated by a governmental authority) remains in effect. Subject to the terms and conditions of the Merger Agreement, we or Parent also may terminate the Merger Agreement (i) by mutual written consent; (ii) if there is a final and non-appealable law or governmental order permanently restraining, enjoining, or otherwise prohibiting consummation of the Merger; (iii) if our common stockholders fail to approve the Merger; (iv) if the other party has breached its representations or covenants in a way that would prevent satisfaction of certain closing conditions; (v) with respect to us, and in accordance with the Merger Agreement, in order to enter into certain superior proposals made by third parties; or (vi) with respect to Parent, if (A) prior to receipt of the required company stockholder approval, our Board of Directors has made a change in its recommendation to our stockholders in accordance with the Merger Agreement that the stockholders vote in favor of the Merger, (B) our Board of Directors has failed to publicly recommend against any tender offer or exchange offer within 10 business days after the commencement of such tender offer or exchange offer, (C) prior to receipt of the required company stockholder approval, our Board of Directors failed to publicly reaffirm its recommendation to our stockholders that they vote in favor of the Merger within 10 business days after an acquisition proposal by a third party has been publicly announced, or (D) we or one of our subsidiaries enters into an alternative acquisition agreement.

The Merger may not be completed, which may adversely affect our business and could negatively affect our stock price.

If the Merger is not completed for any reason, the trading price of our common stock may decline to the extent that the market price of our common stock reflects positive market assumptions that the Merger will be completed and the related benefits will be realized. We may also be subject to additional risks if the Merger is not completed, including:

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a. the requirement in the Merger Agreement that upon a termination of the Merger Agreement, under certain circumstances, we will be required to pay Parent a termination fee of $183 million, except that the termination fee will be $92 million if (1) a third party submits a Qualified Proposal (as defined in the Merger Agreement) no later than 11:59 p.m. (Eastern time) on May 12, 2024 and which our Board of Directors determines, no later than May 12, 2024, after consultation with its outside legal counsel and financial advisor, constitutes or could reasonably be expected to lead to a Superior Proposal (as defined in the Merger Agreement) and (2) we terminate the Merger Agreement in order to enter into a definitive agreement with such third party providing for the implementation of a Superior Proposal on or prior to May 27, 2024;

b. incurring substantial costs related to the Merger, such as legal, accounting, financial advisory, and integration costs that have already been incurred or will continue to be incurred until closing or until the Merger is not completed;

c. reputational harm including relationships with business partners due to the adverse perception of any failure to successfully complete the Merger; and

d. potential disruption to our business and distraction of our workforce and management team to pursue other opportunities that could be beneficial to the Company, in each case without realizing any of the benefits of having the Merger completed.

The pendency of the Merger could adversely affect our business and operations, including with business partners, and may result in the departure of key personnel. In connection with the Merger, some of our business partners may delay or defer decisions or may end their relationships with us, which could negatively affect our revenues, earnings, and cash flows, regardless of whether the Merger is completed. In addition, due to operating restrictions in the Merger Agreement, the Company may be unable, during the pendency of the Merger to pursue strategic transactions, undertake significant capital projects, undertake certain significant financing transactions, and otherwise pursue other actions.

The Merger Agreement contains provisions that could discourage a potential competing acquirer of the Company or could result in a competing acquisition proposal being at a lower price than it might otherwise be.

The Merger Agreement contains provisions that, subject to limited exceptions, restrict the Company’s ability to solicit or negotiate any alternative acquisition proposal. With respect to any written, bona fide acquisition proposal that we receive, Parent generally has an opportunity to offer to modify the terms of the Merger Agreement in response to such proposal before our Board of Directors may withdraw or modify its recommendation to stockholders in response to such acquisition proposal or terminate the Merger Agreement to enter into a definitive agreement with respect to such acquisition proposal. Upon termination of the Merger Agreement under certain circumstances relating to an acquisition proposal, the Company may be required to pay to Parent a termination fee of $183 million, except that the termination fee will be $92 million if (1) a third party submits a Qualified Proposal no later than 11:59 p.m. (New York City time) on May 12, 2024 and which our Board of Directors determines, no later than May 12, 2024, after consultation with our outside legal counsel and financial advisor, constitutes or could reasonably be expected to lead to a Superior Proposal and (2) we terminate the Merger Agreement in order to enter into a definitive agreement with such third party providing for the implementation of a Superior Proposal on or prior to May 27, 2024.

These provisions could discourage a potential competing acquirer that might have an interest in acquiring all or a significant part of our business from considering or making a competing acquisition proposal, even if the potential competing acquirer was prepared to pay consideration with a higher per share cash value than the market value proposed to be received or realized in the Merger, or might cause a potential competing acquirer to propose to pay a lower price than it might otherwise have proposed to pay because of the added expense of the termination fee and expense reimbursement that may become payable in certain circumstances under the Merger Agreement.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS AND ISSUER PURCHASES OF EQUITY SECURITIES

AIR

Unregistered Sales of Equity Securities

From time to time, we may issue shares of Common Stock in exchange for OP Units. Such shares are issued based on an exchange ratio of one share for each common OP Unit. We may also issue shares of Common Stock in exchange for limited partnership interests in consolidated real estate partnerships. During the three months ended September 30, 2023 March 31, 2024, we

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did not issue any shares of Common Stock in exchange for OP Units or limited partnership interests in consolidated real estate partnerships.

Repurchases of Equity Securities

AIR's Board of Directors has authorized a share repurchase program of its outstanding capital Class A common 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. There were no share repurchases during the three months ended March 31, 2024. As of September 30, 2023 March 31, 2024, there was $105.5 million $500 million remaining available for future share repurchases under this authorization.

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)
July 1 – July 31, 2023	—	$ —	—	$ 183,290
August 1 – August 31, 2023	2,249,800	$ 34.57	2,249,800	$ 105,507
September 1 – September 30, 2023	—	$ —	—	$ 105,507
Total	**2,249,800**	**$ 34.57**	**2,249,800**	

Under the terms of the Merger Agreement, the Company is prohibited from repurchasing any shares of its outstanding Class A common stock without Blackstone's consent. The Company does not expect to complete any additional repurchases during the term of the Merger Agreement.

The AIR Operating Partnership

Unregistered Sales of Equity Securities

The AIR Operating Partnership did not issue nor repurchase any unregistered OP Units during the three months ended September 30, 2023 March 31, 2024.

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 September 30, 2023 March 31, 2024, no common OP Units were redeemed in exchange for Common Stock.

The following table summarizes the AIR Operating Partnership's repurchases or redemptions of common OP Units in exchange for cash during the three months ended September 30, 2023 March 31, 2024:

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)
July 1 – July 31, 2023	12,505	$	35.52	N/A	N/A
August 1 – August 31, 2023	26,289	$	34.99	N/A	N/A
September 1 – September 30, 2023	11,926	$	33.77	N/A	N/A
Total	**50,720**	**$**	**34.83**		

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)
January 1 – January 31, 2024	27,985	$	33.69	N/A	N/A
February 1 – February 29, 2024	76,848	$	33.60	N/A	N/A
March 1 – March 31, 2024	3,447	$	30.98	N/A	N/A
Total	**108,280**	**$**	**33.54**		

(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. 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 FFO for such period, subject to certain non-cash adjustments, or such amount as may be necessary to maintain AIR's REIT status.

In connection with the pending Blackstone transaction described above, payment of additional quarterly dividends has been suspended, effective immediately, other than for the purpose of meeting REIT status, and any such dividends would result in an offsetting decrease to the Common Stock Merger Consideration. Subject to and upon consummation of the Merger, the Company's Class A common stock will no longer be listed on the New York Stock Exchange.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

The following exhibits are filed with this report:

EXHIBIT NO.	DESCRIPTION
2.1	Agreement and Plan of Merger, dated as of April 7, 2024, by and among Apartment Income REIT Corp., Apex Purchaser LLC, Aries Purchaser LLC, Astro Purchaser LLC and Astro Merger Sub Inc.* (Exhibit 2.1 to AIR's Current Report on Form 8-K dated April 8, 2024, is incorporated herein by this reference)
3.1	Amended and Restated Charter of Apartment Income REIT Corp.* (Exhibit 3.1 to AIR's Current Report on Form 8-K dated September 22, 2023, is incorporated herein by this reference)
3.2	Certificate of Correction to the Articles of Amendment and Restatement of Apartment Income REIT Corp., dated April 11, 2024* (Exhibit 3.1 to AIR's Current Report on Form 8-K, dated April 12, 2024, is incorporated herein by this reference)
3.3	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)
3.4	First Amendment to the Amended and Restated Bylaws of Apartment Income REIT Corp., dated April 7, 2024* (Exhibit 3.1 to AIR's Current Report on Form 8-K, dated April 8, 2024, is incorporated herein by this reference)
10.1	Seventh Amended and Restated Partnership Agreement of Apartment Income REIT, L.P. (Exhibit 10.1 to AIR's Quarterly Report on Form 10-Q dated May 4, 2022, is incorporated herein by this reference)
31.1	Certification of Chief Executive Officer pursuant to Securities Exchange Act Rules 13a-14(a)/15d-14(a), as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 – Apartment Income REIT Corp.
31.2	Certification of Chief Financial Officer pursuant to Securities Exchange Act Rules 13a-14(a)/15d-14(a), as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 – Apartment Income REIT Corp.
31.3	Certification of Chief Executive Officer pursuant to Securities Exchange Act Rules 13a-14(a)/15d-14(a), as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 – the AIR Operating Partnership
31.4	Certification of Chief Financial Officer pursuant to Securities Exchange Act Rules 13a-14(a)/15d-14(a), as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 – the AIR Operating Partnership
32.1	Certifications of Chief Executive Officer and Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 – Apartment Income REIT Corp.

32.2	Certifications of Chief Executive Officer and Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 – the AIR Operating Partnership
101	The following materials from AIR's and the AIR Operating Partnership's combined Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2023 March 31, 2024, formatted in iXBRL (Inline Extensible Business Reporting Language): (i) condensed consolidated balance sheets; (ii) condensed consolidated statements of operations; (iii) condensed consolidated statements of comprehensive income; loss; (iv) condensed consolidated statements of equity and partners' capital; (v) condensed consolidated statements of cash flows; and (vi) notes to condensed consolidated financial statements.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

* The schedules and exhibits have been omitted pursuant to Item 601(b)(2) of Regulation S-K. The Company agrees to furnish supplementally to the SEC a copy of any omitted schedule or exhibit, or any section thereof, upon request by the SEC.

SIGNATURES

Pursuant to the requirements 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/ Molly H.N. Syke
Molly H.N. Syke
Vice President and Chief Accounting Officer

APARTMENT INCOME REIT, L.P.

By: AIR-GP, Inc., its General Partner

By: /s/ Molly H.N. Syke
Molly H.N. Syke
Vice President and Chief Accounting Officer

Date: November 3, 2023 May 8, 2024

Exhibit 31.1

CHIEF EXECUTIVE OFFICER CERTIFICATION

I, Terry Considine, certify that:

1. I have reviewed this quarterly report on Form 10-Q 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: November 3, 2023 May 8, 2024

/s/ Terry Considine

Terry Considine

Director and Chief Executive Officer

Exhibit 31.2

CHIEF FINANCIAL OFFICER CERTIFICATION

I, Paul Beldin, certify that:

1. I have reviewed this quarterly report on Form 10-Q 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: November 3, 2023 May 8, 2024

/s/ Paul Beldin

Paul Beldin

Executive Vice President and Chief

Financial Officer

Exhibit 31.3

CHIEF EXECUTIVE OFFICER CERTIFICATION

I, Terry Considine, certify that:

1. I have reviewed this quarterly report on Form 10-Q 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: November 3, 2023 May 8, 2024

/s/ Terry Considine

Terry Considine

Director and Chief Executive Officer

Exhibit 31.4

CHIEF FINANCIAL OFFICER CERTIFICATION

I, Paul Beldin, certify that:

1. I have reviewed this quarterly report on Form 10-Q 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: November 3, 2023 May 8, 2024

/s/ Paul Beldin

Paul Beldin

Executive Vice President and Chief Financial Officer

Exhibit 32.1

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 quarterly report of Apartment Income REIT Corp. (the "Company") on Form 10-Q for the period ended September 30, 2023 March 31, 2024, 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 Company.

/s/ Terry Considine

Terry Considine

Director and Chief Executive Officer

November 3, 2023 May 8, 2024

/s/ Paul Beldin

Paul Beldin

Executive Vice President and Chief Financial Officer

November 3, 2023 May 8, 2024

Exhibit 32.2

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 quarterly report of Apartment Income REIT, L.P. (the "Partnership") on Form 10-Q for the period ended September 30, 2023 March 31, 2024, 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

Terry Considine

Director and Chief Executive Officer

November 3, 2023 May 8, 2024

/s/ Paul Beldin

Paul Beldin

Executive Vice President and Chief Financial Officer

November 3, 2023 May 8, 2024

DISCLAIMER