

CAMDEN PROPERTY TRUST
Form 10-K
February 21, 2014
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K
(Mark One)

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

For the fiscal year ended December 31, 2013

OR

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

For the transition period from _____ to _____

Commission file number: 1-12110

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

Texas 76-6088377
(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification No.)

11 Greenway Plaza, Suite 2400 77046
Houston, Texas (Zip Code)
(Address of principal executive offices)

Registrant's telephone number, including area code: (713) 354-2500

Securities registered pursuant to Section 12(b) of the Act:
Title of each class Name of each exchange on which registered
Common Shares of Beneficial Interest, \$.01 par value New York Stock Exchange

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

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

Indicate by check mark whether registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form

10-K.

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

Large accelerated filer Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company

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

No

The aggregate market value of voting and non-voting common equity held by non-affiliates of the registrant was \$5,825,629,302 based on a June 30, 2013 share price of \$69.14.

On February 14, 2014, 85,420,966 common shares of the registrant were outstanding, net of treasury shares and shares held in our deferred compensation arrangements.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's Proxy Statement in connection with its Annual Meeting of Shareholders to be held May 9, 2014 are incorporated by reference in Part III.

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PART I

Item 1. Business

General

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

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

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

Financial Information about Segments

We are primarily engaged in the ownership, management, development, redevelopment, acquisition, and construction of multifamily apartment communities. As each of our communities has similar economic characteristics, residents, amenities, and services, our operations have been aggregated into one reportable segment. See our consolidated financial statements and notes included thereto in Item 15 of this Annual Report on Form 10-K for certain information required by Item 1.

Narrative Description of Business

As of December 31, 2013, we owned interests in, operated, or were developing 184 multifamily properties comprised of 64,328 apartment homes across the United States. Of the 184 properties, 14 properties were under construction and when completed will consist of a total of 4,354 apartment homes. Additionally, we are adding a subsequent phase to a stabilized community which will consist of 75 apartment homes and we own land holdings we may develop into multifamily apartment communities in the future.

Operating and Business Strategy

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

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

We continue to operate in our core markets which we believe provides an advantage due to economies of scale. We believe, where possible, it is best to operate with a strong base of properties in order to benefit from the personnel

allocation and the market strength associated with managing multiple properties in the same market. However, consistent with our goal of generating sustained earnings growth, we intend to selectively dispose of properties and redeploy capital for various strategic reasons, including if we determine a property cannot meet long-term earnings growth expectations.

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

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Strong economic growth leading to household formation and job growth, which in turn should lead to high demand for our apartments;

An attractive quality of life, which may lead to high demand and retention for our apartments and allow us to more readily increase rents; and

High single family home prices making our apartments a more economical housing choice.

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

We intend to continue to focus on strengthening our capital and liquidity positions by generating positive cash flows from operations, maintaining appropriate debt levels and leverage ratios, and controlling overhead costs. We intend to meet our liquidity requirements through cash flow generated from operations, availability under our unsecured credit facility and other short-term borrowings, proceeds from property dispositions, the use of debt and equity offerings under our automatic shelf registration statement, equity issued from our at-the-market share offering program, other unsecured borrowings and secured mortgages.

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

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

Investments in Joint Ventures. We have entered into, and may continue in the future to enter into, joint ventures through which we own an indirect economic interest of less than 100% of the community or land owned directly by the joint venture. We currently have two discretionary investment funds (the "funds"), both of which were closed to future investment as of December 31, 2013. See Note 8, "Investments in Joint Ventures," and Note 14, "Commitments and Contingencies," in the Notes to Consolidated Financial Statements for further discussion of our investments in joint ventures.

Competition

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

Employees

At December 31, 2013, we had approximately 1,780 employees, including executive, administrative, and community personnel. Our employee headcount has historically not varied significantly throughout the year.

Qualification as a Real Estate Investment Trust

As of December 31, 2013, we met the qualification of a REIT under Sections 856-860 of the Internal Revenue Code of 1986, as amended (the "Code"). As a result, we, with the exception of our taxable REIT subsidiaries, will not be subject to federal income tax to the extent we continue to meet certain requirements of the Code.

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Item 1A. Risk Factors

In addition to the other information contained in this Form 10-K, the following risk factors should be considered carefully in evaluating our business. Our business, financial condition, or results of operations could be materially adversely affected by any of these risks. Additional risks not presently known to us, or which we currently consider immaterial, may also impair our business and operations.

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

Volatility in capital and credit markets, or other unfavorable changes in economic conditions, could adversely impact us.

The capital and credit markets are subject to volatility and disruption, as particularly experienced in recent years. Although the economy has been gradually improving, there can be no assurance capital and credit markets will continue to improve in the near future. In the event of renewed market disruption or volatility, we may not be able to obtain new debt financing or refinance our existing debt on favorable terms or at all, which would adversely affect our liquidity, our ability to make distributions to shareholders, acquire and dispose of assets and continue our development activities. Other weakened economic conditions, including job losses, high unemployment levels, stock market volatility, and uncertainty about the future, could adversely affect rental rates and occupancy levels. Unfavorable changes in economic conditions may have a material adverse impact on our cash flows and operating results.

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

- local conditions, such as an oversupply of apartments or other housing available for rent, or a reduction in demand for apartments in the area;

- declines in the financial condition of our tenants, which may make it more difficult for us to collect rents from some tenants;

- declines in market rental rates;

- low mortgage interest rates and home pricing, making alternative housing more affordable;

- government or builder incentives which enable home buyers to put little or no money down, making alternative housing options more attractive;

- regional economic downturns which affect one or more of our geographical markets; and

- increased operating costs, if these costs cannot be passed through to residents.

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

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

We face risks associated with land holdings and related activities.

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

We could be negatively impacted by the elimination of Fannie Mae or Freddie Mac.

Fannie Mae and Freddie Mac are a major source of financing for secured multifamily real estate. We and other multifamily companies have utilized Fannie Mae and Freddie Mac to finance growth by purchasing or guaranteeing apartment loans. In June 2013, a bipartisan group of senators proposed an overhaul of the housing finance system which would wind down Fannie Mae and Freddie Mac within five years; in August 2013, President Obama announced his support for this legislation. A final decision by the government to eliminate Fannie Mae or Freddie

Mac, or reduce their role in the mortgage market, may adversely affect interest rates, capital availability, and the development of multifamily communities.

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Compliance or failure to comply with laws, including those requiring access to our properties by disabled persons, could result in substantial cost.

The Americans with Disabilities Act (“ADA”), the Fair Housing Amendments Act of 1988 (“FHAA”), and other federal, state, and local laws, rules, and regulations, generally require public accommodations and apartment homes be made accessible to disabled persons. Noncompliance could result in the imposition of fines by the government or the award of damages to private litigants. These laws may require us to modify our existing properties. These laws may also restrict renovations by requiring improved access to such buildings by disabled persons or may require us to add other structural features which increase our construction costs. Legislation or regulations adopted in the future may impose further costs and obligations or restrictions on us with respect to improved access by disabled persons. We may incur unanticipated expenses which may be material to our financial condition or results of operations to comply with ADA, FHAA, and other federal, state, and local laws, or in connection with lawsuits brought by the government or private litigants.

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

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

Risks Associated with Our Operations

Development, redevelopment and construction risks could impact our profitability.

We intend to continue to develop, redevelop and construct multifamily apartment communities for our portfolio, with 2014 development starts expected in the range of \$150 to \$300 million and 2014 redevelopment expenditures in the range of \$55 to \$75 million. Our development, redevelopment and construction activities may be exposed to a number of risks which may increase our construction costs and decrease our profitability, including the following:

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

Our inability to successfully implement our development, redevelopment and construction strategy could adversely affect our results of operations and our ability to satisfy our financial obligations and pay distributions to shareholders. One of our wholly-owned subsidiaries is engaged in the business of providing general contracting services under construction contracts entered into between it and third-parties (including nonconsolidated subsidiaries). The terms of those construction contracts generally require this subsidiary to estimate the time and costs to complete a project, and to assume the risk these estimates may be greater than anticipated. As a result, profitability on those contracts is dependent on the ability to accurately predict such factors. The time and costs necessary to complete a project may be affected by a variety of factors, including those listed above, many of which are beyond this subsidiary’s control. In addition, the terms of those contracts generally require this subsidiary to warrant its work for a period of time during which it may be required to repair, replace, or rebuild non-conforming work. Further, trailing liabilities, based on various legal theories such as claims of negligent construction, may result from such projects, and these trailing liabilities may go on for a number of years depending on the length of the statute of repose in various jurisdictions. Our acquisition strategy may not produce the cash flows expected.

We may acquire additional operating properties on a selective basis. Our acquisition activities are subject to a number of risks, including the following:

•we may not be able to successfully integrate acquired properties into our existing operations;

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

Competition could adversely affect our ability to acquire properties.

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

Losses from catastrophes may exceed our insurance coverage.

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

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

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

The risks associated with our discretionary funds, which we manage as the general partner and advisor and which as of December 31, 2013 were closed for future investments, include the following:

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

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

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

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

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we would be subject to federal income tax on our taxable income at regular corporate rates, including any applicable alternative minimum tax;

we would be disqualified from treatment as a REIT for the four taxable years following the year in which we failed to qualify, thereby reducing our net income, including any distributions to shareholders, as we would be required to pay significant income taxes for the year or years involved; and

our ability to expand our business and raise capital would be impaired, which may adversely affect the value of our common shares.

We may face other tax liabilities in the future which may impact our cash flow. These potential tax liabilities may be calculated on our income or property values at either the corporate or individual property levels. Any additional tax expense incurred would decrease the cash available for cash distributions to our common shareholders, and non-controlling interest holders.

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

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

We depend on our key personnel.

Our success depends in part on our ability to attract and retain the services of executive officers and other personnel. There is substantial competition for qualified personnel in the real estate industry, and the loss of several of our key personnel could have an adverse effect on us.

Litigation risks could affect our business.

As a large publicly-traded owner of multifamily properties, we are at risk of becoming involved in legal proceedings, including consumer, employment, tort, or commercial litigation, which if decided adversely to or settled by us, could result in liability which is material to our financial condition or results of operations.

Risks Associated with Our Indebtedness and Financing

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

Substantially all of our income is derived from rental and other income from our multifamily communities. As a result, our performance depends in large part on our ability to collect rent from residents, which could be negatively affected by a number of factors, including the following:

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

•changes in market rents; and

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increases in operating expenses.

Cash flow could be insufficient to meet required payments of principal and interest with respect to debt financing. In order for us to continue to qualify as a REIT we must meet a number of organizational and operational requirements, including a requirement to distribute annual dividends to our shareholders equal to a minimum of 90% of our REIT taxable income, computed without regard to the dividends paid deduction and our net capital gains. This requirement limits the cash available to meet required principal payments on our debt.

We have significant debt, which could have adverse consequences.

As of December 31, 2013, we had outstanding debt of approximately \$2.5 billion. This indebtedness could have adverse consequences, including:

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

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

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

We are subject to the risk that indebtedness on our properties or our unsecured indebtedness will not be renewed, repaid, or refinanced when due or the terms of any renewal or refinancing will not be as favorable as the existing terms of such indebtedness. If we are unable to refinance our indebtedness on acceptable terms, or at all, we might be forced to dispose of one or more of the properties on disadvantageous terms, which might result in losses to us. Such losses could have a material adverse effect on us and our ability to make distributions to our shareholders and pay amounts due on our debt. Furthermore, if a property is mortgaged to secure payment of indebtedness and we are unable to meet mortgage payments, the mortgagee could foreclose on the property, appoint a receiver and exercise rights under an assignment of rents and leases, or pursue other remedies, all with a consequent loss of our revenues and asset value. Foreclosures could also create taxable income without accompanying cash proceeds, thereby hindering our ability to meet the REIT distribution requirements of the Code.

Variable rate debt is subject to interest rate risk.

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

Issuances of additional debt may adversely impact our financial condition.

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

Moody's, Standard & Poor's and Fitch, the major debt rating agencies, routinely evaluate our debt and have given us ratings of Baa1, BBB+, and BBB+, respectively, each with stable outlooks, on our senior unsecured debt. These ratings are based on a number of factors, which include their assessment of our financial strength, liquidity, capital

structure, asset quality, and sustainability of cash flow and earnings. Due to changes in market conditions, we may not be able to maintain our current credit ratings, which could adversely affect our cost of funds and related margins, liquidity, and access to capital markets.

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Risks Associated with Our Shares

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

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

Our share price will fluctuate.

The market price and trading volume of our common shares are subject to fluctuation due to general market conditions, the risks discussed in this report and other matters, including the following:

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

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

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

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

The Properties

Our properties typically consist of mid-rise buildings or two and three story buildings in a landscaped setting and provide residents with a variety of amenities. Most of the properties have one or more swimming pools and a clubhouse and many have exercise room facilities, and controlled-access gates. Many of the apartment homes offer additional amenities common to multifamily rental properties.

Operating Properties (including properties held through unconsolidated joint ventures)

The 170 operating properties in which we owned interests and operated at December 31, 2013 averaged 948 square feet of living area per apartment home. For the year ended December 31, 2013, no single operating property accounted for greater than 1.6% of our total revenues. Our operating properties had a weighted average occupancy rate of approximately 95% for each of the years ended December 31, 2013 and 2012, and an average annual rental revenue per apartment home of \$1,157 and \$1,045 for the years ended December 31, 2013 and 2012, respectively. Resident lease terms generally range from six to fifteen months. 151 of our operating properties have over 200 apartment homes, with the largest having 930 apartment homes. Our operating properties have an average age of 12 years (calculated on the basis of investment dollars). Our operating properties were constructed and placed in service as follows:

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Year Placed in Service	Number of Operating Properties
2006-2013	49
2001-2005	32
1996-2000	49
1991-1995	18
1986-1990	15
Prior to 1986	7

Property Table

The following table sets forth information with respect to our 170 operating properties at December 31, 2013:

Property and Location	OPERATING PROPERTIES				
	Year Placed In Service	Average Apartment Size (Sq. Ft.)	Number of Apartments	2013 Average Occupancy (1)	2013 Average Monthly Rental Rate per Apartment (2)
ARIZONA					
Phoenix					
Camden Copper Square	2000	786	332	93.3	% \$ 939
Camden Legacy	1996	1,067	428	93.6	1,006
Camden Montierra	1999	1,071	249	93.1	1,182
Camden Pecos Ranch	2001	924	272	93.7	886
Camden San Marcos	1995	984	320	92.7	1,004
Camden San Paloma	1993/1994	1,042	324	94.0	1,012
Camden Sotelo (3)	2008/2012	1,303	170	92.2	1,205
CALIFORNIA					
Los Angeles/Orange County					
Camden Crown Valley	2001	1,009	380	95.6	1,663
Camden Harbor View	2004	975	538	95.3	2,044
Camden Main & Jamboree (4)	2008	1,011	290	96.1	1,868
Camden Martinique	1986	794	714	95.9	1,409
Camden Parkside	1972	836	421	94.5	1,291
Camden Sea Palms	1990	891	138	96.1	1,567
San Diego/Inland Empire					
Camden Landmark	2006	982	469	93.3	1,335
Camden Old Creek	2007	1,037	350	95.4	1,660
Camden Sierra at Otay Ranch	2003	962	422	94.3	1,536
Camden Tuscany	2003	896	160	94.8	2,109
Camden Vineyards	2002	1,053	264	94.7	1,254
COLORADO					
Denver					
Camden Belleview Station	2009	888	270	93.3	1,224
Camden Caley	2000	925	218	96.0	1,078
Camden Denver West	1997	1,015	320	95.8	1,243
Camden Highlands Ridge	1996	1,149	342	92.9	1,334
Camden Interlocken	1999	1,010	340	95.5	1,282
Camden Lakeway	1997	932	451	94.9	1,082

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OPERATING PROPERTIES					
Property and Location	Year Placed In Service	Average Apartment Size (Sq. Ft.)	Number of Apartments	2013 Average Occupancy (1)	2013 Average Monthly Rental Rate per Apartment (2)
WASHINGTON DC METRO					
Camden Ashburn Farm	2000	1,062	162	96.1	% \$ 1,507
Camden Clearbrook	2007	1,048	297	95.7	1,364
Camden College Park (4)	2008	942	508	95.6	1,592
Camden Dulles Station	2009	978	382	94.6	1,619
Camden Fair Lakes	1999	1,056	530	95.6	1,684
Camden Fairfax Corner	2006	934	488	95.8	1,716
Camden Fallsgrove	2004	996	268	95.3	1,694
Camden Grand Parc	2002	674	105	94.1	2,440
Camden Lansdowne	2002	1,006	690	95.9	1,451
Camden Largo Town Center	2000/2007	1,027	245	94.6	1,610
Camden Monument Place	2007	856	368	95.8	1,532
Camden Potomac Yard	2008	835	378	96.1	2,042
Camden Roosevelt	2003	856	198	94.2	2,545
Camden Russett	2000	992	426	94.4	1,402
Camden Silo Creek	2004	975	284	96.5	1,465
Camden South Capitol (5) (6)	2013	821	276	Lease-up	1,670
Camden Summerfield	2008	957	291	93.8	1,587
Camden Summerfield II	2012	936	187	93.5	1,587
FLORIDA					
Southeast Florida					
Camden Aventura	1995	1,108	379	94.7	1,645
Camden Brickell	2003	937	405	95.9	1,775
Camden Doral	1999	1,120	260	95.8	1,606
Camden Doral Villas	2000	1,253	232	94.1	1,722
Camden Las Olas	2004	1,043	420	94.4	1,859
Camden Plantation	1997	1,201	502	96.1	1,368
Camden Portofino	1995	1,112	322	96.6	1,412
Orlando					
Camden Club	1986	1,077	436	95.7	907
Camden Hunter's Creek	2000	1,075	270	95.4	1,060
Camden Lago Vista	2005	955	366	96.1	933
Camden LaVina	2012	970	420	94.3	1,096
Camden Lee Vista	2000	937	492	97.0	897
Camden Orange Court	2008	817	268	96.4	1,155
Camden Renaissance	1996/1998	899	578	95.9	836
Camden Town Square (7)	2012	986	438	93.8	1,124
Camden World Gateway	2000	979	408	95.0	1,007
Tampa/St. Petersburg					
Camden Bay	1997/2001	943	760	95.1	905
Camden Bayside	1987/1989	748	832	96.0	806
Camden Lakes	1982/1983	732	688	95.1	752
Camden Lakeside	1986	729	228	94.9	772

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OPERATING PROPERTIES					
Property and Location	Year Placed In Service	Average Apartment Size (Sq. Ft.)	Number of Apartments	2013 Average Occupancy (1)	2013 Average Monthly Rental Rate per Apartment (2)
Camden Montague	2012	975	192	95.8	% \$ 1,140
Camden Preserve	1996	942	276	93.8	1,134
Camden Providence Lakes	1996	1,024	260	95.1	917
Camden Royal Palms	2006	1,017	352	95.6	965
Camden Visconti (6)	2007	1,125	450	95.4	1,150
Camden Westchase Park	2012	993	348	95.2	1,223
Camden Westshore	1986	728	278	96.0	889
Camden Woods	1986	1,223	444	95.3	885
GEORGIA					
Atlanta					
Camden Brookwood	2002	912	359	95.9	1,070
Camden Creekstone	2002	990	223	95.8	1,003
Camden Deerfield	2000	1,187	292	94.3	1,068
Camden Dunwoody	1997	1,007	324	94.1	997
Camden Midtown Atlanta	2001	935	296	95.5	1,104
Camden Peachtree City	2001	1,027	399	96.9	989
Camden Phipps (6)	1996	1,018	234	96.0	1,296
Camden River	1997	1,103	352	95.7	931
Camden Shiloh	1999/2002	1,143	232	95.1	927
Camden St. Clair	1997	999	336	94.8	1,021
Camden Stockbridge	2003	1,009	304	94.7	774
Camden Vantage (3)	2010	901	592	94.3	966
NEVADA					
Las Vegas					
Camden Bel Air	1988/1995	943	528	93.4	716
Camden Breeze	1989	846	320	93.7	720
Camden Canyon	1995	987	200	95.8	866
Camden Commons	1988	936	376	94.4	751
Camden Cove	1990	898	124	95.4	717
Camden Del Mar	1995	986	560	95.3	904
Camden Fairways	1989	896	320	95.8	874
Camden Hills	1991	439	184	93.1	489
Camden Legends	1994	792	113	95.7	822
Camden Palisades	1991	905	624	95.0	719
Camden Pines	1997	982	315	94.2	790
Camden Pointe	1996	983	252	95.1	731
Camden Summit	1995	1,187	234	94.1	1,097
Camden Tiara	1996	1,043	400	95.1	856
Camden Vintage	1994	978	368	94.1	696
NORTH CAROLINA					
Charlotte					
Camden Ballantyne	1998	1,045	400	95.8	1,090
Camden Cotton Mills	2002	905	180	96.7	1,351

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OPERATING PROPERTIES

Property and Location	Year Placed In Service	Average Apartment Size (Sq. Ft.)	Number of Apartments	2013 Average Occupancy (1)	2013 Average Monthly Rental Rate per Apartment (2)
Camden Dilworth	2006	857	145	96.8	% \$ 1,310
Camden Fairview	1983	1,036	135	96.4	1,001
Camden Foxcroft	1979	940	156	97.6	880
Camden Grandview	2000	1,057	266	97.7	1,471
Camden Pinehurst	1967	1,147	407	96.1	886
Camden Sedgebrook	1999	972	368	96.4	947
Camden Simsbury	1985	874	100	96.9	981
Camden South End Square	2003	882	299	96.7	1,227
Camden Stonecrest	2001	1,098	306	95.5	1,117
Camden Touchstone	1986	899	132	97.7	832
Raleigh					
Camden Asbury Village (6)	2009	1,009	350	95.8	1,030
Camden Crest	2001	1,013	438	96.3	852
Camden Governor's Village	1999	1,046	242	95.5	935
Camden Lake Pine	1999	1,066	446	94.8	910
Camden Manor Park	2006	966	484	97.0	935
Camden Overlook	2001	1,060	320	95.8	1,013
Camden Reunion Park	2000/2004	972	420	94.3	803
Camden Westwood	1999	1,027	354	94.2	862
TEXAS					
Austin					
Camden Amber Oaks (6)	2009	862	348	96.3	903
Camden Amber Oaks II (6)	2012	910	244	95.3	1,003
Camden Brushy Creek (6)	2008	882	272	96.0	914
Camden Cedar Hills	2008	911	208	95.8	1,060
Camden Gaines Ranch	1997	955	390	94.6	1,201
Camden Huntingdon	1995	903	398	95.2	872
Camden Ridgecrest	1995	855	284	94.6	800
Camden Shadow Brook (6)	2009	909	496	96.0	946
Camden Stoneleigh	2001	908	390	95.0	1,045
Corpus Christi					
Camden Breakers	1996	868	288	95.7	1,097
Camden Copper Ridge	1986	775	344	96.1	809
Camden Miramar (8)	1994-2013	492	930	72.5	999
Camden South Bay (6)	2007	1,055	270	95.6	1,218
Dallas/Fort Worth					
Camden Addison	1996	942	456	94.9	915
Camden Belmont	2010/2012	945	477	95.0	1,353
Camden Buckingham	1997	919	464	95.8	966
Camden Centreport	1997	911	268	95.0	900
Camden Cimarron	1992	772	286	95.6	936
Camden Design District (6)	2009	939	355	94.7	1,246
Camden Farmers Market	2001/2005	932	904	94.5	1,073

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OPERATING PROPERTIES					
Property and Location	Year Placed In Service	Average Apartment Size (Sq. Ft.)	Number of Apartments	2013 Average Occupancy (1)	2013 Average Monthly Rental Rate per Apartment (2)
Camden Glen Lakes	1979	877	424	95.1	% \$ 871
Camden Henderson	2012	967	106	93.1	1,469
Camden Legacy Creek	1995	831	240	95.9	964
Camden Legacy Park	1996	871	276	95.3	991
Camden Panther Creek (6)	2009	946	295	95.3	1,042
Camden Riverwalk (6)	2008	982	600	95.2	1,247
Camden Valley Park	1986	743	516	96.7	853
Houston					
Camden City Centre	2007	932	379	96.6	1,536
Camden City Centre II (7)	2013	868	268	96.2	1,479
Camden Cypress Creek (6)	2009	993	310	96.1	1,163
Camden Downs at Cinco Ranch (6)	2004	1,075	318	96.3	1,173
Camden Grand Harbor (6)	2008	959	300	96.4	1,076
Camden Greenway	1999	861	756	94.8	1,302
Camden Heights (6)	2004	927	352	97.0	1,426
Camden Holly Springs	1999	934	548	94.4	1,105
Camden Midtown	1999	844	337	96.5	1,602
Camden Northpointe (6)	2008	940	384	96.5	1,008
Camden Oak Crest	2003	870	364	95.9	969
Camden Park	1995	866	288	96.6	924
Camden Piney Point (6)	2004	919	318	96.2	1,181
Camden Plaza	2007	915	271	96.8	1,485
Camden Post Oak (3)	2003	1,200	356	95.8	2,484
Camden Royal Oaks	2006	923	236	95.6	1,175
Camden Royal Oaks II (7)	2012	1,054	104	98.2	1,340
Camden Spring Creek (6)	2004	1,080	304	96.6	1,079
Camden Stonebridge	1993	845	204	97.2	964
Camden Sugar Grove	1997	921	380	96.6	972
Camden Travis Street	2010	819	253	97.5	1,548
Camden Vanderbilt	1996/1997	863	894	97.0	1,338
Camden Whispering Oaks	2008	934	274	96.6	1,138
Camden Woodson Park (6)	2008	916	248	96.1	1,040
Camden Yorktown (6)	2008	995	306	96.2	1,065
San Antonio					
Camden Braun Station (6)	2006	827	240	96.5	858

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

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

(3) Property acquired during 2013—average occupancy calculated from date property was acquired.

(4) Property owned through a fully consolidated joint venture in which we own a 99.99% interest. The remaining interest is owned by an unaffiliated third party.

(5) Property under lease-up at December 31, 2013.

(6)

Property owned through an unconsolidated joint venture in which we own a 20% interest. The remaining interest is owned by an unaffiliated third party.

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(7) Development property stabilized during 2013—average occupancy calculated from date at which occupancy exceeded 90% through December 31, 2013.

Miramar is a student housing project for Texas A&M at Corpus Christi. Average occupancy includes summer (8) months which are normally subject to high vacancies. Phase IX-A was completed during 2013 and is comprised of 75 apartments.

Item 3. Legal Proceedings

None.

Item 4. Mine Safety Disclosures

None.

PART II

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

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

	High	Low	Distributions
2013 Quarters:			
First	\$71.47	\$68.14	\$0.63
Second	75.46	62.98	0.63
Third	73.74	60.65	0.63
Fourth	66.51	56.79	0.63
2012 Quarters:			
First	\$65.75	\$59.61	\$0.56
Second	68.84	63.09	0.56
Third	71.59	64.49	0.56
Fourth	68.21	62.70	0.56

In the first quarter of 2014, the Company's Board of Trust Managers increased the quarterly dividend rate from \$0.63 to \$0.66 per common share. Future dividend payments are paid at the discretion of the Board of Trust Managers and depend on cash flows generated from operations, the Company's financial condition and capital requirements, distribution requirements under the REIT provisions of the Internal Revenue Code of 1986, as amended, and other factors which may be deemed relevant by our Board of Trust Managers. Assuming dividend distributions for the remainder of 2014 are similar to those declared for the first quarter 2014, the annualized dividend rate for 2014 would be \$2.64.

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This graph assumes the investment of \$100 on December 31, 2008 and quarterly reinvestment of dividends. (Source: SNL Financial LC)

Index	Years Ended December 31,				
	2009	2010	2011	2012	2013
Camden Property Trust	\$144.96	\$192.05	\$229.03	\$259.75	\$225.26
FTSE NAREIT Equity	127.99	163.78	177.36	209.39	214.56
S&P 500	126.46	145.51	148.59	172.37	228.19
Russell 2000	127.17	161.32	154.59	179.86	249.69
MSCI US REIT (RMS) Index	128.61	165.23	179.60	211.50	216.73

As of February 14, 2014, there were approximately 483 shareholders of record and approximately 26,283 beneficial owners of our common shares.

In March 2010, we announced the creation of an at-the-market (“ATM”) share offering program through which we could, but had no obligation to, sell common shares having an aggregate offering price of up to \$250 million (the “2010 ATM program”), in amounts and at times as we determined, into the existing trading market at current market prices as well as through negotiated transactions. The net proceeds resulting from the 2010 ATM program were used for general corporate purposes, which included repayment of notes payable, the repayment of borrowings under our unsecured line of credit, and funding for development activities. During the year ended December 31, 2011, we issued approximately 0.3 million common shares at an average price of \$55.81 per share for total net consideration of approximately \$13.8 million which were used for general corporate purposes. The 2010 ATM program was terminated in the second quarter of 2011, and no further common shares are available for sale under this program.

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In May 2011, we created an ATM share offering program through which we could, but had no obligation to, sell common shares having an aggregate offering price of up to \$300 million (the "2011 ATM program"), in amounts and at times as we determined, into the existing trading market at current market prices as well as through negotiated transactions. The net proceeds resulting from the 2011 ATM program were used to redeem all of our outstanding redeemable perpetual preferred units as further discussed in Note 5, "Operating Partnerships," and for other general corporate purposes, which included funding for development activities, financing of acquisitions, repayment of notes payable and borrowings under our \$500 million unsecured line of credit. During the year ended December 31, 2011, we issued approximately 1.5 million common shares at an average price of \$62.98 per share for total net consideration of approximately \$92.8 million. During the year ended December 31, 2012, we issued approximately 2.0 million common shares at an average price of \$66.01 per share for total net consideration of approximately \$128.1 million which were used for general corporate purposes, which included funding for development activities, financing of acquisitions, repayment of notes payable and borrowings under our \$500 million unsecured line of credit. The 2011 ATM program was terminated in the second quarter of 2012, and no further common shares are available for sale under this program.

In May 2012, we created an ATM share offering program through which we can, but have no obligation to, sell common shares having an aggregate offering price of up to \$300 million (the "2012 ATM program"), in amounts and at times as we determine, into the existing trading market at current market prices as well as through negotiated transactions. Actual sales from time to time may depend on a variety of factors including, among others, market conditions, the trading price of our common shares, and determinations by management of the appropriate sources of funding for us. We intend to use the net proceeds from the 2012 ATM program for general corporate purposes, which may include funding for development activities, financing for acquisitions, the redemption or other repurchase of outstanding debt or equity securities, reducing future borrowings under our \$500 million unsecured line of credit, and the repayment of other indebtedness. During the year ended December 31, 2012, we issued approximately 2.6 million common shares at an average price of \$67.63 per share for total net consideration of approximately \$173.6 million. During the year ended December 31, 2013, we issued approximately 0.6 million common shares at an average price of \$73.73 per share for total net consideration of approximately \$40.0 million which were used for general corporate purposes, which included funding for development and capital improvement projects. As of the date of this filing, we had common shares having an aggregate offering price of up to \$82.7 million remaining available for sale under the 2012 ATM program.

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

In January 2008, our Board of Trust Managers approved an increase of the April 2007 repurchase plan to allow for the repurchase of up to \$500 million of our common equity securities through open market purchases, block purchases, and privately negotiated transactions. Under this program, we have repurchased 4.3 million shares for a total of approximately \$230.2 million from April 2007 through December 31, 2013. The remaining dollar value of our common equity securities authorized to be repurchased under the program was approximately \$269.8 million as of December 31, 2013. There were no repurchases of our equity securities during the years ended December 31, 2013, 2012 and 2011.

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Item 6. Selected Financial Data

The following table provides selected financial data relating to our historical financial condition and results of operations as of and for each of the years ended December 31, 2009 through 2013. This data should be read in conjunction with Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and the consolidated financial statements and related notes. Prior year amounts have been reclassified for discontinued operations.

COMPARATIVE SUMMARY OF SELECTED FINANCIAL AND PROPERTY DATA

(in thousands, except per share amounts and property data)	Year Ended December 31,				
	2013	2012	2011	2010	2009
Operating Data (a)					
Total property revenues	\$788,851	\$698,318	\$599,401	\$547,756	\$547,047
Total property expenses	285,691	256,430	230,212	217,309	212,005
Total non-property income	21,197	16,407	21,395	28,337	25,443
Total other expenses	392,478	373,254	352,627	353,427	356,533
Income (loss) from continuing operations attributable to common shareholders	151,594	154,116	7,383	(5,357)	(90,621)
Net income (loss) attributable to common shareholders	336,364	283,390	49,379	23,216	(50,800)
Income (loss) from continuing operations attributable to common shareholders per share:					
Basic	\$1.70	\$1.81	\$0.09	\$(0.08)	\$(1.44)
Diluted	1.69	1.79	0.09	(0.08)	(1.44)
Net income (loss) attributable to common shareholders per share:					
Basic	\$3.82	\$3.35	\$0.67	\$0.33	\$(0.80)
Diluted	3.78	3.30	0.66	0.33	(0.80)
Distributions declared per common share	\$2.52	\$2.24	\$1.96	\$1.80	\$2.05
Balance Sheet Data (at end of year)					
Total real estate assets, at cost (b)	\$7,114,336	\$6,749,523	\$5,875,515	\$5,675,309	\$5,505,168
Total assets	5,632,141	5,385,172	4,622,075	4,699,737	4,607,999
Notes payable	2,530,766	2,510,468	2,432,112	2,563,754	2,625,199
Non-Qualified deferred compensation share awards	47,180	—	—	—	—
Perpetual preferred units	—	—	97,925	97,925	97,925
Equity	2,760,181	2,626,708	1,827,768	1,757,373	1,609,013
Other Data					
Cash flows provided by (used in):					
Operating activities	\$404,291	\$324,267	\$244,834	\$224,036	\$217,688
Investing activities	(258,985)	(527,685)	(187,364)	35,150	(69,516)
Financing activities	(154,181)	174,928	(172,886)	(152,767)	(91,423)
Funds from operations – diluted (c)	368,321	313,337	207,535	194,309	109,947
Property Data					
Number of operating properties (at the end of year) (d)	170	193	196	186	183
Number of operating apartment homes (at end of year) (d)	59,899	65,775	66,997	63,316	63,286
	54,181	54,194	50,905	50,794	50,608

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Number of operating apartment homes (weighted average) (e)

Weighted average monthly total property revenue per apartment home	\$1,270	\$1,207	\$1,142	\$1,072	\$1,086
Properties under development (at end of period)	14	9	10	2	2

(a) Excludes discontinued operations.

(b) Includes properties held for sale at book value.

Management considers Funds from Operations (“FFO”) to be an appropriate measure of the financial performance of (c) an equity REIT. The National Association of Real Estate Investment Trusts (“NAREIT”) currently defines FFO as net

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income (computed in accordance with accounting principles generally accepted in the United States of America (“GAAP”)), excluding gains (or losses) associated with the sale of previously depreciated operating properties, real estate depreciation and amortization, impairments of depreciable assets, and adjustments for unconsolidated joint ventures. Our calculation of diluted FFO also assumes conversion of all potentially dilutive securities, including certain non-controlling interests, which are convertible into common shares. We consider FFO to be an appropriate supplemental measure of operating performance because, by excluding gains or losses on dispositions of operating properties and excluding depreciation, FFO can assist in the comparison of the operating performance of a company’s real estate between periods or as compared to different companies.

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

(e) Excludes apartment homes owned in joint ventures.

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

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

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

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

- volatility in capital and credit markets, or other unfavorable changes in economic conditions, could adversely impact us;
- short-term leases expose us to the effects of declining market rents;
- we face risks associated with land holdings and related activities;
- we could be negatively impacted by the elimination of Fannie Mae or Freddie Mac;
- compliance or failure to comply with laws, including those requiring access to our properties by disabled persons, could result in substantial cost;
- competition could limit our ability to lease apartments or increase or maintain rental income;
- development, redevelopment and construction risks could impact our profitability;
- our acquisition strategy may not produce the cash flows expected;
- competition could adversely affect our ability to acquire properties;
- losses from catastrophes may exceed our insurance coverage;
- investments through joint ventures and discretionary funds involve risks not present in investments in which we are the sole investor;
- tax matters, including failure to qualify as a REIT, could have adverse consequences;
- a cybersecurity incident and other technology disruptions could negatively impact our business and our relationships with residents;
- we depend on our key personnel;
- litigation risks could affect our business;
- insufficient cash flows could limit our ability to make required payments for debt obligations or pay distributions to shareholders;
- we have significant debt, which could have adverse consequences;
- we may be unable to renew, repay, or refinance our outstanding debt;
- variable rate debt is subject to interest rate risk;
- issuances of additional debt may adversely impact our financial condition;
- failure to maintain our current credit ratings could adversely affect our cost of funds, related margins, liquidity, and access to capital markets;
- share ownership limits and our ability to issue additional equity securities may prevent takeovers beneficial to shareholders;

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our share price will fluctuate; and

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

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

Executive Summary

We are primarily engaged in the ownership, management, development, redevelopment, acquisition and construction of multifamily apartment communities. As of December 31, 2013, we owned interests in, operated, or were developing 184 multifamily properties comprising 64,328 apartment homes across the United States as detailed in the following Property Portfolio table. In addition, we own other land parcels we may develop into multifamily apartment communities.

Property Operations

Our results for the year ended December 31, 2013 reflect an increase in rental revenue as compared to 2012. We believe this increase was primarily due to the continuation of improving economic conditions, including with respect to job growth, favorable demographics, and a manageable supply of new multifamily housing, which have resulted in increases in realized rental rates and stable average occupancy levels. Same store revenues increased 5.1% in 2013 and 6.5% in 2012. We believe U.S. economic and employment growth is likely to continue during 2014 and the supply of new multifamily homes, although increasing, will likely remain at manageable levels. However, we believe significant risks to the economy remain and while there have been increases in employment levels in the majority of our markets, the unemployment rate remains at higher than historical levels. If economic conditions were to worsen, our operating results could be adversely affected.

Construction Activity

During the year ended December 31, 2013, we completed construction of three development projects, including one community containing 276 units owned by one of our discretionary funds in which we have a 20% ownership interest, and 75 units at one of our consolidated operating properties. As of December 31, 2013, two of these projects reached stabilization. At December 31, 2013, we had a total of 14 projects under construction comprised of 4,354 units, including two development projects comprised of 566 units owned by one of our discretionary funds in which we have a 20% interest, with initial occupancy scheduled to occur within the next 24 months. Additionally, we are adding a subsequent phase to a stabilized community which will consist of 75 apartment homes. Excluding the projects owned by our discretionary funds, as of December 31, 2013, we estimate the additional costs to complete the construction of 13 consolidated projects to be approximately \$541.2 million.

Acquisitions

During the year ended December 31, 2013, we acquired three operating properties comprised of 1,118 apartment homes located in Houston, Texas, Tempe, Arizona, and Atlanta, Georgia for approximately \$225.0 million. We also acquired three land parcels comprised of approximately 38.8 acres of land located in Scottsdale, Chandler, and Tempe, Arizona for approximately \$25.8 million. In January 2014, we acquired approximately 2.9 acres of land located in Houston, Texas for approximately \$15.6 million.

Dispositions

During the year ended December 31, 2013, we sold 12 operating properties comprised of 3,931 apartment homes located in Tampa and Orlando, Florida, Littleton and Westminster, Colorado, Dallas, Texas, Peoria and Glendale, Arizona and Charlotte, North Carolina for approximately \$329.3 million and we recognized a gain of approximately \$182.2 million relating to these property sales. We also sold two land holdings comprised of an aggregate of approximately 3.7 acres located adjacent to current construction communities in Atlanta, Georgia and Houston, Texas for approximately \$6.6 million. We recognized a gain of approximately \$0.7 million relating to these land sales. In May 2013, one of our unconsolidated joint ventures sold its 14 operating properties comprised of 3,098 apartment homes located in Las Vegas, Nevada. Our proportionate share of the gain was approximately \$13.1 million. Additionally, as a result of achieving certain performance measures as set forth in the joint venture agreement, we recognized a promoted equity interest of approximately \$5.1 million in 2013. In December 2013, one of our funds sold two operating properties comprised of a total of 600 apartment homes for approximately \$68.7 million. Our

proportionate share of the gains on these transactions was approximately \$3.2 million. At December 31, 2013, one of our funds had an operating property held for sale comprised of 240 apartment homes located in San Antonio, Texas. This property sold in February 2014.

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Future Outlook

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

As of December 31, 2013, we had approximately \$17.8 million in cash and cash equivalents and no balances outstanding on our \$500 million unsecured line of credit. As of the date of this filing, we had common shares having an aggregate offering price of up to \$82.7 million remaining available for sale under our ATM program. We believe payments on debt maturing in 2014 are manageable at \$35.4 million, which represents approximately 1% of our total outstanding debt and includes scheduled principal amortizations of approximately \$3.1 million. We believe we are well-positioned with a strong balance sheet and sufficient liquidity to cover near-term debt maturities and new development, redevelopment, and other capital funding requirements. We will, however, continue to assess and take further actions we believe are prudent to meet our objectives and capital requirements.

Property Portfolio

Our multifamily property portfolio is summarized as follows:

	December 31, 2013		December 31, 2012	
	Apartment Homes	Properties	Apartment Homes	Properties
Operating Properties				
Houston, Texas	8,752	25	8,440	24
Washington, D.C. Metro	6,083	18	5,791	17
Dallas, Texas	5,667	14	6,227	16
Tampa, Florida	5,108	12	6,493	15
Las Vegas, Nevada	4,918	15	8,016	29
Atlanta, Georgia	3,943	12	3,351	11
Orlando, Florida	3,676	9	4,202	10
Raleigh, North Carolina	3,054	8	3,054	8
Austin, Texas	3,030	9	3,030	9
Charlotte, North Carolina	2,894	12	3,134	13
Southeast Florida	2,520	7	2,520	7
Los Angeles/Orange County, California	2,481	6	2,481	6
Phoenix, Arizona	2,095	7	2,645	9
Denver, Colorado	1,941	6	2,441	8
San Diego/Inland Empire, California	1,665	5	1,665	5
Other	2,072	5	2,285	6
Total Operating Properties	59,899	170	65,775	193

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	December 31, 2013		December 31, 2012	
	Apartment Homes	Properties	Apartment Homes	Properties
Properties Under Development				
Austin, Texas	614	2	314	1
Los Angeles/Orange County, California	590	2	303	1
Charlotte, North Carolina	589	2	—	—
Phoenix, Arizona	454	2	—	—
Denver, Colorado	424	1	424	1
Dallas, Texas	423	1	—	—
Atlanta, Georgia	379	1	379	1
Washington, D.C. Metro	320	1	596	2
Orlando, Florida	300	1	300	1
Southeast Florida	261	1	261	1
Houston, Texas	—	—	268	1
Other (1)	75	—	—	—
Total Properties Under Development	4,429	14	2,845	9
Total Properties	64,328	184	68,620	202
Less: Unconsolidated Joint Venture Properties (2)				
Houston, Texas	2,840	9	3,152	10
Austin, Texas	1,360	4	1,360	4
Dallas, Texas	1,250	3	1,250	3
Tampa, Florida	450	1	450	1
Raleigh, North Carolina	350	1	350	1
Orlando, Florida (3)	300	1	300	1
Washington, D.C. Metro	276	1	276	1
Charlotte, North Carolina (3)	266	1	—	—
Atlanta, Georgia	234	1	234	1
Las Vegas, Nevada	—	—	3,098	14
Other	510	2	798	3
Total Unconsolidated Joint Venture Properties	7,836	24	11,268	39
Total Properties Fully Consolidated	56,492	160	57,352	163

(1) Represents the units under construction for Phase IX-B of Camden Miramar, our one student housing community, located in Corpus Christi, Texas.

(2) Refer to Note 8, "Investments in Joint Ventures," in the Notes to Consolidated Financial Statements for further discussion of our unconsolidated joint venture investments.

(3) Represents a property under development owned by one of our unconsolidated joint ventures. See Communities Under Construction below for details.

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Acquisitions

During the year ended December 31, 2013, we completed the acquisition of three operating properties and acquired three land parcels as follows:

Acquisitions of Operating Properties	Location	Number of Apartment Homes	Date of Acquisition
Camden Post Oak	Houston, TX	356	4/10/2013
Camden Sotelo	Tempe, AZ	170	9/11/2013
Camden Vantage	Atlanta, GA	592	9/18/2013
Consolidated total		1,118	

Location of Land Tract Acquisitions	Acreage	Date of Acquisition
Chandler, AZ	21.7	6/12/2013
Scottsdale, AZ	9.3	6/12/2013
Tempe, AZ	7.8	6/12/2013
Consolidated total	38.8	

In January 2014, we acquired approximately 2.9 acres of land located in Houston, Texas for approximately \$15.6 million.

Dispositions

During the year ended December 31, 2013, we sold 12 operating properties and two of our unconsolidated joint ventures sold 16 operating properties as follows:

Dispositions of Consolidated Operating Properties	Location	Number of Apartment Homes	Date of Disposition
Camden Live Oaks	Tampa, FL	770	1/17/2013
Camden Reserve	Orlando, FL	526	4/10/2013
Camden Centennial	Littleton, CO	276	9/30/2013
Camden Pinnacle	Westminster, CO	224	9/30/2013
Camden Gardens	Dallas, TX	256	10/23/2013
Camden Springs	Dallas, TX	304	10/30/2013
Camden Fountain Palms	Peoria, AZ	192	11/21/2013
Camden Sierra	Peoria, AZ	288	11/21/2013
Camden Towne Center	Glendale, AZ	240	11/21/2013
Camden Bay Pointe	Tampa, FL	368	11/26/2013
Camden Citrus Park	Tampa, FL	247	11/26/2013
Camden Habersham	Charlotte, NC	240	11/26/2013
Consolidated total		3,931	

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Dispositions of Unconsolidated Operating Properties	Location	Number of Apartment Homes	Date of Disposition
Oasis Bay	Las Vegas, NV	128	5/23/2013
Oasis Crossings	Las Vegas, NV	72	5/23/2013
Oasis Emerald	Las Vegas, NV	132	5/23/2013
Oasis Gateway	Las Vegas, NV	360	5/23/2013
Oasis Island	Las Vegas, NV	118	5/23/2013
Oasis Landing	Las Vegas, NV	144	5/23/2013
Oasis Meadows	Las Vegas, NV	383	5/23/2013
Oasis Palms	Las Vegas, NV	208	5/23/2013
Oasis Pearl	Las Vegas, NV	90	5/23/2013
Oasis Place	Las Vegas, NV	240	5/23/2013
Oasis Ridge	Las Vegas, NV	477	5/23/2013
Oasis Sierra	Las Vegas, NV	208	5/23/2013
Oasis Springs	Las Vegas, NV	304	5/23/2013
Oasis Vinings	Las Vegas, NV	234	5/23/2013
Camden Westover Hills	San Antonio, TX	288	12/18/2013
Camden Lakemont	Richmond, TX	312	12/20/2013
Unconsolidated total		3,698	

At December 31, 2013, one of our funds had an operating property held for sale comprised of 240 apartment homes located in San Antonio, Texas. This property sold in February 2014.

During the year ended December 31, 2013, we sold two land holdings as follows:

Location of Disposed Land	Acres	Date of Disposition
Atlanta, GA	2.0	1/15/2013
Houston, TX	1.7	2/15/2013
Consolidated total	3.7	

Stabilized Communities

We generally consider a property stabilized once it reaches 90% occupancy. During the year ended December 31, 2013, stabilization was achieved at four recently completed consolidated development properties as follows:

Stabilized Property and Location	Number of Apartment Homes	Date of Construction Completion	Date of Stabilization
Camden Royal Oaks II Houston, TX	104	1Q12	2Q13
Camden Town Square Orlando, FL	438	4Q12	2Q13
Camden City Centre II Houston, TX	268	2Q13	3Q13
Camden Miramar Phase IX-A (1) Corpus Christi, TX	75	3Q13	3Q13
Consolidated total	885		

(1) Represents the completed units for Phase IX-A of Camden Miramar, our one student housing community.

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Completed Construction in Lease-Up

At December 31, 2013, one of our unconsolidated joint ventures had one completed operating property in lease-up as follows:

(\$ in millions) Property and Location	Number of Apartment Homes	Cost Incurred	Date of Construction Completion	Estimated Date of Stabilization	% Leased at 1/26/14	
South Capitol (1) Washington, DC	276	\$77.4	3Q13	3Q14	64	%

(1) Property owned through an unconsolidated joint venture in which we own a 20% interest.

Our consolidated balance sheet at December 31, 2013 included approximately \$472.6 million related to properties under development and land. Of this amount, approximately \$368.1 million related to our projects currently under development. In addition, we had approximately \$104.5 million primarily invested in land held for future development, which included approximately \$70.1 million related to projects we expect to begin constructing during the next two years, and approximately \$34.4 million invested in land tracts which we may develop in the future.

Communities Under Construction. At December 31, 2013, we had 12 consolidated properties, two properties held by one of our unconsolidated joint ventures, and 75 units at one of our consolidated properties in various stages of construction as follows:

(\$ in millions) Property and Location	Number of Apartment Homes	Estimated Cost	Cost Incurred	Included in Properties Under Development	Estimated Date of Construction Completion	Estimated Date of Stabilization
Camden NOMA (1) Washington, DC	320	\$110.0	\$98.6	\$66.9	2Q14	2Q15
Camden Lamar Heights Austin, TX	314	47.0	27.5	27.5	2Q14	3Q15
Camden Flatirons Denver, CO	424	78.0	46.2	46.2	4Q14	4Q16
Camden Glendale Glendale, CA	303	115.0	52.3	52.3	3Q15	1Q16
Camden Boca Raton Boca Raton, FL	261	54.0	26.0	26.0	4Q14	1Q16
Camden Paces Atlanta, GA	379	110.0	46.7	46.7	2Q15	2Q17
Camden La Frontera Round Rock, TX	300	36.0	9.3	9.3	1Q15	4Q15
Camden Foothills Scottsdale, AZ	220	50.0	17.5	17.5	2Q15	3Q15
Camden Hayden Tempe, AZ	234	48.0	13.2	13.2	2Q15	3Q15
Camden Gallery Charlotte, NC	323	58.0	14.0	14.0	4Q15	2Q16
The Camden (2) Los Angeles, CA	287	145.0	30.7	30.7	4Q16	2Q17
Camden Victory Park Dallas, TX	423	82.0	17.7	17.7	1Q16	1Q18
Camden Miramar Phase IX-B (3) Corpus Christi, TX	75	8.0	0.1	0.1	3Q14	3Q14
Consolidated total	3,863	\$941.0	\$399.8	\$368.1		

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(\$ in millions) Property and Location	Number of Apartment Homes	Estimated Cost	Cost Incurred	Included in Properties Under Development	Estimated Date of Construction Completion	Estimated Date of Stabilization
Camden Waterford Lakes (4) (5) Orlando, FL	300	\$ 40.0	\$ 34.7	\$ 11.1	3Q14	4Q15
Camden Southline (4) Charlotte, NC	266	48.0	12.9	12.9	3Q15	4Q15
Unconsolidated total	566	\$ 88.0	\$ 47.6	\$ 24.0		

(1) Property in lease-up and was 10% leased at January 26, 2014.

(2) Formerly known as Camden Hollywood.

(3) Represents the units under construction for Phase IX-B of Camden Miramar, our one student housing community.

(4) Property owned through an unconsolidated joint venture in which we own a 20% interest.

(5) Property in lease-up and was 41% leased at January 26, 2014.

Development Pipeline Communities. At December 31, 2013, we had the following communities undergoing development activities:

(\$ in millions) Property and Location	Projected Homes	Total Estimated Cost (1)	Cost to Date
Camden Chandler Chandler, AZ	380	\$ 75.0	\$ 6.5
Camden Atlantic Plantation, FL	286	62.0	11.1
Camden Lincoln Station Denver, CO	275	48.0	5.8
Camden McGowen Station Houston, TX	251	40.0	8.0
Camden Buckhead Atlanta, GA	390	70.0	18.9
Camden NOMA II Washington, DC	410	124.0	19.8
Total	1,992	\$ 419.0	\$ 70.1

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

Land Holdings. At December 31, 2013, we had the following land tracts:

(\$ in millions) Location	Acreage	Cost to Date
Dallas, TX	7.2	\$ 8.6
Houston, TX	11.5	6.5
Atlanta, GA	3.0	5.3
Las Vegas, NV	19.6	4.2
Other	4.8	9.8
Total	46.1	\$ 34.4

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Geographic Diversification

At December 31, 2013 and 2012, our real estate assets by various markets, excluding depreciation, investments in joint ventures and properties held for sale, were as follows:

(in thousands)	2013		2012		
Washington, D.C. Metro	\$1,319,513	18.7	% \$1,276,153	19.1	%
Houston, Texas	680,985	9.6	546,761	8.2	
Los Angeles/Orange County, California	571,976	8.1	532,729	8.0	
Southeast Florida	514,445	7.3	482,213	7.2	
Atlanta, Georgia	498,255	7.0	384,658	5.8	
Dallas, Texas	442,537	6.3	447,539	6.7	
Orlando, Florida	419,117	5.9	445,112	6.7	
Las Vegas, Nevada	417,041	5.9	411,270	6.2	
Tampa, Florida	390,392	5.5	412,010	6.2	
Charlotte, North Carolina	332,656	4.7	330,849	5.0	
San Diego/Inland Empire, California	323,349	4.6	319,266	4.7	
Denver, Colorado	320,631	4.5	322,534	4.8	
Phoenix, Arizona	310,109	4.4	278,671	4.2	
Raleigh, North Carolina	253,704	3.6	248,458	3.7	
Austin, Texas	192,250	2.7	161,841	2.4	
Other	85,221	1.2	73,850	1.1	
Total	\$7,072,181	100.0	% \$6,673,914	100.0	%

Results of Operations

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

(\$ in thousands)	2013	2012	2011	
Average monthly property revenue per apartment home	\$1,270	\$1,207	\$1,142	
Annualized total property expenses per apartment home	\$5,520	\$5,321	\$5,265	
Weighted average number of operating apartment homes owned 100%	51,759	48,194	43,726	
Weighted average occupancy of operating apartment homes owned 100% *	95.3	% 95.3	% 94.7	%

* The student housing community is excluded from this calculation.

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Property-level operating results (1)

The following tables present the property-level revenues and property-level expenses, excluding discontinued operations, for the year ended December 31, 2013 as compared to 2012 and for the year ended December 31, 2012 as compared to 2011:

(\$ in thousands)	Apartment Homes at 12/31/13	Year Ended December 31,		Change		
		2013	2012	\$	%	
Property revenues:						
Same store communities	41,150	\$624,429	\$594,255	\$30,174	5.1	%
Non-same store communities	11,479	158,359	97,950	60,409	61.7	
Development and lease-up communities	3,863	—	—	—	—	
Other	—	6,063	6,113	(50)	(0.8))
Total property revenues	56,492	\$788,851	\$698,318	\$90,533	13.0	%
Property expenses:						
Same store communities	41,150	\$224,189	\$217,391	\$6,798	3.1	%
Non-same store communities	11,479	58,376	35,861	22,515	62.8	
Development and lease-up communities	3,863	15	17	(2)	(11.8))
Other	—	3,111	3,161	(50)	(1.6))
Total property expenses	56,492	\$285,691	\$256,430	\$29,261	11.4	%

(1) Same store communities are communities we owned and were stabilized since January 1, 2012. Non-same store communities are stabilized communities not owned or stabilized since January 1, 2012. Development and lease-up communities are non-stabilized communities we have acquired or developed since January 1, 2012. Other includes results from non-multifamily rental properties, above/below market lease amortization related to acquired communities, and expenses related to land holdings not under active development. Properties held for sale are excluded from the above results.

(\$ in thousands)	Apartment Homes at 12/31/12	Year Ended December 31,		Change		
		2012	2011	\$	%	
Property revenues:						
Same store communities	42,333	\$613,691	\$576,330	\$37,361	6.5	%
Non-same store communities	8,277	76,356	18,028	58,328	323.5	
Development and lease-up communities	2,811	2,161	1	2,160	*	
Other	—	6,110	5,042	1,068	21.2	
Total property revenues	53,421	\$698,318	\$599,401	\$98,917	16.5	%
Property expenses:						
Same store communities	42,333	\$224,270	\$219,518	\$4,752	2.2	%
Non-same store communities	8,277	28,090	6,537	21,553	329.7	
Development and lease-up communities	2,811	1,035	—	1,035	*	
Other	—	3,035	4,157	(1,122)	(27.0))
Total property expenses	53,421	\$256,430	\$230,212	\$26,218	11.4	%

* Not a meaningful percentage.

(1) Same store communities are communities we owned and were stabilized since January 1, 2011. Non-same store communities are stabilized communities not owned or stabilized since January 1, 2011. Development and lease-up communities are non-stabilized communities we have acquired or developed since January 1, 2011. Other includes results from non-multifamily rental properties, above/below market lease amortization related to acquired communities, and expenses related to land holdings not under active development. Properties held for sale are excluded from the above results.

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Same store analysis:

Same store property revenues for the year ended December 31, 2013 increased approximately \$30.2 million, or 5.1%, from 2012. Same store rental revenues for the year ended December 31, 2013 increased approximately \$27.3 million, or 5.3%, from 2012, primarily due to a 5.1% increase in average rental rates and a slight increase in average occupancy for our same store portfolio from 95.3% in 2012 to 95.4% in 2013. We believe the increase to rental revenue was due in part to the continuation of the improving economic conditions, favorable demographics, and a manageable supply of new multifamily housing. Additionally, there was a \$2.9 million increase in other property revenue during the year ended December 31, 2013 as compared to 2012 primarily due to increases in various items of miscellaneous income combined with ancillary income from our utility rebilling programs.

Same store property revenues for the year ended December 31, 2012 increased approximately \$37.4 million, or 6.5%, from 2011. Same store rental revenues for the year ended December 31, 2012 increased approximately \$32.2 million, or 6.5%, from 2011, primarily due to a 5.7% increase in average rental rates and a 0.6% increase in average occupancy for our same store portfolio. We believe the increase to rental revenue was due in part to a gradually improving economy, favorable demographics, a modest supply of new multifamily housing and a decline in home ownership rates. Additionally, there was a \$5.2 million increase in other property revenue during the year ended December 31, 2012 as compared to 2011 primarily due to increases in revenues from ancillary income from our utility rebilling programs and miscellaneous fees and charges.

Property expenses from our same store communities increased approximately \$6.8 million, or 3.1%, for the year ended December 31, 2013 as compared to 2012. The increase was due to a \$6.5 million, or 10.9%, increase in real estate taxes as a result of higher property valuations and property tax rates at a number of our communities. The increase was also due to a \$2.5 million increase in property insurance expenses due to higher insurance premiums and claims for the year ended December 31, 2013 as compared to 2012. These increases were partially offset by lower repairs and maintenance costs and decreased medical benefit costs.

Property expenses from our same store communities increased approximately \$4.8 million, or 2.2%, for the year ended December 31, 2012 as compared to 2011. The increase was primarily due to an increase in real estate taxes as a result of increasing property valuations and property tax rates at a number of our communities, offset partially by refunds received on successful protests of prior year tax assessments. The increase was also due to an increase in salaries and benefit expenses due to increases in salaries and incentive compensation and higher medical benefit costs.

Non-same store and development and lease-up analysis:

Property revenues and property expenses from non-same store and development and lease-up communities increased approximately \$60.4 million and \$22.5 million for the year ended December 31, 2013 as compared to 2012, respectively. The increases in 2013 as compared to 2012 were primarily due to revenues and expenses recognized in 2013 related to the acquisition of seven operating properties in 2012, the acquisition of three operating properties in 2013 and the acquisition of one previously unconsolidated joint venture community in December 2012. These increases were also due to revenues and expenses recognized in 2013 related to four operating properties reaching stabilization in 2012 and three operating properties and 75 units at one of our consolidated operating properties reaching stabilization in 2013. The remaining increases related to increases in revenues and expenses at our other non-same store communities.

Property revenue and property expenses increased approximately \$60.5 million and \$22.6 million for the year ended December 31, 2012 as compared to 2011, respectively. The increases in 2012 as compared to 2011 were primarily due to increases in revenues and expenses recognized in 2012 related to the acquisition of nine previously unconsolidated joint venture communities in January 2012 and one previously unconsolidated joint venture community in December 2012. The increases in revenues and expenses were also due to revenues and expenses related to the acquisition of seven properties in 2012, four properties in our development pipeline reaching stabilization and the completion and partial lease-up of two properties in our development pipeline in 2012.

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The following table details the impact in our revenues and expenses as discussed above:

(in millions)	For the year ended December 31,	
	2013	2012
Revenues from acquisitions	\$39.3	\$46.4
Revenues from stabilized properties	15.7	13.3
Other	5.4	0.8
	\$60.4	\$60.5
Expenses from acquisitions	\$ 15.1	\$ 17.9
Expenses from stabilized properties	6.0	4.9
Other	1.4	(0.2
	\$22.5	\$22.6

Other property analysis:

Other property revenues were relatively flat in 2013 as compared to 2012 and increased approximately \$1.1 million for the year ended December 31, 2012 as compared to 2011. The increase in 2012 was primarily due to revenues of approximately \$1.4 million for the year ended December 31, 2012 from above and below market lease amortization related to our 2012 acquisitions.

Other property expenses were relatively flat in 2013 as compared to 2012 and decreased approximately \$1.1 million for the year ended December 31, 2012 as compared to 2011. The decrease in 2012 was primarily related to decreases in property taxes expensed on four land holdings for projects which were approved during 2012 and the second half of 2011 for development activities. As a result, we started capitalizing expenses, including property taxes, on these development projects.

Non-property income

(\$ in thousands)	Year Ended December 31,		Change		Year Ended December 31,		Change	
	2013	2012	\$	%	2012	2011	\$	%
Fee and asset management	\$ 11,690	\$ 12,345	\$(655)	(5.3)	\$ 12,345	\$ 9,973	\$ 2,372	23.8
Interest and other income (loss)	1,217	(710)	1,927	*	(710)	4,649	(5,359)	(115.3)
Income on deferred compensation plans	8,290	4,772	3,518	73.7	4,772	6,773	(2,001)	(29.5)
Total non-property income	\$ 21,197	\$ 16,407	\$ 4,790	29.2	\$ 16,407	\$ 21,395	\$(4,988)	(23.3)

* Not a meaningful percentage.

Fee and asset management income decreased approximately \$0.7 million for the year ended December 31, 2013 as compared to 2012 and increased approximately \$2.4 million for the year ended December 31, 2012 as compared to 2011. The decrease for 2013 as compared to 2012 was primarily due to the sale of 23 operating properties by three unconsolidated joint ventures during 2012 and 2013 and our acquisition of a previously unconsolidated joint venture community in December 2012. The decrease was partially offset by higher construction fees due to an increase in third-party construction activity. The increase for 2012 as compared to 2011 was primarily related to an increase in property management, development and construction fees due to acquisitions completed and development communities started by our funds during 2011 and 2012. The increase was partially offset by a decrease in property management fees due to our acquisition of 12 previously unconsolidated joint venture communities in January 2012, and the sale of seven operating properties by two of our unconsolidated joint ventures in 2012.

Interest and other income (loss) increased approximately \$1.9 million for the year ended December 31, 2013 as compared to 2012 and decreased approximately \$5.4 million for the year ended December 31, 2012 as compared to 2011. The increase during 2013 as compared to 2012 was primarily due to approximately \$1.0 million recognized in the second quarter of 2013 from the release of a deed restriction on a parcel of land sold to an unaffiliated third-party in 2006. The increase was also due to losses of approximately \$0.8 million recognized in 2012 relating to

non-designated derivatives. The decrease during 2012 as compared to 2011 was primarily due to a \$4.3 million gain recognized in 2011 relating to the sale of an available-for-sale investment, and an increase in losses recognized on non-designated hedges of approximately \$0.6 million during the year ended December 31, 2012.

Our deferred compensation plans recognized income of approximately \$8.3 million, \$4.8 million and \$6.8 million in 2013, 2012 and 2011, respectively. The changes were related to the performance of the investments held in the deferred compensation plans for participants and were directly offset by the expense related to these plans, as discussed below.

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Other expenses

(\$ in thousands)	Year Ended December 31,		Change		Year Ended December 31,		Change		
	2013	2012	\$	%	2012	2011	\$	%	
Property management	\$21,774	\$21,796	\$(22)	(0.1)	\$21,796	\$20,686	\$1,110	5.4	%
Fee and asset management	5,756	6,631	(875)	(13.2)	6,631	5,935	696	11.7	
General and administrative	40,586	37,528	3,058	8.1	37,528	35,456	2,072	5.8	
Interest	98,129	104,246	(6,117)	(5.9)	104,246	112,414	(8,168)	(7.3)	
Depreciation and amortization	214,395	194,673	19,722	10.1	194,673	165,486	29,187	17.6	
Amortization of deferred financing costs	3,548	3,608	(60)	(1.7)	3,608	5,877	(2,269)	(38.6)	
Expense on deferred compensation plans	8,290	4,772	3,518	73.7	4,772	6,773	(2,001)	(29.5)	
Total other expenses	\$392,478	\$373,254	\$19,224	5.2	\$373,254	\$352,627	\$20,627	5.8	%

Property management expense, which represents regional supervision and accounting costs related to property operations, was relatively flat in 2013 as compared to 2012 and increased approximately \$1.1 million for the year ended December 31, 2012 as compared to 2011. The increase for 2012 as compared to 2011 was primarily due to higher salaries, benefits and incentive compensation for our property management personnel, and was partially offset by a decrease in administrative costs. Property management expenses were 2.8%, 3.1%, and 3.5% of total property revenues for the years ended December 31, 2013, 2012, and 2011, respectively.

Fee and asset management expense, which represents expenses related to third-party construction projects and property management of our joint ventures, decreased approximately \$0.9 million for the year ended December 31, 2013 as compared to 2012 and increased approximately \$0.7 million for the year ended December 31, 2012 as compared to 2011. The decrease for 2013 as compared to 2012 was primarily due to a decrease in expenses relating to the sale of 23 operating properties by three of our unconsolidated joint ventures in 2013 and 2012, and our acquisition of a previously unconsolidated joint venture community in December 2012. The decrease was also due to lower expenses related to management of development communities due to the timing of communities started and completed by our funds during 2012 and 2013, and lower internal acquisition costs in 2013, due to the closing of the investment period for future operating properties in one of our discretionary funds during the second quarter of 2012. These decreases were partially offset by higher expenses related to an increase in third-party construction activity during 2013 as compared to 2012.

The increase in fee and asset management expense for 2012 as compared to 2011 primarily related to an increase in expenses related to the management of acquisitions completed and development communities started by our funds during 2011 and 2012. The increase was partially offset by a decrease in expenses resulting from our acquisition of 12 previously unconsolidated joint venture communities in January 2012, and the sale of seven operating properties by two of our unconsolidated joint ventures in 2012.

General and administrative expenses increased approximately \$3.1 million during the year ended December 31, 2013 as compared to 2012 and increased approximately \$2.1 million during the year ended December 31, 2012 as compared to 2011. General and administrative expenses were 5.1%, 5.3% and 5.8% of total revenues, excluding income on deferred compensation plans, for the years ended December 31, 2013, 2012 and 2011, respectively. The increase in 2013 as compared to 2012 was primarily due to increases in salaries, benefits and incentive compensation expenses due to salary increases and higher deferred compensation amortization costs resulting from an increase in the value of awards granted in 2012 and 2013 as compared to the value of awards which were fully vested during the year ended December 31, 2012. The increase was also due to increases in professional and consulting fees of approximately \$1.5

million and the net costs of approximately \$0.2 million relating to the retirement of an executive officer in July 2013. The increase in 2012 as compared to 2011 was primarily due to increases in salaries, benefits and incentive compensation expenses, an increase in professional fees, and an increase in expensed costs related to our acquisitions completed in 2012. These increases were partially offset by approximately \$2.1 million in one-time bonuses awarded to all non-executive employees in the first quarter of 2011.

Interest expense decreased approximately \$6.1 million for the year ended December 31, 2013 as compared to 2012 and decreased approximately \$8.2 million for the year ended December 31, 2012 as compared to 2011. The decrease in interest expense in 2013 as compared to 2012 was primarily due to the repayment of one secured and one senior unsecured notes payable in 2013 and four secured and one senior unsecured notes payable in 2012. The decrease was also due to higher capitalized interest of

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approximately \$3.0 million during 2013 due to higher average balances in our development pipeline. These decreases were partially offset by interest expense related to a secured note payable assumed in connection with the acquisition of a previously unconsolidated joint venture in December 2012, the issuance of \$350 million senior unsecured notes payable in December 2012 and the issuance of \$250 million senior unsecured notes payable in December 2013.

The decrease in interest expense in 2012 as compared to 2011 was primarily due to the repayment of our \$500 million term loan, and two unsecured notes payable during the first half of 2011, the repayment of four secured and one senior unsecured notes payable in 2012, and higher capitalized interest of approximately \$3.7 million as compared to 2011 due to higher average balances in our development pipeline. These decreases were partially offset by an increase in interest expense related to our issuance of \$500 million senior unsecured notes payable in June 2011 and our issuance of \$350 million senior unsecured notes payable in December 2012.

Depreciation and amortization expense increased approximately \$19.7 million during the year ended December 31, 2013 as compared to 2012 and increased approximately \$29.2 million during the year ended December 31, 2012 as compared to 2011. The increase in 2013 as compared to 2012 was primarily due to the acquisition of three operating properties in 2013, the acquisition of seven operating properties in 2012, and the acquisition of a previously unconsolidated joint venture community in December 2012. The increase was also due to the completion of units in our development pipeline, the completion of repositions during 2013 and an increase in capital improvements placed in service in 2012 and 2013. These increases were partially offset by lower amortization of in-place leases relating to the acquisition of nine previously unconsolidated joint venture communities in January 2012 which were amortized through July 2012. The increase in 2012 as compared to 2011 was primarily due to the acquisition of seven operating properties in 2012 and the acquisition of nine previously unconsolidated joint venture communities in January 2012. The increases were also due to the completion of units in our development pipeline and an increase in capital improvements placed in service throughout 2011 and 2012.

Amortization of deferred financing costs decreased approximately \$2.3 million during the year ended December 31, 2012 as compared to 2011. The decrease for 2012 was due to lower amortization of financing costs as a result of an amendment to our \$500 million credit facility in September 2011 which extended the maturity date three years. The decrease was also due to lower amortization and the write-off of approximately \$0.5 million of unamortized loan costs associated with the repayment of the \$500 million term loan in June 2011. This decrease was partially offset by higher amortization of financing costs associated with the issuance of \$500 million senior unsecured notes payable in June 2011.

Our deferred compensation plans incurred expenses of approximately \$8.3 million, \$4.8 million and \$6.8 million in 2013, 2012 and 2011, respectively. The changes were related to the performance of the investments held in the deferred compensation plans for participants and were directly offset by the income related to these plans, as discussed in non-property income, above.

Other

	Year Ended December 31,		Change	Year Ended December 31,		Change
(\$ in thousands)	2013	2012	\$	2012	2011	\$
Gain on acquisition of controlling interest in joint ventures	\$—	\$57,418	\$(57,418)	\$57,418	\$—	\$57,418
Gain on sale of properties, including land	698	—	698	—	4,748	(4,748)
Gain on sale of unconsolidated joint venture interests	—	—	—	—	1,136	(1,136)
Loss on discontinuation of hedging relationship	—	—	—	—	(29,791)	29,791
Equity in income of joint ventures	24,865	20,175	4,690	20,175	5,679	14,496
Income tax expense – current	(1,826)	(1,208)	(618)	(1,208)	(2,220)	1,012

In January 2012, we acquired the remaining 80% ownership interests in 12 previously unconsolidated joint ventures not previously owned by us, resulting in these entities being wholly-owned. In December 2012, we acquired the remaining 50% ownership interest in another previously unconsolidated joint venture. Our acquisitions resulted in a

gain of approximately \$57.4 million, which represented the difference between the fair market value of our previously owned equity interests and the cost basis.

Gain on sale of properties, including land, totaled approximately \$0.7 million and \$4.7 million for the years ended December 31, 2013 and 2011, respectively. The gain in 2013 was due to the sale of two land holdings comprised of an aggregate of approximately 3.7 acres located adjacent to current development communities in Atlanta, Georgia and Houston, Texas for approximately \$6.6 million. The gain in 2011 was due to the sale of two of our land development properties located in Washington, DC and Austin, Texas to one of the funds.

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Gain on sale of unconsolidated joint venture interests totaled approximately \$1.1 million for the year ended December 31, 2011 due to the sale of our ownership interests in three unconsolidated joint ventures in March 2011. The loss on discontinuation of hedging relationship during the year ended December 31, 2011 was due to the discontinuation of a cash flow hedge associated with the repayment of our \$500 million term loan in June 2011. Equity in income of joint ventures increased approximately \$4.7 million for the year ended December 31, 2013 as compared to 2012, and increased approximately \$14.5 million for the year ended December 31, 2012 as compared to 2011. The increase in 2013 as compared to 2012 was primarily due to recognizing a \$16.3 million proportionate share of the gain relating to the sale of 16 operating properties by two of our unconsolidated joint ventures in 2013. Additionally, as a result of achieving certain performance measures as set forth in the joint venture agreement, we recognized a promoted equity interest of approximately \$5.1 million related to one of these unconsolidated joint ventures. The increase was also due to an increase in earnings recognized during 2013 relating to higher rental income from the stabilized operating joint venture properties. These increases were partially offset by recognizing a \$17.4 million proportionate share of the gain relating to the sale of seven operating properties by two of our unconsolidated joint ventures in 2012. These increases were also partially offset by our acquisition of a previously unconsolidated joint venture in December 2012.

The increase in 2012 as compared to 2011 was primarily due to recognizing a \$17.4 million gain relating to our proportionate share of the gain on the sale of seven operating properties by two of our unconsolidated joint ventures in 2012. The increase was also due to an increase in earnings recognized in 2012 relating to 18 acquisitions of operating properties completed by the funds during 2011. These increases were partially offset by our acquisition of 12 previously unconsolidated joint venture communities in January 2012. These increases were further offset by recognizing a \$6.4 million gain relating to our proportionate share of the gain on the sale of four operating properties by one of our unconsolidated joint ventures in 2011.

We had current income tax expense of approximately \$1.8 million, \$1.2 million, and \$2.2 million for the tax years ended December 31, 2013, 2012, and 2011, respectively. The \$0.6 million increase in 2013 as compared to 2012 was due to increases in taxable income related to higher construction activities conducted in a taxable REIT subsidiary and increases in state income taxes relating to certain acquisitions completed in 2012 and 2013. The \$1.0 million decrease in income tax expense during 2012 as compared to 2011 was due to income taxes from the gain recognized on the sale of our available-for-sale investment during the first quarter of 2011 by a taxable REIT subsidiary.

Funds from Operations (“FFO”)

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

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

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

(in thousands)	2013	2012	2011
Funds from operations			
Net income attributable to common shareholders (1)	\$336,364	\$283,390	\$49,379
Real estate depreciation and amortization, including discontinued operations	214,729	205,437	177,187
Adjustments for unconsolidated joint ventures	5,738	7,939	10,534
Gain on acquisition of controlling interests in joint ventures	—	(57,418)) —
Gain on sale of unconsolidated joint venture properties (2)	(16,277)	) (17,418)	) (6,394)
Gain on sale of unconsolidated joint venture interests	—	—	(1,136)
Gain on sale of properties and discontinued operations, net of tax	(182,160)	) (115,068)	) (24,621)
Income allocated to non-controlling interests	9,927	6,475	2,586
Funds from operations – diluted	\$368,321	\$313,337	\$207,535
Weighted average shares – basic	87,204	83,772	72,756
Incremental shares issuable from assumed conversion of:			
Common share options and share awards granted	476	647	706
Common units	1,900	2,200	2,466
Weighted average shares – diluted	89,580	86,619	75,928

(1) Includes a promoted equity interest of approximately \$5.1 million for the year ended December 31, 2013, as a result of achieving certain performance measures as set forth in the joint venture agreement for one of our unconsolidated joint ventures which sold its 14 operating properties during May 2013. Includes a \$29.8 million charge related to a loss on discontinuation of a hedging relationship for the year ended December 31, 2011.

The gain in 2013 represents our proportionate share of the gain on sale of 16 operating properties sold during 2013 by two of our unconsolidated joint ventures. The gain in 2012 represents our proportionate share of the gain on sale (2) of seven operating properties sold during 2012 by two of our unconsolidated joint ventures. The gain in 2011 represents our proportionate share of the gain on sale of four operating properties sold by an unconsolidated joint venture during 2011.

Liquidity and Capital Resources

Financial Condition and Sources of Liquidity

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

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

Our interest expense coverage ratio, net of capitalized interest, was approximately 4.7, 4.0, and 3.2 times for the years ended December 31, 2013, 2012, and 2011, respectively. This ratio is a method for calculating the amount of operating cash flows available to cover interest expense and is calculated by dividing interest expense for the period into the sum of property revenues and expenses, non-property income, other expenses, income from discontinued operations after adding back depreciation, amortization, and interest expense from both continuing and discontinued operations. Approximately 77.6%, 76.5%, and 71.7% of our properties (based on invested capital) were unencumbered at December 31, 2013, 2012, and 2011, respectively. Our weighted average maturity of debt was approximately 6.9 years at December 31, 2013.

We also intend to continue to strengthen our capital and liquidity positions by continuing to focus on our core fundamentals which we believe are generating positive cash flows from operations, maintaining appropriate debt levels and leverage ratios, and controlling overhead costs.

Our primary source of liquidity is cash flow generated from operations. Other sources include availability under our unsecured credit facility and other short-term borrowings, proceeds from property dispositions, the use of debt and equity offerings under

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our automatic shelf registration statement, equity issued from our ATM program, other unsecured borrowings and secured mortgages. We believe our liquidity and financial condition are sufficient to meet all of our reasonably anticipated cash needs during 2014 including:

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

Factors which could increase or decrease our future liquidity include but are not limited to volatility in capital and credit markets, sources of financing, our ability to complete asset purchases, sales, or developments, the effect our debt level and changes in credit ratings could have on our costs of funds, and our ability to access capital markets.

Cash Flows

The following is a discussion of our cash flows for the years ended December 31, 2013 and 2012.

Net cash provided by operating activities was approximately \$404.3 million during the year ended December 31, 2013 as compared to approximately \$324.3 million during the year ended December 31, 2012. The increase was primarily due to growth in property revenues directly attributable to increased rental rates from our same store communities and the growth in non-same store revenues primarily relating to the acquisition of seven operating properties in 2012, the acquisition of three operating properties in 2013, and the acquisition of one previously unconsolidated joint venture community in the fourth quarter of 2012. The increase in non-same store revenues also related to the stabilization of four operating properties in 2012 and three operating properties in 2013. The increases in revenues were partially offset by the increase in property expenses from our same store and non-same store communities which included the property expenses of the 10 operating properties acquired in 2012 and 2013, the previously unconsolidated joint venture acquired in 2012 and the stabilization of seven operating properties in 2012 and 2013. See further discussions of our 2013 operations as compared to 2012 in our “Results of Operations.” The increase in net cash from operating activities was also due to changes in working capital account balances, partially offset by a decrease in property revenues and expenses due to the disposition of 12 operating properties in 2013 and 11 operating properties in 2012. Net cash used in investing activities during the year ended December 31, 2013 totaled approximately \$259.0 million as compared to approximately \$527.7 million used during the year ended December 31, 2012. Cash outflows for property development and capital improvements were approximately \$356.8 million during 2013 as compared to approximately \$290.7 million during 2012 due primarily to an increase in redevelopment expenditures relating to our reposition program in 2013 as compared to 2012. The property development and capital improvements during the years ended December 31, 2013 and 2012, respectively, included the following:

(in millions)	December 31,	
	2013	2012
Expenditures for new development, including land	\$ 174.7	\$ 169.6
Capitalized interest, real estate taxes, and other capitalized indirect costs	25.1	20.3
Reposition expenditures	91.4	37.7
Capital expenditures	65.6	63.1
Total	\$ 356.8	\$ 290.7

Cash outflows during the year ended December 31, 2013 also related to the acquisition of three operating properties for approximately \$224.1 million, increases in non-real estate assets of approximately \$17.5 million and investments in joint ventures of approximately \$1.9 million. Additional cash out flows for the year ended December 31, 2012 related to the acquisition of seven operating properties and the controlling interests in 13 previously unconsolidated joint ventures, net of cash acquired, of approximately \$465.4 million. During 2012, we also used approximately \$7.0 million for investments in joint ventures relating to acquisition of one operating property and two land development properties by one of our funds, in which we own a 20% interest, and an approximately \$4.8 million increase in non-real estate assets. Cash outflows during the year ended December 31, 2013 were partially offset by cash inflows

of approximately \$329.4 million from the sale of 12 operating properties and two land holdings in 2013 and \$11.3 million relating to distributions from our joint ventures, which included \$8.8 million received from two unconsolidated joint ventures relating to the sale of 16 operating properties in 2013. During the year ended December 31, 2012,

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cash outflows were partially offset by inflows of \$226.9 million from the sale of 11 operating properties, and \$17.4 million relating to distributions from our joint ventures, which included \$14.2 million in distributions of investments from two unconsolidated joint ventures relating to the sale of seven operating properties in 2012.

Net cash used in financing activities totaled approximately \$154.2 million during the year ended December 31, 2013 as compared to net cash provided by financing activities of \$174.9 million during the year ended December 31, 2012. During 2013, we used approximately \$226.1 million to repay maturing secured and unsecured notes payable and approximately \$4.2 million to pay principal amortization. We also used approximately \$220.1 million to pay distributions to common shareholders and non-controlling interest holders. The cash flows for the year ended December 31, 2013 were partially offset by proceeds of approximately \$249.5 million relating to the issuance of \$250 million unsecured notes payable completed in December 2013, net proceeds of approximately \$40.0 million from the issuance of 0.6 million shares from our ATM program and proceeds of approximately \$2.5 million from common share options exercised during the period. During 2012, we received net proceeds of approximately \$693.4 million from the issuances of 11.2 million common shares in an equity offering and our ATM programs. Cash inflows in 2012 also included proceeds of approximately \$346.3 million from the issuance of \$350 million unsecured notes payable completed in December 2012 and proceeds of approximately \$13.0 million from common share options exercised during the period. The cash inflows during 2012 were partially offset by approximately \$272.6 million used to repay the mortgage debt of 12 previously unconsolidated joint ventures we acquired in January 2012, and approximately \$295.0 million used to repay maturing secured and unsecured notes payable. Cash inflows during 2012 were further offset by \$100.0 million used to redeem our perpetual preferred units, approximately \$189.0 million used to pay distributions to common shareholders, perpetual preferred unit holders, and non-controlling interest holders, and approximately \$16.5 million used to acquire the remaining non-controlling interests in three consolidated joint ventures.

Financial Flexibility

We have a \$500 million unsecured credit facility which matures in September 2015 with an option to extend at our election to September 2016. Additionally, we have the option to increase this credit facility to \$750 million by either adding additional banks to the credit facility or obtaining the agreement of the existing banks in the credit facility to increase their commitments. The interest rate is based upon LIBOR plus a margin which is subject to change as our credit ratings change. Advances under the line of credit may be priced at the scheduled rates, or we may enter into bid rate loans with participating banks at rates below the scheduled rates. These bid rate loans have terms of 180 days or less and may not exceed the lesser of \$250 million or the remaining amount available under the line of credit. The line of credit is subject to customary financial covenants and limitations. We believe we are in compliance with all such financial covenants and limitations on the date of this filing.

Our line of credit provides us with the ability to issue up to \$100 million in letters of credit. While our issuance of letters of credit does not increase our borrowings outstanding under our line of credit, it does reduce the amount available. At December 31, 2013, we had no balances outstanding on our \$500 million unsecured line of credit and we had outstanding letters of credit totaling approximately \$11.3 million, leaving approximately \$488.7 million available under our unsecured line of credit. As an alternative to our unsecured line of credit, from time to time, we may borrow using an unsecured overnight borrowing facility. Our use of short-term borrowings does not decrease the amount available under our unsecured line of credit. At December 31, 2013, we had no short-term borrowings outstanding. We currently have an automatic shelf registration statement which allows us to offer, from time to time, common shares, preferred shares, debt securities, or warrants. Our Amended and Restated Declaration of Trust provides we may issue up to 185 million shares of beneficial interest, consisting of 175 million common shares and 10 million preferred shares.

In May 2012, we created an ATM program through which we can, but have no obligation to, sell common shares having an aggregate offering price of up to \$300 million (the "2012 ATM program"), in amounts and at times as we determine, into the existing trading market at current market prices as well as through negotiated transactions. Actual sales from time to time may depend on a variety of factors including, among others, market conditions, the trading price of our common shares, and determinations by management of the appropriate sources of funding for us. We intend to use the net proceeds from the 2012 ATM program for general corporate purposes, which may include

funding for development and acquisition activities, the redemption or other repurchase of outstanding debt or equity securities, reducing future borrowings under our \$500 million unsecured line of credit or other short-term borrowings, and the repayment of other indebtedness. The net proceeds for the year ended December 31, 2013 were used for general corporate purposes, which included funding for development, redevelopment and capital improvement projects. As of the date of this filing, we had common shares having an aggregate offering price of up to \$82.7 million remaining available for sale under the 2012 ATM program.

We believe our ability to access capital markets is enhanced by our senior unsecured debt ratings by Moody's, Standard and Poor's, and Fitch, which are currently Baa1, BBB+ and BBB+, respectively, each with stable outlooks, as well as by our ability to borrow on a secured basis from various institutions including banks, Fannie Mae, Freddie Mac, or life insurance companies.

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However, we may not be able to maintain our current credit ratings and may not be able to borrow on a secured or unsecured basis in the future.

Future Cash Requirements and Contractual Obligations

One of our principal long-term liquidity requirements includes the repayment of maturing debt, including any future borrowings under our unsecured line of credit or other short-term borrowings. During 2014, approximately \$35.4 million of debt, including scheduled principal amortizations of approximately \$3.1 million, is scheduled to mature. See Note 9, "Notes Payable," in the Notes to Consolidated Financial Statements for further discussion of scheduled maturities.

We estimate the additional costs to complete the construction of 13 consolidated projects to be approximately \$541.2 million. Of this amount, we expect between approximately \$360 million and \$370 million will be incurred during 2014 and the remainder of the costs to be incurred during 2015. Additionally, we also expect to incur between approximately \$55 million and \$75 million of additional redevelopment expenditures and between approximately \$56 million and \$60 million of additional other capital expenditures during 2014.

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

In order for us to continue to qualify as a REIT, we are required to distribute annual dividends to our shareholders equal to a minimum of 90% of our REIT taxable income, computed without regard to the dividends paid deduction and our net capital gains. In December 2013, we announced our Board of Trust Managers had declared a quarterly dividend of \$0.63 per common share, to our common shareholders of record as of December 17, 2013. The dividend was subsequently paid on January 17, 2014 and we paid equivalent amounts per unit to holders of common operating partnership units. When aggregated with previous 2013 dividends, this distribution to common shareholders and holders of common operating partnership units equates to an annual dividend rate of \$2.52 per share or unit for the year ended December 31, 2013.

In the first quarter of 2014, the Company's Board of Trust Managers increased the quarterly dividend rate from \$0.63 to \$0.66 per common share. Future dividend payments are paid at the discretion of the Board of Trust Managers and depend on cash flows generated from operations, the Company's financial condition and capital requirements, distribution requirements under the REIT provisions of the Internal Revenue Code of 1986, as amended, and other factors which may be deemed relevant by our Board of Trust Managers. Assuming dividend distributions for the remainder of 2014 are similar to those declared for the first quarter 2014, the annualized dividend rate for 2014 would be \$2.64.

The following table summarizes our known contractual cash obligations as of December 31, 2013:

(in millions)	Total	2014	2015	2016	2017	2018	Thereafter
Debt maturities (1)	\$2,530.8	\$35.4	\$252.0	\$2.2	\$249.2	\$177.6	\$1,814.4
Interest payments (2)	698.1	110.9	103.3	97.6	88.7	79.7	217.9
Non-cancelable lease payments	28.3	2.8	2.3	2.6	2.7	2.5	15.4
	\$3,257.2	\$149.1	\$357.6	\$102.4	\$340.6	\$259.8	\$2,047.7

(1) Includes scheduled principal amortizations.

Includes contractual interest payments for our senior unsecured notes and secured notes. The interest payments on (2) certain secured notes with floating interest rates were calculated based on the interest rates in effect as of December 31, 2013 or the most recent practicable date.

Off-Balance Sheet Arrangements

The joint ventures in which we have an interest have been funded in part with secured, third-party debt. At December 31, 2013, our unconsolidated joint ventures had outstanding debt of approximately \$530.7 million, of which our proportionate share was approximately \$106.1 million. As of December 31, 2013, we had no outstanding guarantees

related to the loans of our unconsolidated joint ventures.

Inflation

Substantially all of our apartment leases are for a term generally ranging from six to fifteen months. In an inflationary environment, we may realize increased rents at the commencement of new leases or upon the renewal of existing leases. We believe the short-term nature of our leases generally minimizes our risk from the adverse effects of inflation.

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Critical Accounting Policies

The preparation of our financial statements in conformity with GAAP requires management to make certain estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the balance sheet date, and the amounts of revenues and expenses recognized during the reporting period. These estimates are based on historical experience and other assumptions believed to be reasonable under the circumstances. The following is a discussion of our critical accounting policies. For a discussion of all of our significant accounting policies, see Note 2 to the accompanying consolidated financial statements.

Principles of Consolidation. We may enter into various joint venture agreements with unrelated third-parties to hold or develop real estate assets. We must determine for each of these joint ventures whether to consolidate the entity or account for our investment under the equity or cost basis of accounting. Investments acquired or created are evaluated based on the accounting guidance relating to variable interest entities (“VIEs”), which requires the consolidation of VIEs in which we are considered to be the primary beneficiary. If the investment is determined not to be a VIE, then the investment is evaluated for consolidation (primarily using a voting interest model) under the remaining consolidation guidance relating to real estate entities. If we are the general partner in a limited partnership, or manager of a limited liability company, we also consider the consolidation guidance relating to the rights of limited partners (non-managing members) to assess whether any rights held by the limited partners overcome the presumption of control by us. We evaluate our accounting for investments on a quarterly basis or when a reconsideration event (as defined by GAAP) with respect to our investments occurs. The analysis required to identify VIEs and primary beneficiaries is complex and requires substantial management judgment. Accordingly, we believe the decisions made to choose an appropriate accounting framework are critical.

Acquisitions of Real Estate. Upon acquisition of real estate, we determine the fair value of tangible and intangible assets, which includes land, buildings (as-if-vacant), furniture and fixtures, the value of in-place leases, including above and below market leases, and acquired liabilities. In estimating these values, we apply methods similar to those used by independent appraisers of income-producing property. Upon the acquisition of a controlling interest of an investment in an unconsolidated joint venture, such joint venture is consolidated and our initial equity investment is remeasured to fair value at the date the controlling interest is acquired. Estimates of fair value of acquired debt are based upon interest rates available for the issuance of debt with similar terms and remaining maturities. As the determination of the fair value of assets acquired and liabilities assumed is subject to significant management judgment and a change in purchase price allocations could result in a material difference in amounts recorded in our consolidated financial statements, we believe the valuation of assets acquired and liabilities assumed are critical.

Asset Impairment. Long-lived assets are reviewed for impairment annually or whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Impairment may exist if estimated future undiscounted cash flows associated with long-lived assets are not sufficient to recover the carrying value of such assets. We consider projected future discounted and undiscounted cash flows, trends, strategic decisions regarding future development plans, and other factors in our assessment of whether impairment conditions exist. While we believe our estimates of future cash flows are reasonable, different assumptions regarding a number of factors, including market rents, economic conditions, and occupancies, could significantly affect these estimates. In estimating fair value, management uses appraisals, management estimates, and discounted cash flow calculations which utilize inputs from a marketplace participant’s perspective. When impairment exists, the long-lived asset is adjusted to its fair value. In addition, we evaluate our equity investments in joint ventures and if we believe there is an other than temporary decline in market value of our investment below our carrying value, we will record an impairment charge.

The value of our properties under development depends on market conditions, including estimates of the project start date as well as estimates of demand for multifamily communities. We have reviewed market trends and other marketplace information and have incorporated this information as well as our current outlook into the assumptions we use in our impairment analyses. Due to the judgment and assumptions applied in the impairment analyses, it is possible actual results could differ substantially from those estimated.

We believe the carrying value of our operating real estate assets, properties under development, and land is currently recoverable. However, if market conditions deteriorate or if changes in our development strategy significantly affect

any key assumptions used in our fair value estimates, we may need to take material charges in future periods for impairments related to existing assets. Any such material non-cash charges could have an adverse effect on our consolidated financial position and results of operations.

Cost Capitalization. Real estate assets are carried at cost plus capitalized carrying charges. Carrying charges are primarily interest and real estate taxes which are capitalized as part of properties under development. Capitalized interest is generally based on our weighted average interest rate of our unsecured debt. Expenditures directly related to the development and improvement of real estate assets are capitalized at cost as land and buildings and improvements. Indirect development costs, including salaries and benefits and other related costs directly attributable to the development of properties, are also capitalized. We begin capitalizing development, construction, and carrying costs when the development of the future real estate asset is probable and activities

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necessary to get the underlying real estate ready for its intended use have been initiated. All construction and carrying costs are capitalized and reported in the balance sheet as properties under development until the apartment homes are substantially completed. Upon substantial completion of the apartment homes, the total capitalized development cost for the apartment homes and the associated land is transferred to buildings and improvements and land, respectively. Included in capitalized costs are indirect costs associated with our development and redevelopment activities. The estimates used by management require judgment, and accordingly we believe cost capitalization to be a critical accounting estimate.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

We are exposed to certain market risks inherent in our operations. These risks generally arise from transactions entered into in the normal course of business. We believe our primary market risk exposure relates to interest rate risk. Derivatives are not entered into for speculative purposes.

The table below provides information about our liabilities sensitive to changes in interest rates as of December 31, 2013 and 2012:

	December 31, 2013				December 31, 2012			
	Amount (in millions)	Weighted Average Maturity (in years)	Weighted Average Interest Rate	% Of Total	Amount (in millions)	Weighted Average Maturity (in years)	Weighted Average Interest Rate	% Of Total
Fixed rate debt	\$2,319.5	7.0	4.7	% 91.7	\$2,297.8	6.9	4.8	% 91.5
Variable rate debt	211.3	6.4	1.0	8.3	212.7	7.5	1.1	8.5

We have historically used variable rate indebtedness available under our revolving credit facility and other short-term borrowings to initially fund acquisitions and our development pipeline. To the extent we utilize our revolving credit facility and other short-term borrowings and increase our variable rate indebtedness, our exposure to increases in interest rates will also increase.

For fixed rate debt, interest rate changes affect the fair market value but do not impact net income attributable to common shareholders or cash flows. Conversely, for floating rate debt, interest rate changes generally do not affect the fair market value but do impact net income attributable to common shareholders and cash flows, assuming other factors are held constant. Holding other variables constant, a one percentage point variance in interest rates would change the unrealized fair market value of the fixed rate debt by approximately \$132.4 million. The net income attributable to common shareholders and cash flows impact on the next year resulting from a one percentage point variance in interest rates on floating rate debt would be approximately \$2.1 million, holding all other variables constant.

We have entered into, and may enter into in the future, interest rate swaps and caps to protect ourselves against fluctuations in the rates of our floating rate debt. In connection with the repayment of the \$500 million loan in June 2011, we discontinued the hedging relationship on the \$500 million interest rate swap on May 31, 2011. Upon repayment of the loan, which eliminated the probable future variable monthly interest payments being hedged, we recognized a non-cash charge of approximately \$29.8 million which included the accelerated reclassification of amounts previously recorded in accumulated other comprehensive loss related to this swap. This interest rate swap matured in October 2012 and settled. The changes in fair value of this swap were marked to market through earnings in other income and other expense. During 2012, we recorded a net loss of approximately \$0.7 million related to this derivative instrument through the settlement date.

Item 8. Financial Statements and Supplementary Data

Our response to this item is included in a separate section at the end of this report beginning on page F-1.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Evaluation of disclosure controls and procedures. We carried out an evaluation, under the supervision and with the participation of our management, including the Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures as of the end of the period covered by this report pursuant to Securities Exchange Act ("Exchange Act") Rules 13a-15(e) and 15d-15(e). Based on the evaluation, the Chief Executive Officer and Chief Financial Officer concluded the disclosure controls and procedures as of the end of the period covered by this report are effective to ensure information required to be disclosed by us in our Exchange Act filings is accurately recorded, processed, summarized, and reported within the periods specified in the Securities and Exchange Commission's rules and forms and is accumulated and communicated to our management,

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including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Changes in internal controls. There were no changes in our internal control over financial reporting (identified in connection with the evaluation required by paragraph (d) in Rules 13a-15 and 15d-15 under the Exchange Act) during our most recent fiscal quarter which have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

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Management's Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is defined in Rule 13a-15(f) and 15d-15(f) promulgated under the Securities Exchange Act of 1934 as follows:

A process designed by, or under the supervision of, the Company's principal executive and principal financial officers, or persons performing similar functions, and effected by the Company's board of trust managers, management, and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles and includes those policies and procedures that:

• Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

• Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and board of trust managers of the Company; and

• Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Management assessed the effectiveness of our internal control over financial reporting as of December 31, 2013. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control-Integrated Framework originally issued in 1992.

Based on our assessment, management concluded our internal control over financial reporting is effective as of December 31, 2013.

Deloitte & Touche LLP, an independent registered public accounting firm, has issued an attestation report regarding the effectiveness of our internal control over financial reporting, which is included herein.

February 21, 2014

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Trust Managers and Shareholders of
Camden Property Trust
Houston, Texas

We have audited the internal control over financial reporting of Camden Property Trust and subsidiaries (the “Company”) as of December 31, 2013, based on criteria established in Internal Control — Integrated Framework (1992) issued by the Committee of Sponsoring Organizations of the Treadway Commission. The Company’s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management’s Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company’s internal control over financial reporting based on our audit.

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

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

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2013, based on the criteria established in Internal Control — Integrated Framework (1992) issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated financial statements and financial statement schedule as of and for the year ended December 31, 2013 of the Company and our report dated February 21, 2014 expressed an unqualified opinion on those financial statements and financial statement schedule.

/s/ DELOITTE & TOUCHE LLP
Houston, Texas
February 21, 2014

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Item 9B. Other Information

None.

PART III

Item 10. Directors, Executive Officers, and Corporate Governance

Information with respect to this Item 10 is incorporated by reference from our Proxy Statement, which we expect to file on or about March 21, 2014 in connection with the Annual Meeting of Shareholders to be held May 9, 2014.

Item 11. Executive Compensation

Information with respect to this Item 11 is incorporated by reference from our Proxy Statement, which we expect to file on or about March 21, 2014 in connection with the Annual Meeting of Shareholders to be held May 9, 2014.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

Information with respect to this Item 12 is incorporated by reference from our Proxy Statement, which we expect to file on or about March 21, 2014 in connection with the Annual Meeting of Shareholders to be held May 9, 2014 to the extent not set forth below.

The following table gives information about the equity compensation plans as of December 31, 2013.

Equity Compensation Plan Information

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans(excluding securities reflected in column (a))(c)
Equity compensation plans approved by security holders	634,361	\$ 41.59	1,931,147
Equity compensation plans not approved by security holders	—	—	—
Total	634,361	\$ 41.59	1,931,147

Incentive Compensation. During the second quarter of 2011, our Board of Trust Managers adopted, and on May 11, 2011 our shareholders approved, the 2011 Share Incentive Plan of Camden Property Trust (as amended, the “2011 Share Plan”). Under the 2011 Share Plan, we may issue up to a total of approximately 9.1 million fungible units (the “Fungible Pool Limit”), which is comprised of approximately 5.8 million new fungible units plus approximately 3.3 million fungible units previously available for issuance under our 2002 share incentive plan based on a 3.45 to 1.0 fungible unit to full value award conversion ratio. Fungible units represent the baseline for the number of shares available for issuance under the 2011 Share Plan. Different types of awards are counted differently against the Fungible Pool Limit, as follows:

Each share issued or to be issued in connection with an award, other than an option, right or other award which does not deliver the full value at grant of the underlying shares, will be counted against the Fungible Pool Limit as 3.45 fungible pool units;

Options and other awards which do not deliver the full value at grant of the underlying shares and which expire more than five years from date of grant will be counted against the Fungible Pool Limit as one fungible pool unit; and

Options, rights and other awards which do not deliver the full value at grant and expire five years or less from the date of grant will be counted against the Fungible Pool Limit as 0.83 of a fungible pool unit.

As of December 31, 2013, approximately 6.7 million fungible units were available under the 2011 Share Plan, which results in approximately 1.9 million common shares which may be granted pursuant to full value awards based on the 3.45 to 1.0 fungible unit to full value award conversion ratio.

Item 13. Certain Relationships and Related Transactions and Director Independence

Information with respect to this Item 13 is incorporated herein by reference from our Proxy Statement, which we expect to file on or about March 21, 2014 in connection with the Annual Meeting of Shareholders to be held May 9, 2014.

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Item 14. Principal Accounting Fees and Services

Information with respect to this Item 14 is incorporated herein by reference from our Proxy Statement, which we expect to file on or about March 21, 2014 in connection with the Annual Meeting of Shareholders to be held May 9, 2014.

PART IV

Item 15. Exhibits and Financial Statement Schedules

The following documents are filed as part of this report:

(1) Financial Statements:

<u>Report of Independent Registered Public Accounting Firm</u>	<u>F-1</u>
<u>Consolidated Balance Sheets as of December 31, 2013 and 2012</u>	<u>F-2</u>
<u>Consolidated Statements of Income and Comprehensive Income for the Years Ended December 31, 2013, 2012, and 2011</u>	<u>F-3</u>
<u>Consolidated Statements of Equity and Perpetual Preferred Units for the Years Ended December 31, 2013, 2012, and 2011</u>	<u>F-5</u>
<u>Consolidated Statements of Cash Flows for the Years Ended December 31, 2013, 2012, and 2011</u>	<u>F-7</u>
<u>Notes to Consolidated Financial Statements</u>	<u>F-9</u>

(2) Financial Statement Schedules:

<u>Schedule III – Real Estate and Accumulated Depreciation</u>	<u>S-1</u>
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All other schedules have been omitted since the required information is presented in the financial statements and the related notes or is not applicable.

(3) Index to Exhibits:

The following exhibits are filed as part of or incorporated by reference into this report:

Exhibit No.	Description	Filed Herewith or Incorporated Herein by Reference (1)
3.1	Amended and Restated Declaration of Trust of Camden Property Trust	Exhibit 3.1 to Form 10-K for the year ended December 31, 1993
3.2	Amendment to the Amended and Restated Declaration of Trust of Camden Property Trust	Exhibit 3.1 to Form 10-Q for the quarter ended June 30, 1997
3.3	Amendment to the Amended and Restated Declaration of Trust of Camden Property Trust	Exhibit 3.1 to Form 8-K filed on May 14, 2012
3.4	Third Amended and Restated Bylaws of Camden Property Trust	Exhibit 99.1 to Form 8-K filed on March 11, 2013
4.1	Specimen certificate for Common Shares of Beneficial Interest	Form S-11 filed on September 15, 1993 (Registration No. 33-68736)
4.2		

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Indenture for Senior Debt Securities dated as of February 11, 2003 between Camden Property Trust and U. S. Bank National Association, as successor to SunTrust Bank, as Trustee Exhibit 4.1 to Form S-3 filed on February 12, 2003 (Registration No. 333-103119)

4.3 First Supplemental Indenture dated as of May 4, 2007 between the Company and U.S. Bank National Association, as successor to SunTrust Bank, as Trustee Exhibit 4.2 to Form 8-K filed on May 7, 2007

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Exhibit No.	Description	Filed Herewith or Incorporated Herein by Reference (1)
4.4	Second Supplemental Indenture dated as of June 3, 2011 between the Company and U.S. Bank National Association, as successor to Sun Trust Bank, as Trustee.	Exhibit 4.3 to Form 8-K filed on June 3, 2011
4.5	Registration Rights Agreement dated as of February 28, 2005 between Camden Property Trust and the holders named therein	Form S-4 filed on November 24, 2004 (Registration No. 333-120733)
4.6	Form of Camden Property Trust 5.00% Note due 2015	Exhibit 4.2 to Form 8-K filed on June 7, 2005
4.7	Form of Camden Property Trust 5.700% Note due 2017	Exhibit 4.3 to Form 8-K filed on May 7, 2007
4.8	Form of Camden Property Trust 4.625% Note due 2021	Exhibit 4.4 to Form 8-K filed on May 31, 2011
4.9	Form of Camden Property Trust 2.95% Note due 2022	Exhibit 4.4 to Form 8-K filed on December 7, 2012
4.10	Form of Camden Property Trust 4.875% Note due 2023	Exhibit 4.5 to Form 8-K filed on May 31, 2011
4.11	Form of Camden Property Trust 4.250% Notes due 2024	Exhibit 4.1 to Form 8-K filed on December 2, 2013
10.1	Form of Indemnification Agreement between Camden Property Trust and certain of its trust managers and executive officers	Form S-11 filed on July 9, 1993 (Registration No. 33-63588)
10.2	Second Amended and Restated Employment Agreement dated July 11, 2003 between Camden Property Trust and Richard J. Campo	Exhibit 10.1 to Form 10-Q for the quarter ended June 30, 2003
10.3	Second Amended and Restated Employment Agreement dated July 11, 2003 between Camden Property Trust and D. Keith Oden	Exhibit 10.2 to Form 10-Q for the quarter ended June 30, 2003
10.4	Form of First Amendment to Second Amended and Restated Employment Agreements, effective as of January 1, 2008, between Camden Property Trust and each of Richard J. Campo and D. Keith Oden.	Exhibit 99.1 to Form 8-K filed on November 30, 2007
10.5	Second Amendment to Second Amended and Restated Employment Agreement, dated as of March 14, 2008, between Camden Property Trust	Exhibit 99.1 to Form 8-K filed on March 18, 2008

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and D. Keith Oden.

10.6	Form of Employment Agreement by and between Camden Property Trust and certain senior executive officers	Exhibit 10.13 to Form 10-K for the year ended December 31, 1996
10.7	Second Amended and Restated Employment Agreement, dated November 3, 2008, between Camden Property Trust and H. Malcolm Stewart	Exhibit 99.1 to Form 8-K filed on November 4, 2008
10.8	Separation Agreement and General Release, dated as of May 9, 2013, between Camden Property Trust and Dennis M. Steen	Exhibit 99.1 to Form 8-K filed May 10, 2013
10.9	Second Amended and Restated Camden Property Trust Key Employee Share Option Plan (KEYSOP) ^M ; effective as of January 1, 2008	Exhibit 99.5 to Form 8-K filed on November 30, 2007
10.10	Amendment No. 1 to Second Amended and Restated Camden Property Trust Key Employee Share Option Plan, effective as of January 1, 2008	Exhibit 99.1 to Form 8-K filed on December 8, 2008
10.11	Form of Amended and Restated Master Exchange Agreement between Camden Property Trust and certain key employees	Exhibit 10.7 to Form 10-K for the year ended December 31, 2003

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Exhibit No.	Description	Filed Herewith or Incorporated Herein by Reference (1)
10.12	Form of Amended and Restated Master Exchange Agreement between Camden Property Trust and certain trust managers	Exhibit 10.8 to Form 10-K for the year ended December 31, 2003
10.13	Form of Amended and Restated Master Exchange Agreement between Camden Property Trust and certain key employees	Exhibit 10.9 to Form 10-K for the year ended December 31, 2003
10.14	Form of Master Exchange Agreement between Camden Property Trust and certain trust managers	Exhibit 10.10 to Form 10-K for the year ended December 31, 2003
10.15	Form of Amendment No. 1 to Amended and Restated Master Exchange Agreement (Trust Managers) effective November 27, 2007	Exhibit 10.1 to Form 10-Q filed on July 30, 2010
10.16	Form of Amendment No. 1 to Amended and Restated Master Exchange Agreement (Key Employees) effective November 27, 2007	Exhibit 10.2 to Form 10-Q filed on July 30, 2010
10.17	Form of Third Amended and Restated Agreement of Limited Partnership of Camden Operating, L.P.	Exhibit 10.1 to Form S-4 filed on February 26, 1997 (Registration No. 333-22411)
10.18	First Amendment to Third Amended and Restated Agreement of Limited Partnership of Camden Operating, L.P., dated as of February 23, 1999	Exhibit 99.2 to Form 8-K filed on March 10, 1999
10.19	Form of Second Amendment to Third Amended and Restated Agreement of Limited Partnership of Camden Operating, L.P., dated as of August 13, 1999	Exhibit 10.15 to Form 10-K for the year ended December 31, 1999
10.20	Form of Third Amendment to Third Amended and Restated Agreement of Limited Partnership of Camden Operating, L.P., dated as of September 7, 1999	Exhibit 10.16 to Form 10-K for the year ended December 31, 1999
10.21	Form of Fourth Amendment to Third Amended and Restated Agreement of Limited Partnership of Camden Operating, L.P., dated as of January 7, 2000	Exhibit 10.17 to Form 10-K for the year ended December 31, 1999
10.22	Form of Amendment to Third Amended and Restated Agreement of Limited Partnership of Camden Operating, L.P., dated as of December 1, 2003	Exhibit 10.19 to Form 10-K for the year ended December 31, 2003
10.23		Exhibit 99.1 to Form 8-K filed on July 15, 1998

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Amended and Restated Limited Liability Company
Agreement of Sierra-Nevada Multifamily
Investments, LLC, adopted as of June 29, 1998 by
Camden Subsidiary, Inc. and TMT-Nevada, L.L.C.

10.24	Amended and Restated 1993 Share Incentive Plan of Camden Property Trust	Exhibit 10.18 to Form 10-K for the year ended December 31, 1999
10.25	Camden Property Trust 1999 Employee Share Purchase Plan	Exhibit 10.19 to Form 10-K for the year ended December 31, 1999
10.26	Amended and Restated 2002 Share Incentive Plan of Camden Property Trust	Exhibit 10.1 to Form 10-Q for the quarter ended March 31, 2002
10.27	Amendment to Amended and Restated 2002 Share Incentive Plan of Camden Property Trust	Exhibit 99.1 to Form 8-K filed on May 4, 2006
10.28	Amendment to Amended and Restated 2002 Share Incentive Plan of Camden Property Trust, effective as of January 1, 2008	Exhibit 99.1 to Form 8-K filed on July 29, 2008
10.29	Camden Property Trust 2011 Share Incentive Plan, effective as of May 11, 2011	Exhibit 99.1 to Form 8-K filed on May 12, 2011

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Exhibit No.	Description	Filed Herewith or Incorporated Herein by Reference (1)
10.30	Amendment No. 1 to 2011 Share Incentive Plan of Camden Property Trust, dated as of July 31, 2012	Exhibit 99.1 to Form 8-K filed on August 6, 2012
10.31	Amendment No. 2 to the 2011 Share Incentive Plan of Camden Property Trust, dated as of July 30, 2013	Exhibit 99.1 to Form 8-K filed on August 5, 2013
10.32	Camden Property Trust Short Term Incentive Plan	Exhibit 10.2 to Form 10-Q for the quarter ended March 31, 2002
10.33	Second Amended and Restated Camden Property Trust Non-Qualified Deferred Compensation Plan	Exhibit 99.1 to Form 8-K filed on February 21, 2014
10.34	Form of Second Amended and Restated Agreement of Limited Partnership of Camden Summit Partnership, L.P. among Camden Summit, Inc., as general partner, and the persons whose names are set forth on Exhibit A thereto	Exhibit 10.4 to Form S-4 filed on November 24, 2004 (Registration No. 333-120733)
10.35	Form of Tax, Asset and Income Support Agreement among Camden Property Trust, Camden Summit, Inc., Camden Summit Partnership, L.P. and each of the limited partners who has executed a signature page thereto	Exhibit 10.5 to Form S-4 filed on November 24, 2004 (Registration No. 333-120733)
10.36	Employment Agreement dated February 15, 1999, by and among William B. McGuire, Jr., Summit Properties Inc. and Summit Management Company, as restated on August 24, 2001	Exhibit 10.1 to Summit Properties Inc.'s Form 10-Q for the quarter ended September 30, 2001 (File No. 000-12792)
10.37	Amendment Agreement, dated as of June 19, 2004, among William B. McGuire, Jr., Summit Properties Inc. and Summit Management Company	Exhibit 10.8.2 to Summit Properties Inc.'s Form 10-Q for the quarter ended June 30, 2004 (File No. 001-12792)
10.38	Amendment Agreement, dated as of June 19, 2004, among William F. Paulsen, Summit Properties Inc. and Summit Management Company	Exhibit 10.8.2 to Summit Properties Inc.'s Form 10-Q for the quarter ended June 30, 2004 (File No. 001-12792)
10.39	Separation Agreement, dated as of February 28, 2005, between Camden Property Trust and William B. McGuire, Jr.	Exhibit 99.1 to Form 8-K filed on April 28, 2005
10.40	Separation Agreement, dated as of February 28, 2005, between Camden Property Trust and William F. Paulsen	Exhibit 99.2 to Form 8-K filed on April 28, 2005
10.41		Exhibit 10.4 to Form 10-Q filed on July 30, 2010

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Master Credit Agreement, dated as of September 24, 2008, among CSP Community Owner, LLC, CPT Community Owner, LLC, and Red Mortgage Capital, Inc. (2)

- 10.42 Form of Master Credit Facility Agreement, dated as of April 17, 2009, among Summit Russett, LLC, 2009 CPT Community Owner, LLC, 2009 CUSA Community Owner, LLC, 2009 CSP Community Owner LLC, and 2009 COLP Community Owner, LLC, as borrowers, Camden Property Trust, as guarantor, and Red Mortgage Capital, Inc., as lender. (2) Exhibit 10.5 to Form 10-Q filed on July 30, 2010
- 10.43 Distribution Agency Agreement, dated May 18, 2012, between Camden Property Trust and Credit Suisse Securities (USA) LLC Exhibit 1.1 to Form 8-K filed on May 18, 2012
- 10.44 Distribution Agency Agreement, dated May 18, 2012, between Camden Property Trust and Deutsche Bank Securities Inc. Exhibit 1.2 to Form 8-K filed on May 18, 2012

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Exhibit No.	Description	Filed Herewith or Incorporated Herein by Reference (1)
10.45	Distribution Agency Agreement, dated May 18, 2012, between Camden Property Trust and Jefferies & Company, Inc.	Exhibit 1.3 to Form 8-K filed on May 18, 2012
10.46	Distribution Agency Agreement, dated May 18, 2012, between Camden Property Trust and Mitsubishi UFJ Securities (USA) Inc.	Exhibit 1.4 to Form 8-K filed on May 18, 2012
10.47	Distribution Agency Agreement, dated May 18, 2012, between Camden Property Trust and Scotia Capital (USA) Inc.	Exhibit 1.5 to Form 8-K filed on May 18, 2012
10.48	Amended and Restated Credit Agreement dated as of September 22, 2011 among Camden Property Trust, each lender from time to time party thereto, Bank of America, N.A, as Administrative Agent, Swing Line Lender and Letter of Credit Issuer, and JP Morgan Chase Bank, N.A., as Syndication Agent	Exhibit 99.1 to Form 8-K filed on September 26, 2011
12.1	Statement Regarding Computation of Ratios	Filed Herewith
21.1	List of Significant Subsidiaries	Filed Herewith
23.1	Consent of Deloitte & Touche LLP	Filed Herewith
24.1	Powers of Attorney for Scott S. Ingraham, Lewis A. Levey, William B. McGuire, Jr., F. Gardner Parker, William F. Paulsen, Frances Aldrich Sevilla-Secasa, Steven A. Webster, and Kelvin R. Westbrook	Filed Herewith
31.1	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act	Filed Herewith
31.2	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) of the Securities Exchange Act	Filed Herewith
32.1	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	Filed Herewith
101.INS	XBRL Instance Document	Filed Herewith
101.SCH	XBRL Taxonomy Extension Schema Document	Filed Herewith
101.CAL		Filed Herewith

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XBRL Taxonomy Extension Calculation Linkbase
Document

101.DEF XBRL Taxonomy Extension Definition Linkbase Document Filed Herewith

101.LAB XBRL Taxonomy Extension Label Linkbase Document Filed Herewith

101.PRE XBRL Taxonomy Extension Presentation Linkbase Document Filed Herewith

(1) Unless otherwise indicated, all references to reports or registration statements are to reports or registration statements filed by Camden Property Trust (File No. 1-12110).

(2) Portions of the exhibit have been omitted pursuant to a request for confidential treatment.

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SIGNATURES

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

February 21, 2014

CAMDEN PROPERTY TRUST

By: /s/ Michael P. Gallagher
Michael P. Gallagher
Senior Vice President — Chief Accounting Officer

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Pursuant to the requirements of the Securities Exchange Act of 1934, this Report has been signed below by the following persons on behalf of Camden Property Trust and in the capacities and on the dates indicated.

Name	Title	Date
/s/ Richard J. Campo Richard J. Campo	Chairman of the Board of Trust Managers and Chief Executive Officer (Principal Executive Officer)	February 21, 2014
/s/ D. Keith Oden D. Keith Oden	President and Trust Manager	February 21, 2014
/s/ Alexander J. Jessett Alexander J. Jessett	Senior Vice President - Finance, Chief Financial Officer and Treasurer (Principal Financial Officer)	February 21, 2014
/s/ Michael P. Gallagher Michael P. Gallagher	Senior Vice President - Chief Accounting Officer (Principal Accounting Officer)	February 21, 2014
*		
Scott S. Ingraham	Trust Manager	February 21, 2014
*		
Lewis A. Levey	Trust Manager	February 21, 2014
*		
William B. McGuire, Jr.	Trust Manager	February 21, 2014
*		
F. Gardner Parker	Trust Manager	February 21, 2014
*		
William F. Paulsen	Trust Manager	February 21, 2014
*		
Frances Aldrich Sevilla-Sacasa	Trust Manager	February 21, 2014
*		
Steven A. Webster	Trust Manager	February 21, 2014
*		
Kelvin R. Westbrook	Trust Manager	February 21, 2014

*By: /s/ Alexander J. Jessett
Alexander J. Jessett
Attorney-in-fact

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Trust Managers and Shareholders of
Camden Property Trust
Houston, Texas

We have audited the accompanying consolidated balance sheets of Camden Property Trust and subsidiaries (the “Company”) as of December 31, 2013 and 2012, and the related consolidated statements of income and comprehensive income, equity and perpetual preferred units, and cash flows for each of the three years in the period ended December 31, 2013. Our audits also included the financial statement schedule listed in the Index at Item 15. These financial statements and financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statements and financial statement schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Camden Property Trust and subsidiaries as of December 31, 2013 and 2012, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2013, in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, such financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Company's internal control over financial reporting as of December 31, 2013, based on the criteria established in Internal Control—Integrated Framework (1992) issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 21, 2014 expressed an unqualified opinion on the Company's internal control over financial reporting.

/s/ DELOITTE & TOUCHE LLP

Houston, Texas
February 21, 2014

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CONSOLIDATED BALANCE SHEETS

(in thousands, except per share amounts)	December 31,	
	2013	2012
Assets		
Real estate assets, at cost		
Land	\$969,711	\$949,777
Buildings and improvements	5,629,904	5,389,674
	\$6,599,615	\$6,339,451
Accumulated depreciation	(1,643,713	) (1,518,896)
Net operating real estate assets	\$4,955,902	\$4,820,555
Properties under development, including land	472,566	334,463
Investments in joint ventures	42,155	45,092
Properties held for sale	—	30,517
Total real estate assets	\$5,470,623	\$5,230,627
Accounts receivable – affiliates	27,724	33,625
Other assets, net	109,401	88,260
Cash and cash equivalents	17,794	26,669
Restricted cash	6,599	5,991
Total assets	\$5,632,141	\$5,385,172
Liabilities and equity		
Liabilities		
Notes payable		
Unsecured	\$1,588,798	\$1,538,212
Secured	941,968	972,256
Accounts payable and accrued expenses	113,307	101,896
Accrued real estate taxes	35,648	28,452
Distributions payable	56,787	49,969
Other liabilities	88,272	67,679
Total liabilities	\$2,824,780	\$2,758,464
Commitments and contingencies		
Non-Qualified deferred compensation share awards	47,180	—
Equity		
Common shares of beneficial interest; \$0.01 par value per share; 175,000 shares authorized; 99,645 and 99,106 issued; 96,660 and 96,201 outstanding at December 31, 2013 and 2012, respectively	967	962
Additional paid-in capital	3,596,069	3,587,505
Distributions in excess of net income attributable to common shareholders	(494,167	) (598,951)
Treasury shares, at cost (11,352 and 11,771 common shares, at December 31, 2013 and 2012, respectively)	(410,227	) (425,355)
Accumulated other comprehensive loss	(1,106	) (1,062)
Total common equity	\$2,691,536	\$2,563,099
Non-controlling interests	68,645	63,609
Total equity	\$2,760,181	\$2,626,708
Total liabilities and equity	\$5,632,141	\$5,385,172

See Notes to Consolidated Financial Statements.

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CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME

(in thousands, except per share amounts)	Year Ended December 31,		
	2013	2012	2011
Property revenues			
Rental revenues	\$683,362	\$602,004	\$516,182
Other property revenues	105,489	96,314	83,219
Total property revenues	\$788,851	\$698,318	\$599,401
Property expenses			
Property operating and maintenance	\$199,650	\$185,720	\$166,866
Real estate taxes	86,041	70,710	63,346
Total property expenses	\$285,691	\$256,430	\$230,212
Non-property income			
Fee and asset management	\$11,690	\$12,345	\$9,973
Interest and other income (loss)	1,217	(710)	) 4,649
Income on deferred compensation plans	8,290	4,772	6,773
Total non-property income	\$21,197	\$16,407	\$21,395
Other expenses			
Property management	\$21,774	\$21,796	\$20,686
Fee and asset management	5,756	6,631	5,935
General and administrative	40,586	37,528	35,456
Interest	98,129	104,246	112,414
Depreciation and amortization	214,395	194,673	165,486
Amortization of deferred financing costs	3,548	3,608	5,877
Expense on deferred compensation plans	8,290	4,772	6,773
Total other expenses	\$392,478	\$373,254	\$352,627
Gain on acquisition of controlling interest in joint ventures	—	57,418	—
Gain on sale of properties, including land	698	—	4,748
Gain on sale of unconsolidated joint venture interests	—	—	1,136
Loss on discontinuation of hedging relationship	—	—	(29,791)
Equity in income of joint ventures	24,865	20,175	5,679
Income from continuing operations before income taxes	\$157,442	\$162,634	\$19,729
Income tax expense – current	(1,826)	) (1,208)	) (2,220)
Income from continuing operations	\$155,616	\$161,426	\$17,509
Income from discontinued operations	8,515	17,406	17,831
Gain on sale of discontinued operations, net of tax	182,160	115,068	24,621
Net income	\$346,291	\$293,900	\$59,961
Less income allocated to non-controlling interests from continuing operations	(4,022)	) (4,459)	) (3,126)
Less income, including gain on sale, allocated to non-controlling interests from discontinued operations	(5,905)	) (3,200)	) (456)
Less income allocated to perpetual preferred units	—	(776)	) (7,000)
Less write off of original issuance costs of redeemed perpetual preferred units	—	(2,075)) —
Net income attributable to common shareholders	\$336,364	\$283,390	\$49,379
See Notes to Consolidated Financial Statements.			

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CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME (Continued)

(In thousands, except per share amounts)	Year Ended December 31,		
	2013	2012	2011
Earnings per share – basic			
Income from continuing operations attributable to common shareholders	\$ 1.70	\$ 1.81	\$ 0.09
Income from discontinued operations, including gain on sale, attributable to common shareholders	2.12	1.54	0.58
Net income attributable to common shareholders	\$ 3.82	\$ 3.35	\$ 0.67
Earnings per share – diluted			
Income from continuing operations attributable to common shareholders	\$ 1.69	\$ 1.79	\$ 0.09
Income from discontinued operations, including gain on sale, attributable to common shareholders	2.09	1.51	0.57
Net income attributable to common shareholders	\$ 3.78	\$ 3.30	\$ 0.66
Weighted average number of common shares outstanding – basic	87,204	83,772	72,756
Weighted average number of common shares outstanding – diluted	88,494	85,556	73,462
Net income attributable to common shareholders			
Income from continuing operations	\$ 155,616	\$ 161,426	\$ 17,509
Less income allocated to non-controlling interests from continuing operations	(4,022	) (4,459	) (3,126
Less income allocated to perpetual preferred units	—	(776	) (7,000
Less write off original issuance costs of redeemed perpetual preferred units	—	(2,075) —
Income from continuing operations attributable to common shareholders	\$ 151,594	\$ 154,116	\$ 7,383
Income from discontinued operations, including gain on sale	\$ 190,675	\$ 132,474	\$ 42,452
Less income, including gain on sale, allocated to non-controlling interests from discontinued operations	(5,905	) (3,200	) (456
Income from discontinued operations, including gain on sale, attributable to common shareholders	\$ 184,770	\$ 129,274	\$ 41,996
Net income attributable to common shareholders	\$ 336,364	\$ 283,390	\$ 49,379
Consolidated Statements of Comprehensive Income			
Net income	\$ 346,291	\$ 293,900	\$ 59,961
Other comprehensive income			
Unrealized loss on cash flow hedging activities	—	—	(2,692
Reclassification of net losses on cash flow hedging activities	—	—	39,657
Reclassification of gain on available-for-sale investment to earnings, net of tax	—	—	(3,306
Reclassification of prior service cost and net loss on post retirement obligation	54	30	—
Unrealized loss and unamortized prior service cost on post retirement obligation	(99	) (409	) (884
Comprehensive income	\$ 346,246	\$ 293,521	\$ 92,736
Less income allocated to non-controlling interests from continuing operations	(4,022) (4,459) (3,126
	(5,905) (3,200) (456

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Less income, including gain on sale, allocated to non-controlling interests from discontinued operations				
Less income allocated to perpetual preferred units	—	(776	)	(7,000)
Less write off of original issuance costs of redeemed perpetual preferred units	—	(2,075)	—
Comprehensive income attributable to common shareholders	\$336,319	\$283,011		\$82,154
See Notes to Consolidated Financial Statements.				

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CONSOLIDATED STATEMENTS OF EQUITY AND PERPETUAL PREFERRED UNITS

(in thousands, except per share amounts)	Common Shareholders						Total equity	Perpetual preferred units
	Common shares of beneficial interest	Additional paid-in capital	Distributions in excess of net income	Treasury shares, at cost	Accumulated other comprehensive loss	Non-controlling interests		
Equity, December 31, 2010	\$824	\$2,775,625	\$(595,317)	\$(461,255)	\$(33,458)	\$70,954	\$1,757,373	\$97,925
Net income			49,379			3,582	52,961	7,000
Other comprehensive income					32,775		32,775	
Common shares issued (1,751 shares)	18	106,553					106,571	
Net share awards	3	12,592		812			13,407	
Employee share purchase plan		446		1,334			1,780	
Common share options exercised (68 shares)		5,216		7,106			12,322	
Conversions and redemptions of operating partnership units (66 shares)	1	591				(592)	—	
Cash distributions declared to perpetual preferred units								(7,000)
Cash distributions declared to equity holders (\$1.96 per share)			(144,528)			(4,893)	(149,421)	
Other	(1)	1					—	
Equity, December 31, 2011	\$845	\$2,901,024	\$(690,466)	\$(452,003)	\$(683)	\$69,051	\$1,827,768	\$97,925
Net income			283,390			7,659	291,049	2,851
Other comprehensive loss					(379)		(379)	
Common shares issued (11,192 shares)	112	693,243					693,355	
Net share awards		1,008		14,138			15,146	
Employee share purchase plan		617		717			1,334	
Common share options exercised		2,173		11,793			13,966	
Conversions of operating partnership	6	8,988				(9,143)	(149)	

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units (558 shares)								
Cash distributions declared to perpetual preferred units							(776)	
Cash distributions declared to equity holders (\$2.24 per share)		(191,875)		(7,025)		(198,900)		
Redemption of perpetual preferred units							(100,000)	
Purchase of non-controlling interests		(19,549)		3,067		(16,482)		
Other	(1)	1						
Equity, December 31, 2012	\$962	\$3,587,505	\$(598,951)	\$(425,355)	\$(1,062)	\$63,609	\$2,626,708	\$—

See Notes to Consolidated Financial Statements.

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Table of ContentsCAMDEN PROPERTY TRUST
CONSOLIDATED STATEMENTS OF EQUITY AND PERPETUAL PREFERRED UNITS (Continued)

(in thousands, except per share amounts)	Common Shareholders						Total equity
	Common shares of beneficial interest	Additional paid-in capital	Distributions in excess of net income	Treasury shares, at cost	Accumulated other comprehensive loss	Non-controlling interests	
Equity, December 31, 2012	\$962	\$ 3,587,505	\$ (598,951)	\$ (425,355)	\$ (1,062)	\$ 63,609	\$2,626,708
Net income			336,364			9,927	346,291
Other comprehensive loss					(44)		(44)
Common shares issued (555 shares)	6	40,038					