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MAA - Mid-America Apartment Communities Inc at Citi Global Property CEO Conference

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Nicholas Gregory Joseph *Citigroup Inc, Research Division - Director & Senior Analyst*

PRESENTATION

Nicholas Gregory Joseph *- Citigroup Inc, Research Division - Director & Senior Analyst*

This is Citi's 2019 Global Property CEO Conference. I'm Nick Joseph with Citi Research, and we're pleased to have with us MAA and CEO, Eric Bolton. The session is for investing clients only. If media or other individuals are on the line, please disconnect now. Disclosures are available up here and on the webcast on the disclosure's tab. For those in the room or the webcast, you can sign on to liveqa.com and enter code citi19 to submit any questions if you do not want to raise your hand.

Eric, I'll turn it over to you to introduce the company and the team, and provide the audience 3 reasons why investors should buy your stock today. And then we'll get into Q&A.

H. Eric Bolton *- Mid-America Apartment Communities, Inc. - Chairman, President & CEO*

Okay. Well, thank you, Nick, and appreciate everyone joining us this morning. Mid-America Apartments, or MAA, is a apartment-only REIT focused on the southeast, a little over 300 communities settled over 100,000 apartments, one of the largest owner-operators in the country. Our focus is really diversifying capital across this high-growth region of the country in an effort to capture what we believe will continue to be some of the strongest demand for multifamily housing in the country over the next 5 to 7 years. And we think that the unique diversification we have in our portfolio, across both large and high-growth secondary markets provides a full cycle performance profile that we believe, over time and over a full cycle, offers investors a very attractive return over time.

With me up here, on my immediate left here is Tim Argo, our Director of Finance; to my immediate right is Al Campbell, our Chief Financial Officer; and to his right is Andrew Schaeffer, our Treasurer.

Three reasons why MAA offers an attractive opportunity to buy today. We believe that as one looks across the country over the next 5 years or so, that these Southeast markets are going to continue to capture some of the best job growth, population growth and ultimately demand for multifamily housing as compared to other regions of the country. And we think over time, that continues to support a -- an NOI growth margin or NOI growth rate that will be compelling for capital in the sector over the next 5 to 7 years.

I think that our story has largely been viewed as more of a defensive play in the space, but I -- and I do think that as eventually things do turn and cycles do evolve that our story has demonstrated an ability to weather those periods in a positive way. So we continue to believe very much that we have an attractive full-cycle profile to the company.

Our dividend is one of the strongest covered dividends in the sector. Our payout ratio is stronger than the sector average, and you can get that at one of the more attractive yields today as compared to peer comparisons in the space. And so I think that ultimately for us, it really is just the diversification, the benefits of the region, strong balance sheet, strong payout ratio, all compels to create a pretty attractive opportunity.

QUESTIONS AND ANSWERS

Nicholas Gregory Joseph - *Citigroup Inc, Research Division - Director & Senior Analyst*

What's the biggest potential disruption to your business? And what are you doing to take advantage of it or mitigate the risk of it?

H. Eric Bolton - *Mid-America Apartment Communities, Inc. - Chairman, President & CEO*

I think that technology continues to create growing levels of opportunity and risk for our business, our industry really. We continue to see technology coming into the space with new products and services that I think are going to create opportunity for us to not only enhance the way we execute and operate in terms of attracting prospective renters, and how we interface with them during the life of their residency with us.

I think that ultimately this has implications for staffing models on site. I think this has opportunities for margin expansion for those platforms that have the ability to invest in these new technologies. I think that we also continue to see new products and services through technology coming into the space that I think, is going to enhance our ability to create a higher-living experience, if you will, for our residents. Both in terms of how they interface with us as well as just various products and services, whether that be home automation product, Wi-Fi connectivity, various concierge services that continue to become more efficient and more effective in terms of how we deliver these things to our residents.

In terms of what we're doing, we continue to seek out opportunities to talk to a lot of these new technologies. We are, ourselves and 2 or 3 of our peers, are cosponsoring. We're invested in a real estate technology ventures fund. Essex and UDR and us have kind of founded that group and continue to use that as a platform for identifying promising, new-emerging technologies that we believe offer real promise. We meet with a lot of these young entrepreneurs, help them evolve their product if we believe in it.

The fund financially gets behind these initiatives as well as, of course, we also represent a potential customer base for these new technologies as well. So we are -- I think that how technology will continue to evolve and affect our business, I'm excited about it. And I think there's a lot of opportunity there.

Nicholas Gregory Joseph - *Citigroup Inc, Research Division - Director & Senior Analyst*

How do you think about or balance, being a first mover on these technology initiatives versus making sure it either -- or it's financially beneficial for the company?

H. Eric Bolton - *Mid-America Apartment Communities, Inc. - Chairman, President & CEO*

Well, I mean, candidly we approach it as we do a lot of things, cautiously. We are rolling out a test this year of some of the new smart-home technology. We are rolling it out at about I think 7 properties this year, see how it goes, make sure that we are getting a return on whatever investment that we're making for the technology that is something that the market truly desires. And importantly, that we can get paid for it.

And so our approach is to generally come at it cautiously with a pretty healthy test before we will roll it out and then as we do find something promising, make sure that we get it properly dialed into our expectations for the coming year.

Nicholas Gregory Joseph - *Citigroup Inc, Research Division - Director & Senior Analyst*

You mentioned as one of the reasons to buy the stock today that you've traditionally been more defensive during downturns. I guess since the last downturn you've gone through 2 large acquisitions, both Colonial and Post. I mean, how do you think those assets perform, relative to the legacy MAA in a downturn? Do you think that the risk profile of the company has changed?

H. Eric Bolton - *Mid-America Apartment Communities, Inc. - Chairman, President & CEO*

Well, the Colonial portfolio that we brought on 5 years ago, largely mirrored the MAA portfolio to a large degree. And I think that to the extent legacy -- historical legacy MAA had more of a defensive characteristic to it. I think that, that profile did not materially change in any way frankly as a consequence of the Colonial merger.

The Post merger brought in a different price point and a different submarket profile to the portfolio. That was 20,000 units -- roughly 20,000 units of our 100,000 units is legacy Post portfolio. And I think clearly, what that portfolio has done is created a slight modification or alteration to our profile. But frankly, we thought that it was important to position the company to also be more competitive and, if you will, on the [out] part, the early part of a recovery cycle, which is when that particular submarket mix of legacy Post tends to do better.

And so as a consequence of that, one of the other things that came through the Post merger of course was, we strengthened the balance sheet as a consequence of that merger. We deleveraged the company. We picked up a significant unencumbered asset base. And we would argue that in some ways, the balance sheet, if you will, became even more defensive and more protected as a consequence of that merger.

It was dilutive obviously because we deleveraged the company to do that merger. But we feel like that ultimately, the platform and the balance sheet became stronger as a consequence of that. So I would tell you that on the margin that, while I think we still largely retain good defensive characteristics, I think we strengthened, more importantly the full cycle profile of the company.

Nicholas Gregory Joseph - *Citigroup Inc, Research Division - Director & Senior Analyst*

Maybe the other thing that changes the development pipeline, right. Because you didn't have a development pipeline, now you're targeting 3% to 4%. I mean, how do you think about that in a downturn, where would that go?

H. Eric Bolton - *Mid-America Apartment Communities, Inc. - Chairman, President & CEO*

Well, I think that it would likely go down. But I do think that -- and you're right, that was one of the other, sort of, attributes of that platform that we found attractive was an ability to create another tool. And if you will in our tool chest in [herms] of how we're able to support capital recycling, which I think is a very important activity over the long haul that any REIT platform has to be able to execute, is a routine recycling effort.

And just accomplishing that, particularly given the scale that we had gotten to, accomplishing that strictly through acquisitions was really not proving to be adequate. And so having another capability through development was important to add. But to your point, should there be any sort of material downturn in the economy broadly, that's something that, more likely than not, shrinks a little bit during that period.

Nicholas Gregory Joseph - *Citigroup Inc, Research Division - Director & Senior Analyst*

Maybe turning to operations. You put out an operating update, I guess Friday afternoon. Maybe number 1, how is it trending relative to expectations, and I recognize we're only 2 months into the year. But number 1, overall, how is it trending? Then number 2, maybe any markets that are either outperforming or underperforming initial expectations?

H. Eric Bolton - *Mid-America Apartment Communities, Inc. - Chairman, President & CEO*

Well, I mean overall, the year's starting out very good. We -- as Nick mentioned, I think it's on Page 4 or 5 in our presentation -- by the way, there are a bunch of presentations back there on the back table there, and it's also on our website.

But the early trends are encouraging, blended rents year-over-year are up over 3% through February. And we're encouraged with the early trends. I think that the year is basically starting out pretty much like we thought it would be. We saw -- began to see improving rent growth trends during the latter part of last year, as a consequence of both the supply pressures starting to show signs of sort of stabilizing and a few markets moderating a little bit, but mostly I would characterize it as just stabilizing -- the supply pressure stabilizing over the last half of last year.

Coupled with that though importantly, has been the ability that we've now gotten to, to start really -- starting to harvest, if you will, some of the changes that we introduced to revenue management practices particularly within the legacy Post portfolio. It was 2 years ago, in December, that we closed on that merger and spent frankly the first year or so having to sort of rework a lot of staffing models as well as a lot of systems work that was required, and which affects policies and procedures and practices.

And as you work through those things, it also -- on the revenue side, you have to appreciate the fact that, particularly on rents, it takes a while for those trends to really start showing up. You've got to work through lease expirations, and you -- particularly through the busy summer season. And so, as we began to work through the busy summer season last year, coupled with all those other changes and retooling that we did, we began to see those trends start to show up over the back half of last year.

And that momentum now is clearly evident, and as we expected it would be. So a combination of supply pressures sort of broadly stabilizing, slightly moderating a little bit coupled with sort of the retooling effort that is now complete, is really starting to show up in the numbers.

Nicholas Gregory Joseph - *Citigroup Inc, Research Division - Director & Senior Analyst*

And this year you're expecting to trade somewhat on the margin lower occupancy for rent growth. I mean, is that a reflection of -- and you talked about developers becoming maybe more aggressive. You haven't seen it yet, but with concessions, is the lower occupancy a reflection of that, or is it more that you're trying to push renewals?

H. Eric Bolton - *Mid-America Apartment Communities, Inc. - Chairman, President & CEO*

Well, first I would say, what we're calling for in 2019 is average daily occupancy of 95.9% so that's pretty strong. And yes, it's 20 basis points from the 96.1% average daily occupancy that we captured in 2018, 20 basis points of differential.

We think that going into the year with what we expect to be continued solid pricing trends, and a desire to sort of keep the pressure on pricing that going into the year, assuming a continued, as I would call it, 95.9% strong occupancy that, that sets up for a year that we felt pretty good about being able to achieve. I think that, as we press on new lease pricing in particular, we think that it might result in an average day vacance between turns, picking up a little bit here and there, and we felt it prudent to sort of allow for that.

We haven't really seen anything change in terms of behavior or performance as it relates to renewals. Turnover continues to be incredibly low, 48%, 47% range on a 12-month run rate. Rent renewals continue to be 6% plus. So the performance on renewal transactions continues to be pretty consistent with what we've seen. It's really on new move-in customers, where we're seeing a little -- where the performance deltas on both occupancy and rent growth are starting to come in.

Nicholas Gregory Joseph - *Citigroup Inc, Research Division - Director & Senior Analyst*

And how about just concessions in the market from the lease-ups that you are competing with?

H. Eric Bolton - *Mid-America Apartment Communities, Inc. - Chairman, President & CEO*

I mean we contemplate or assume that, over the course of this year, our concession levels will be pretty consistent to what they were in 2018. We haven't really seen any material change in that. I think that, broadly, we saw concessions start to come down a little bit over the back half of last year. And we think that those trends will continue over the course of this year.

Nicholas Gregory Joseph - *Citigroup Inc, Research Division - Director & Senior Analyst*

And then I think you're calling for supply to be modestly lower in '19 versus '18, but it's actually up in a few of your larger markets. I mean maybe specifically, Dallas. What are you seeing there from an operating perspective, both new and renewal?

H. Eric Bolton - *Mid-America Apartment Communities, Inc. - Chairman, President & CEO*

Tim, I -- can add some more details on it. But I mean, Dallas is a tough market. I mean there's a lot of supply in that market. Having said that of course, the job growth there just continues to be phenomenally strong. And when you look at sort of the metrics of jobs in relationship -- new job growth in relationship to supply pressures, most numbers that I've seen and based on our own underwriting, we would rate Dallas, in 2019, pretty consistent to what it was in 2018. I don't think it gets any worse.

Particularly, we have a lot of the legacy Post assets concentrated in the uptown submarket, just north of downtown. That market continues to see a lot of supply as does North Dallas up near McKinney, Frisco area. But we would characterize Dallas as, still a challenge market from a supply perspective but more -- whereas, I would think, particularly latter part of '17, 2017, and most of '18, while I would characterize Dallas as sort of weakening a little bit. In '19, I would call it, more stabilizing in terms of performance relative to '18. Would you add anything to that, Tim?

Tim Argo - *Mid-America Apartment Communities, Inc. - Senior VP & Director of Finance*

Yes. I think we're at 3.5% of blended lease-over-lease for the portfolio like we talked about in the presentation. Dallas is certainly at the lower end, they're kind of in the 2%, 2.5% range. So certainly still elevated, but nothing different than sort of what we were expecting coming into the year.

Nicholas Gregory Joseph - *Citigroup Inc, Research Division - Director & Senior Analyst*

Great. And you then you mentioned kind of the merger integration, but specifically on the NOI side. I mean, from an NOI-margin perspective, when do you expect the Post legacy portfolio to be in line with your MAA legacy portfolio?

H. Eric Bolton - *Mid-America Apartment Communities, Inc. - Chairman, President & CEO*

Well, I think that when you look at the margin opportunity on that portfolio, I would break it up into -- and the opportunity that we saw when we did the merger. I'd break it up into -- in kind of 3 buckets.

The first bucket, which was really getting some efficiencies on the expense side of the equation, we really got that last year. We -- as a consequence of the enhanced scale and reworking some of the staffing models, we were able to garner some pretty good expense reductions in that portfolio over the course of last year.

The second bucket would really be the revenue growth and particularly the rent-growth component. Over the course of last year, we began to get the repricing on renewals, fairly consistent to the practices that we had on legacy MAA. So Post rent renewals were in that 6% ranges like legacy MAA. Where we were still -- had opportunity to get more upside was really getting the occupancies consistent as well as on new lease pricing. And of course, the legacy Post portfolio is that component of the portfolio at the moment that is facing the most supply pressure. So that particular area has been more challenged.

But again, as I'd mentioned a moment ago, as a consequence of some of the retooling that we've done and the change in practices, we are now beginning to see new lease pricing in that portfolio starting to sort of perform on top of the legacy MAA. And so over the course of the coming year, we think that, that opportunity will start to be evident.

The third area of opportunity that I think will really continue to come online over the next couple years, is really just the redevelopment opportunity inherent within that portfolio, the kitchen and bath upgrade program. We began to ramp that up more actively last year in the legacy Post portfolio, and there's some information in the presentation that shows that, that's going to further accelerate in 2019. And we think over the next, really 2 to 3 years that, that's really the sort of the last leg of the opportunity to really enhance the margins in that portfolio.

Nicholas Gregory Joseph - *Citigroup Inc, Research Division - Director & Senior Analyst*

What are you seeing in the acquisition pipeline today? It sounded like there was at least pretty heavy deal flow but maybe some fraying or maybe some early signs of that. I mean, are you seeing more opportunities to step in on maybe deals that you missed out the first round?

H. Eric Bolton - *Mid-America Apartment Communities, Inc. - Chairman, President & CEO*

Not yet. I think that we continue to see pretty aggressive pricing activity in the market. I think it's still a little bit early in the year, although things typically start to pick up this time of the year. We are underwriting quite a few deals at the moment but continue to see -- 2 years ago, 3 years ago, we were finding real opportunity in the sort of the non-stabilized new development projects where developers had brought product out of ground and they were 40%, 50%, 60% leased.

That's a project that's difficult to get stabilized or permanent financing on. It's kind of the most pressure point from a developer perspective in terms of cash flow and that's usually where we were able to come in on -- as an all-cash buyer and make a buy that made sense. But over the last couple years, even that area of opportunity has become very aggressive and other all-cash buyers private equities have come in and sort of taken away a lot of that advantage.

So I'm optimistic that over the course of this year that we will see continued -- as this supply pipeline continues to come online, that it will continue to yield a lot of opportunity and, but we underwrote more deals last year than we've ever underwritten in our 25-year history. So the pipeline is very full. It's just that there's so much capital out there right now, chasing these deals that it's really hard to see cap rates changing and really the environment changing much over the course of this year.

Nicholas Gregory Joseph - *Citigroup Inc, Research Division - Director & Senior Analyst*

What would GSE Reform do, do you think to the transaction market in your target markets?

H. Eric Bolton - *Mid-America Apartment Communities, Inc. - Chairman, President & CEO*

It'd be a game changer. It'd be a huge game changer. I think that if, for some reason, the financing opportunity lessened a little bit, I think the public balance sheets -- the public REIT balance sheet all of a sudden start to claw back a real advantage. And I think that, that could be a very positive factor for future external growth for the public REIT platforms.

Nicholas Gregory Joseph - *Citigroup Inc, Research Division - Director & Senior Analyst*

What percent of deals -- or what percent of properties that maybe you underwrite ultimately get -- not that you get, but that ultimately have GSE financing?

H. Eric Bolton - *Mid-America Apartment Communities, Inc. - Chairman, President & CEO*

Huge. Overwhelming. 80-plus percent, I'm sure. It's quite significant.

Unidentified Analyst

In terms of the development environment today, when you look at how banks are going to finance these things, what's happening with construction costs, what's happening with availability of contractors, how do you see those things affecting the amount of starts that will happen in the next 12 to 18 months?

H. Eric Bolton - *Mid-America Apartment Communities, Inc. - Chairman, President & CEO*

I think that the starts and deliveries of new product, I don't see it changing a whole lot over the course. I mean, it will ebb and flow a little bit. I think this year will be down a little bit from last year. I mean some of the early trends for 2020 suggest that something that will be pretty comparable to what I think '19 is going to be, but I think you're going to have to see some level of significant pullback of private equity from the markets to really change the dynamic such that supply maturely pulls back.

Construction costs have continued to run up. Land costs have run up. The margins are a little harder and the numbers a little harder to make work than they have been, but I think private equity has either moderated return requirements or just underwriting more aggressively or a combination of both, and as a result, it's hard to see. Again, it'll -- next year maybe 5% up or down and the following year maybe 5% up or down, but I think any material pullback or any material decline is hard to see it right now.

Unidentified Analyst

Couple years ago, you felt that you or more likely your stock price didn't get much respect on an absolute, certainly a relative, basis. Looking back now with some digestion of your Post merger, how do you feel about your situation today in terms of the perception, the impact in public markets in your stock price?

H. Eric Bolton - *Mid-America Apartment Communities, Inc. - Chairman, President & CEO*

Well, the last 2 years have been a noisy year for our company and MAA. I think we've had -- we announced the merger with Post a couple years ago. And it was, as I said earlier, given the assumption that we made of a pretty significant development pipeline that was not productive at that point. Coupled with a fairly significant deleveraging in the balance sheet, it was -- there was a dilutive transaction initial earnings dilution associated with that, which is never very popular. But we felt that long term, it was positioning the platform for something better going forward.

I think that -- coupled with that has been just a lot of merger noise surrounding a lot of nonroutine charges running through the P&L, whether it merger and integration costs. We've had a significant amount of mark-to-market accounting adjustments that we've had to deal with that has just made frankly, modeling and the FFO metric kind of a little bit of a wild ride over the last couple years.

I think as a consequence of that, the market, understandably either pulled back a little bit. Of course, the other thing, I'll also quickly add was just a lot of these markets began to see a lot more supply pressure, which I think raised some element of concern. So I think that all of that has function to weigh on the price a little bit on a relative basis and I get that.

I think that what I would tell you is, the merger's done. We are past all the integration risk, all the execution risks that come with that. A lot of the diversion that we've had to have with our leadership team and our folks on retooling. I mean literally, we, over the last 2 years, retooled every conceivable system that you can think of in the company, starting with the chart of accounts. I mean, the general ledger, AP, HR, property management software, every single system went through a major retooling effort, which is really pushing -- put the company in a much stronger position. But as you can imagine, it was fairly disruptive.

And so all that is done, all that is behind us at this point. And we feel, as a consequence of that moving forward, execution clarity is better than it's been in quite some time. As I mentioned a moment ago, we think the supply pressures are showing signs of stabilizing, not getting any worse for sure, not materially improving, but stabilizing and some slight moderation in supply pressure in a number of markets. And the balance sheet has continued to perform in incredibly strong fashion. We just executed a new $300 million bond offering last week that went very, very well.

So I think that we're -- we like where we are right now. We're happy. We continue to believe very much in our strategy, very much focused on these Sun Belt markets that we think offer, over the next 5 to 10 years, some incredibly strong growth dynamics that will position the company well. The platform is in a great shape. And we're -- we'll -- I mean, obviously, it's up to us now to sort of deliver and show the results, and we're excited about doing that.

Unidentified Analyst

So with the high growth in the Southeast and Sun Belt market also comes high growth in property taxes. I know last year Fulton County had a pretty big spike in property taxes. Can you maybe talk about that environment, and how maybe the property tax increase has come and your chances in fighting that? And just generally for the southeast as well.

Tim Argo - *Mid-America Apartment Communities, Inc. - Senior VP & Director of Finance*

Yes. There's no question. Property taxes, over the last couple years, has been a pressure point. And as our expenses overall have been very well controlled over the last 2 years I think, growing less than 2% on average. But while property tax has been growing in the 5% range.

And so it is a challenge and I think, Texas and Georgia, particularly in Fulton County, has been -- last year it was a big challenge. I think one of the things here that -- what you're seeing is you've got your valuations and you got your millage rates. And so I think what happened last year was valuations came out very high in that county, in that area. I think 30% or so across the registry and people felt like the millage rates would decline to offset the majority of that, which is what typically happens. But a lot of political pressures in town and that didn't happen to the extent of people thought. Millage rates came down but not totally.

And so there was some pressure there, and I think we fight everything, in Texas we fight everything. In Georgia now, we're pretty much fighting everything and having some success there. But I think real estate taxes will be -- continue to be a pressure point in the next couple years. Over the long-term, I would say, it's probably a 3% growth line item over the long term, but for the next couple years, you'll probably see other expenses be well maintained in the 2.5% range with real estate taxes being in a 3.5% to 4.5% range for a couple years until we begin to moderate.

But at some point, it should come down to -- as cap rates stabilize, we've seen cap rates actually declining over the last couple years, and a lot of transactions that these municipalities can point to, so I sense cap rate stabilizing. And we should see some improvement over the next few years.

Nicholas Gregory Joseph - *Citigroup Inc, Research Division - Director & Senior Analyst*

So we have our -- we've added a fourth rapid fire. So we have our 4 rapid fire questions. Will the apartment sector have more or fewer public companies a year from now?

H. Eric Bolton - *Mid-America Apartment Communities, Inc. - Chairman, President & CEO*

Well, the same is not an option. More or fewer?

Nicholas Gregory Joseph - *Citigroup Inc, Research Division - Director & Senior Analyst*

It's -- we actually can accept the same now.

H. Eric Bolton - *Mid-America Apartment Communities, Inc. - Chairman, President & CEO*

I candidly -- I would tell you, I would err or be more on the side of fewer. I just think that private capital has a ferocious appetite for multifamily. And I think that particularly, some of the smaller platforms that are out there struggle with good valuation. And I think fewer is more likely than not.

Nicholas Gregory Joseph - *Citigroup Inc, Research Division - Director & Senior Analyst*

What will same-store NOI growth be for the apartment sector overall, so not MAA, but overall in 2020? In this year, it's 2.9%.

H. Eric Bolton - *Mid-America Apartment Communities, Inc. - Chairman, President & CEO*

I'd put it north of 3%, 3% to 3.25%, somewhere in that range.

Nicholas Gregory Joseph - *Citigroup Inc, Research Division - Director & Senior Analyst*

What will the 10-year treasury yield be, one year from today? Today it's 2.75%.

Tim Argo - *Mid-America Apartment Communities, Inc. - Senior VP & Director of Finance*

I'd say, not too far from where it is today. Probably range around in the 2.75% to 3%.

Nicholas Gregory Joseph - *Citigroup Inc, Research Division - Director & Senior Analyst*

And finally, in what year will the U.S. enter a recession?

H. Eric Bolton - *Mid-America Apartment Communities, Inc. - Chairman, President & CEO*

It's hard to see it right now. I think job growth, plummet markets being as strong as they are, coupled with low inflation. I think we're beyond 2020 before anything like that happens to, beyond 2020.

Nicholas Gregory Joseph - *Citigroup Inc, Research Division - Director & Senior Analyst*

This one, I do need a year. 2021?

H. Eric Bolton - *Mid-America Apartment Communities, Inc. - Chairman, President & CEO*

I'd say, yes. I'd put it after the -- yes, 2021.

Nicholas Gregory Joseph - *Citigroup Inc, Research Division - Director & Senior Analyst*

Great, thank you very much.

H. Eric Bolton - *Mid-America Apartment Communities, Inc. - Chairman, President & CEO*

You bet.