News Release

American Homes 4 Rent Reports Second Quarter 2021 Financial and Operating Results

CALABASAS, Calif., August 5, 2021—American Homes 4 Rent (NYSE: AMH) (the "Company"), a leading provider of high-quality single-family homes for rent, today announced its financial and operating results for the quarter ended June 30, 2021.

Highlights

- Rents and other single-family property revenues increased 11.7% to $313.7 million for the second quarter of 2021.
- Net income attributable to common shareholders totaled $20.1 million, or $0.06 per diluted share, for the second quarter of 2021, compared to $15.4 million, or $0.05 per diluted share, for the second quarter of 2020.
- Core Funds from Operations ("Core FFO") attributable to common share and unit holders increased 22.9% to $0.33 per FFO share and unit for the second quarter of 2021 and Adjusted Funds from Operations ("Adjusted FFO") attributable to common share and unit holders increased 26.4% to $0.29 per FFO share and unit for the second quarter of 2021.
- Core Net Operating Income ("Core NOI") from Same-Home properties increased by 12.2% year-over-year for the second quarter of 2021.
- Achieved new record high Same-Home Average Occupied Days Percentage of 97.9% in the second quarter of 2021, while generating 13.7% rate growth on new leases.
- Record high seasonal demand continues in the third quarter 2021, driving a 90 basis point year-over year increase in Same-Home Average Occupied Days Percentage to 97.4% in July 2021, while achieving over 16.5% rate growth on new leases.
- Closed a $1.25 billion sustainability-linked credit facility, which amends the Company's existing credit facility and provides for expanded revolving capacity and lower borrowing cost.
- Issued 5,500,000 Class A common shares raising net proceeds of $194.0 million during the second quarter of 2021 and offered 13,245,000 Class A common shares on a forward basis for future estimated net proceeds of $467.3 million.
- Redeemed all outstanding shares of the 6.500% Series D and 6.350% Series E perpetual preferred shares.
- Subsequent to quarter end, issued $450.0 million of 2.375% unsecured senior notes due 2031 and $300.0 million of 3.375% unsecured senior notes due 2051.
- Raised Full Year 2021 Core FFO attributable to common share and unit holders guidance midpoint by $0.05 per share and unit to $1.32, representing anticipated full year growth of 13.8% over prior year.

"The second quarter of 2021 was one of the strongest operational performances in the history of American Homes 4 Rent with quarterly Core FFO per share growth of nearly 23%," stated David Singelyn, American Homes 4 Rent's Chief Executive Officer. "Additionally, we recently achieved numerous milestone capital accomplishments, including the highly successful debut issuance of 30-year unsecured bonds, which puts us in a position to further expand our 2021 external growth expectations. Coupled with our record-breaking operating results, we are increasing the midpoint of our full-year Core FFO guidance to $1.32 per share, which now represents nearly 14% anticipated year-over-year growth."

Second Quarter 2021 Financial Results

Net income attributable to common shareholders totaled $20.1 million, or $0.06 per diluted share, for the second quarter of 2021, compared to $15.4 million, or $0.05 per diluted share, for the second quarter of 2020. This increase was primarily attributable to growth in the Company's portfolio, higher occupancy and higher rental rates, partially offset by a noncash charge related to the redemptions of our Series D and Series E perpetual preferred shares.

Rents and other single-family property revenues increased 11.7% to $313.7 million for the second quarter of 2021, compared to $280.7 million for the second quarter of 2020. Revenue growth was driven by an increase in our average occupied portfolio which grew to 52,335 homes for the second quarter of 2021, compared to 49,600 homes for the second quarter of 2020, as well as higher rental rates, higher fees and lower uncollectible rents related to the COVID-19 pandemic.

Core NOI from our total portfolio increased 18.1% to $175.3 million for the second quarter of 2021, compared to $148.4 million for the second quarter of 2020. This growth was driven by a 12.4% increase in core revenues resulting from a larger number of occupied properties and higher rental rates, partially offset by a 3.7% increase in core property operating expenses.

For the Company's Same-Home portfolio, rents from single-family properties increased 6.6% to $242.2 million for the second quarter of 2021, compared to $227.1 million for the second quarter of 2020, which was driven by a 4.1% increase in Average Monthly Realized Rent per property and a 240 basis point increase in Average Occupied Days Percentage. This growth was further benefited by (i) 90 basis points of contribution from higher fees and (ii) 80 basis points from lower uncollectible rents related to the COVID-19 pandemic, which resulted in 8.3% growth in core revenues from Same-Home properties. Core property operating expenses from Same-Home properties increased 2.2% to $87.0 million for the second quarter of 2021, compared to $85.2 million for the second quarter of 2020. As a result, Core NOI from Same-Home properties increased 12.2% to $153.7 million for the second quarter of 2021, compared to $137.0 million for the second quarter of 2020.

Core FFO attributable to common share and unit holders was $122.8 million, or $0.33 per FFO share and unit, for the second quarter of 2021, compared to $94.8 million, or $0.27 per FFO share and unit, for the second quarter of 2020. Adjusted FFO attributable to common share and unit holders was $108.7 million, or $0.29 per FFO share and unit, for the second quarter of 2021, compared to $81.6 million, or $0.23 per FFO share and unit, for the second quarter of 2020. These improvements were primarily attributable to growth in the Company's portfolio and a larger number of occupied properties as well as higher rental rates.

Year-to-Date 2021 Financial Results

Net income attributable to common shareholders totaled $50.3 million, or $0.16 per diluted share, for the six-month period ended June 30, 2021, compared to $35.6 million, or $0.12 per diluted share, for the six-month period ended June 30, 2020. This increase was primarily attributable to growth in the Company's portfolio, higher occupancy and higher rental rates, as well as an increase in gain on sale and impairment of single-family properties and other, net, partially offset by a noncash charge related to the redemptions of our Series D and Series E perpetual preferred shares.

Rents and other single-family property revenues increased 10.2% to $626.2 million for the six-month period ended June 30, 2021, compared to $568.0 million for the six-month period ended June 30, 2020. Revenue growth was driven by an increase in our average occupied portfolio which grew to 51,980 homes for the six-month period ended June 30, 2021, compared to 49,322 homes for the six-month period ended June 30, 2020, as well as higher rental rates and higher fees, partially offset by increased uncollectible rents related to the COVID-19 pandemic.

Core NOI from our total portfolio increased 13.4% to $346.4 million for the six-month period ended June 30, 2021, compared to $305.4 million for the six-month period ended June 30, 2020. This growth was driven by a 10.1% increase in core revenues resulting from a larger number of occupied properties and higher rental rates, partially offset by a 4.7% increase in core property operating expenses.

For the Company's Same-Home portfolio, rents from single-family properties increased 6.1% to $478.9 million for the six-month period ended June 30, 2021, compared to $451.3 million for the six-month period ended June 30, 2020, which was driven by a 3.7% increase in Average Monthly Realized Rent per property and a 220 basis point increase in Average Occupied

Days Percentage. This growth was (i) further benefited by 60 basis points of contribution from higher fees and (ii) partially offset by 50 basis points of drag from increased uncollectible rents related to the COVID-19 pandemic, which resulted in 6.2% growth in core revenues from Same-Home properties. Core property operating expenses from Same-Home properties increased 3.0% to $170.0 million for the six-month period ended June 30, 2021, compared to $165.0 million for the six-month period ended June 30, 2020. As a result, Core NOI from Same-Home properties increased 8.0% to $306.0 million for the six-month period ended June 30, 2021, compared to $283.2 million for the six-month period ended June 30, 2020.

Core FFO attributable to common share and unit holders was $239.7 million, or $0.65 per FFO share and unit, for the six-month period ended June 30, 2021, compared to $197.9 million, or $0.56 per FFO share and unit, for the six-month period ended June 30, 2020. Adjusted FFO attributable to common share and unit holders for the six-month period ended June 30, 2021 was $215.0 million, or $0.58 per FFO share and unit, compared to $175.1 million, or $0.50 per FFO share and unit, for the six-month period ended June 30, 2020. These improvements were primarily attributable to growth in the Company's portfolio and a larger number of occupied properties as well as higher rental rates.

Collections Update

Collections have continued to remain resilient throughout the pandemic with the Company recognizing bad debt on 2.5% of its second quarter 2021 rental billings for its Same-Home portfolio. Additionally, collections of July 2021 rental billings continue to remain consistent with pandemic payment histories within the same time frame.

Portfolio

As of June 30, 2021, the Company had an occupancy percentage of 97.1%, compared to 97.5% as of March 31, 2021. The occupancy percentage on Same-Home properties was 98.2% as of June 30, 2021, compared to 98.1% as of March 31, 2021.

Investments

As of June 30, 2021, the Company's wholly-owned portfolio consisted of 54,785 homes, compared to 53,984 homes as of March 31, 2021, an increase of 801 homes during the second quarter of 2021, which included 256 newly constructed properties delivered through our AMH Development Program and 642 homes acquired through our National Builder Program and traditional acquisition channel, partially offset by 97 homes sold. As of June 30, 2021, the Company had 589 properties held for sale, compared to 636 properties as of March 31, 2021. Also, as of June 30, 2021, the Company had an additional 1,530 properties held in unconsolidated joint ventures, representing a net increase of 147 properties, compared to 1,383 properties held in unconsolidated joint ventures as of March 31, 2021.

Capital Activities, Balance Sheet and Liquidity

In April 2021, the Company closed a $1.25 billion revolving credit facility, amending its existing $800 million revolving credit facility. The amended revolving credit facility provides for expanded borrowing capacity, reflects a more favorable pricing grid based on current market conditions, and includes a sustainability component based upon third-party performance measures through which overall pricing can further improve if the Company meets certain targets. The interest rate on the amended revolving credit facility is at either LIBOR plus a margin ranging from 0.725% to 1.45% or a base rate (determined according to the greater of a prime rate, federal funds rate plus 0.5% or daily LIBOR rate plus 1.0%) plus a margin ranging from 0.00% to 0.45%. In each case the actual margin is determined based on the Company's credit ratings in effect from time to time. The amended revolving credit facility matures on April 15, 2025, with two six-month extension options at the Company's election if certain conditions are met.

In May 2021, the Company issued 5,500,000 Class A common shares of beneficial interest, $0.01 par value per share, in an underwritten public offering, raising net proceeds of $194.0 million after deducting underwriting discounts and before offering costs of approximately $0.2 million. The Company used the net proceeds from the offering to repay indebtedness under its revolving credit facility, to partially fund the redemption of its Series D and Series E perpetual preferred shares discussed below and for general corporate purposes. In connection with this offering, the Company also entered into a forward sale agreement to issue an additional 13,245,000 Class A common shares of beneficial interest, $0.01 par value per share, for future estimated net proceeds of $467.3 million after deducting underwriting discounts. The forward sale agreement expires May 2022 and the Company expects to use these net proceeds for general corporate purposes including, without limitation, property acquisitions and developments.

In June 2021, the Company redeemed all 10,750,000 shares of the outstanding 6.500% Series D perpetual preferred shares, $0.01 par value per share, and all 9,200,000 shares of the outstanding 6.350% Series E perpetual preferred shares, $0.01 par value per share, for cash at a liquidation preference of $25.00 per share plus any accrued and unpaid dividends.

As of June 30, 2021, the Company had cash and cash equivalents of $40.6 million and had total outstanding debt of $3.5 billion, excluding unamortized discounts and unamortized deferred financing costs, with a weighted-average interest rate of 3.8% and a weighted-average term to maturity of 10.4 years. The Company had $620.0 million of outstanding borrowings on its $1.25 billion revolving credit facility at the end of the quarter. Additionally, the Company has no debt maturities, other than recurring principal amortization, until 2024. During the second quarter of 2021, the Company generated $71.1 million of Retained Cash Flow and sold 97 properties generating $28.2 million of net proceeds.

In July 2021, American Homes 4 Rent, L.P. (the “Operating Partnership”), the entity through which the Company conducts substantially all of its business and owns, directly or through subsidiaries, substantially all of its assets, issued $450.0 million of 2.375% unsecured senior notes with a maturity date of July 15, 2031 and $300.0 million of 3.375% unsecured senior notes with a maturity date of July 15, 2051. Interest on the notes is payable semi-annually in arrears on January 15 and July 15 of each year, commencing on January 15, 2022. The Operating Partnership received aggregate net proceeds of $731.6 million from these issuances, after underwriting fees of approximately $5.6 million and a $12.8 million discount, and before estimated offering costs of $1.1 million. The Operating Partnership used the net proceeds from this offering to repay amounts outstanding on its revolving credit facility and intends to use any remaining net proceeds for general corporate purposes, including, without limitation, property acquisitions and developments, the expansion, redevelopment and/or improvement of existing properties in the Operating Partnership’s portfolio, other capital expenditures, the redemption of its preferred shares, the repayment of outstanding indebtedness, working capital and other general purposes.

2021 Guidance

The Company is providing revised 2021 guidance based on its current and expected views of the single-family rental market and general economic conditions. However, the extent to which the pandemic may continue to impact us and our residents will continue to depend on future developments. These include resurgences, new variants or strains, such as the Delta variant, the impact of government regulations, vaccine adoption rates, the effectiveness of vaccines, and the direct and indirect economic effects of the pandemic and containment measures, among others. We will continue to monitor these events which may result in future revisions to our guidance estimates.

Guidance Summary

	Full Year 2021	
	Previous Guidance	**Current Guidance**
Core FFO attributable to common share and unit holders	**$1.24 - $1.30**	**$1.29 - $1.35**
Core FFO attributable to common share and unit holders growth	6.9% - 12.1%	11.2% - 16.4%
Same-Home		
Core revenues growth	3.75% - 4.75%	5.00% - 6.00%
Core property operating expenses growth	4.00% - 5.50%	4.00% - 5.50%
Core NOI growth	3.25% - 4.75%	5.25% - 6.75%

Changes to Full Year 2021 guidance:

- $0.03 related to our Same-Home portfolio reflecting strengthened core revenues outlook primarily driven by strong occupancy and leasing results.
- $0.02 related to our Non-Same-Home portfolio reflecting strengthened core revenues outlook primarily driven by strong occupancy and leasing results as well as partial year impact from our expanded external growth program, net of financing costs. Since our first quarter update on May 6, 2021, we have increased our external growth expectations by approximately $300 million to $1.4 billion to $1.6 billion, which now includes between 3,500 and 4,000 wholly-owned inventory additions as well as investments into our wholly-owned land and development pipeline and pro-rata share of joint venture investments. When combined with 100% of gross joint venture investments, we now expect to deploy total gross capital of $1.6 billion to $1.8 billion for the year.

Note: The Company does not provide guidance for the most comparable GAAP financial measures of net income or loss, total revenues and property operating expenses, or a reconciliation of the above-listed forward-looking non-GAAP financial measures to the comparable GAAP financial measures because we are unable to reasonably predict certain items contained in the GAAP measures, including non-recurring and infrequent items that are not indicative of the Company's ongoing operations. Such items include, but are not limited to, net gain or loss on sales and impairment of single-family properties, casualty loss, Non-Same-Home revenues and Non-Same-Home property operating expenses. These items are uncertain, depend on various factors and could have a material impact on our GAAP results for the guidance period.

Additional Information

A copy of the Company's Second Quarter 2021 Earnings Release and Supplemental Information Package and this press release are available on our website at www.americanhomes4rent.com. This information has also been furnished to the SEC in a current report on Form 8-K.

Conference Call

A conference call is scheduled on Friday, August 6, 2021 at 11:00 a.m. Eastern Time to discuss the Company's financial results for the quarter ended June 30, 2021 and to provide an update on its business. The domestic dial-in number is (877) 451-6152 (U.S. and Canada) and the international dial-in number is (201) 389-0879 (passcode not required). A simultaneous audio webcast may be accessed by using the link at www.americanhomes4rent.com, under "Investor relations." A replay of the conference call may be accessed through Friday, August 20, 2021 by calling (844) 512-2921 (U.S. and Canada) or (412) 317-6671 (international), replay passcode number 13721357#, or by using the link at www.americanhomes4rent.com, under "Investor relations."

About American Homes 4 Rent

American Homes 4 Rent (NYSE: AMH) is a leader in the single-family home rental industry and "American Homes 4 Rent" is a nationally recognized brand for rental homes, known for high-quality, good value and tenant satisfaction. We are an internally managed Maryland real estate investment trust, or REIT, focused on acquiring, developing, renovating, leasing, and operating attractive, single-family homes as rental properties. As of June 30, 2021, we owned 54,785 single-family properties in selected submarkets in 22 states.

Forward-Looking Statements

This press release and the accompanying Supplemental Information Package contain "forward-looking statements." These forward-looking statements relate to beliefs, expectations or intentions and similar statements concerning matters that are not of historical fact and are generally accompanied by words such as "estimate," "project," "predict," "believe," "expect," "anticipate," "intend," "potential," "plan," "goal," "outlook," "guidance" or other words that convey the uncertainty of future events or outcomes. Examples of forward-looking statements contained in this press release include, among others, our 2021 Guidance, our expectations with respect to the impacts of the COVID-19 pandemic, our belief that our acquisition and homebuilding programs will result in continued growth and the estimated timing of our development deliveries set forth in the Supplemental Information Package. The Company has based these forward-looking statements on its current expectations and assumptions about future events. While the Company's management considers these expectations to be reasonable, they are inherently subject to risks, contingencies and uncertainties, most of which are difficult to predict and many of which are beyond the Company's control and could cause actual results to differ materially from any future results, performance or achievements expressed or implied by these forward-looking statements. Investors should not place undue reliance on these forward-looking statements, which speak only as of the date of this press release. The Company undertakes no obligation to update any forward-looking statements to conform to actual results or changes in its expectations, unless required by applicable law. Currently, one of the most significant factors that could cause actual outcomes to differ materially from our forward-looking statements is the adverse effect of the COVID-19 pandemic. The extent to which COVID-19 will impact our future financial results will depend on future developments, which are highly uncertain and cannot be predicted with confidence, including the scope, severity and duration of the pandemic, including resurgences, new variants or strains, such as the Delta variant, the impact of government regulations, vaccine adoption rates, the effectiveness of vaccines, and the direct and indirect economic effects of the pandemic and containment measures, among others. For a further description of the risks and uncertainties that could cause actual results to differ from those expressed in these forward-looking statements, as well as risks relating to the business of the Company in general, see the "Risk Factors" disclosed in the Company's Annual Report on Form 10-K for the year ended December 31, 2020 and the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2021, and in the Company's subsequent filings with the SEC.

American Homes 4 Rent
Condensed Consolidated Balance Sheets
(Amounts in thousands, except share data)

	June 30, 2021	December 31, 2020
	(Unaudited)	
Assets		
Single-family properties:		
Land	$ 1,911,697	$ 1,836,798
Buildings and improvements	8,548,603	8,163,023
Single-family properties in operation	10,460,300	9,999,821
Less: accumulated depreciation	(1,913,648)	(1,754,433)
Single-family properties in operation, net	8,546,652	8,245,388
Single-family properties under development and development land	647,979	510,365
Single-family properties held for sale, net	107,363	129,026
Total real estate assets, net	9,301,994	8,884,779
Cash and cash equivalents	40,585	137,060
Restricted cash	142,951	128,017
Rent and other receivables	50,916	41,544
Escrow deposits, prepaid expenses and other assets	182,701	163,171
Investments in unconsolidated joint ventures	103,634	93,109
Asset-backed securitization certificates	25,666	25,666
Goodwill	120,279	120,279
Total assets	$ 9,968,726	$ 9,593,625
Liabilities		
Revolving credit facility	$ 620,000	$ —
Asset-backed securitizations, net	1,917,833	1,927,607
Unsecured senior notes, net	890,481	889,805
Accounts payable and accrued expenses	366,907	298,949
Amounts payable to affiliates	—	4,834
Total liabilities	3,795,221	3,121,195
Commitments and contingencies		
Equity		
Shareholders' equity:		
Class A common shares ($0.01 par value per share, 450,000,000 shares authorized, 322,208,183 and 316,021,385 shares issued and outstanding at June 30, 2021 and December 31, 2020, respectively)	3,222	3,160
Class B common shares ($0.01 par value per share, 50,000,000 shares authorized, 635,075 shares issued and outstanding at June 30, 2021 and December 31, 2020)	6	6
Preferred shares ($0.01 par value per share, 100,000,000 shares authorized, 15,400,000 and 35,350,000 shares issued and outstanding at June 30, 2021 and December 31, 2020, respectively)	154	354
Additional paid-in capital	5,949,615	6,223,256
Accumulated deficit	(457,404)	(443,522)
Accumulated other comprehensive income	1,991	5,840
Total shareholders' equity	5,497,584	5,789,094
Noncontrolling interest	675,921	683,336
Total equity	6,173,505	6,472,430
Total liabilities and equity	$ 9,968,726	$ 9,593,625

American Homes 4 Rent
Condensed Consolidated Statements of Operations
(Amounts in thousands, except share and per share data)
(Unaudited)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2021	**2020**	**2021**	**2020**
Rents and other single-family property revenues	$ 313,654	$ 280,689	$ 626,227	$ 568,031
Expenses:				
Property operating expenses	116,578	110,436	235,272	217,933
Property management expenses	22,416	22,260	46,115	45,536
General and administrative expense	12,793	11,493	27,998	22,759
Interest expense	27,528	29,558	55,533	59,273
Acquisition and other transaction costs	2,968	1,956	7,814	4,103
Depreciation and amortization	91,117	84,836	181,188	167,657
Total expenses	273,400	260,539	553,920	517,261
Gain on sale and impairment of single-family properties and other, net	10,760	9,997	26,829	16,316
Other income and expense, net	800	1,660	1,599	2,248
Net income	51,814	31,807	100,735	69,334
Noncontrolling interest	3,218	2,656	8,143	6,157
Dividends on preferred shares	12,615	13,782	26,397	27,564
Redemption of perpetual preferred shares	15,879	—	15,879	—
Net income attributable to common shareholders	$ 20,102	$ 15,369	$ 50,316	$ 35,613
Weighted-average common shares outstanding:				
Basic	319,752,730	301,011,545	318,380,175	300,912,307
Diluted	320,808,996	301,412,243	319,408,153	301,358,769
Net income attributable to common shareholders per share:				
Basic	$ 0.06	$ 0.05	$ 0.16	$ 0.12
Diluted	$ 0.06	$ 0.05	$ 0.16	$ 0.12

Defined Terms

Average Monthly Realized Rent

For the related period, Average Monthly Realized Rent is calculated as the lease component of rents and other single-family property revenues (i.e., rents from single-family properties) divided by the product of (a) number of properties and (b) Average Occupied Days Percentage, divided by the number of months. For properties partially owned during the period, this calculation is adjusted to reflect the number of days of ownership.

Average Occupied Days Percentage

The number of days a property is occupied in the period divided by the total number of days the property is owned during the same period after initially being placed in-service. This calculation excludes properties classified as held for sale.

Occupied Property

A property is classified as occupied upon commencement (i.e., start date) of a lease agreement, which can occur contemporaneously with or subsequent to execution (i.e., signature).

Recurring Capital Expenditures

For our Same-Home portfolio, Recurring Capital Expenditures includes replacement costs and other capital expenditures recorded during the period that are necessary to help preserve the value and maintain functionality of our properties. For our total portfolio, we calculate Recurring Capital Expenditures by multiplying (a) current period actual Recurring Capital Expenditures per Same-Home property by (b) our total number of properties, excluding newly acquired non-stabilized properties and properties classified as held for sale.

Same-Home Property

A property is classified as Same-Home if it has been stabilized longer than 90 days prior to the beginning of the earliest period presented under comparison. A property is removed from Same-Home if it has been classified as held for sale or has been taken out of service as a result of a casualty loss.

Stabilized Property

A property acquired individually (i.e., not through a bulk purchase) is classified as stabilized once it has been renovated by the Company or newly constructed and then initially leased or available for rent for a period greater than 90 days. Properties acquired through a bulk purchase are first considered non-stabilized, as an entire group, until (1) we have owned them for an adequate period of time to allow for complete on-boarding to our operating platform, and (2) a substantial portion of the properties have experienced tenant turnover at least once under our ownership, providing the opportunity for renovations and improvements to meet our property standards. After such time has passed, properties acquired through a bulk purchase are then evaluated on an individual property basis under our standard stabilization criteria.

Non-GAAP Financial Measures

This press release and the Second Quarter 2021 Earnings Release and Supplemental Information Package include Funds from Operations attributable to common share and unit holders ("FFO attributable to common share and unit holders"), Core FFO attributable to common share and unit holders, Adjusted FFO attributable to common share and unit holders, Retained Cash Flow, Core NOI, Same-Home Core NOI and Same-Home Core NOI After Capital Expenditures, which are non-GAAP financial measures. We believe these measures are helpful in understanding our financial performance and are widely used in the REIT industry. Because other REITs may not compute these financial measures in the same manner, they may not be comparable among REITs. In addition, these metrics are not substitutes for net income or loss or net cash flows from operating activities, as defined by GAAP, as measures of our operating performance, liquidity or ability to pay dividends. Reconciliations of these non-GAAP financial measures to the most directly comparable GAAP measures are included in this press release and in the Second Quarter 2021 Earnings Release and Supplemental Information Package.

Funds from Operations attributable to common share and unit holders and Retained Cash Flow

The following is a reconciliation of net income or loss attributable to common shareholders to FFO attributable to common share and unit holders, Core FFO attributable to common share and unit holders, Adjusted FFO attributable to common share and unit holders and Retained Cash Flow for the three and six months ended June 30, 2021 and 2020 (amounts in thousands, except share and per share data):

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2021	2020	2021	2020
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Net income attributable to common shareholders	$ 20,102	$ 15,369	$ 50,316	$ 35,613
Adjustments:				
Noncontrolling interests in the Operating Partnership	3,218	2,656	8,143	6,157
Gain on sale and impairment of single-family properties and other, net	(10,760)	(9,997)	(26,829)	(16,316)
Adjustments for unconsolidated joint ventures	449	388	831	626
Depreciation and amortization	91,117	84,836	181,188	167,657
Less: depreciation and amortization of non-real estate assets	(2,605)	(2,192)	(5,393)	(4,256)
FFO attributable to common share and unit holders	$ 101,521	$ 91,060	$ 208,256	$ 189,481
Adjustments:				
Acquisition, other transaction costs and other	2,968	1,660	7,814	4,512
Noncash share-based compensation - general and administrative	1,823	1,649	6,165	3,018
Noncash share-based compensation - property management	599	441	1,598	880
Redemption of perpetual preferred shares	15,879	—	15,879	—
Core FFO attributable to common share and unit holders	$ 122,790	$ 94,810	$ 239,712	$ 197,891
Recurring Capital Expenditures	(13,217)	(12,184)	(22,868)	(20,895)
Leasing costs	(905)	(992)	(1,880)	(1,902)
Adjusted FFO attributable to common share and unit holders	$ 108,668	$ 81,634	$ 214,964	$ 175,094
Common distributions	(37,541)	(17,699)	(74,508)	(35,389)
Retained Cash Flow	$ 71,127	$ 63,935	$ 140,456	$ 139,705
Per FFO share and unit:				
FFO attributable to common share and unit holders	$ 0.27	$ 0.26	$ 0.56	$ 0.54
Core FFO attributable to common share and unit holders	$ 0.33	$ 0.27	$ 0.65	$ 0.56
Adjusted FFO attributable to common share and unit holders	$ 0.29	$ 0.23	$ 0.58	$ 0.50
Weighted-average FFO shares and units:				
Common shares outstanding	319,752,730	301,011,545	318,380,175	300,912,307
Share-based compensation plan and forward sale equity contracts [(1)]	1,328,529	491,605	1,348,541	648,441
Operating partnership units	51,376,980	52,026,980	51,520,074	52,026,980
Total weighted-average FFO shares and units	372,458,239	353,530,130	371,248,790	353,587,728

(1) Reflects the effect of potentially dilutive securities issuable upon the assumed vesting/exercise of restricted stock units and stock options and the dilutive effect of unsettled forward sale equity contracts under the treasury stock method.

FFO attributable to common share and unit holders is a non-GAAP financial measure that we calculate in accordance with the definition approved by the National Association of Real Estate Investment Trusts, which defines FFO as net income or loss calculated in accordance with GAAP, excluding gains and losses from sales or impairment of real estate, plus real estate-related depreciation and amortization (excluding amortization of deferred financing costs and depreciation of non-real estate assets), and after adjustments for unconsolidated partnerships and joint ventures to reflect FFO on the same basis.

Core FFO attributable to common share and unit holders is a non-GAAP financial measure that we use as a supplemental measure of our performance. We compute this metric by adjusting FFO attributable to common share and unit holders for (1) acquisition and other transaction costs incurred with business combinations and the acquisition or disposition of properties as well as nonrecurring items unrelated to ongoing operations, (2) noncash share-based compensation expense, (3) hurricane-related charges, net, which result in material charges to the impacted single-family properties, (4) gain or loss on early extinguishment of debt and (5) the allocation of income to our perpetual preferred shares in connection with their redemption.

Adjusted FFO attributable to common share and unit holders is a non-GAAP financial measure that we use as a supplemental measure of our performance. We compute this metric by adjusting Core FFO attributable to common share and unit holders for (1) Recurring Capital Expenditures that are necessary to help preserve the value and maintain functionality of our properties and (2) capitalized leasing costs incurred during the period. As a portion of our homes are recently developed, acquired and/or renovated, we estimate Recurring Capital Expenditures for our entire portfolio by multiplying (a) current period actual Recurring Capital Expenditures per Same-Home Property by (b) our total number of properties, excluding newly acquired non-stabilized properties and properties classified as held for sale.

We present FFO attributable to common share and unit holders, as well as on a per FFO share and unit basis, because we consider this metric to be an important measure of the performance of real estate companies, as do many investors and analysts in evaluating the Company. We believe that FFO attributable to common share and unit holders provides useful information to investors because this metric excludes depreciation, which is included in computing net income and assumes the value of real estate diminishes predictably over time. We believe that real estate values fluctuate due to market conditions and in response to inflation. We also believe that Core FFO and Adjusted FFO attributable to common share and unit holders, as well as on a per FFO share and unit basis, provide useful information to investors because they allow investors to compare our operating performance to prior reporting periods without the effect of certain items that, by nature, are not comparable from period to period.

FFO shares and units include weighted-average common shares and operating partnership units outstanding, as well as potentially dilutive securities.

Retained Cash Flow is a non-GAAP financial measure that we believe is helpful as a supplemental measure in assessing the Company's liquidity. This metric is computed by reducing Adjusted FFO attributable to common share and unit holders by common distributions.

FFO, Core FFO and Adjusted FFO attributable to common share and unit holders and Retained Cash Flow are not substitutes for net income or net cash provided by operating activities, each as determined in accordance with GAAP, as a measure of our operating performance, liquidity or ability to pay dividends. These metrics also are not necessarily indicative of cash available to fund future cash needs. Because other REITs may not compute these measures in the same manner, they may not be comparable among REITs.

Core Net Operating Income

Core NOI, which we also present separately for our Same-Home portfolio, is a supplemental non-GAAP financial measure that we define as core revenues, which is calculated as rents and other single-family property revenues, excluding expenses reimbursed by tenant charge-backs, less core property operating expenses, which is calculated as property operating and property management expenses, excluding noncash share-based compensation expense and expenses reimbursed by tenant charge-backs.

Core NOI also excludes (1) gain or loss on early extinguishment of debt, (2) hurricane-related charges, net, which result in material charges to the impacted single-family properties, (3) gains and losses from sales or impairments of single-family properties and other, (4) depreciation and amortization, (5) acquisition and other transaction costs incurred with business combinations and the acquisition or disposition of properties as well as nonrecurring items unrelated to ongoing operations, (6) noncash share-based compensation expense, (7) interest expense, (8) general and administrative expense, and (9) other income and expense, net. We believe Core NOI provides useful information to investors about the operating performance of our single-family properties without the impact of certain operating expenses that are reimbursed through tenant charge-backs. We further adjust Core NOI for our Same-Home portfolio by subtracting Recurring Capital Expenditures to calculate Same-Home Core NOI After Capital Expenditures, which we believe provides useful information to investors because it more fully reflects our operating performance after the impact of all property-level expenditures, regardless of whether they are capitalized or expensed.

Core NOI and Same-Home Core NOI After Capital Expenditures should be considered only as supplements to net income or loss as a measure of our performance and should not be used as measures of our liquidity, nor are they indicative of funds available to fund our cash needs, including our ability to pay dividends or make distributions. Additionally, these metrics should not be used as substitutes for net income or loss or net cash flows from operating activities (as computed in accordance with GAAP).

The following are reconciliations of core revenues, Same-Home core revenues, core property operating expenses, Same-Home core property operating expenses, Core NOI, Same-Home Core NOI and Same-Home Core NOI After Capital Expenditures to their respective GAAP metrics for the three and six months ended June 30, 2021 and 2020 (amounts in thousands):

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2021	2020	2021	2020
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Core revenues and Same-Home core revenues				
Rents and other single-family property revenues	$ 313,654	$ 280,689	$ 626,227	$ 568,031
Tenant charge-backs	(38,014)	(35,429)	(83,809)	(75,442)
Core revenues	275,640	245,260	542,418	492,589
Less: Non-Same-Home core revenues	34,963	23,118	66,463	44,371
Same-Home core revenues	$ 240,677	$ 222,142	$ 475,955	$ 448,218
Core property operating expenses and Same-Home core property operating expenses				
Property operating expenses	$ 116,578	$ 110,436	$ 235,272	$ 217,933
Property management expenses	22,416	22,260	46,115	45,536
Noncash share-based compensation - property management	(599)	(441)	(1,598)	(880)
Expenses reimbursed by tenant charge-backs	(38,014)	(35,429)	(83,809)	(75,442)
Core property operating expenses	100,381	96,826	195,980	187,147
Less: Non-Same-Home core property operating expenses	13,370	11,672	25,995	22,166
Same-Home core property operating expenses	$ 87,011	$ 85,154	$ 169,985	$ 164,981
Core NOI, Same-Home Core NOI and Same-Home Core NOI After Capital Expenditures				
Net income	$ 51,814	$ 31,807	$ 100,735	$ 69,334
Gain on sale and impairment of single-family properties and other, net	(10,760)	(9,997)	(26,829)	(16,316)
Depreciation and amortization	91,117	84,836	181,188	167,657
Acquisition and other transaction costs	2,968	1,956	7,814	4,103
Noncash share-based compensation - property management	599	441	1,598	880
Interest expense	27,528	29,558	55,533	59,273
General and administrative expense	12,793	11,493	27,998	22,759
Other income and expense, net	(800)	(1,660)	(1,599)	(2,248)
Core NOI	175,259	148,434	346,438	305,442
Less: Non-Same-Home Core NOI	21,593	11,446	40,468	22,205
Same-Home Core NOI	153,666	136,988	305,970	283,237
Less: Same-Home Recurring Capital Expenditures	11,727	11,219	20,328	19,546
Same-Home Core NOI After Capital Expenditures	$ 141,939	$ 125,769	$ 285,642	$ 263,691

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