Statement of Qualifications:

Development of Residential Housing

RFSOQ 2013-001

Prepared for:

Florida Polytechnic University

Mr. John T. Gray
Director of Special Projects
439 S. Florida Avenue
Suite 300
Lakeland, FL 33801

Prepared by:

999 South Shady Grove Road
Suite 600
Memphis, TN 38120

www.EdRtrust.com

October 7, 2013

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Tab 1 — Transmittal Letter and Summary Sheet

EdR
999 South Shady Grove Road, Suite 600
Memphis, TN 38120
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edrtrust.com

Mr. John T. Gray
Director of Special Projects
Florida Polytechnic University
439 S. Florida Avenue, Suite 300
Lakeland, FL 33801

Subject: Development of Residential Housing — RFSOQ 2013-001

Dear Mr. Gray:

EdR is one partner that can deliver all the services the nascent Florida Polytechnic University requires to begin housing students on campus by fall 2014. By selecting EdR, Florida Polytechnic will gain a partner that will bring energy and focus to this project, guaranteeing quality housing with affordable rents, delivered on time and on budget.

EdR's goal is to succeed in fulfilling Florida Polytechnic's initiatives as one company that can deliver the entire array of services:

One Equity Partner.
One Development Partner.
One Management Partner.

EdR has a long history of delivering on-campus housing that transforms campuses to residential status. We accomplished that for California State University-San Marcos more than 10 years ago and more recently at the State University of New York College of Environmental Science and Forestry.

At Indiana University of Pennsylvania, where EdR performed the largest (to date) fast-track, housing replacement program in the U.S. — 3,516 beds in four phases— the new housing has "dramatically improved the university's ability to compete for the top graduating high school students," according to Dr. Rhonda Luckey, vice president. The new residences have been credited with greatly increasing interest and, more importantly, applications and admissions; enrollment at IUP is at an all-time high. IUP's enrollment has increased by more than 1,000 students, from 14,081 in 2005 to 15,126 in 2010, the duration of the "Residential Revival."

Partnering EdR will provide the greatest benefit to Florida Polytechnic owing to our:

- **Unparalleled experience:** EdR is the pioneer of the privatized collegiate housing industry, with 61 years' experience spanning development, operations, management and residence life programming. EdR has completed $2.4 billion in collegiate housing transactions since 2000, investing $1.2 billion of its own equity since 2005.
- **Financial strength:** As a $1.5 billion company, EdR has the financial capacity to deliver without partnering with other companies or investment funds. We will use 100% equity under EdR's On-Campus Equity Plan — The ONE Plan℠. At other universities where The ONE Plan℠ financing is providing modern on-campus housing — Syracuse University, University of Texas at Austin, University of Kentucky (UK) and Johns Hopkins Medical Institute — there has been no adverse impact on credit capacity on the respective universities from the ratings agencies.
- **Transparency:** As a public company traded on the New York Stock Exchange (NYSE:EDR), we operate with full, verifiable disclosure of our history, abilities and financial performance.
- **Long-term commitment:** As a REIT, EdR's mandate is to create and own collegiate assets that will bring value to our portfolio and stock holders for a long time. Our projects are built to last, to be the best and to be profitable for many years to come. We do not develop, build and move on. REITs were established to be perpetual-life entities; we intend to be the owner of the Florida Polytechnic asset into perpetuity. Collegiate assets are our only business. Florida Polytechnic does not have to be concerned about EdR reallocating focus to other asset types.
- **Innovation:** EdR has been the thought-leader in the collegiate housing industry since we founded it in 1964 and continues to innovate with creative financing, design, and operating solutions in support of each institution's unique mission.

Teaming Partners

Joining EdR in its desire to deliver the first on-campus housing at Florida Polytechnic are:

- **DLR Group** as architect. DLR Group is an integrated design firm providing architecture, engineering, planning and interiors services. With more than 500 professionals in offices across the U.S., DLR Group combines national experience with local expertise to exercise design innovation with responsive service. DLR's local student housing portfolio will allow Florida Polytechnic to meet the aggressive schedule with an innovative design to reinforce the university's brand.

- **Peter Brown Construction**, a Division of Moss, as general contractor. For 50 years, Peter R. Brown Construction has constantly worked to strengthen its commitment to reliability, honesty and integrity. In September 2013, Peter Brown Construction became a part of the Moss Construction Management team. Together with Moss, Peter Brown Construction has nine regional offices throughout the southeastern U.S. and more than 300 employees. Moss places a high value on maintaining a culture that is entrepreneurial, non-bureaucratic and accessible. This combination of market-scale and local experience is essential to fulfill Florida Polytechnic's project vision on time and on budget.

These Florida companies are known for their commitment to collaborating to ensure the development delivered meets their clients' goals.

EdR is confident about our firm's capability to deliver. You need a firm that has solid financial standing and a history of delivering quality collegiate housing that is built to last. Our team of experienced developers is the most valuable asset to your project. EdR's long history of success is due to the expertise, thoughtfulness and dedication of our team members — your team members.

We have total confidence in our team's ability to exceed Florida Polytechnic's expectations for this important project. We are committed to this project and pledge that EdR's considerable resources will work diligently and creatively to ensure its total success.

Sincerely,
EdR

By: Randy Churchey
President and CEO

Exhibit A – Proposer Summary Sheet

Proposer Name:[1] EdR

Proposer Address: 999 S. Shady Grove Road, Suite 600, Memphis, TN 38120

Proposer FEIN: 20-1352332

Proposer DUNS Number: 04-911-5157 (because EdR is a public company whose records are readily accessible, we do not maintain DUNS information)

Proposer Contact (for purposes of this RFSOQ): Julie Skolnicki, Sr. VP, University Partnerships
999 S. Shady Grove Road, Suite 600,
Memphis, TN 38120
(901) 259-2553 | jskolnicki@EdRtrust.com

Proposer Team Members (if applicable) (financing, design, construction, operation):

Financing: EdR
Design: DLR Group
Construction: Peter Brown Construction, a Division of Moss
Operation: EdR

[1]For purposes of completing this form, "Proposer" means the entity that will be the lessee of the ground lease contemplated for the Project, that is, the entity legally responsible to the University for development of the Project. If this will be a limited liability company or other form of special purpose entity or vehicle, please use the name of the managing entity or otherwise controlling interest.

Tab 2 — EdR Financial Information

2.1 Certification

I, Randy Churchey, as president and chief executive officer of EdR, certify that this Statement of Financial Capability, including all attachments, is true and correct to the best of my (our) knowledge and belief. The Florida Polytechnic University is authorized to verify any information contained herein.

Randy Churchey, President and CEO

2.2 Financial Strength

Now in its 61st year of operation, EdR's balance sheet has never been stronger; we were ranked 12th among all REITs based on three-year total shareholder returns by KeyBanc Capital Markets. Table 1 offers evidence of EdR's financial strength in comparison to its competitors.

As of Oct. 2, 2013, EdR stock is held by 220 institutional investors and 341 mutual funds as well as individual owners. EdR's investor relations website has further details on the company and its performance along with information filed with the Securities and Exchange Commission. Florida Polytechnic may access complete EdR financial information at: http://www.snl.com/irweblinkx/corporateprofile.aspx?iid=4095382

Table 1 — EdR's Financial Strength*

	EdR	Student Housing Average	Multifamily Average
Net Debt to Real Estate Assets	34%	48%	44%
Net Debt to Enterprise Value	34%	42%	38%
Net Debt to EBITDA	7.2x	7.7x	7.3x

Note: * Bank of America Merrill Lynch Data as of Aug. 16, 2013.

Furthermore, EdR has:

- An unsecured credit facility of $375 million with an accordion feature that allows EdR to increase the size to $500 million.
- 49% of gross assets unencumbered and free of indebtedness

Since Randy Churchey became CEO of EdR on January 1, 2010:

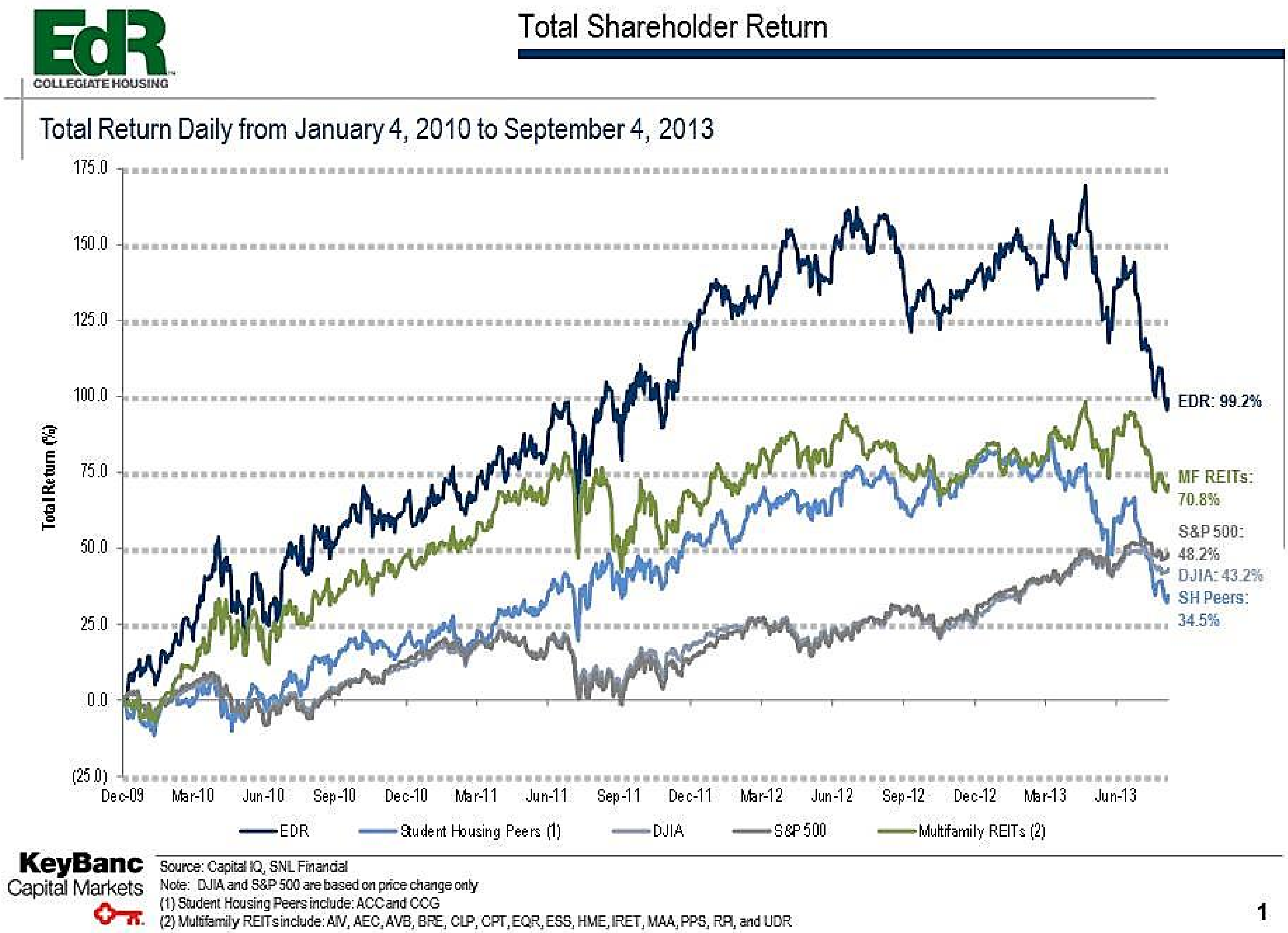
- EdR's common shares have been the best-performing among student housing REITs with a total return of 99.2%.

- EdR has outperformed its public student housing peers by more than 64 percentage points.
- EdR has outperformed the REIT multifamily index by nearly 28 percentage points.
- EdR has outperformed the MSCI US REIT Index (RMZ), the S&P 500 and the Dow Jones Industrial Average indices.

EdR President and CEO Randy Churchey

The following chart compares EdR's total shareholder returns to those of its competitors (the most recent data available).

Copies of EdR's most recent annual report are provided under separate cover.



Tab 3 — EdR Team Qualifications

The EdR team comprises three firms with clearly defined roles and responsibilities who will work collaboratively with Florida Polytechnic to supports its goal to house students on the new campus in August 2014:

- EdR as developer, owner and manager (with residence life capabilities)
- DLR Group as architect
- Peter Brown Construction, a Division of Moss, as general contractor

Each teammate is introduced below.

3.1 EdR — Developer, Owner and Manager

EdR is the pioneer of the privatized collegiate housing industry and remains at the forefront today. Creating outstanding collegiate communities has been our mission for nearly five decades.

As the leader in collegiate housing since 1964, EdR's history is filled with accomplishments:

Unparalleled Experience

- Stellar record for on-time, on-budget delivery
- 40,409 beds (13,964 units) owned and/or managed in 72 communities at 60 universities in 24 states
- 101,361 beds developed/constructed or acquired in 170 communities serving 97 universities in 27 states
- 13,705 completed on-campus beds since 2002

Financial Strength

- Dedicated and award-winning plans for on-campus equity investment — The ONE Plan^{SM} and the ONE Plan Plus^{SM}
- $1.2 billion of EdR private equity invested since 2005
- Experience with complex financing structures: private equity or tax-exempt bonds
- Highly regarded by Wall Street, bond investors and banks

Sustainability-Focused

- 21,893 beds of sustainable housing developed since 2004 including Leadership in Energy and Environmental Design (LEED)-certified Gold and Silver properties
- 7,000+ beds heated and cooled using renewable geothermal technology

Student-Focused

- 670,000 students housed: 275,000 first-year students and 395,000 upper-class and graduate students

- 70,000 managed beds over four decades
- Success in creating and operating unique Greek communities
- Housing for first-year to graduate students to staff and families

Local Expertise

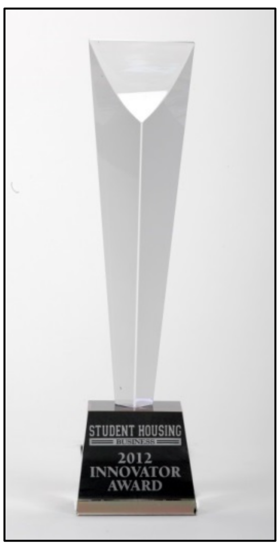
- Multiple regional management offices
- Offices maintained in Washington, D.C.; Columbus, Ohio; and Lexington, Kentucky

Design and Construction Integrity

- Each project uniquely designed to meet university and student needs, as well as enhance the campus environment
- Large-scale, mixed-use housing, academic space, retail, student parking and other campus uses
- Low-, mid- and high-rise and cottage projects

Innovation

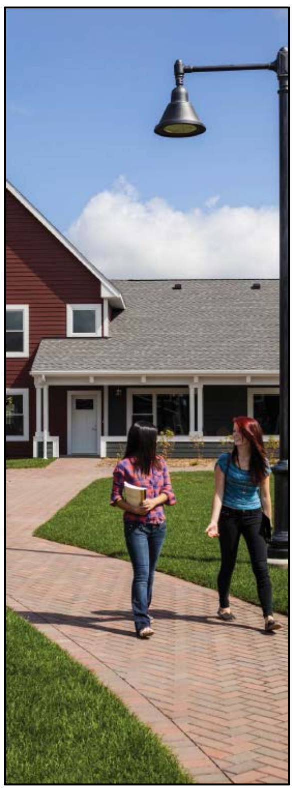
- More *Student Housing Business* magazine Innovator awards than any other company — 10 total — since the competition's inception in 211:
  - 2013 Best On-Campus Architecture/Design — 929 Graduate Housing at Johns Hopkins Medical Institute
  - Most Creative Public-Private Financing — 929 Graduate Housing at Johns Hopkins Medical Institute
  - 2013 Best Off-Campus Vendor/Operator Solution — University Towers at North Carolina State University
  - 2012 Most Creative Public-Private Financing — Colorado State University-Pueblo
  - 2012 Best Vendor Operator Solution, On Campus — University of Louisville
  - 2012, Best Renovation of Existing Product, Off Campus — Granville Towers at the University of North Carolina at Chapel Hill
  - 2012, Best Vendor Operator Solution, Off Campus — GrandMarc at The Corner, University of Virginia, Mobile Upgrade
  - 2011, Best Public/Private Partnership Development — Indiana University of Pennsylvania (IUP), Residential Revival
  - 2011 Most Creative On-Campus Public/Private Financing — Syracuse University, University Village Apartments
  - 2011 Best On-Campus Bandwidth/Connectivity Solution — Syracuse University (shared with Pavlov Media)



3.2 DLR Group — Architect

DLR Group's design elevates the human experience. Clients collaborate with the firm to create enduring places for living, learning, working and protecting ... sustainably. DLR Group produces award-winning work, but clients work with the firm because it delivers more than outstanding buildings and spaces. DLR Group brings clients a collaborative experience rooted in its service approach: **listen. DESIGN. deliver.**

DLR Group truly listens to clients' vision, goals and objectives. Only then does the firm design to meet its clients' needs with effective creativity. DLR Group also delivers on the promise of utmost quality.



Clients working with DLR Group are connected directly with local design leaders committed to applying their expertise to the clients' success. Because DLR is structured as a network of interconnected offices throughout the U.S., clients also have access to a wealth of national experience. DLR Group thrives on sharing ideas nationally, and bringing the "best of the best" to each client locally.

As an integrated design firm, DLR Group offers interdisciplinary design services in-house. Professionals from all disciplines work side-by-side daily as design collaborators to create facilities exhibiting the clarity of purpose and effective functionality that a truly integrated design team can produce.

Collegiate Housing Experience

- Benedictine University – New Student Chapel Design; Lisle, IL
- Black Hills State University New Student Housing; Spearfish, SD
- California State University Dominquez Hills Housing Master Plan; Carson, CA
- Cardinal Investment Group — University Towers; Austin, TX
- College of Saint Benedict — New Student Housing; St. Josephs, MN
- Colorado College — Ticknor Hall Renovation; Colorado Springs, CO
- Embry Riddle Aeronautical University — Student Housing; Prescott, AZ
- Evergreen State College — Phase II Apartment Living/Dining; Olympia, WA
- Feather River College Housing; Quincy, CA
- Peru State College — Delzell Hall Student Housing Renovation; Peru, NE
- University of Hawaii — New Student Housing; Hilo, HI
- University of Minnesota — High-Rise Student Housing; Minneapolis, MN
- University of Puget Sound — Residence Hall Renovations; Tacoma, WA
- Yavapai College Dorm; Prescott, AZ

Student Housing Expertise

DLR Group's mission in all its residential life design is to create a "community for 21 century learners." The firm's focus is vitally different than typical housing since it understands that the academic success of today's unique and diversified student is directly connected to his or her social well-being. Creating a sustainable sense of neighborhood or village is vital to encourage student interaction and interface.

DLR Group is intimately mindful that today's student is very different than past generations. From technology to learning styles and diversity, DLR Group is a national leader in education design because of its advocacy for flexible contemporary leaning communities. This deep understanding translates into how DLR Group designs for student life.

In creating vibrant communities for 21st century learners it is imperative to understand today's college student and design in enough flexibility to foresee how scholarship will change in the future. DLR Group's leadership team collaborates with institutions across the U.S. in education design, sustainability and student housing.

3.3 Peter Brown Construction — General Contractor

With more than 300 employees, Peter Brown Construction, a Division of Moss, is positioned to serve its customer base and deliver on its promises and expectations. Peter Brown Construction has secured 90% percent of its business from repeat customers. Peter Brown's culture begins with a fundamental principle that drives its behavior: "client delight on every project." Peter Brown Construction's people are its most valuable asset. The company will commit a qualified team to deliver the Florida Polytechnic project on time, exceeding all quality and value expectations. Collaborating for decades, its principals have forged a strong and successful record and reputation for delivering technically and logistically challenged projects.

Moss & Associates, which Peter Brown Construction joined in

Collegiate Housing Experience

- University of South Florida, Juniper-Poplar Hall; Tampa; 360,000 sf, $64 million
- Florida A&M University, Tallahassee; 51,000 sf; $10.2 million
- Florida International University, Parkview Hall & Parking Garage; Miami; 252,000 sf, $45 million
- Nova Southeastern University, Davie, FL:
  - "The Commons"; 178,806 sf, $32 million
  - Center of Excellence in Coral Reef Ecosystems Science; 81,000 sf, $32 million
  - Performing & Visual Arts Center; 43,750 sf, $8 million
  - Rosenthal Renovation; $5 million
  - Central Energy Plant; 13,700 sf, $7 million
  - Don Taft University Center; 344,600 sf, $75 million
  - University Center Dining Hall; 18,000 sf, $5 million
- Barry University; Miami Shores, FL:
  - Housing, Dominican Hall; 72,000 sf, $14 million
  - Benicasa and Kolasa Hall; 92,233 sf, $4.2 million
- University of Miami:
  - Schwartz Center of Athletic Excellence; 30,000 sf, $10 million
  - Student Activity Center; 217,000 sf, $45 million
  - Central Energy Plant & Parking Garage; 571,000 sf, $68 million
  - Biomedical Research Building; 178,263 sf, $72 million

September, is the industry leader in providing construction management at-risk services, design-build and public-private partnerships. Its comprehensive experience and technical skills bring an unequaled resource base to Florida Polytechnic's student housing project. Since its inception in 2004, Moss has completed projects across the U.S., with revenues averaging $450 million a year, or $3.1 billion since its inception. Moss' reach includes California, Arizona, Texas, Louisiana, Mississippi, Alabama, Georgia, Indiana, New Jersey, Canada and the Bahamas. In addition to its Fort Lauderdale headquarters, Moss has eight regional offices in the southeastern U.S.

Above, Juniper-Poplar Hall at the University of South Florida, and below, The Commons at Nova Southeastern University

Tab 4 — Experience and Past Performance

4.1 Recent Relevant Experience

Of the more than 40 developments EdR has undertaken since 2000, three projects have been selected to demonstrate experience relevant to Florida Polytechnic's vision for its new campus:

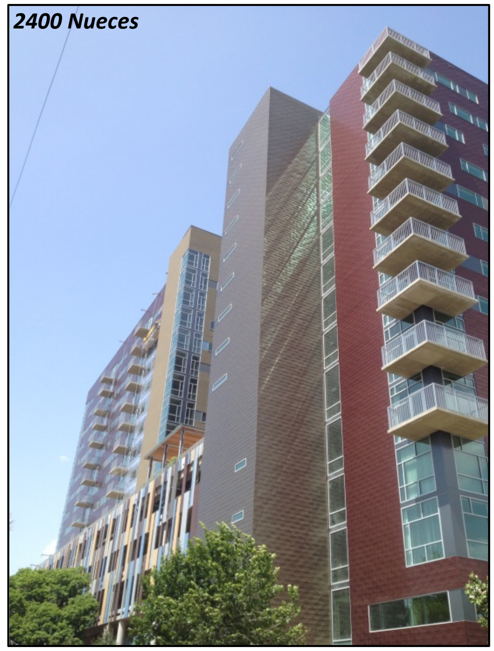
- University of Kentucky, an ongoing, large-scale housing replacement program
- State University of New York (SUNY) College of Environmental Science and Forestry, the campus' first offering of collegiate housing
- Indiana University of Pennsylvania, to date the largest completed collegiate housing replacement program in the U.S.

These projects demonstrate our agility in serving universities in many locations, often simultaneously. All development projects have been completed on time and on or under budget.

929 Graduate Student Housing

Other recent collegiate housing deliveries—929 Graduate Student Housing at Johns Hopkins Medical Institute at Science + Technology Park in Baltimore, Maryland, delivered in 2012, and 2400 Nueces delivered in 2013 at the University of Texas at Austin — have involved dynamic, high-quality architecture with an aggressive schedule.

2400 Nueces



Roadmap to Section: In presenting the example projects, EdR recreated the components of Exhibit B verbatim to provide more flexibility in formatting the information and for continuity in page numbering for the selection committee's ease of review. No recreated Exhibit B exceeds the two pages of the original form. The narrative in this section totals seven pages.

University of Kentucky Housing Revitalization

Phases I through II-B

Beds | Units	4,592
Stories	4-8
Gross Size	1.65 million gsf
Room Styles	Suites
Completion	Various
Cost	$264.65 million

EdR recently delivered honors college housing, the first phase of a project leading to a revitalization of all on-campus housing at UK. The work is being undertaken to fulfill "The Kentucky Promise," President Eli Capilouto's initiative to revitalize the core of campus. Phase I, whose improvements EdR owns under a ground lease, was development of the 601-bed honors housing in two buildings — Central Halls I and II. They opened August 16, 2013. Central Halls I and II comprise 171,386 sf with 601 beds (309 units). They contain three classrooms, 14 study rooms and two multipurpose rooms as well as two laundries and two kitchens. Total development cost is $25.78 million.

Construction also is progressing for Phase II of EdR's efforts to revitalize housing, which is envisioned to replace the majority of on-campus housing (about 6,000 beds) and expand capacity to about 9,000 beds. Four Phase II projects are set for delivery in fall 2014 and another three for 2015. All projects are being designed to meet LEED Silver requirements and, where feasible, geothermal heating and cooling will be implemented. The combination of 601 beds in Phase I, 2,381 beds in Phase II-A and the upcoming 1,610 beds in Phase II-B makes UK's campus revitalization the largest and swiftest such expansion in collegiate housing history with a total of 4,592 beds.

Amenities Thus Far

- 11 classrooms
- 72 study rooms
- 41 multipurpose rooms
- 7 kitchens
- 8 laundries.

Phase II-A residence halls under construction are:

- **Champions Court I:** 740 beds (380 units) in 285,000 gross square feet (gsf) with 11,500 sf of Visitor's Center, offices and multipurpose/commercial, $45.47 million; all bedrooms private
- **Champions Court II:** 427 beds (191 units) in 154,100 gsf, $23.8 million
- **Haggin Hall:** 396 beds (163 units) in 154,200 gsf with 7,750 sf for dining, $19.57 million; single and double occupancy bedrooms; all bedrooms private
- **Woodland Glen I and II:** 818 beds (424 units) in 291,400 gsf with 6,770 sf of classrooms, multipurpose and office, two buildings, $43.3 million; all bedrooms private

Phase II-B: Woodland Glen III, IV and V are in development for delivery in 2015. They comprise 1,610 beds in 596,100 sf at a total cost of $101.2 million.

(1) Project information (name, term of performance, overall project amount, your project amount):

On-Campus Housing Revitalization, University of Kentucky
2012-to be determined
$263.45 million thus far (all financed through EdR equity with no debt through The ONE Plan[SM])

(2) Awarding authority (i.e., party/agency responsible for awarding contract or administering project) (name, address, phone number):

University of Kentucky
Angela Martin
Vice President of Financial Operations and Treasurer
107C Main Building 40506-0032
Lexington, KY 40506-
(859) 257-1841 | angelam@email.uky.edu

(3) Other party's contract officer, if applicable (list all if multiple, and dates of service) (name, phone number, email address, and physical address if different from (2)):

Not applicable.

(4) Other party's project manager (list all if multiple, and dates of service) (name, phone number, email address, and physical address if different from (2)):

Not applicable.

(5) Nature of the work you performed under the project, and how it is relevant to the work you will perform if selected as a Developer by the University:

Developer, owner, and manager of on-campus collegiate housing.

(6) Type and extent of any subcontracting, teaming, or other arrangements to deliver service (describe your role, others' roles, and the overall project structure):

EdR hired architects and a contractor. Subconsultants and various trades were hired through the architects and contractor, with emphasis on local resources. EdR is ultimately accountable to UK for the successful completion of the project.

(7) Significant challenges or weaknesses experienced under the project, and how you approached/overcame them:

Following the design of Phase I, there was resistance to single-occupancy bedrooms in favor of shared bedrooms. EdR crafted presentations providing convincing evidence that the trend toward private accommodations is strengthening and that it was in the best interests of UK and EdR to provide private bedrooms.

(8) Significant successes or innovations achieved under the project:

Real estate taxes significantly increased rents students would have to pay. EdR and UK worked to create an ownership structure that exempts the Phase II facilities from real estate taxes.

(9) Other information about this project that is relevant to an assessment of your ability to perform under the Project if selected as a Developer:

- EdR's ability to fund nearly a quarter-billion dollars' worth of work with no debt attests to the financial strength we bring to our work.
- The expedited delivery of 601 beds in Phase I with the concurrent construction of another 2,381 beds in Phase II-A and the development of 1,610 beds in Phase II-B attests to EdR's ability to manage multiple simultaneous projects as well as our depth of resources.

Champions Court II

UK President Cites Benefits of the UK/EdR Public-Private Partnership

"UK gets the benefit of EdR's expertise and excellence..."

"EdR's interests are aligned with UK's. We have given no guarantees of occupancy. "

"EdR has to maintain a tremendous facility to ensure constant demand – so their teams are on the ground.

"… they also work hand-in-hand with our student life directors and leadership who hold responsibility for student success.

"EdR is also able to provide … $265 million of their shareholders' money … to help UK rebuild its housing stock."

Centennial Hall

SUNY College of Environmental Science and Forestry

EdR developed collegiate housing in keeping with one of the most eco-friendly and sustainable campuses — State University of New York (SUNY) College of Environmental Science and Forestry. EdR was competitively selected to develop, build and manage Centennial Hall — the first collegiate housing on this campus.

The facility's design and construction reflect the college's commitment to the environment, earning LEED Gold designation. The heavy-timber tower' centerpiece's construction and its expected longevity contribute to sustainability. In 2012, Centennial Hall received the *Central New York Business Journal*'s "Best Green Project" award.

This community is designed with fully furnished residence hall suites and apartments for freshmen and sophomores, respectively. This project was built using a modular construction approach to reduce material waste.

EdR incorporated cutting-edge materials, designs and processes to enhance the building's sustainability, including daylighting design, natural ventilation and maximum use of high-recycled-content products and local/regional materials. Water conservation is a focus with naturally landscaped areas, rain gardens and a renewable rainwater process combined with a variety of reduced-water-usage systems.

Amenities

- State-of-the-art accommodations
- Fully wired and wireless data and cable services
- Multipurpose commons area
- Lounge
- Computer lab
- Bike storage
- Laundry facilities

Beds | Units	454 | 213	**Room Styles**	Suites and apartments
Stories	4	**Completion**	Fall 2011
Gross Size	138,262 gsf	**Cost**	$28.14 million

(1) Project information (name, term of performance, overall project amount, your project amount):

Centennial Hall, SUNY College of Environmental Science and Forestry
2010-2011
$28.14 million

(2) Awarding authority (i.e., party/agency responsible for awarding contract or administering project) (name, address, phone number):

ESF College Foundation, Inc.
Brenda Greenfield, Executive Director
1 Forestry Drive
214 Bray Hall
Syracuse, NY 13210
(315) 470-6683 | bgreenfield@esf.edu

(3) Other party's contract officer, if applicable (list all if multiple, and dates of service) (name, phone number, email address, and physical address if different from (2)):

N/A

(4) Other party's project manager (list all if multiple, and dates of service) (name, phone number, email address, and physical address if different from (2)):

Same as Item 2.

(5) Nature of the work you performed under the project, and how it is relevant to the work you will perform if selected as a Developer by the University:

EdR acted as developer and now manages the living-learning center designed to meet the needs of freshmen and sophomores. EdR also arranged financing and provided construction oversight.

(6) Type and extent of any subcontracting, teaming, or other arrangements to deliver service (describe your role, others' roles, and the overall project structure):

EdR hired architects and a contractor. Each firm had subconsultants (i.e., engineers and various trades) hired through the architects and contractor. EdR was ultimately accountable to the EFS Collegiate Foundation for the successful completion of the project.

(7) Significant challenges or weaknesses experienced under the project, and how you approached/overcame them:

Severe winter weather conditions presented a challenge that as surmounted using modular construction.

(8) Significant successes or innovations achieved under the project:

Centennial Hall's development is effectively storm water neutral, and a significant improvement to the 19 homes (and 19 driveways promoting storm runoff) that previously occupied the site. The modular construction approach also yielded quality-of-life benefits for the student residents. Privacy is enhanced because soundproofing between floors and units is more effective because of the composite floor/ceiling structure and the double-wall construction between individual units, respectively. The project achieved LEED Gold certification.

Centennial Hall also features numerous information technology (IT) amenities. Along with hardwire connections, EdR installed a wireless overlay that allows residents to access the internet wirelessly throughout the property. Centennial Hall's IT infrastructure — fiber optic lines and state-of-the-art equipment — provided 100M of bandwidth on Day One for the students, with the scalability to increase bandwidth to 1G for future growth.

(9) Other information about this project that is relevant to an assessment of your ability to perform under the Project if selected as a Developer:

Bringing Centennial Hall to fruition involved a complicated, long-term effort. The project involved acquiring 19 properties that were "deconstructed" in a manner that allowed Habitat for Humanity to reclaim doors, cabinets, floors and moldings for reuse.

A multipurpose room and an outdoor learning space also were incorporated into the design to enhance the college's mission "to advance knowledge and skills and to promote the leadership necessary for the stewardship of both the natural and designed environments."

'Residential Revival'

Indiana University of Pennsylvania

EdR completed the single-largest privatized collegiate housing replacement in the U.S. to date at Indiana University of Pennsylvania. The eight-building project was performed in phases to replace obsolete dormitories with suite-style housing.

EdR accomplished this massive undertaking with minimal disruption to the campus and no loss of bed count as older housing was demolished. The university is experiencing record enrollment as a result of the new housing.

Beds | Units	3,516
Stories	4
Gross Size	1.15 million gsf
Room Styles	Suites
Completion	Fall 2007 Fall 2008 Fall 2009 Fall 2010
Cost	$241 million

All phases were completed on time and under budget at a savings of $8.7 million.

The project won the 2011 *Student Housing Business* magazine Innovator competition's Best Public/Private Partnership Development category.

(1) Project information (name, term of performance, overall project amount, your project amount):

Residential Revival at Indiana University of Pennsylvania
2006-2010 (eight buildings)
$241 million bond issue

(2) Awarding authority (i.e., party/agency responsible for awarding contract or administering project) (name, address, phone number):

Foundation for the University of Pennsylvania
Tom Borellis, Vice President of Administration
Indiana University of Pennsylvania
231 Sutton Hall,
1011 South Drive
Indiana, PA 15705
(724) 357-4724 | w.borellis@iup.edu

(3) Other party's contract officer, if applicable (list all if multiple, and dates of service) (name, phone number, email address, and physical address if different from (2)):

N/A

(4) Other party's project manager (list all if multiple, and dates of service) (name, phone number, email address, and physical address if different from (2)):

N/A

(5) Nature of the work you performed under the project, and how it is relevant to the work you will perform if selected as a Developer by the University:

Collegiate housing development, financing and construction oversight

(6) Type and extent of any subcontracting, teaming, or other arrangements to deliver service (describe your role, others' roles, and the overall project structure):

EdR hired architects and a contractor. Each firm had subconsultants (i.e., engineers and various trades) hired through the architects and contractor. EdR was ultimately accountable to the Foundation for Indiana University of Pennsylvania for the successful completion of the project.

(7) Significant challenges or weaknesses experienced under the project, and how you approached/overcame them:

The university's desire to fast-track the housing replacement and retain bed count throughout the project was a significant challenge overcome through:

- Precision phasing of demolition and construction to retain bed count
- Refinement of staging of infill development

- Compression of schedule to fast-track housing replacement for IUP's ultimate benefit

Initially IUP envisioned the project being completed via seven phases over 10 years. EdR applied its development acumen to compress the timeline to four phases completed over five years — half the originally projected time span.

(8) Significant successes or innovations achieved under the project:

EdR delivered all the housing on time and at a savings of $8.7 million below budget. The success of this public-private partnership project led to its recognition by *Student Housing Business* magazine as the 2011 winner of the Best Public/Private Partnership Development category.

(9) Other information about this project that is relevant to an assessment of your ability to perform under the Project if selected as a Developer:

While leading IUP's "Residential Revival" from 2006 through 2010, EdR concurrently delivered an additional 6,905 beds for 10 other projects, all delivered on time and on budget, demonstrating we have the depth of resources to handle multiple concurrent project and agility in keeping them all on track per their schedules and budgets.

4.2 Past Performance

Throughout its history, EdR has developed more than 53,000 beds of student residences. Table 2 below lists collegiate housing communities developed by EdR since 2000, including those described earlier in this section.

Table 2 — EdR Development Experience

Facility Locations	Year Opened	Total Cost	No. of Beds
University of Kentucky (Phase II-B)	2015(1)	$101,200,000	1,610
Wichita State University	2014(2)	$60,400,000	784
University of Colorado-Boulder (addition)	2014(2)	$19,700,000	199
University of Kentucky (Phase II-A)	2014(2)	$133,700,000	2,317
Clarion University of Pennsylvania	2014(1)	$46,060,000	734
University of Kentucky (Phase I)	2013	$25,780,000	601
Mansfield University of Pennsylvania (Phase 2)	2013	$44,570,000	634
University of Texas at Austin	2013	$63,993,000	613
University of Connecticut (Phase 2)	2013	$17,378,000	250
University of Mississippi	2013	$37,600,000	668
Arizona State University-Downtown	2013	$52,000,000	609
University of Alabama	2012	$41,000,000	774
University of Connecticut (Phase 1)	2012	$48,476,000	250
Syracuse University	2012	$27,747,000	312
Johns Hopkins Medical Institute	2012	$60,067,000	572
Mansfield University of Pennsylvania (Phase 1)	2011	$35,610,000	636
East Stroudsburg University of Pennsylvania	2011	$67,485,000	984
SUNY College of Environmental Science and Forestry	2011	$28,146,000	410
Colorado State University – Pueblo (Phase 2)	2010	$38,922,000	500
Indiana University of Pennsylvania (Phase 4)	2010	$37,729,000	596
Syracuse University	2009	$28,532,000	432
West Chester University (Phase 1)	2009	$100,340,000	1,197
Colorado State University–Pueblo (Phase 1)	2009	$16,075,000	253
Indiana University of Pennsylvania (Phase 3)	2009	$73,440,000	1,084
University of Michigan	2008	$43,940,000	580
University of Southern Illinois	2008	$22,000,000	528
Indiana University of Pennsylvania (Phase 1)	2008	$80,540,000	1,102
Indiana University of Pennsylvania (Phase 1)	2007	$52,030,000	750

Table 2 — EdR Development Experience

Facility Locations	Year Opened	Total Cost	No. of Beds
Slippery Rock University of Pennsylvania (Phase 2)	2007	$53,045,000	746
California University of Pennsylvania (Phase 5)	2007	$20,000,000	352
University of North Carolina–Greensboro	2007	$26,000,000	600
University of Louisville (Phase 3)	2006	$15,200,000	359
Slippery Rock University of Pennsylvania (Phase I)	2006	$75,850,000	1,390
California University of Pennsylvania (Phase 4)	2006	$21,400,000	447
University of Alabama-Birmingham	2006	$31,525,000	753
University of Colorado-Denver	2006	$50,000,000	685
Bloomsburg University of Pennsylvania	2005	$17,375,000	407
University of Cincinnati	2005	$54,000,000	700
Salisbury University (Phase 2)	2004	$14,000,000	312
Clarion University	2004	$30,155,000	656
California University of Pennsylvania (Phase 3)	2004	$36,315,000	706
Lock Haven University of Pennsylvania	2004	$18,080,000	408
California State University, San Marcos	2003	$27,990,000	475
University of Louisville (Phase 2)	2003	$14,460,000	402
University of Northern Colorado	2002	$24,320,000	396
Alabama A&M University	2001	$18,755,000	472
University of Louisville (Phase 1)	2000	$21,625,000	493
Salisbury University (Phase 1)	2000	$18,520,000	576
TOTAL		**$1,993,075,000**	**31,314**

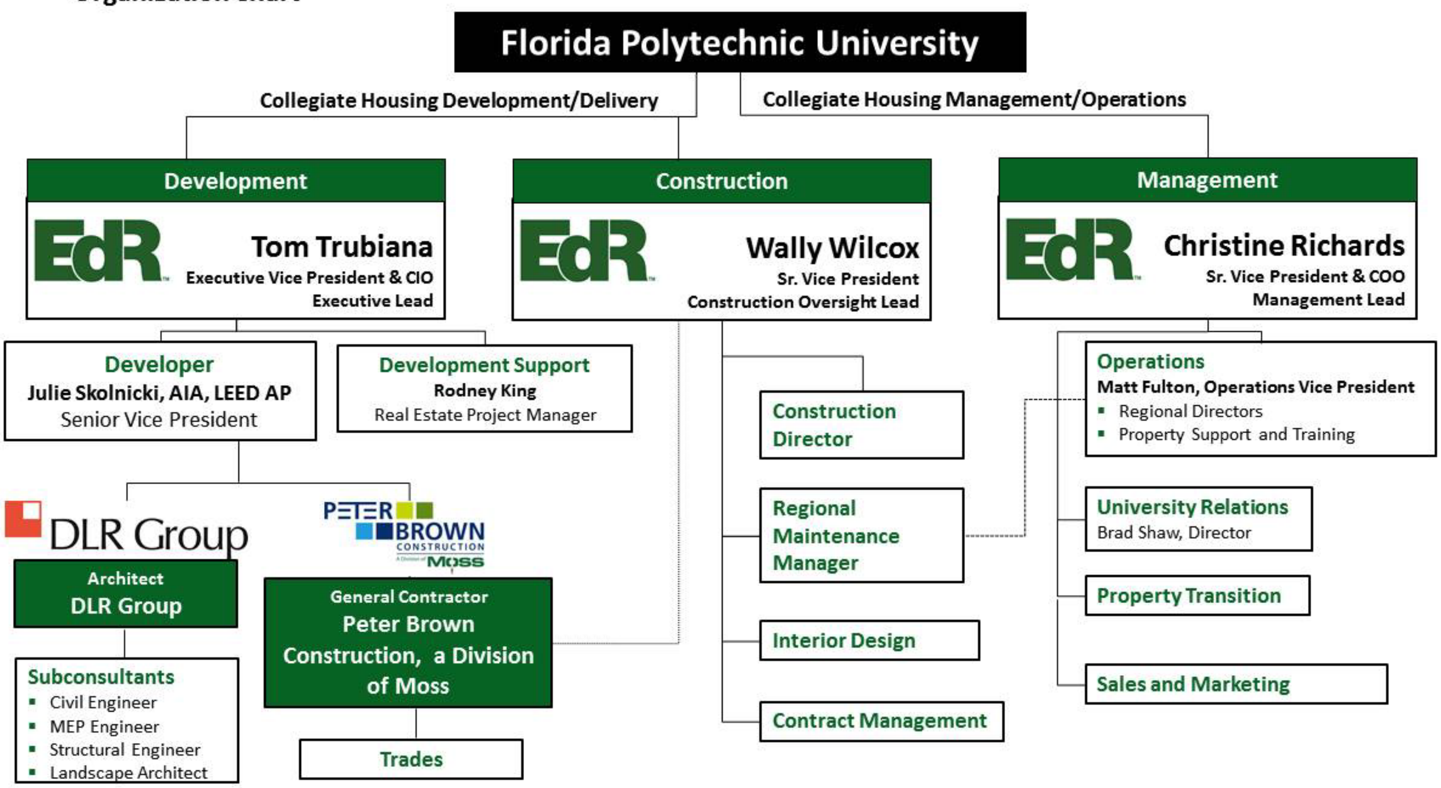
Notes:
(1) Currently under development.
(2) Currently under construction

Tab 5 — Personnel Qualifications

EdR's development and management team comprises industry-leading professionals with long-term and in-depth experience in collegiate housing. Our teaming partners — DRL Group and Peter Brown Construction, a Division of Moss — are seasoned and respected professionals in their respective industries. The team's qualifications and credentials are provided on the resumes that follow.

EdR is committing the individuals identified to serving in their identified roles. Our team will be organized as illustrated below.

Organization Chart



EdR: One equity partner. One development partner. One management partner.

5.1 EdR — Developer, Owner and Manager

Tom Trubiana — Project Executive

Mr. Trubiana, EdR's executive vice president and CIO, will serve as executive lead. In that role he will negotiate agreements and assure resource availability, bringing to bear the expertise he has developed by being directly involved in the development and/or management of more than 100 collegiate student housing communities, comprising more than 60,000 beds. Mr. Trubiana served as chief executive officer of American Campus Communities, Inc., from July 1997 until October 2003, presiding over an era of significant pre-initial public offering growth. He also is the former senior vice president of management services for Cardinal/Lexford Realty Services. Mr. Trubiana began his career with EdR as a resident assistant in 1972 and was promoted to general manager, regional manager and director of development. He has been responsible for the development of every collegiate housing project EdR has performed since 2005 and for many other developments during his earlier employment.

Tom Trubiana
Memphis, TN
(901) 259-2540
ttrubiana@EdRtrust.com

Credentials

- M.B.A., Finance, West Virginia University
- B.S., Marketing, West Virginia University
- Member, National Association of College and University Business Officers (NACUBO)
- Member, National Association of College Auxiliary Services (NACAS)
- Member, Association of College and University Housing Officers-International (ACUHO-I)
- Member, Institute of Real Estate Management (IREM)

Among the developments he has successfully delivered are:

- Johns Hopkins Medical Institute — 572 beds, $60.7 million (mixed use)
- University of Texas at Austin — 622 beds, $64 million (mixed use)
- Syracuse University — 432 beds, $28.5 million and 312 beds, $29.7 million (mixed use)
- University of Connecticut — 500 beds, $66.3 million (mixed use)
- SUNY College of Environmental Science and Forestry — 454 beds, $28.1 million
- East Stroudsburg University of Pennsylvania — 969 beds, $59.4 million
- Mansfield University of Pennsylvania — 634 beds, $35 million
- Slippery Rock University of Pennsylvania — 2,136 beds, $128 million
- Indiana University of Pennsylvania — 3,516 beds, $255.7 million
- West Chester University of Pennsylvania — 1,195 beds, $100.3 million
- California University of Pennsylvania — 1,504 beds, $77.7 million
- University of Alabama — 631 beds, $29.02 million
- University of Alabama-Birmingham — 753 beds, $31.5 million
- University of Colorado-Denver — 690 beds, $50 million

Julie Skolnicki — Partnership Management

Julie Skolnicki is EdR's senior vice president of university partnerships and the newest member of our development team. Her focus is on developing student housing solutions unique to each university's strategic goals. With more than 15 years of higher education experience resulting in more than $2 billion in development, Ms. Skolnicki has focused her career on creating dynamic student-life environments driven by institutional objectives. Ms. Skolnicki joins EdR from Brailsford & Dunlavey (B&D), where she led planning, financing, procurement, design and construction efforts for universities.

During her tenure at B&D, Ms. Skolnicki managed the master planning and implementation of more than 100 student life facilities on 50+ campuses including:

- Binghamton University — Student Housing
- Bowling Green State University — Student Housing & Dining
- College of Wooster, Ohio — Student Housing & Campus Edge
- Fox Valley Technical College — Student Housing
- Kent State University — Student Housing
- Lincoln University — Student Housing
- Miami University — Student Housing, Dining, and Student Center
- Miami University Hamilton — Student Housing
- Ohio Dominican University — Student Housing & Campus Center
- Ohio State University – Student Housing, Recreation & Dining
- Ohio University — Student Housing
- University of Akron — Student Housing
- University of Cincinnati — Student Housing, Recreation & Student Center
- University of Michigan — Student Life Implementation Plan

Julie Skolnicki
Memphis, TN
(901) 259-2553
jskolnicki@EdRtrust.com

Credentials

- B.A., Architecture, University of Cincinnati
- Construction Management Certificate, GSD, Harvard University
- Registered Architect, Ohio
- American Institute of Architects (AIA)
- LEED Accredited Professional
- Council of Educational Facilities Planners International
- National Intramural-Recreation Sports Association
- Association of College & University Housing Officials

Recent Lectures/Publications

- OACUBO 2012: Integrated Student Housing Implementation Planning
- ACUHO-I 2010: Master Planning for Student Housing Phased Upgrades
- NIRSA 2010: Building Excellence for the Next Generation: Recreation Trends & Implementation Strategies
- 2009 ACPA Institute on Sustainability — "Getting to Green: Implementing Sustainable Student Life Facilities"
- 2008 "Net Assets" Article — "What Does It Mean to Go Green?"
- 2008 NBOA Symposium — "Why & How: Implementing Sustainable Schools"

Rodney King — Financial Analyst

Rodney King, a real estate development and acquisitions manager, will assist Julie Skolnicki by performing financial analysis for the project as well as assisting in day-to-day details. Mr. King will also assist in evaluating market demand, coordinating with the architect and general contractor, and overseeing the entire construction process. By evaluating a development's needs, costs, rents and operating expenses, as well as financing options, he creates the financial income and expense pro formas so critical in financing the project. These are the key to determining financial feasibility. Throughout the development process, Mr. King analyzes and updates the pro forma as needed to ensure the best possible outcome for the university and the overall development process, Mr. King analyzes and updates the pro forma as needed to ensure the best possible outcome for the university and the overall development.

Rodney King
Memphis, TN
(901) 260-2720
rking@EdRtrust.com

Credentials

- M.B.A., Bellhaven University
- B.S., Financial and Organizational Management, Chrichton College
- Member, NACUBO
- Member, NACAS
- Member, ACUHO-I

Formerly a regional director for EdR's collegiate housing management operations, Mr. King was responsible for overseeing onsite management staff, handling daily operations of collegiate housing communities. Beginning with staffing and opening the sales center, his role through the key pre-leasing/construction period was to oversee execution of the approved marketing plan to ensure budgeted occupancy, install the interim operations plan for this period and then transition to site operations when construction is completed. Once the community was open and stabilized, he oversaw the onsite staff and ensured uninterrupted delivery of each support function from EdR's corporate office, including but not limited to accounting, human resource, sales/marketing and maintenance functions. Mr. King visited the community as needed throughout the year, particularly before and during fall semester move-in. He was supported by other EdR operations specialists to the extent needed to ensure an orderly initial occupancy of the property.

His project experience includes:

- Wichita State University (replacement housing) — 768 beds, $47.81 million
- University of Connecticut (The Oaks on the Square) — 500 beds, $66.3 million (mixed use)
- Arizona State University Downtown (Roosevelt Point) — 609 beds, $52 million

Wally Wilcox — Construction Oversight

Mr. Wilcox has overseen every collegiate housing development EdR has undertaken in the past 30+ years. He delivered each one on time and on or under budget. Mr. Wilcox joined the company in 1980 and has served in project management, maintenance and engineering capacities. He was named to his current position in May 2000.

Wally Wilcox
Memphis, TN
(901) 229-2578
wwilcox@EdRtrust.com

Credentials

- A.S., Industrial Engineering and Management, Southwest Tennessee Community College

For more than 30 years, Mr. Wilcox has supervised new construction and development of collegiate housing communities as well as hotels, office buildings and churches, maintenance, capital projects, preventive maintenance and loss prevention for all properties.

Mr. Wilcox oversees the design and construction of collegiate housing properties, coordinating closely with the development and management teams. He is responsible for evaluating and hiring the architect and contractor for new projects. In close association with EdR's development project managers, he works with the university committee, architect and contractor to design the new facility. His important input includes construction and structural systems and materials that allow the project to be built within the budget. Close coordination of all team members and consultants is needed to ensure the maximum input for beneficial completion of a design that satisfies all parties.

Mr. Wilcox is assisted by a staff comprising construction directors and regional maintenance managers who oversee work to ensure quality at every stage of development and management/ operations.

Once the design is complete, Mr. Wilcox closely oversees the construction process through regular meetings among construction, design and university representatives. He is responsible for ensuring the project is well-built according to the approved plans and specifications as well as on time and on budget. It is critical that the new housing is available for the beginning of the fall semester and that the project cost stays within budget.

Mr. Wilcox and his team also oversee the installation of furniture, final completion of all punch-list items and coordination of turning the project over from construction to the management department for ongoing operations. He then is responsible for ensuring that properties remain in first-class condition through regular maintenance and capital improvements to refresh or renovate them.

Chris Richards, CPM — Operations Executive

Ms. Richards, EdR senior vice president and chief operating officer (COO), will be ultimately accountable to Florida Polytechnic for the successful operations and management of the collegiate housing if EdR's equity finances the project. As COO, she oversees the operations of EdR's owned and joint-venture collegiate housing portfolio along with directing the management services division.

Chris Richards
Memphis, TN
(901) 259-2587
crichards@EdRtrust.com

Credentials

- B.A., University of Memphis
- Member, IREM
- Member, NACUBO
- Member, NACAS
- Member, ACUHO-I
- Certified Property Manager

She is responsible for the company's overall business operations, strategic planning and corporate support departments that enhance the collegiate portfolio's operational capabilities. She was named COO in January 2012.

Ms. Richards and her department associates visit communities frequently. She plans and executes company policy changes and audit compliance. She directly supervises regional directors while her department supports community managers to ensure an orderly initial occupancy of new communities as well as ongoing growth and development of onsite associates.

Before being promoted to senior vice president in 2010, she served as vice president of operations and as a regional director. Ms. Richards formerly held various management positions at Gables Residential Trust, a multifamily REIT, from 1989 to 2001.

Ms. Richards is responsible for the 40,400-bed portfolio of properties EdR owns and manages, including our new cottage-style community at the University of Mississippi.

Matt Fulton, CPM —Day Manager

Matt Fulton
999 S. Shady Grove Road, Suite 600
Memphis, TN 38120
(901) 259-2585
mfulton@EdRtrust.com

Credentials

- B.A., Economics, University of North Carolina Chapel Hill
- Member, IREM
- Member, NACUBO
- Member, NACAS
- Member, ACUHO-I
- Certified Property Manager

In the event the development is financed with EdR's equity, Matt Fulton will be responsible for scripting and overseeing the onsite policy and procedure of EdR management staff handling the administration of the daily operations and oversees the operations of the communities in the company portfolio through the regional director staff and ancillary support staff. Mr. Fulton also oversees EdR's proprietary lease-tracking and customer satisfaction programs.

Mr. Fulton is responsible for ensuring proper execution and training of company policy and procedure and assistance with training in all operating requirements of ground leases and management agreements. In addition, his department is responsible for hands-on training of professional staff through one-on-one training, conferences and educational classes. Mr. Fulton ensures the uninterrupted delivery of each support function from the home office of EdR, including but not limited to operations management, property accounting, human resources, sales and marketing and maintenance functions.

Mr. Fulton ensures the uninterrupted delivery of each support function from the home office of EdR.

Mr. Fulton and his department associates visit communities as needed throughout the year. He also plans and executes company policy changes and audit compliance. He directly supervises regional directors and his department supports community managers to ensure an orderly initial occupancy of the new property and ongoing growth and development of on-site associates.

Mr. Fulton was a regional director supervising nine student apartment communities. Before that, he served as community manager for four years at University Park serving the University of Cincinnati, managing new construction and preopening. He formerly was assistant general manager at Granville Towers, University of North Carolina, Chapel Hill, which EdR developed and has managed for nearly 50 years.

Bradley Shaw — Programming Support

Mr. Shaw, vice president of client relations, will be responsible for facilitating the interface between Florida Polytechnic and EdR for successful residence life functioning. He will manage relationships with student affairs and residence life.

Along with the regional director, he will oversee the living-learning program components directed by the senior community assistant or the residence life coordinator. That individual runs the day-to-day residence life program at the property, supervises the community assistants and deals with student issues.

Mr. Shaw works closely with EdR's vice president of human resources to provide valuable and consistent student staff training on diversity issues, cross-cultural communication, crisis management, discipline and community-building.

Brad Shaw
999 S. Shady Grove Road, Suite 600
Memphis, TN 38120
(901) 259-2527
bshaw@EdRtrust.com

Credentials

- M.E., Student Development Theory and Higher Education, The University of Maine
- B.A., Business Administration, Baldwin-Wallace College
- Member, ACUHO-I
- Member, NASPA - Student Affairs Administration in Higher Education
- Member, Association for Student Judicial Affairs

In addition, he works with Christine Richards, senior vice president and COO, to develop seamless collaborations with key university officials in order to structure a comprehensive residence life plan, rules, regulations and procedures for the new partnership. He is a constant resource for the regional director and onsite personnel and advocate for student development issues and residence life programming.

Mr. Shaw is a past ACUHO-I Foundation Board Trustee (2006-2009). He is a member of ACPA — College Student Educators International, currently serving as vice president of ACPA's foundation.

Mr. Shaw is responsible for ensuring seamless collaboration with university clients and promoting a positive living-learning experience for the students.

5.2 DLR Group — Architects

Ron van der Veen, AIA, LEED AP — Student Housing Design

With more than two decades of student housing leadership, Ron van der Veen has served more than 20 campuses around the country and is a recognized nationally as a design innovator in student housing — especially working with modest budgets and aggressive schedules. Mr. van der Veen has been involved in every type of project from married family housing to traditional dormitory renovations to developing prototype pre-fabricated developments and high-rise housing. His experience with public-private partnerships and design/build gives him a unique perspective on alternative delivery methods for student housing.

Ron van der Veen
Seattle, WA
(206) 461-6020
rvanderveen@dlrgroup.com

Credentials

- B.Arch., University of Oregon
- Registered Architect: OR, WA
- LEED Accredited Professional
- American Institute of Architects
- ACUHO-I
- Association of Advancement for Sustainability in Higher Education
- Society for College and Urban Planning

His experience includes the following (asterisks denote work for a previous employer):

- California State University-Dominguez Hills — Student Housing Master Plan; Los Angeles, CA
- University of Hawaii — Hilo New Student Housing
- Benedictine University — New Student Housing; Lisle, IL
- Black Hills State University — New Student Housing; Spearfish, SD
- Peru State College — Delzell Hall Student Housing Renovation; NE
- College of Saint Benedict, Centennial Commons Apartments; St. Joseph, MN
- Seattle University — Student Housing Master Plan* and Campus Design Standards
- University of Washington — Stevens Court Student Housing, Nordheim Court Student Housing, Radford Court Married Student Housing, Terry Lander Hall Mixed-Use Student Housing, Mercer Hall Student Housing Renovation
- University of Colorado-Denver, Metropolitan State College of Denver and Community College of Denver — Auraria Campus Expansion; Denver, CO*
- Concordia University; Portland, OR *— East Hall Student Housing, Elizabeth Hall Dorm Renovation and New Apartments
- Portland State University— Stephen Epler Hall Student Housing, Portland, OR*

Tim Wagoner, AIA — Team Leader

Tim Wagoner leads DLR Group's Higher Education practice in Florida. Mr. Wagoner is passionate about the design of higher educational environments and is committed to working alongside colleges and universities in Florida to develop unique solutions that support and enhance both the academic and student life experience.

Tim Wagoner
Orlando, FL
(407) 803-4923
twagoner@dlrgroup.com

Credentials

- M.Arch., University of Florida
- B.F.A., University of Florida
- Registered in Florida
- American Institute of Architects

Mr. Wagoner has worked on 25 campuses over the past 18 years, providing architectural solutions for public and private universities and colleges. He has extensive experience leading teams on projects ranging from $200,000 to more than $35 million construction costs and believes success for any project regardless of its size is achieved by "providing great service."

His experience includes the following (asterisks denote work for a previous employer):

- Florida Polytechnic University — Modular Laboratory*, Central Plant* and Bio Fuels Research Lab*
- University of Central Florida — Baseball Stadium Renovation/Addition, Classroom Building II*, Career Services and Experiential Learning*, Partnership III*, CREOL Expansion*, CITF Projects 2003, Recreation Pool, Student Union Addition, Cyber Lounge*, Housing and Administrative Facility* and Bookstore Renovation/Addition*; Orlando
- Florida International University — Health & Life Sciences Complex-Phases I &II and Management and Advanced Research Center*; Miami
- University of Florida (UF) — Pediatric Dental Clinic*, IFAS Continuing Services Contract* and Health Science Center Continuing Services Contract*; Gainesville
- University of South Florida — Health Sciences Library*; Tampa
- Florida Gulf Coast University — Lutgert Hall*, Fort Myers
- Florida Atlantic University (FAU) — Christine E. Lynn College of Nursing*, Vivarium* and Harbor Branch Campus Master Plan*; Boca Raton
- FAU/UF — Joint-Use Classroom Building, Davie Campus*
- Valencia College — Student Services Building Renovation, West Campus; Building 10, West Campus*; Building 1, Lake Nona Campus*; Building 3, Osceola Campus*
- Pasco Hernando Community College — University Center, West Campus*; New Port Richey

Lindsey Piant Perez, AIA, LEED AP BD + C —Project Manager

Lindsey Piant Perez's role as the project manager will include managing all aspects of the project including organizing the team's approach to providing services in a timely manner, management of consultants, project adherence with university standards, coordination with code officials, working with the construction manager, achieving the project budget goals and being a consistent resource to the team. She is one of DLR Group's Sustainable Design leaders and serves as a national resource on LEED, Green Globes and Architecture 2030 project planning and design. She is highly proficient with communicating and maintaining open lines of communication between all parties, with personal attention to every detail, resulting in projects that are managed efficiently and problem-free.

Lindsey Piant Perez
Orlando, FL
(407) 803-4916
lperez@dlrgroup.com

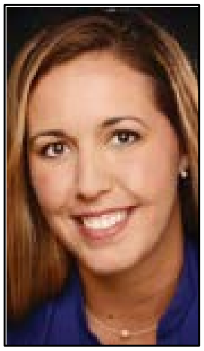
Credentials

- M.Arch., Sustainable Project, Planning & Management, University of Kansas
- B.Arch., University of Kansas
- Florida-registered
- LEED Accredited Professional BD+C
- American Institute of Architects
- U.S. Green Building Council

Her experience includes the following:

- University of Central Florida — Baseball Stadium Renovation/Addition; Orlando
- Valencia College — Student Services Building Renovation, West Campus; Orlando
- Aims Community College — Student Center Renovation, CO
- Orange County Public Schools — Zellwood Elementary School and Winter Park Ninth Grade Center; FL
- Oak Ridge Schools — Oak Ridge High School Addition/Renovation; TN
- Joplin School District — Joplin Interim High School; MO
- General Services Administration — George C. Young Federal Building Renovation and Addition; FL

Nicole Lopez, AIA — Project Architect



Ms. Lopez focused her career on education projects. Her role as the project architect will include meeting with the college users, engineers, facilities staff, maintenance, plant operations and other constituents in order to coordinate the design and architectural details to produce construction documents that are well-coordinated and of the highest quality. Ms. Lopez is highly proficient with Building Information Modeling (BIM) software such as Revit, 3-D modeling software such as Sketch-Up, and many other graphic and process oriented software packages.

Nicole Lopez
Orlando, FL
(407) 803-4920
nlopez@dlrgroup.com

Credentials

- B.Design, Architecture, University of Florida
- Registered in Florida
- American Institute of Architects

Her experience includes the following (asterisks denote work for a previous employer):

- University of Central Florida — Baseball Stadium Renovation/Addition, Career Services and Experiential Learning*, Partnership III *; Orlando, FL
- Florida Atlantic University — FAU and UF Joint Use Facility*, Stadium and North End Master Planning* and Harbor Branch Oceanographic Institute Master Planning*; various locations
- Jacksonville University — School of Nursing; FL
- Valencia College — Student Services Building Renovation-West Campus and Building 1-Lake Nona Campus*; Orlando
- University of Maryland BioPark — Proton Treatment Center*; Baltimore, MD
- Dr. Philips Charities — Headquarters Offices*, Orlando
- Osceola County School District — Thacker Elementary School -New Construction, Addition and Renovation* and Poinciana High School Auditorium and Scene Shop Addition*; FL
- Seminole County Public Schools — Jackson Heights Middle School*; FL
- Lake County Public Schools — East Ridge Middle School*; FL
- Orange County Public Schools — Memorial Middle School*; FL
- School Board of Sarasota County — Venice High School-New Construction and Renovation*;FL
- Bishop Moore Catholic High School — Science Labs Renovation*; Orlando
- CNL Realty & Development Corp. — Geneva School at Legacy Park*; Orlando

Kevin Leivian, AIA —Quality Assurance Architect

Kevin Leivian
Orlando, FL
(407) 803- 4914
kleivian@dlrgroup.com

Credentials

- B.Arch., Kansas State University
- Registered in Florida and Mississippi
- NCARB

Mr. Leivian brings more than 25 years of extensive experience serving as architect on a diverse range of projects including renovations, sports and recreational projects, educational projects and sustainable design. He is well-versed in working with difficult and unique project requirements and applies his technical knowledge to assist the design team in providing design solutions that will stand the test of time. Mr. Leivian is the master architect for the Orlando office of DLR Group; his responsibilities include working with project architects to provide guidance and experience, as well as providing quality-control reviews on every project.

His experience includes the following:

- University of Central Florida — Baseball Stadium Renovation/Addition; Orlando
- Valencia College — Student Services Building Renovation, West Campus; Orlando
- Orange County Public Schools — Zellwood Elementary School and Winter Park Ninth Grade Center
- General Services Administration — George C. Young Federal Building Renovation and Addition; Orlando
- Orange County Juvenile Justice Center — renovation and expansion to courts facility; Orlando
- Alachua County Courts Complex — renovation and addition to existing historic complex; Gainesville, FL

5.3 Peter Brown Construction — General Contractor

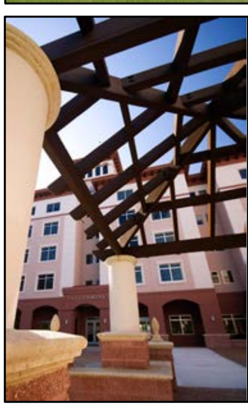
Brett Atkinson — Senior Vice President

Brett Atkinson
Ft. Lauderdale, FL
(954) 524-5678
batkinson@mossemail.com

Brett Atkinson has 18 years of construction industry experience. He recently completed the similar Parkview Hall project, and brings experience working on numerous university projects completed on occupied campuses. He and his team understand Florida Polytechnic's needs for this project and are knowledgeable in the proposed scope and are ready to work with the project team. As senior vice president, Mr. Atkinson is responsible for overseeing all items related to construction operations including staffing assignments, project plan development, cost and schedule analysis, employee training, as well as owner and subcontractor negotiations. He is involved with all project phases from preconstruction to construction and project close-out.

His experience includes the following:

- Florida International University — Parkview Hall, Miami; 252,000 sf, $45 million
- Nova Southeastern University — The Commons Student Housing, 178,000 sf, $32 million; Rosenthal Renovation, 37,000 sf, $10 million; Performing Arts Center, $13 million; and Don Taft University Center, 384,000 sf, $75 million; Davie, FL
- Barry University — Benincasa Hall Renovation, 45,841 sf, $2.3 million; and Dominican Hall Student Housing, 72,000 sf, $14.2 million; ; Miami Shores, FL



The Commons at Nova Southeastern University

John Bowden — EVP/Project Executive

John Bowden
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(727) 535-6407
jbowden@mossemail.com

With 38 years of experience, Mr. Bowden has a proven record of managing construction teams for multimillion-dollar projects. He is expert at managing local relationships with design professionals, subcontractors and vendors to secure the best project outcomes for clients. As project executive, Mr. Bowden has the overall responsibility for coordinating all aspects of project delivery. This consists of client services during construction operations, overall quality control, personnel management, subcontractor relations, and public/agency involvement. He provides the corporate commitment, oversight, and resources for the projects. Mr. Bowden will work with the team to ensure coordination and collaboration is forefront and set the path to project success.

His experience includes the following:

- Florida A&M University — Rural Diversity Healthcare Center, 40,000 sf, $7 million; Tallahassee
- Pinellas County Justice Center — Parking Garage, $11 million; Clearwater, FL
- Pinellas County Health Department — 54,195 sf , $9 million; Clearwater
- Polk County Health Department — 19,245 sf, $5 million; Haines City, FL
- Aqualea Beach Resort & Residences — 906,000 sf, $111 million; Clearwater
- Signature Place Residences — 850,000 sf, $120 million; St. Petersburg, FL
- The Place at Channelside — 608,000 sf, $70 million; Tampa, FL
- Vinoy Resort Condominiums —1.1 million sf, $136 million; St. Petersburg, FL
- Don Cesar Beach Resort — $43 million; St. Petersburg
- Courtyard Marriott — $7 million; Tampa, FL

Florida A&M University

Bob Hibbard — Senior Project Manager

Bob Hibbard
Tampa/Clearwater
(727) 535-6407
rhibbard@mossemail.com

Mr. Hibbard has 26 years' experience and has been working with other members of this team to successfully complete projects for local universities. Mr. Hibbard will work closely with all stakeholders to develop a thorough campus construction logistics plan. He will hold planning sessions with campus safety, facilities and maintenance, campus administration to meet Florida Polytechnic's requirements for working on campus. His considerable experience working on other local university campuses will ensure a safe, organized construction effort.

His experience includes the following:

- University of South Florida — Juniper-Poplar Hall, 360,000 sf, $64 million; Beta Hall, 85,000 sf, $8 million; and Betty Castor Hall, 74,079 sf, $8 million; Tampa, FL
- St. Petersburg College — EpiCenter, 132,110 sf, $14 million; Olympia Building, 37,471 sf, $9 million; St. Petersburg, FL
- University of Georgia Law School —28,775 sf, $3 million; Athens, GA
- Gulf Coast Museum of Art —45,000 sf, $7 million; Largo, FL
- Sarasota County Department of Health —70,820 sf, $7 million; FL

University of South Florida — Juniper-Poplar Hall

George Franco — Virtual Design & Construction/BIM

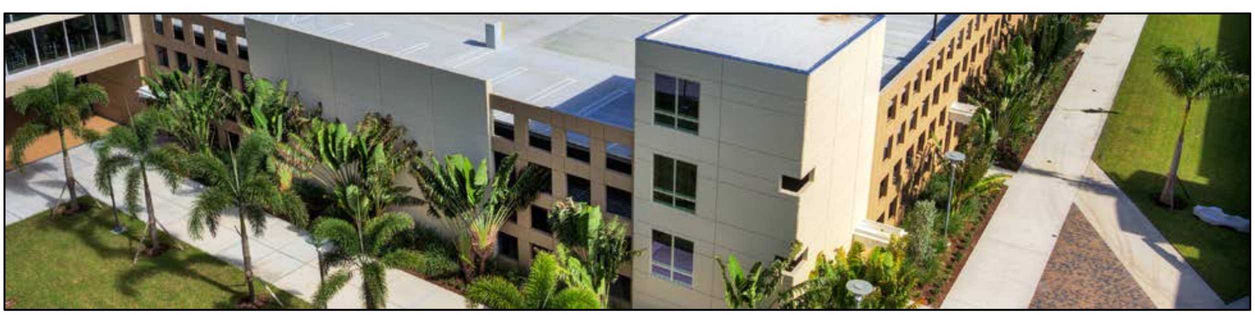
George Franco
Tampa/Clearwater
(727) 535-6407
gfranco@mossemail.com

George Franco has 11 years of construction industry experience. With a background in engineering and project management, Mr. Franco specializes in four-dimensional (4D) scheduling and other technological programs. His portfolio is diverse and includes higher education, K-12 schools, multifamily residential, mixed-use, retail, government and hospitality projects.

As a project scheduler and virtual design and construction specialist for Peter Brown, Mr. Franco works closely with the preconstruction team and the owner to ensure all milestones are being met and communicated. His specific duties include providing insight and guidance on all project schedules, communicating them in a 4D model and coordinating team scheduling meetings.

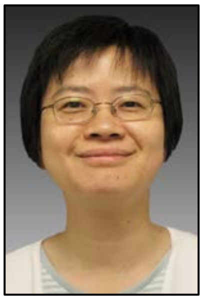
His experience includes the following:

- Florida International University — Parkview Hall, 252,000 sf, $45 million; Miami, FL
- Tampa Bayshore Condominiums — 651,442 sf, $50 million; Tampa, FL
- Nova Southeastern University — “The Commons” Student Housing, 178,000 sf, $32 million, Davie, FL; and Center of Excellence CRES, 87,000 sf, $32 million, Dania Beach, FL
- Barry University — Dominican Student Housing, 72,000 sf, $14.2 million and Kolasa Hall Renovation, 46,392 sf, $1.9 million; Miami Shores, FL
- University of Miami — Student Activity Center, 217,000 sf, $45 million, Coral Gables; Biomedical Research Building, 182,000 sf , $72.4 million; Garage & Energy Plant, Miami



Parkview Hall at Florida International University

Li Li, LEED AP — Preconstruction



Li Li
Ft. Lauderdale
(727) 535-6407
lili@mossemail.com

Ms. Li has 24 years of construction industry experience, the last eight with Peter Brown. She is considered an expert in providing cost estimating management for large, technically challenging projects with tough logistical constraints. Her knowledge and relationships with various local governing agencies and subcontractors provides great value. Having worked on many Florida assignments, Ms. Li's unmatched knowledge and current university experience will ensure the best preconstruction services are received.

As project estimator, Ms. Li is responsible for managing and coordinating all aspects associated with budget management during the preconstruction phase of a project. Her duties include conceptual and detailed estimating, documentation and scope review, value analysis, subcontractor prequalification and solicitation, comparison and cost model reporting. She will make certain the project receives the most accurate pricing for the best value.

Her experience includes the following:

- Florida International University — Parkview Hall, 252,000 sf, $45 million; Miami, FL
- Nova Southeastern University — "The Commons" Student Housing, 178,000 sf, $32 million, Davie, FL; and Center of Excellence CRES, 87,000 sf, $32 million, Dania Beach, FL
- Barry University — Dominican Student Housing, 72,000 sf, $14.2 million; Benincasa Hall Renovation, 45,841 sf, $2.3 million; and Kolasa Hall Renovation, 46,392 sf, $1.9 million; Miami Shores, FL
- University of Miami — Student Activity Center, 217,000 sf, $45 million, Coral Gables; FL

Additional Peter Brown Personnel

These additional resources will play significant roles on the Florida Polytechnic project.

Jennifer Escobar, LEED AP, Project Manager: Ms. Escobar has six years' experience. She will serve as project team leader, assuring that all communication between the owner, architect/ engineer and field staff is administered in a timely and orderly fashion. She is currently completing the FIU Parkview Hall project and brings similar experience completing higher education projects. Ms. Escobar will be responsible for ensuring the overall success of the project during the preconstruction, construction and closeout phases. Her specific duties will include providing oversight on all scheduling and logistics plans; cost, quality and safety control; contract administration; and owner and subcontractor negotiation

John Brownell, LEED AP, General Superintendent: Mr. Brownell has 28 years of construction industry experience. His diverse experience includes educational facilities, commercial buildings, cultural centers, resort hotels, condominiums and government centers, among others. Having worked on many South Florida assignments, his unmatched knowledge and long-term relationships with local agencies and subcontractors will provide great value to your student housing project. As general superintendent, Mr. Brownell is responsible for supervising all work in the field, including that of subcontractors.

Brian Trusky, Loss Prevention: Mr. Trusky has 22 years of construction industry experience, the last nine with Peter Brown. He received the 2013 Safety Professional of the Year in the general contractor category by the Construction Association of South Florida. To qualify for this award, the nominee has to be from a company that has not had a fatality during the 2012 calendar year nor any Occupational Safety and Health Administration citations, and a Recordable Incident Rate below the national average. As director of loss prevention, he is responsible for implementing and overseeing all safety and security procedures.

Tab 6 — Project Approach

Starting any project off on the right foot is absolutely critical to its success since there is no single one-size-fits-all solution in collegiate housing. EdR begins by listening so we gain a full understanding of Florida Polytechnic's goals and concerns.

EdR begins by listening so we gain a full understanding of Florida Polytechnic's goals and concerns.

Using this knowledge, EdR will work in partnership with Florida Polytechnic to review all facets of the development program. Using an updated housing market study, our own analysis of the market and the university's needs and desires, the team will assess unit types, unit sizes, building construction, the technology specifications, social and programming space and project amenities to ensure their competitiveness and marketability within the targeted community.

6.1 Planning and Design Phase

EdR has the expertise to guide the planning and design process, subject to Florida Polytechnic approval. Design meetings are most successful when a free flow of information and opinions are available and welcomed.

EdR's approach to planning centers on collaboration with our university stakeholders to ensure we have a thorough understanding of the goals for the development. We use the information gained through these exchanges to ensure we design the best product, determine the most efficient development cost and provide high-quality, desirable housing at affordable rents.

To reach the ideal housing solution the public/private partners must jointly go through an iterative process of testing designs, costs, rents, etc. In order to reach the optimal result, many times we have created 30 or more pro formas that test a variety of possible combinations of design, cost and financing. We also perform a market study to secure up-to-date and reliable data regarding market conditions and to validate the proposed unit mix/program with demand and affordable rents. Working with our partner institutions, we have always found the appropriate mix of design, cost and financing to create housing that benefits the university and its students. The EdR team is excited about working with Florida Polytechnic to find optimal housing solutions for its member universities.

Our approach to the project is fully integrated, which provides Florida Polytechnic the information needed to evaluate project feasibility at each stage of contract services.

- Our integrated team design approach will yield vibrant living-learning communities via a collaborative process with Florida Polytechnic. Key team members will be involved throughout the process, since each element impacts the other. For example, design impacts cost, which impacts financial feasibility. Unit type impacts student demand, which impacts financial success. Programming and unit amenities affect student learning and satisfaction.
- Our integrated design and feasibility process will simultaneously manage key components in an interrelated and unified manner, including:
  - **Master Plan/Housing Results:** How does this project enhance the campus overall design/planning goals?
  - **Housing and Site Design:** What are the best physical layouts of buildings and units, architectural style and construction practices? What units and amenities do students want? Our team will explore responsive design/ technology needs as well as sustainable/adaptable concepts.
  - **Residence Life Programming:** How will these buildings be used to further Florida Polytechnic' educational mission? What programming and best practices living-learning initiatives will be used? What are the best staffing and design options to augment these residence life philosophies?
  - **Environmental Considerations:** What are the best ways to use the site, preserve appealing elements and make the project environmentally sensitive and energy efficient? What LEED elements may be incorporated to achieve the desired level of certification and what are the cost impacts?
  - R**ents, Cost and Feasibility:** What are the affordable rent levels? What project cost and quality level will best serve the campus and its students? What financing approach will help achieve this balance?
  - F**inancing Structures and Approaches:** What are the financing options and resultant costs, risks and benefits? How does each option impact financial feasibility? How do we eliminate or minimize any requirements for Florida Polytechnic? How are changing markets likely to affect financing? How do we plan for and protect Florida Polytechnic and the project from evolving market challenges?

EdR's integrated team design approach will yield vibrant living-learning communities via a collaborative process with Florida Polytechnic.

- **Local and State Requirements:** We must plan for needed approvals/permits to be in place in an expedited manner, so that construction can commence in a timely fashion to meet the schedule.

- Our proactive financing approach will be concurrent and responsive with the design/feasibility process. This is a complex process, especially in today's economic environment, so it is critical to coordinate financing sources and explore financial alternatives from the very start of the design process. Only then can Florida Polytechnic evaluate the best financing structure to use for the project.
- Our construction oversight and controls will focus on management of costs, timing, quality of materials and construction methods as well as minority- and woman-owned business enterprise participation requirements and goals.
- Our management integration for the housing community is critical at early stages in order to have a seamless transfer from completion of construction to student move-in.

Our goal is to create high-quality housing that is financially self-supporting. In transactions at other universities we have successfully eliminated or minimized financial requirements from the university — no debt or occupancy guarantees and no direct investment. Every aspect of the project is subject to the full approval of Florida Polytechnic — design, construction, financing structure and rent levels.

EdR's management integration provides a seamless transfer from completing construction to student move-in.

6.2 Construction Phase

EdR contracts with reputable local construction firms and subcontractors who perform high-quality work and share our philosophy of aligning with our client's vision. The construction firm will provide a guaranteed maximum price (GMP) as well as bonding to guarantee delivery on time. Similar to the process for selecting an architect, EdR will propose a local or regional general contractor to keep the economic benefits of the project in the community, but will also seek Florida Polytechnic input on the ultimate selection.

EdR then provides oversight during the construction process, acting as the owner's representative. Since 2000, EdR has provided construction oversight services for more than 31,000 beds, among them more than 22,000 on-campus beds developed for third-party clients (university foundations). These services also have been provided for more than 2,400 on-campus beds EdR has developed using its own equity.

EdR oversees all construction work, such as the first phase of the on-campus housing revitalization at the University of Kentucky

Experienced, savvy EdR project managers ensure we deliver high-quality collegiate housing solutions on time and on budget — every time. Our construction oversight professionals participate in the design process to ensure constructability at the budgeted cost and then monitor progress in the field to ensure schedules and budgets are met, all with sustainability at the forefront.

We bring our construction oversight expertise to bear on all aspects of the project, from best practices and quality management to value engineering, cost-control, schedule management and compliance with specifications, codes and other requirements. Close site inspection, monitoring and execution of contracts along with regular communication with our clients form the cornerstone to our nearly 50 years of success in the collegiate-housing industry. Our developments are built to last with long-term maintainability, which means long-term satisfaction for the resident and the university.

6.3 Operations Phase

EdR welcomes the opportunity to manage, operate and maintain Florida Polytechnic's collegiate housing. We currently operate and manage more than 40,400 beds for our own portfolio, universities and third parties. Our housing management experience extends to 1964. EdR's integrity and commitment to excellence allow us to maintain long-lasting relationships with many third-party clients and universities. We have housed freshmen for the University of North Carolina (UNC)-Chapel Hill for nearly five decades. Only through honesty, continuing success and superior service can a company continue to work with the same clients for 20 and 30 years or longer. Our unrelenting focus on the student as our customer enables us to continually update properties and refine our management/residence life services so properties stay full and students remain happy.

EdR manages more than 40,400 beds at 60 universities in 24 states.

EdR is committed to providing:

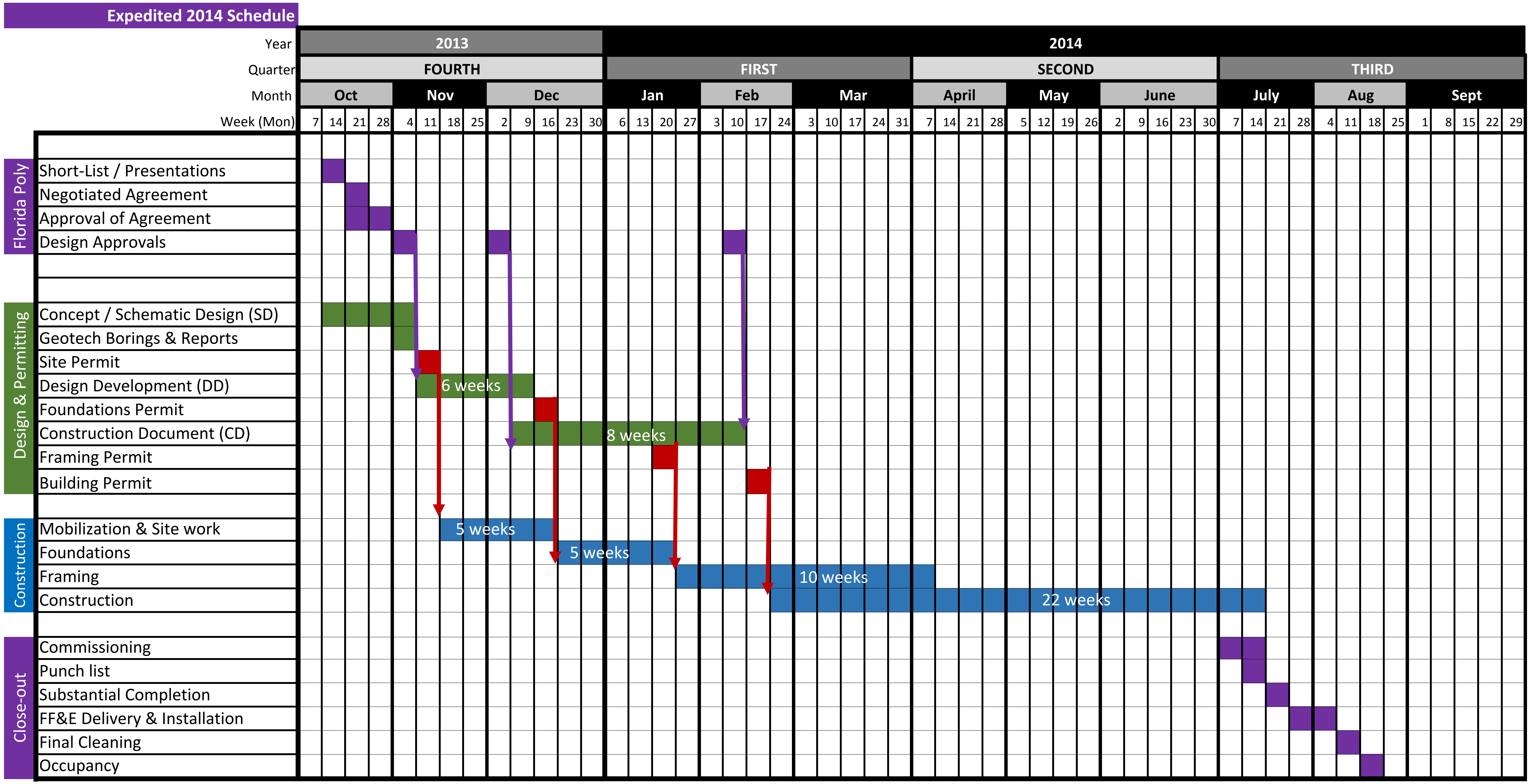
- A great place for students to live
- Peace of mind for the family
- Commitment to serving the university

EdR maintains developments in first-class condition so they retain value to our clients, our residents and our investors. In addition, as the most experienced company specializing in collegiate housing development and management, EdR offers Florida Polytechnic these services:

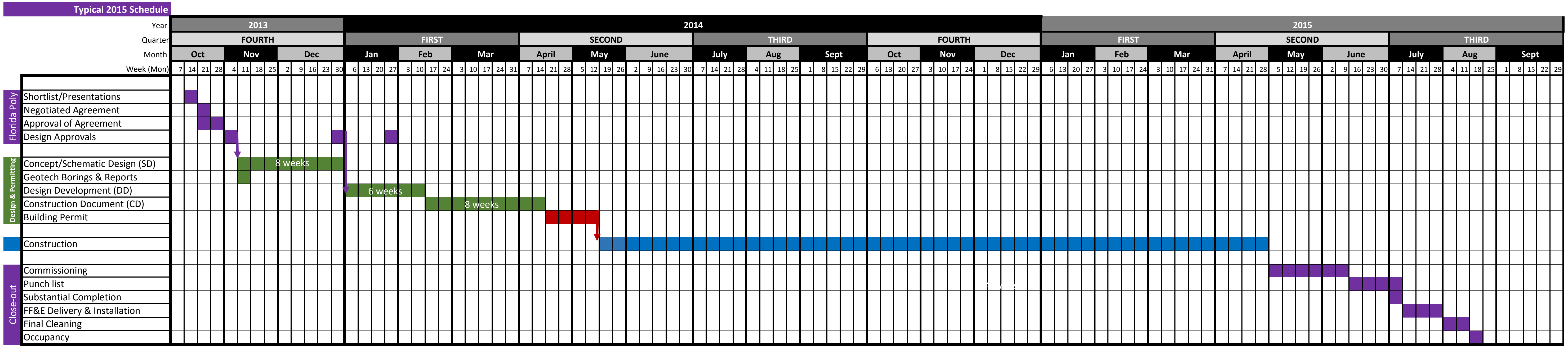
- Professional staffing
- Recruitment
- Professional staff training
- Performance appraisals
- Home office support
- Leasing and marketing
- Management services
- Business operations
- Financial operations
- Residence life programming

6.4 Schedule

EdR is proposing two schedules for consideration. The first complies with Florida Polytechnic's desired August 2014 delivery date. Achieving this delivery date will pose a challenge, as discussed in Section 6.7. The second option is for an August 2015 date, which minimizes risk. The schedules are provided on the following pages.



NOTE: Expedited university and governmental agency approvals are essential to ensure a minimum if 8 months of construction and meet an August 2014 opening.



Typical 2015 Schedule
Year
Quarter
Month
Week (Mon)
2013
2014
2015
FOURTH
FIRST
SECOND
THIRD
FOURTH
FIRST
SECOND
THIRD
Oct
Nov
Dec
Jan
Feb
Mar
April
May
June
July
Aug
Sept
Oct
Nov
Dec
Jan
Feb
Mar
April
May
June
July
Aug
Sept
7 14 21 28 4 11 18 25 2 9 16 23 30 6 13 20 27 3 10 17 24 3 10 17 24 31 7 14 21 28 5 12 19 26 2 9 16 23 30 7 14 21 28 4 11 18 25 1 8 15 22 29 6 13 20 27 3 10 17 24 1 8 15 22 29 6 13 20 27 3 10 17 24 3 10 17 24 31 7 14 21 28 5 12 19 26 2 9 16 23 30 7 14 21 28 4 11 18 25 1 8 15 22 29
Florida Poly
Shortlist/Presentations
Negotiated Agreement
Approval of Agreement
Design Approvals
Design & Permitting
Concept/Schematic Design (SD)
8 weeks
Geotech Borings & Reports
Design Development (DD)
6 weeks
Construction Document (CD)
8 weeks
Building Permit
Construction
Close-out
Commissioning
Punch list
Substantial Completion
FF&E Delivery & Installation
Final Cleaning
Occupancy

6.5 Location

EdR is Memphis-based but has a significant presence in Florida through collegiate housing communities we own and manage there:

Florida State University	Players Club	336 beds
	The Commons	732 beds
University of Central Florida	The Lofts	731 beds
University of Florida	Campus Lodge	1,116 beds
University of South Florida	The Pointe	1,002 beds

Earlier in our history, we developed or acquired and then managed these Florida projects:

Florida State University	Cash Hall	768 beds
	The Pointe	1,250 beds
	Osceola Hall	636 beds (developed)
University of Florida	Village Apartments	700 beds
University of South Florida	DeSoto Hall	785 beds (developed)
	Fontana Hall	808 beds (developed)

In aggregate, EdR's Florida portfolio exceeds 8,860 beds.

109 Tower at Florida International University

In addition, EdR in April 2013 announced its commitment to acquire a collegiate housing development directly across the street from the Florida International University (FIU) campus. This 15-story community currently being constructed adjacent to the north side of the university's main campus is the first purpose-built collegiate community development at FIU. The 542-bed apartment community will offer a variety of two- and four-bedroom apartments, with private baths for each bedroom and a washer and dryer in each unit. Residents will enjoy a variety of amenities such as a pool, robust internet and Wi-Fi access, fitness center, theater room and an outdoor deck. EdR's acquisition is subject to the completion of the project in time for fall 2014 occupancy. EdR is responsible for all leasing and management operations.

Local Economic Impact

EdR's standard practice is to engage local firms to the maximum extent practical to gain the benefits of their knowledge about building codes, construction practices and climate implications as well as to minimize costs related to travel. We also to the maximum extent feasible locally source materials and trades for cost and schedule efficiencies.

EdR developments provide jobs for the local community.

At the University of Kentucky, for example, where EdR delivered two residence halls for fall 2013, 430 direct and 292 indirect workers were employed, 75% of whom were Kentucky residents. The $25.8 million construction of Central Halls I and II, comprising 601 beds, represented $15.5 million in expenditures in Kentucky, generating $400,000 in sales tax for the commonwealth.

EdR, as noted in Tab 4, is building five additional living-learning centers with three more in development, yielding 4,592 beds for UK. These projects represent employment for 2,300 directly and another 1,580 indirect jobs and generating $2.24 million in sales-tax revenue.

6.7 Project Challenges

EdR brings more than 50 years' experience and innovation to the development of collegiate housing. During this time we have set every new standard for the industry — from the first privatized student housing facility in the country at UNC Chapel Hill in 1964 to the largest on campus revitalization project in the country at the University of Kentucky with the first projects opening in 2013. Along the way EdR has led innovations in financing, operations and design all with a focus on improving the student experience and achieving the university's objectives.

We understand collegiate planning and finance and will work with Florida Polytechnic to achieve its goals of providing students a "challenging environment that encourages them to move beyond the classroom and engage" and support them with the appropriate residential life experience for its students.

As noted in the RFQ, this development presents several challenges, most notably financing risk and schedule. EdR is uniquely qualified to partner with Florida Polytechnic to navigate these challenges and provide innovative solutions thru-out the development process.

Financing: The developer is to bear the complete financial risk of the project.

One Equity Partner.
One Development Partner.
One Management Partner.

Funding is challenge on all student housing projects especially as universities nationally are experiencing state funding cuts annually and working to manage the overall cost of higher education. EdR understands these issues, and as one of America's largest owners, developer and managers of collegiate housing, we can provide Florida Polytechnic with **one partne**r for equity, development and management, bearing the financial and operating risk for the project.

Florida Polytechnic represents a unique risk as it is "literally building itself from the ground up", and does not offer the risk-mitigation factors typically provided by an existing university or university system. EdR, as a nationally recognized leader in collegiate housing innovation, will enter this partnership with a focus on trust and transparency. As a true partner, we will with work collaboratively and candidly with Florida Polytechnic to identity the appropriate risk-mitigation strategies to make this development a success for both partners. These parameters are outlined in Tab 7.

Schedule — August 20, 2014, Occupancy: Clearly the 2014 occupancy is a significant challenge. A typical development schedule for a collegiate housing project including partnership agreement, entitlements, design, construction and occupancy is 16-20 months. This proposed delivery of 10 months requires significant development expertise and expedited decision-making on the part of Florida Polytechnic.

EdR has the development expertise — along with the local strength of our partners DLR Group and Peter Brown Construction, a Division of Moss— to deliver the project within these parameters and will work with Florida Polytechnic to define key decisions and milestones required to achieve this objectives. In the end the success of the project will be driven by both the developer and university in a true partnership with shared goals and trust.

EdR builds community through social events at communities it manages. Our capabilities include residence life programming.

The schedule represents a broad challenge with various associated impacts:

- **Student Life Infrastructure:** Collegiate housing development is not a stand-alone endeavor. Creating a successful and supportive student life environment requires dining, recreation and enhanced academic and social services to meet students' needs. This is especially important for an institution with such as rigorous academic focus. EdR with work collaboratively and candidly with Florida Polytechnic to identify student-life support facilities and services essential to the success of both the university and collegiate housing project.
- **Occupancy:** EdR begins marketing of a new facility a year in advanced of occupancy even in stable markets. Beginning marketing of the property less than 10 months prior to move-in represents a significant financial risk for the developer and must be thoughtfully evaluated within the context of the enrollment management plan and the marketing plan for Florida Polytechnic.

We will collocate our design and build teams onsite at a single location to expedite design, production and coordination.

- **Design and Construction Standards:** Design quality and construction quality consistent with the master plan and the iconic Innovation, Science and Technology Building are essential to evolving brand of Florida Polytechnic.
  - EdR believes that the design of each collegiate housing project should be unique to each campus and reinforce the university's image and values.

We will collocate our design and build teams onsite at a single location to expedite design, production and coordination.

- We will use proven residential floor plans focused on underclassmen to reinforce community development and engagement to expedite the issuance of early bid packages and will work with the DLR team to design "Poly appropriate" architecture and interior design to support the campus brand.
- We have selected DLR Group as our architect and Peter Brown Construction, a Division of Moss, as our general contracting partner based on their innovation in fast-tracked collegiate housing implementation and will explore alternate construction and delivery to meet aggressive schedule.
  - — The team will evaluate various construction methods to expedite schedule including: pre-cast concrete, tunnel-form, and modular to ensure quality and adhere to schedule.

▪ **Approvals:** In order to meet the 2014 opening schedule approvals from Florida Polytechnic, the board and local governmental agencies will need to be expedited beyond current practices.

- **Ground Lease Approval:** EdR will work with Florida Polytechnic negotiate the ground lease and associated partnership agreements necessary to implement the project.
- **Design Approval:** The program, plan and exterior design will all need to be approved in November to begin construction in December. EdR has identified key approvals in the associated schedule.
- **Permits:** Foundation and site construction permits will need to be expedited to achieve a 2014 opening. The typical construction schedule in Florida typically takes four weeks for the State Fire Marshal to approve after submission of 100% Construction Documents in addition to four weeks at 50% CDs
  - — On past projects, Institutions have negotiated an expedited review process with state agencies. We will need Florida Polytechnic's support to ensure expedited approvals.

We will need Florida Polytechnic's support to ensure expedited approvals.

- **Site Readiness:** There are benefits to having an unoccupied (by students) site from which to work, but EdR will need appropriate agreements and assurances from Florida Polytechnic and existing construction partners (Skanska) that the site will be ready in mid-November to commence construction. EdR and our team have strong relationships in the industry and will work cooperatively to support the site readiness and success of all projects on the site.

Identifying challenges proactively leads to innovative collaborative solutions, which is the core to a successful partnership. We look forward to detailed discussion with Florida Polytechnic University leadership to address these issues and finalize strategies to move forward to achieve the university's goals.

Clockwise from top left, California State University-San Marcos, SUNY College of Environmental Science and Forestry, Slippery Rock University of Pennsylvania and Colorado State University-Pueblo

Tab 7 — Business Terms

EdR proposes these terms:

- Delivering a minimum of 190 beds consistent with Florida Statutes establishing criteria for Florida Polytechnic.
- Financing 100% by EdR with no debt using its own equity through The ONE Plan^{SM}.
- A ground lease with terms appropriate to meet Florida Polytechnic's goal of receiving ground rent.
- Annual ground rent to Florida Polytechnic as a percentage of total revenue, subject to EdR achieving its pro forma target revenue. The base ground rent will be annually adjusted by the greater of 3% or the increase in the Consumer Price Index.
- If revenue falls short, ground rent to Florida Polytechnic will be reduced to the extent needed for EdR to achieve the total pro forma revenue, but the payment to Florida Polytechnic will never be less than zero (i.e., Florida Polytechnic will not be liable for making whole the shortfall).
- Florida Polytechnic will require first-year students to live in on-campus housing.
- Florida Polytechnic will market the new housing as on-campus housing.
- Florida Polytechnic will agree to limit new on-campus housing to a percentage of full-time enrollment based on market demand.
- As long as EdR fulfills its obligations in this first phase, EdR will receive exclusive right to develop additional housing.
- No real estate taxes will be assessed. We will work with Florida counsel to structure the lease and ownership similar to that for our on-campus development at the University of Kentucky, which is exempt from real estate taxes.
- At the end of the ground lease, ownership of the asset will revert to Florida Polytechnic. This asset will have been maintained in first-class condition throughout the ground-lease term and will retain value at the time of reversion.
- Florida Polytechnic will have first right of refusal to purchase any or all facilities executed under the terms of the agreement in the unlikely event EdR would cease operations, become insolvent or otherwise abandon the lease agreement.

EdR will work with Florida counsel to structure the lease and ownership similar to that for our on-campus development at the University of Kentucky, which is exempt from real estate taxes.

- Florida Polytechnic has the option to purchase the buildings during the terms of the agreement at fair market value commencing after 10 years of opening.

Proposed Contractual Terms

Typical key contractual terms are summarized below.

Summary of Typical Contract Terms

Contract Element	Typical Terms
Design	EdR will submit an initial design that corresponds to the RFP requirements and thereafter work with the university to determine the design that meets the project criteria for both parties
Financing	Financed entirely with EdR equity under the ONE Plan℠ so as to minimize adverse impact on the debt capacity and bond rating of the university
Development/Construction	Subject to force majeure and university-requested changes, EdR will be responsible for on-time delivery and any cost overruns.
Operating Costs	▪ Operating costs paid by project revenues with no recourse to university ▪ EdR is responsible for any operating losses for the term of the lease
Maintenance/Capital Improvements	▪ EdR commits to protect its investment and operate and maintain the facilities in a first-class condition ▪ All maintenance and capital improvements paid by project revenues or by EdR for the term of the lease with no recourse to university
Real Estate Property Taxes	Where possible, EdR encourages the university to seek a tax exemption for the on-campus student housing project
Ownership/Legal Structure	▪ If taxable, the university would lease the land to EdR and EdR would own the improvements ▪ Under the tax exempt structure, the university would own the land and improvements and lease both to EdR (or such other arrangement as satisfies local law)
Guaranty	All obligations of EdR will be guaranteed by the operating partnership for the REIT, Education Realty Operating Partnership, LP

Summary of Typical Contract Terms

Contract Element	Typical Terms
Base Ground Lease Rent	As required by the RFP
Participating Ground Rent	A percentage of net revenues to the university after EdR obtains its specified internal return on investment (IRR)
Management	EdR will manage the project for a fee based upon a percentage of gross revenues of the project
Permitted Tenants	▪ Students and university-associated persons only ▪ For optimal success, EdR encourages the university to market the housing facility as on-campus housing indistinguishable from other on-campus choices
Tenant Lease Rent	EdR determines based on competitive market rates
Residence Life	At the option of the university, either university may provide the Residence Life programming and staff or EdR will employ Residence Life Staff and provide appropriate programming appropriate for the intended student population
Retail Space	▪ Any retail space would be leased by EdR subject at market rents subject to prohibited uses agreed upon by the university ▪ Rents are revenues of the project
Parking	As specified in the RFP
Term	As specified in the RFP
Assignment/Sublease/ Change in Control	▪ Assignment permitted to assignee of pre-agreed upon net worth and qualifications ▪ No restrictions on change in control of REIT entity
Right of First Refusal	The university would have ROFR for a sale of EdR's leasehold interest
Early Termination	▪ In the absence of default, the university may only terminate the lease upon payment of a predetermined formula that calculates the net present value of EdR's economic interest in the project (the termination fee) ▪ No termination fee or other costs to the university are required at the expiration of the

Summary of Typical Contract Terms

Contract Element	Typical Terms
	lease
Default/Remedy	▪ Termination as last resort and then only upon payment of the termination fee ▪ Dispute-resolution process involving negotiation, then mediation, then litigation

Management Terms

EdR is a firm believer in shared governance of on-campus communities. EdR and Florida Polytechnic will collaborate to incorporate input and oversight by key university stakeholders. The following matrix shows opportunities for collaboration.

Housing Operation Responsibility/ Collaboration		Florida Polytechnic	Shared	EdR
Administration/Operational Functions	Application Process			
	Room Assignments			
	Student Rent Collections			
	Summer and Break Housing/ Conferences			
	Life Safety and Security			
	Emergency Preparedness Planning			
	Financial Management			
	Operations Staffing			
	Mail Distribution			
	Room Key Control/Inventory			
	Payroll/Accounting Administration			
	Vending			
	Facility Opening/Closing			
	Card Access			

Housing Operation Responsibility/ Collaboration		Florida Polytechnic	Shared	EdR
Programming Functions	Academic Initiatives			
	Classroom Administration			
	Living-Learning Assignments			
	Assessment			
	Student Discipline			
	University and Residential Policy Creation/Enforcement			
	Contract Cancellations			
	Conflict Resolution			
	Incident Reporting			
Marketing	Marketing Planning			
	Marketing Publications			
	Website Design			
Staffing	Recruitment Activities			
	Hiring, Training and Supervising Residence Life Staff			
	Annual Performance Evaluations/Personnel Actions			
Facility	Maintenance and Preventive Maintenance Schedules			
	Landscaping			
	Sidewalk Maintenance			
	Residential Trash Removal and Recycling			
	Parking			
	Pest Control			
	Work Orders			

Housing Operation Responsibility/ Collaboration		Florida Polytechnic	Shared	EdR
	Internet Management/Technology Support			
	Internet Backbone			
	Damages Assessment/Charges			

Why Select EdR?

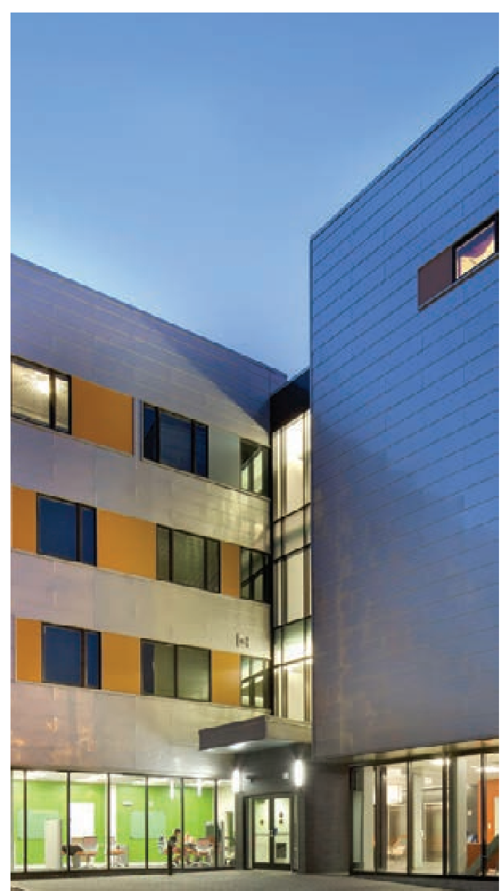
- Desire to work with Florida Polytechnic
- Expertise in launching first on-campus housing
- Collaborative process
- Financial strength
- Long-term commitment
- Quality design and execution
- On-time, on-budget delivery guaranteed
- Nationally recognized firm backed by local expertise
- Committed to benefiting local economy

EdR™

2012 ANNUAL REPORT

SETTING THE PACE

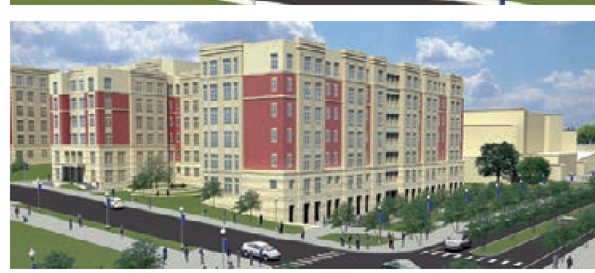
IN COLLEGIATE HOUSING



UNIVERSITY OF KENTUCKY

EdR is on track to successfully complete the largest on-campus housing revitalization project in the nation at the University of Kentucky (UK). Through the systematic execution of the multi-phase project, EdR will replace nearly 6,000 on-campus beds with updated, state-of-the-art living-learning centers within five to seven years. The approximately $500 million project is being financed by EdR through its On-Campus Equity Plan — The ONE Plan℠. EdR will own all improvements under a multiyear lease with the university, the terms of which provide for a long-term alignment of interest between EdR and UK.

With Phase I on schedule for a summer 2013 opening, work has begun on the second phase of this multi-year project. Phase II will provide approximately 2,300 beds within four buildings that will also contain nearly 125 active learning rooms and classrooms along with space for a variety of university programs. Phase II is scheduled to open in the summer of 2014.



IN EVERY INDUSTRY THERE'S ONE PERENNIAL LEADER. IN COLLEGIATE HOUSING, **THAT'S EdR.**

A LEADER IN THE COLLEGIATE HOUSING INDUSTRY SINCE 1964, EdR IS ONE OF THE LARGEST DEVELOPERS, OWNERS AND MANAGERS OF HIGH-QUALITY COLLEGIATE HOUSING.

EdR is a self-administered and self-managed real estate investment trust (REIT) publicly traded on the New York Stock Exchange (NYSE: EDR). As a REIT, we develop, purchase and own properties that will bring value to our portfolio and shareholders. Our projects are built to last and to be profitable for many years to come.

Formerly known as Education Realty Trust and before that as Allen & O'Hara, EdR set every standard for the collegiate housing industry for almost a half-century. Our deep understanding of our ever-evolving customer stimulates a constant stream of innovations and improvements, along with a portfolio of impressive developments across the United States.

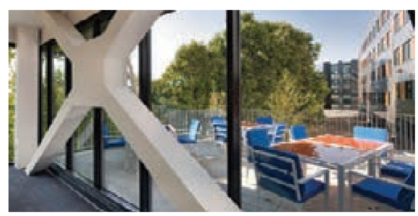
Fast-forward to today: EdR is again setting the pace with the nation's largest on-campus housing revitalization program at the University of Kentucky. Innovations continue in other areas, such as financing to make on-campus developments more viable for universities and construction techniques to make our buildings more sustainable, energy-efficient and maintainable.

"Revitalizing our campus infrastructure in this still-changing economy will require us to be innovative and creative. This partnership with EdR underscores our commitment to move forward creatively but responsibly. It is one more way that we are honoring the Kentucky Promise for another generation and for the Commonwealth that we serve."

— Dr. Eli Capilouto
President of the University of Kentucky

2012 DELIVERIES

Syracuse University — Campus West	Company-Owned — ONE Plan℠
University of Alabama — East Edge	Company-Owned — Joint Venture
University of Connecticut — Phase I: The Oaks on The Square	Company-Owned
Johns Hopkins Medical Institute — 929	ONE Plan℠
East Stroudsburg University of Pennsylvania — Hawthorne Suites	Third-Party Development
Mansfield University of Pennsylvania — Oak Hall & Hickory Hall	Third-Party Development

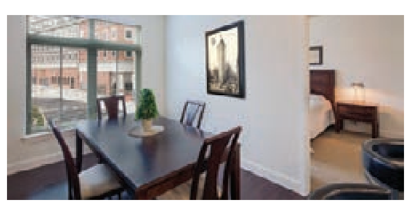


Campus West — Syracuse University

Created specifically for Law School and other graduate students, Campus West is EdR's second owned development on the Syracuse University campus.

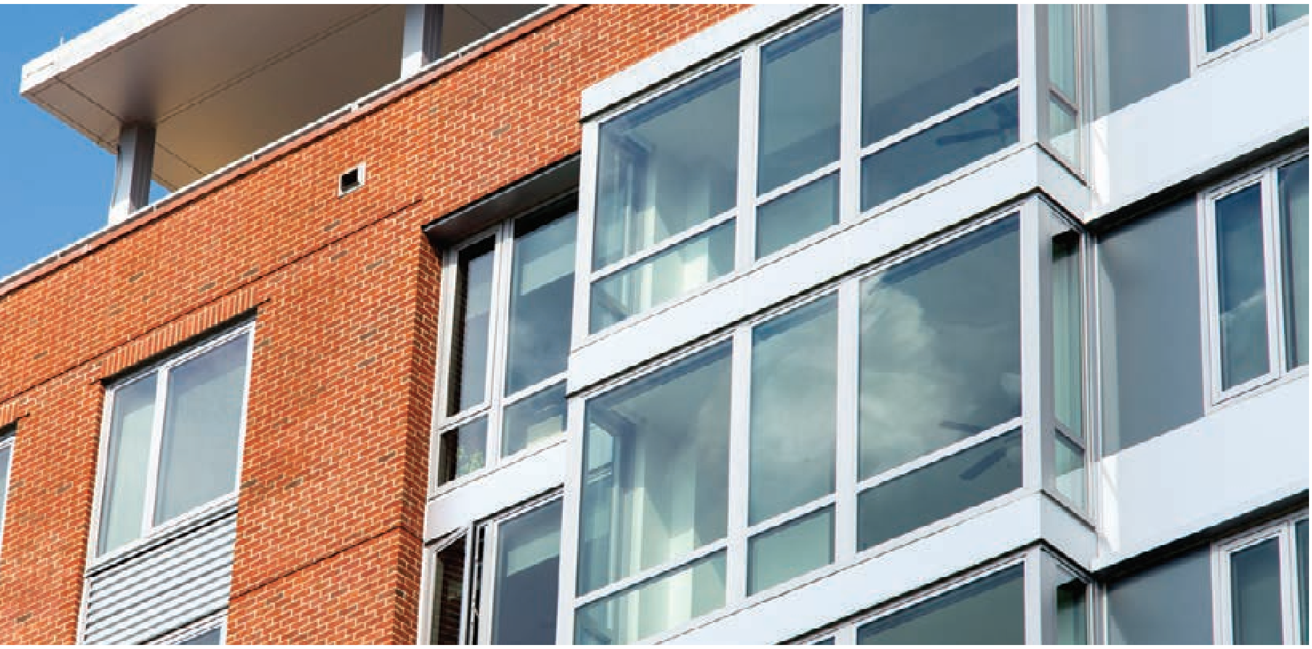
929 — Johns Hopkins Medical Institute

This iconic tower centerpiece includes eight- and 20-story apartment buildings to accommodate 572 graduate students, residents, fellows and faculty members. Financed with a private EdR mezzanine loan through The ONE Plan℠, the building features ground-level retail and a plush green rooftop deck and lounge.



Oaks on The Square — University of Connecticut

EdR completed the first phase of Storrs Center — a mixed-use, New England-style town square that includes retail components and residential apartments adjacent to the University of Connecticut.



2012 ACQUISITIONS

East Carolina University — The Province

Kent State University — The Province

Michigan State University — Campus Village

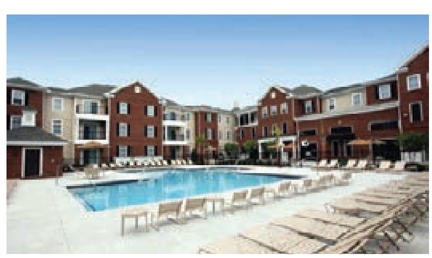
Texas Tech University — The Suites at Overton Park and The Centre at Overton Park

University of Arizona — The District on 5th

University of Oklahoma — The Reserve on Stinson

The Suites at Overton Park and The Centre at Overton Park — Texas Tech University

EdR purchased these properties because of their premiere location adjacent to Texas Tech.



The Province — Kent State University

This 596-bed collegiate community is adjacent to the campus of the second-largest university in Ohio with nearly 28,000 students.

The District on 5th — University of Arizona

Located within walking distance of campus, this upscale student community is certified Leadership in Energy and Environmental Design (LEED) Platinum.

DEAR FELLOW SHAREHOLDERS,

"For the three years ending on December 31, 2012, EdR's total return to shareholders was 140%.

This return ranks EdR No. 1 vs. all public student housing REITS, No. 1 vs. all public multifamily REITs and No. 12 out of the entire public REIT universe of 125 companies."

I am pleased with our many accomplishments in 2012 and the momentum created for 2013.

OUR ACCOMPLISHMENTS

- Improved our portfolio of owned communities through new developments, acquisitions and selected sales
- Continued progress on the University of Kentucky's on-campus revitalization and began construction on Phase II to deliver more than 2,300 beds in 2014
- Strengthened our balance sheet
- Produced an industry-leading increase in same-store net operating income (NOI) of nearly 6%

These accomplishments increased our Core Funds from Operations (FFO) per share by more than 9%.

OPERATING RESULTS

For the year, same-store revenues increased 4%, and same-store expenses increased only 2.3% resulting in an NOI increase of nearly 6% — the second consecutive year of 6% same-store NOI growth.

We are off to a solid start for fall 2013 pre-leasing with both an increase in same-store occupancy and net rental rate. Based on our pre-leasing data, we are projecting fall 2013 same-store occupancy and rental rates to increase over the prior year. As a result, same-store total revenue is projected to increase for the 2013–2014 leasing term.

PORTFOLIO REPOSITIONING

Since 2010, we purchased more than $500 million of communities, developed $91 million of owned assets and disposed of $195 million of lower-growth assets.

These transactions have transformed our portfolio of communities into one of the best-located, strongest cash-flow-generating portfolios in the country. Compared to three years ago, our portfolio's median distance from campus decreased to 0.2 miles (down from 1 mile), median age decreased to nine years (a 25% decrease) and our average monthly rent increased to $571 per bed (a 36% increase).

We will continue to refine our collection of communities, focusing on well-located properties at larger, more robust universities that are expecting enrollment growth.

We also announced $190 million of 2013 developments, $198 million of 2014 developments and $54 million of option opportunities, for an aggregate of $442 million of new assets. These and additional developments and acquisitions in progress will drive shareholder value.

Our most exciting external growth opportunity is for on-campus developments under our On-Campus Equity Plan or ONE Plan℠.

By December 2014, our portfolio will include $283 million of these assets — two at Syracuse University, one at the University of Texas-Austin and five at the University of Kentucky, with more to come.

Randy Churchey
President & Chief Executive Officer

STRONG BALANCE SHEET

Our capital structure and balance-sheet metrics continue to show financial strength and flexibility. For the trailing 12 months, as of December 31, 2012, our interest coverage ratio was 4.2 times; net debt to adjusted EBITDA was 5.7 times; and our debt to gross assets was 31.7%. In January 2013, we closed on an amended credit facility that upsized our borrowing availability to $375 million with an expandable accordion of up to $500 million, thus enhancing our financial flexibility and allowing us to lower our overall cost and providing for a longer, 48-month term.

EdR enters 2013 with the financial strength and flexibility to fund all announced acquisitions and developments and source new acquisition opportunities, while maintaining debt metrics well within acceptable multifamily ranges.

PERFORMANCE OVERVIEW

We have made great progress over the last three years in improving our portfolio, balance sheet, processes and teams, while increasing shareholder value.

For the three years ending on December 31, 2012, EdR's total return to shareholders was 140%.

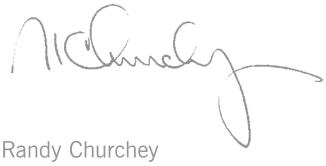
This return ranks EdR No. 1 vs. all public student housing REITS, No. 1 vs. all public multifamily REITs and No. 12 out of the entire public REIT universe of 125 companies.

LOOKING FORWARD

With EdR's superior reputation and capabilities, and the state of the collegiate housing market, we look to the future with confidence.

Our enthusiastic teams fuel EdR's success. They carry on the winning tradition of our company and have the momentum to create the opportunities and successes of tomorrow.

Thank you for your investment and confidence in EdR. I look forward to sharing our progress with you in the future.



Randy Churchey
President and Chief Executive Officer

- Delivered 2012 developments on time and under budget
- Made significant progress on the seven-year project at UK
- Continued successful repositioning of portfolio with quality acquisitions and value-enhancing dispositions
- Increased rental rates by 5%
- Improved renewal rates for the third straight year
- Ongoing progress toward on-time and on-budget 2013 and 2014 deliverables
- Held same-store expenses under 3% for the third straight year
- Continued technology upgrades at both the property and corporate level

EXPERIENCED. CREATIVE. RESPECTED.

With nearly 50 years' experience in collegiate housing, EdR has the ability to balance a university's objectives with the residents' needs to create the best solution for each project.

Development Services

Listening and working in collaboration with our clients, the EdR team brings innovative ideas and best practices drawn from years of experience to each project. Along with upscale housing, EdR developments may include mixed-use retail, attached or detached parking, living-learning facilities, university offices and/or food services — within a unique design to serve the university's and residents' needs.

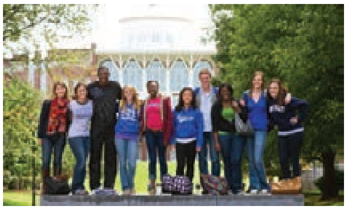
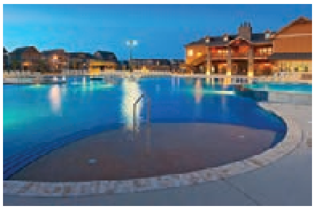
Financing solutions for on-campus collegiate housing are also deftly tailored to each university's unique needs and specific situations, most commonly using either **traditional tax-exempt bonds** or EdR's **On-Campus Equity Plan — The ONE Plan℠.** With EdR's ONE Plan program, colleges and universities use EdR's equity and financial stability to develop and revitalize campus housing while preserving their funds and debt capacity for other projects. For more information about EdR's financing options, visit www.EdRtrust.com.

Construction Oversight

From freshmen living-learning centers to apartments for graduate students, young professionals and faculty, EdR creates unique communities — off and on campus — to help enhance the collegiate experience. In our nearly 50-year history, each project has been delivered on time and on budget.

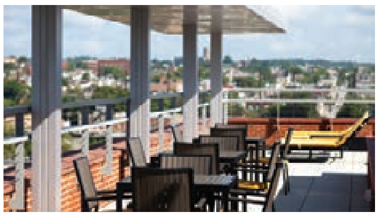
Management Services

EdR's management and operations staff members balance owner objectives and resident needs with the missions of the universities we serve. By focusing on the student as our customer, we continually update properties and operations to refine our management and residence life services to best meet the needs of our stakeholders — universities, ownership groups, students and their families. Our Residence Life program develops and maintains a socially and educationally engaging environment for a diverse student population.

We use our resources — people, experience and financial capital — to work in concert with our customers and their stakeholders to fulfill their needs and vision.



2400 Nueces —
University of Texas at Austin

EdR is developing and will own and manage this high rise scheduled to open in the summer of 2013. The project is being financed through EdR's On-Campus Equity Plan — The ONE Plan[SM].

Roosevelt Point —
Arizona State University

Less than three blocks from the Arizona State University Downtown campus, the amenities-rich Roosevelt Point will provide an upscale urban residential experience in close proximity to a multitude of employment and entertainment opportunities.

The Retreat at Penn State — Penn State University
The Retreat at Oxford — University of Mississippi

EdR is developing cottage-style collegiate housing communities to serve each of these two upscale, robust universities. A variety of two-, three-, four- and five-bedroom homes creates a neighborhood lifestyle unique to student housing.

EdR LEADERSHIP

BOARD OF DIRECTORS

Paul O. Bower, Chairman
Former President & Chief Executive Officer of EdR

Monte J. Barrow
Lead Independent Director, Former Chief Financial Officer of MS Carriers Inc., a publicly traded trucking transportation company

William J. Cahill III
Former Corporate Vice President of Human Resources of FedEx Corp.

Randy Churchey
President & Chief Executive Officer of EdR

Dr. John L. Ford
Former Senior Vice President and Dean of Campus Life at Emory University

Howard A. Silver
Former President & Chief Executive Officer of Equity Inns Inc., a publicly traded hotel real estate investment trust

Wendell W. Weakley
President & Chief Executive Officer of the University of Mississippi Foundation and former partner with PricewaterhouseCoopers LLP

EXECUTIVE OFFICERS

Randy Churchey
President & Chief Executive Officer

Randall H. Brown
Executive Vice President, Chief Financial Officer & Treasurer

Thomas Trubiana
Executive Vice President & Chief Investment Officer

J. Drew Koester
Senior Vice President, Chief Accounting Officer & Assistant Secretary

Christine J. Richards
Senior Vice President & Chief Operating Officer

MANAGEMENT TEAM

Olan Brevard
Senior Vice President of Acquisitions

Scott P. Casey
Senior Vice President & Chief Technology Officer

Charles M. Harris
Senior Vice President of Real Estate Development

Wallace L. Wilcox
Senior Vice President of Construction & Engineering

Susan B. Arrison
Vice President of Human Resources

Scott Barton
Vice President of Real Estate Acquisitions

Misty Culkin
Vice President of Sales & Marketing

Matthew S. Fulton
Vice President of Operations

Mark Grambergs
Vice President of Real Estate Development

Susan K. Jennings
Vice President of Corporate Communication & Marketing

Liz Keough
Vice President, General Counsel & Secretary

Jeffrey Resetco
Vice President of Real Estate Development & Construction

Bradley R. Shaw
Vice President of Client Relations

Randy Simpson
Vice President of Information Systems

Joshua J. Wilson
Vice President of Real Estate Development

Frank A. Witt III
Regional Vice President

Stephen R. Woo
Vice President of Taxation

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, 2012
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 **001-32417**

Education Realty Trust, Inc.

(Exact Name of Registrant as Specified in Its Charter)

Maryland	**20-1352180**
(State or Other Jurisdiction of Incorporation or Organization)	(IRS Employer Identification No.)
999 South Shady Grove Road, Suite 600 Memphis, Tennessee	**38120**
(Address of Principal Executive Offices)	(Zip Code)

Registrant's Telephone Number, Including Area Code (901) 259-2500
Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Name Of Each Exchange On Which Registered
Common Stock, $0.01 par value per share	**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 15(d) of the Act. Yes ☐ No ☒

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

As of June 29, 2012, the last business day of the registrant's most recently completed second quarter, the aggregate market value of the registrant's common stock held by non-affiliates of the registrant was approximately $1 billion, based on the closing sales price of $11.08 per share as reported on the New York Stock Exchange. (For purposes of this calculation all of the registrant's directors and executive officers are deemed affiliates of the registrant.)

As of February 22, 2013, the registrant had 113,871,318 shares of common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

To the extent stated herein, the Registrant incorporates by reference into Part III of this Annual Report on Form 10-K, or Annual Report, portions of its Definitive Proxy Statement on Schedule 14A for the 2013 Annual Meeting of Stockholders to be filed subsequently with the Securities and Exchange Commission.

FORWARD-LOOKING STATEMENTS

Our disclosure and analysis in this Annual Report on Form 10-K and the documents that are or will be incorporated by reference herein contain "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act. Forward-looking statements provide our current expectations or forecasts of future events and are not statements of historical fact. These forward-looking statements include information about possible or assumed future events, including, among other things, discussion and analysis of our future financial condition, results of operations and funds from operations, our strategic plans and objectives, cost management, occupancy and leasing rates and trends, liquidity and ability to refinance our indebtedness as it matures, anticipated capital expenditures (and access to capital) required to complete projects, amounts of anticipated cash distributions to our stockholders in the future and other matters. Words such as "anticipates," "expects," "intends," "plans," "believes," "seeks," "estimates" and variations of these words and similar expressions are intended to identify forward-looking statements. These statements are not guarantees of future performance and are subject to risks, uncertainties and other factors, some of which are beyond our control, are difficult to predict and/or could cause actual results to differ materially from those expressed or forecast in the forward-looking statements.

Forward-looking statements involve inherent uncertainty and may ultimately prove to be incorrect or false. You are cautioned not to place undue reliance on forward-looking statements. Except as otherwise may be required by law, we undertake no obligation to update or revise forward-looking statements to reflect changed assumptions, the occurrence of unanticipated events or actual operating results. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of various factors, including, but not limited to:

- risks and uncertainties related to the current recession, the national and local economies, and the real estate industry in general and in our specific markets (including university enrollment conditions and admission policies, and our relationship with these universities);
- volatility in the capital markets;
- rising interest and insurance rates;
- competition from university-owned or other private collegiate housing and our inability to obtain new tenants on favorable terms, or at all, upon the expiration of existing leases;
- availability and terms of capital and financing, both to fund our operations and to refinance our indebtedness as it matures;
- legislative or regulatory changes, including changes to laws governing collegiate housing, construction and real estate investment trusts;
- our possible failure to qualify as a real estate investment trust and the risk of changes in laws affecting real estate investment trusts;
- our dependence upon key personnel whose continued service is not guaranteed;
- our ability to identify, hire and retain highly qualified executives in the future;
- availability of appropriate acquisition and development targets;
- failure to integrate acquisitions successfully;
- the financial condition and liquidity of, or disputes with, our joint venture and development partners;
- impact of ad valorem, property and income taxes;
- changes in generally accepted accounting principles;
- construction delays, increasing construction costs or construction costs that exceed estimates;
- potential liability for uninsured losses and environmental liabilities;
- lease-up risks; and
- the potential need to fund improvements or other capital expenditures out of operating cash flow.

This list of risks and uncertainties, however, is only a summary of some of the most important factors and is not intended to be exhaustive. You should carefully review the risks described under "Item 1A. — Risk Factors" below. New factors may also emerge from time to time that could materially and adversely affect us.

PART I

Item 1. Business.

Our Company

Education Realty Trust, Inc., or we, us, our, EdR or the Trust, is a self-managed and self-advised real estate investment trust, or REIT, incorporated in the state of Maryland in July 2004 to develop, acquire, own and manage collegiate housing communities located near university campuses. We were formed to continue and expand upon the collegiate housing business of Allen & O'Hara, Inc., a company with over 40 years of experience as an owner, manager and developer of collegiate housing. We selectively develop collegiate housing communities for our own account and also provide third-party development consulting services on collegiate housing development projects for universities and other third parties. As of December 31, 2012, we owned 43 collegiate housing communities located in 22 states containing 25,003 beds in 8,494 apartment units on or near 38 university campuses. As of December 31, 2012, we provided third-party management services for 23 collegiate housing communities located in 10 states containing 12,060 beds in 4,068 apartment units on or near 20 university campuses.

All of our assets are held by, and we conduct substantially all of our activities through, Education Realty Operating Partnership, LP, our Operating Partnership, and its wholly-owned subsidiaries, EDR Management Inc., or our Management Company, and EDR Development LLC, or our Development Company. The majority of our operating expenses are borne by our Operating Partnership, our Management Company, our Development Company or our communities as the case may be.

We are the sole general partner of our Operating Partnership. As a result, our Board of Directors effectively directs all of our Operating Partnership's affairs. We own 99.2% of the outstanding partnership units of our Operating Partnership, and 0.8% of the partnership units are held by the former owners of our initial properties and assets, including members of our management team and board of directors ("Board").

University Towers Operating Partnership, LP, or the University Towers Partnership, which is our affiliate, holds, owns and operates our University Towers property located in Raleigh, North Carolina. We own 72.7% of the units in the University Towers Partnership, and the remaining 27.3% of the units in the University Towers Partnership are held by the former owners of our initial properties and assets, including a member of our Board.

REIT Status and Taxable REIT Subsidiaries

We have elected to be taxed as a REIT for federal income tax purposes. With the exception of income from our taxable REIT subsidiaries, or our TRSs, income earned by the REIT is generally not subject to income taxes. In order to qualify as a REIT, a specified percentage of our gross income generally must be derived from real property sources, which would exclude our income from providing development and management services to third parties as well as our income from certain services afforded to our tenants. In order to avoid realizing such income in a manner that would adversely affect our ability to qualify as a REIT, we provide some services through our Management Company and our Development Company, with our Management Company being treated as a TRS. Our Management Company is wholly owned and controlled by our Operating Partnership, and our Management Company wholly owns our Development Company. Our Development Company is a disregarded entity for federal income tax purposes and all assets owned and income earned by our Development Company are deemed to be owned and earned by our Management Company.

Business and Growth Strategy

Our primary business objective is to achieve sustainable long-term growth in cash flow per share in order to maximize long-term stockholder value. We intend to achieve this objective by (i) acquiring collegiate housing communities nationwide that meet our focused investment criteria, (ii) selectively developing properties for our own account , (iii) building our third-party business of management services and development consulting services and (iv) maximizing net operating income from the operation of our owned properties through proactive and goal-oriented property management strategies.

Our business has three reportable segments that are identified by their distinct customer base and services provided: collegiate housing leasing, development consulting services and management services. For a discussion of revenues, profit and loss and total assets by segment see "Item 7 — Management's Discussion and Analysis of Financial Condition and Results of Operations" and Note 11, "Segments" to our accompanying consolidated financial statements.

Acquisition and Development Strategy

Acquisitions

We seek to acquire high-quality, well-located communities with modern floor plans and amenities. Our ideal acquisition targets generally are located in markets that have stable or increasing collegiate populations and high barriers to entry. We also seek to acquire investments in collegiate housing communities that possess sound market fundamentals but are under-performing and would benefit from re-positioning, renovation and/or improved property management. We consider the following property and market factors to identify potential property acquisitions:

- university and campus reputation;
- competitive admissions criteria;
- limited number of on-campus beds and limited plans for expansion;
- distance of property from campus;
- property unit mix;
- competition;
- significant out-of-state enrollment;
- past operating performance;
- potential for improved management;
- ownership and capital structure;
- presence of desired amenities;
- maintenance and condition of the property;
- access to a university-sponsored or public transportation line depending on location; and
- parking availability.

Conversely, subject to appropriate market conditions, we may dispose of certain non-strategic collegiate housing communities. We continually assess all of our communities, the markets in which they are located and the colleges and universities they serve, to determine if any dispositions are necessary or appropriate.

Developments

We develop collegiate housing communities for our ownership, and we plan to increase self-development activity going forward. The On-Campus Equity Plan, or The ONE Plan℠, is our private equity program for universities, which allows universities to use the EdR's equity and financial stability to develop and revitalize campus housing while preserving their credit capacity for other campus projects. The ONE Plan℠ offers one service provider and one equity source to universities seeking to modernize on-campus housing to meet the needs of today's students. EdR has completed the development of 2 wholly-owned collegiate housing communities located on the campus of Syracuse University in Syracuse, New York. The Trust owns and manages the communities under a long-term ground lease from Syracuse University. EdR is also currently developing a high-rise apartment community on university land at the University of Texas at Austin campus under The ONE Plan℠. EdR will own and manage the community under a long-term ground lease from the University of Texas. In December 2011, we were selected by the University of Kentucky (UK) to develop, own and manage a multi-phase project aimed at revitalizing UK's on-campus housing which could potentially include the revitalization and replacement of UK's entire campus housing portfolio and expansion of such to over 9,000 beds within five to seven years utilizing the ONE Plan℠. Construction on Central Hall, the first building in the multi-phase project, is progressing as planned. In the fourth quarter of 2012, EdR received approval from the UK board of trustees and began construction on Phase II of the project, which will include four communities with 2,317 beds. We believe the Trust will continue to enter into more partnerships under The ONE Plan℠ due to our years of success in the collegiate housing business. The ONE Plan℠ allows us to provide the perfect opportunity to universities to develop new housing and boost enrollment with a plan tailored to specific needs while simultaneously preserving the university's credit capacity.

In total, we currently have eleven active owned developments delivering in 2013 and 2014. This includes wholly-owned developments at the University of Connecticut and University of Colorado.

Joint Ventures

Starting in 2011, we began entering into joint venture agreements to develop, own and manage properties near the University of Alabama, which opened in August 2012; and Arizona State University and University of Mississippi, which are both expected to open in the summer of 2013. We have the majority ownership interest in each property. In some cases, we hold a minority ownership interest in properties and earn a fee for the management of the properties. In December 2012 the Trust invested in a collegiate housing development with GEM Realty Capital to jointly develop and own new off-campus collegiate housing. The trust is a 50% owner and will manage the community once the development is completed. This strategy enables us to source and take advantage of opportunities not otherwise available and to accretively diversify our portfolio by expanding into geographic markets where we are not currently present with lower capital requirements than if we acquired the properties on our own. We expect to continue pursuing joint venture arrangements in the future.

Operating Strategy

We seek to maximize net operating income of the collegiate housing communities that we own and manage through the following operational strategies.

Controlling costs. We seek to maximize property-level profitability through the use of cost control systems and our focused on-site management personnel. Some of our specific cost control initiatives include:

- establishing internal controls and procedures for consistent cost control throughout our communities;
- operating with flat property-level management structures, minimizing multiple layers of management; and
- negotiating service-level pricing arrangements with national and regional vendors and requiring corporate-level approval of service agreements for each community.

Maintain and develop strategic relationships. We believe that establishing and maintaining relationships with universities and developers, owners and brokers of collegiate housing properties is important to the ongoing success of our business. We believe that these relationships will continue to provide us with referrals that enhance our leasing efforts, opportunities for additional acquisitions of collegiate housing communities and contracts for third-party services.

Proactive marketing practices. We have developed and implemented proactive marketing practices to enhance the visibility of our collegiate housing communities and to optimize our revenue. We study our competitors, our residents and university policies affecting enrollment and housing. Based on our findings at each property, we formulate a marketing and sales plan for each academic leasing period. This plan is closely monitored and adjusted, if necessary, throughout the leasing period using our PILOT leasing management system. We intend to continue to market our properties to students, parents and universities by emphasizing collegiate-oriented living areas, state-of-the-art technology and infrastructure, a wide variety of amenities and services and close proximity to university campuses.

Develop and retain personnel. We staff each collegiate housing community that we own or manage with a full-service on-site property management team. Each of our property management teams includes community assistants who plan activities and interact with residents, enhancing their college experiences. We have developed programs and procedures to train each team of on-site employees and to provide them with corporate-based support for each essential operating function. To retain employees, we have developed an incentive-based compensation structure that is available to all of our on-site personnel.

Third-Party Services Strategy

In addition to developing communities for our ownership and managing our owned collegiate housing communities, we seek to provide development and management consulting services for universities and other third-party owners who rely upon the private sector for assistance in developing and managing their collegiate housing properties. We perform third-party services in order to enhance our reputation with universities and to benefit our primary goal of owning high-quality collegiate housing communities. We perform third-party services for collegiate housing communities serving some of the nation's most prominent systems of higher education, including the University of North Carolina, the California State University System and the Pennsylvania State System of Higher Education. In order to comply with the rules applicable to our status as a REIT, we provide our third-party services through our Development Company and our Management Company. Unlike the income earned from our properties under the REIT, the income earned by our Development Company and our Management Company is subject to regular federal income tax and state and local income taxes where applicable.

Third-party development consulting services

We provide third-party development consulting services primarily to universities seeking to modernize their on-campus collegiate housing communities but also to other third-party investors. We typically are notified that we have been awarded development consulting services projects on the basis of a competitive award process and thereafter begin work on the project. In the case of tax exempt bond-financed projects, definitive contracts are not executed until bond closing. Our development consulting services typically include the following:

- market analysis and evaluation of housing needs and options;
- cooperation with university in architectural design;
- negotiation of ground lease, development agreement, construction contract, architectural contract and bond documents;
- oversight of architectural design process;
- coordination of governmental and university plan approvals;
- oversight of construction process;
- design of layout, purchase and installation of furniture;
- pre-opening marketing to potential residents; and
- obtaining final approvals of construction.

By providing these services, we are able to observe emerging trends in collegiate housing development and market acceptance of unit and community amenities. Our development consulting services also provide us with opportunities to obtain additional third-party property management contracts. Of the 22 clients we have provided development-consulting services to since 2000, we currently offer third-party management services under contracts with 13 of those clients while the 9 remaining clients alternatively elected to manage the communities in-house under their existing infrastructure. In 2012, our fees from third-party development consulting services represented 0.8% of our revenues, excluding operating expense reimbursements.

Since 2000, we have provided third-party development consulting services to clients for projects totaling over $1.3 billion in value. We are currently providing third-party development services pursuant to signed definitive contracts with projects under construction at Mansfield University of Pennsylvania, Clarion University of Pennsylvania and West Chester University of Pennsylvania. The aggregate project cost of these three projects is estimated to be approximately $152.4 million.

Third-party management services

We provide third-party management services for collegiate housing communities owned by educational institutions, charitable foundations and others. Our management services typically cover all aspects of operations, including residence life and student development, marketing, leasing administration, strategic relationships, information systems and accounting services. These services are comparable to the services that we provide for our owned properties. We typically provide these services pursuant to multi-year management agreements. These agreements usually have an initial term of two to five years with renewal options of like terms. We believe that providing these services allows us to leverage our existing management expertise and infrastructure. For the year ended December 31, 2012, our fees from third-party management services represented 2.5% of our revenue, excluding operating expense reimbursements.

The following table presents certain summary information regarding the collegiate housing communities that we managed for other owners as of December 31, 2012:

Property	University	# of Beds	# of Units
On-campus properties			
University Park – Calhoun Street Apartments	University of Cincinnati	750	288
Reinhard Villages	Clarion University of Pennsylvania	656	180
University Park	Salisbury University (Maryland)	890	253
Bettie Johnson Hall	University of Louisville	490	224
Herman & Heddy Kurz Hall	University of Louisville	402	224
Billy Minardi Hall	University of Louisville	38	20
Community Park	University of Louisville	363	101
University Village	California State University — San Marcos	671	126
Arlington Park Apartments	University of Northern Colorado	394	179
Centennial Hall	SUNY College of Environmental Science and Forestry	460	213
Total on-campus		5,114	1,808
Off-campus properties			
Granville Towers	University of North Carolina at Chapel Hill	1,327	363
Honeysuckle Apartments	Bloomsburg University of Pennsylvania	407	104
Evergreen Commons	Lock Haven University of Pennsylvania	408	108
Campus Village	University of Colorado — Denver	685	210
Upper Eastside Lofts	Sacramento State University	354	134
100 Midtown	Georgia Tech and Georgia State	332	118
The Courtyards	University of Michigan	896	320
Vulcan Village I	California University of Pennsylvania	432	108
Vulcan Village II	California University of Pennsylvania	338	91
University Village (1)	University of North Carolina — Greensboro	600	203
Wesley House	University of California — Berkeley	89	8
The Quad	California State University — San Marcos	291	60
Campus Gate	Finger Lakes Community College	215	112
929 N. Wolfe Street	Johns Hopkins University	572	321
Total off-campus		6,946	2,260
Totals (for both on- and off-campus)		12,060	4,068

(1) EdR holds a noncontrolling interest in the community pursuant to its joint venture arrangements.

Our Operations

We staff each of our owned and managed collegiate housing communities with a full-service property management team. We typically staff each property with one community manager, a marketing/leasing manager, a resident services manager, a maintenance supervisor, one on-site resident community assistant for each 50-85 residents and general office and maintenance staff. Each property management team markets, leases and manages the community with a focus on maximizing its profitability. In addition, each property management team is trained to provide social and developmental opportunities for residents, enhancing the residents' college experiences as well as the desirability of our communities.

We have developed policies and procedures to carefully select and develop each team of on-site employees and to provide each team with corporate-based support for each essential operating area, including lease administration, sales/marketing, community and university relations, student life administration, maintenance, loss prevention, accounting, human resources/ benefits administration and information systems. The corporate level personnel responsible for each of these areas support each community manager's leadership role and are available as a resource to the community managers around the clock.

Residence Life and Student Development

Our Vice President of Client Relations designs and directs our residence life program. Our programs are developed at the corporate level and implemented at each community by our community assistants, together with our other on-site personnel. We provide educational, social and recreational activities designed to help students achieve academic goals, promote respect and harmony throughout the community and help bridge interaction with the respective university. Examples of our residence life and student development programs include:

- community-building and social activities geared to university-related events, holidays, public safety and education;
- study and attention skills counseling;
- career development, resume writing and employment search skill training;
- sponsorship of intramural sport teams, academic clubs and alumni-based activities;
- parent and resident appreciation events;
- community service activities including recycling, blood drives, food drives and student volunteer committees;
- lectures focused on social issues, including effective communication, multi-cultural awareness and substance abuse;
- university outreach activities; and
- voter registration, enrollment and education.

The community assistants perform key roles in the administrative functioning of the community and interface with residents through constructive programs, activities and listening to resident interests and concerns. Our on-site leadership selects residents to serve as community assistants who meet criteria established by our Vice President of Client Relations.

Marketing

We begin our annual marketing campaign by thoroughly segmenting the student population attending each of the primary universities where our collegiate housing communities are located, and compiling market surveys of comparable collegiate apartment properties. With this information, we formulate a marketing/sales strategy that consists of a renewal campaign for current residents and a broader campaign directed at the eligible student population. We assess university regulations regarding housing requirements to avoid targeting segments of the market in which students are not eligible to live off-campus.

We typically begin our renewal campaign in October of each year. Signage, social networking, direct mailings to the students and their parents, appreciation parties and staff selling incentives are key elements of the renewal campaign. The community assistant team plays a key role in communicating the renewal message throughout its assigned property area. We use a database of current resident demographic data to direct sales information to primary feeder high schools, particularly where new freshmen are eligible to live off-campus. Other database criteria include gender, high school location, prior apartment community, academic class standing, field of study and activity preferences.

We appeal to the greater university population through theme-based newspaper advertising campaigns, open house activities, housing fairs conducted by the university, web-based advertising and social networking media. Our professional leasing and marketing staff targets certain university-sponsored on-campus events to distribute handouts displaying our logo and offering incentives to visit our sales center. Wherever possible, our collegiate housing communities appear on university websites in listings of off-campus housing options, together with banner advertising where available.

Leasing

Our standard lease begins in mid August and runs for approximately 11.5 months, ending July 31 or early August to coincide with the university's fall academic term. The primary exception to our standard lease term is our University Towers and University Village on Colvin communities, which we generally rent on nine-month academic year leases. Our standard lease is an agreement between the student and parental guarantor, and the specific collegiate housing community. All leases are for a bed in a private or shared bedroom, with rights to share common areas within the unit and throughout the community. This "individual lease" is a strong selling attraction as it limits a student's liability to the rental for one bedroom instead of burdening the student with shared liability for the entire unit rental amount.

We lease our units by floor plan type using PILOT, our property leasing/marketing system, to maximize full leasing of entire units, avoiding spotty vacancies particularly in the four-bedroom units. We offer roommate-matching services to facilitate full occupancy. We develop waiting lists and monitor popular floor plans that fill to capacity early in the leasing season. If any fully vacant units remain available after the beginning of any academic semester, we seek to lease such units on a temporary basis to university-related visitors and our tenants' parents and family members, or keep them available for future leasing to students.

Unlike conventional apartment communities that have monthly move-outs and renewals, our collegiate housing community occupancies remain relatively stable throughout the academic year, but must be entirely re-leased at the beginning of each academic year. Because of the nature of leasing to students, we are highly dependent upon the success of our marketing and leasing efforts during the annual leasing season, generally October through August. Our leasing staff undergo intensive annual professional training to maximize the success of our leasing efforts.

We typically require rent to be paid in 12 equal installments throughout the lease term, with the first installment due on July 15. Residents of University Towers and residence halls that we manage for third parties typically pay their annual rent in two installments on July 1 and December 1. We replace contracted residents who fail to pay the first installment with people on our waiting list or from walk-in traffic while the market is still active with students seeking housing at the commencement of the academic year.

Strategic Relationships

We assign high priority to establishing and nurturing relationships with the administration of each of the primary universities where our collegiate housing communities are located. Our corporate staff establishes this network, and on-site management then sustains it with follow-up by corporate staff during routine visits to the community. As a result of our strategic relationships, universities often refer their students to our properties, thus enhancing our leasing effort throughout the year. These networks create goodwill for our collegiate housing communities throughout the university administration, including departments of admissions, student affairs, public safety, athletics and international affairs.

Most universities promote off-campus housing alternatives to their student population. It is our intention to be among the most preferred off-campus residences and for universities to include our communities in listings and literature provided to students. We seek to obtain student mailing lists used by universities and to be featured in web-based collegiate housing listings wherever permitted by the institution and incorporate these initiatives into our marketing efforts. Our community managers make scheduled personal visits to academic departments at the universities to further our community exposure at this level.

In addition to our university relationships, our management team has developed long-standing relationships with developers, owners and brokers of collegiate housing properties that allow us to identify and capitalize on acquisition opportunities. As a result, we have generated an internal database of contacts that we use to identify and evaluate acquisition candidates. As it is our intention to develop a diverse portfolio of collegiate housing communities, we also develop strategic relationships with equity investors in order to pursue acquisitions through joint venture arrangements.

Competition

Competition from universities

We typically compete for student tenants with the owners of on-campus collegiate housing, which is generally owned by educational institutions or charitable foundations. Educational institutions generally do not have to pay real estate taxes and borrow funds at lower interest rates, while we and other private sector operators pay full real estate tax rates and have higher borrowing costs. The competitive advantages of on-campus collegiate housing also include its physical proximity to the university campus and captive student body. Moreover, many universities have policies requiring students to live in their on-campus facilities during their freshman year.

On-campus housing is limited, however, and most universities are able to house only a small percentage of their students. As a result, educational institutions depend upon, and may serve as referral sources for, private providers of off-campus housing. In addition, off-campus housing facilities tend to offer more relaxed rules and regulations than on-campus properties and therefore tend to be more appealing to students. Off-campus collegiate housing offers freedom from restrictions, such as quiet hours or gender visitation limitations, and is especially appealing to upperclassmen who are transitioning towards independence.

Competition from private owners

We compete with several regional and national owner-operators of off-campus collegiate housing, including two publicly-traded competitors, American Campus Communities, Inc. (ACC) and Campus Crest Communities, Inc. (CCG). We also compete with privately held developers and other real estate firms and in a number of markets with smaller local owner-operators. Currently, the industry is fragmented with no participant holding a dominant market share. We believe that a number of other large national companies with substantial financial resources may be potential entrants into the collegiate housing business. The entry of one or more of these companies could increase competition for residents and for the acquisition, management and development of collegiate housing properties.

Environmental Matters

As a current or prior owner, manager and developer of real estate, we are subject to various federal, state and local environmental laws, regulations and ordinances and also could be liable to third parties resulting from environmental contamination or noncompliance at our properties. Environmental laws often impose liability without regard to whether the owner or operator knew of, or was responsible for, the presence of the contaminants, and the costs of any required investigation or cleanup of these substances can be substantial. The liability is generally not limited under such laws and could exceed the property's value and the aggregate assets of the liable party. The presence of contamination or the failure to remediate contamination at our properties also may expose us to third-party liability for personal injury or property damage, or adversely affect our ability to sell, lease or develop the real property or to borrow using the real property as collateral. These and other risks related to environmental matters are described in more detail in "Item 1A. — Risk Factors" below.

Employees

As of December 31, 2012, we had approximately 1,222 employees, including:

- 1,112 on-site employees, including 441 community assistants;
- 27 people in our property management services department;
- 8 people in our development consulting services and construction departments; and
- 75 executive, corporate administration and financial personnel.

Available Information

EdR files periodic and current reports, proxy statements and other information with the Securities and Exchange Commission, or the SEC. All filings made by EdR with the SEC may be copied and read at the SEC's Public Reference Room at 100 F Street NE, Washington, DC 20549. Information on the operation of the Public Reference Room may be obtained by calling the SEC at 1-800-SEC-0330. The SEC also maintains an Internet site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC as EdR does. The website address of the SEC is http://www.sec.gov.

Additionally, copies of our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and any amendments to the aforementioned filings, are available on EdR's website, www.EdRTrust.com, free of charge as soon as reasonably practicable after EdR electronically files such reports or amendments with, or furnishes them to, the SEC. The filings can be found in the SEC filings section of our website. EdR's website also contains its Corporate Governance Guidelines, Code of Business Conduct and Ethics and the charters of the committees of the Board of Directors. These items can be found in the Corporate Governance section of the Investor Relations section of our website. Reference to EdR's website does not constitute incorporation by reference of the information contained on the website and should not be considered part of this Annual Report. All of the aforementioned materials may also be obtained free of charge by contacting the Investor Relations Department at Education Realty Trust, Inc., 999 South Shady Grove Road, Suite 600, Memphis, Tennessee 38120.

Item 1A. Risk Factors

Risks Related to Our Properties, Our Business and the Real Estate Industry

Our performance and the value of our real estate assets are subject to risks associated with real estate assets and with the real estate industry.

Our performance and ability to make distributions to our stockholders depends on our ability to generate cash revenues in excess of expenses, scheduled debt service obligations and capital expenditure requirements. Events and conditions generally applicable to owners and operators of real property that are beyond our control may decrease cash available for distribution and the value of our properties.

These events include:

- local oversupply of collegiate housing units, increased competition or reduction in demand for collegiate housing;
- inability to collect rent from tenants;
- the need for capital expenditures at our communities;
- vacancies or our inability to lease beds on favorable terms;
- inability to finance property development and acquisitions on favorable terms;
- increased operating costs, including insurance premiums, utilities and real estate taxes;
- costs of complying with changes in governmental regulations;
- the relative illiquidity of real estate investments;
- changing student demographics;
- decreases in student enrollment at particular colleges and universities;
- changes in university policies related to admissions;
- national, regional and local economic conditions; and
- rising interest rates.

Our results of operations may be sensitive to changes in overall economic conditions that impact tenant leasing practices.

Our results of operations may be sensitive to changes in overall economic conditions that impact tenant leasing practices. A continuation of ongoing adverse economic conditions affecting disposable tenant income, such as employment levels, business conditions, interest rates, tax rates, fuel and energy costs and other matters, could reduce overall tenant leasing or cause tenants to shift their leasing practices. At this time, it is difficult to determine the breadth and duration of the economic and financial market problems and the many ways in which they may affect our tenants and our business in general. A general reduction in the level of tenant leasing could adversely affect our growth and profitability.

We own, directly or indirectly, interests in collegiate housing communities located near major universities in the United States. Accordingly, we are dependent upon the levels of student enrollment and the admission policies of the respective universities, which attract a significant portion of our leasing base. As a result of the overall market quality deterioration, many students may be unable to obtain student loans on favorable terms. If student loans are not available or their costs are prohibitively high, enrollment numbers for universities may decrease. The demand for, occupancy rates at, rental income from and value of our properties would be adversely affected if student enrollment levels become stagnant or decrease in the current environment. Accordingly, a continuation or further worsening of these difficult financial and macroeconomic conditions could have a significant adverse effect on our cash flows, profitability and results of operations.

Our results of operations are subject to the following risks inherent in the collegiate housing industry: leasing cycles, concentrated lease-up period, seasonal cash flows and increased risk of student defaults during the summer months of 11.5 month leases.

We generally lease our properties under 11.5 month leases, but we may also lease for terms of nine months or less. Furthermore, all of our properties must be entirely re-leased each year, exposing us to increased leasing risk. We may not be able to relet the property on similar terms, if we are able to relet the property at all. The terms of renewal or re-lease (including the cost of required renovations and/or concessions to tenants) may be less favorable to us than the prior lease. If we are unable to relet all or a substantial portion of our properties, or if the rental rates upon such reletting are significantly lower than expected rates, our cash flow from operations and our ability to make distributions to stockholders and service indebtedness could be adversely affected.

In addition, we are subject to increased leasing risk on properties that we acquire that we have not previously managed due to our lack of experience leasing those properties and unfamiliarity with their leasing cycles. Collegiate housing communities are typically leased during a leasing season that begins in November and ends in August of each year. We are therefore highly dependent on the effectiveness of our marketing and leasing efforts and personnel during this season. Prior to the commencement of each new lease period, mostly during the first two weeks of August but also during September at some communities, we prepare the units for new incoming tenants. Other than revenue generated by in-place leases for returning tenants, we do not generally recognize lease revenue during this period referred to as "Turn" as we have no leases in place. In addition, during Turn, we incur significant expenses making our units ready for occupancy, which we recognize immediately. This lease Turn period results in seasonality in our operating results during the third quarter of each year. As a result, we may experience significantly reduced cash flows during the summer months at properties leased for terms shorter than twelve months.

In addition, students leasing under 11.5 month leases may be more likely to default on their rental payments during the summer months. Although we typically require a student's parents to guarantee the student's lease, we may have to spend considerable effort and expense in pursuing payment upon a defaulted lease, and our efforts may not be successful.

We rely on our relationships with universities, and changes in university personnel and/or policies could adversely affect our operating results.

In some cases, we rely on our relationships with universities for referrals of prospective tenants or for mailing lists of prospective tenants and their parents. The failure to maintain good relationships with personnel at these universities could therefore have a material adverse effect on us. If universities refuse to make their lists of prospective student-tenants and their parents available to us or increase the costs of these lists, the increased costs or failure to obtain such lists could also have a material adverse effect on us.

We may be adversely affected by a change in university admission policies. For example, if a university reduces the number of student admissions, the demand for our properties may be reduced and our occupancy rates may decline. In addition, universities may institute a policy that a certain class of students, such as freshmen, must live in a university-owned facility, which would also reduce the demand for our properties. While we may engage in marketing efforts to compensate for such policy changes, we may not be able to effect such marketing efforts prior to the commencement of the annual lease-up period or at all.

It is also important that the universities from which our communities draw tenants maintain good reputations and are able to attract the desired number of incoming students. Any degradation in a university's reputation could inhibit its ability to attract students and reduce the demand for our communities.

We face significant competition from university-owned collegiate housing and from other private collegiate housing communities located within close proximity to universities.

Many students prefer on-campus housing to off-campus housing because of the closer physical proximity to campus and integration of on-campus facilities into the academic community. Universities can generally avoid real estate taxes and borrow funds at lower interest rates, while we and other private-sector operators pay full real estate tax rates and have higher borrowing costs. Consequently, universities often can offer more convenient and/or less expensive collegiate housing than we can, which can adversely affect our occupancy and rental rates.

We also compete with other national and regional owner-operators of off-campus collegiate housing in a number of markets as well as with smaller local owner-operators. There are a number of purpose-built collegiate housing properties that compete directly with us located near or in the same general vicinity of many of our collegiate housing communities. Such competing collegiate housing communities may be newer than our collegiate housing communities, located closer to campus, charge less rent, possess more attractive amenities, or offer more services, shorter lease terms or more flexible leases. The construction of competing properties or decreases in the general levels of rents for housing in competing properties could adversely affect our rental income.

We believe that a number of other large national companies may be potential entrants in the collegiate housing business. In some cases, these potential competitors possess substantially greater financial and marketing resources than we do. The entry of one or more of these companies could increase competition for student tenants and for the acquisition, development and management of other collegiate housing communities.

We may not be able to recover our costs for our development consulting services.

We typically are awarded development consulting services business on the basis of a competitive award process, but definitive contracts are typically not executed until the formal approval of the transaction by the institution's governing body at the completion of the process. In the intervening period, we may incur significant predevelopment and other costs in the expectation that the development consulting services contract will be executed. These costs could range up to $2.0 million or more per project and typically include architects' fees to design the property and contractors' fees to price the construction. We typically seek to enter into a reimbursement agreement with the institution that requires the institution to provide a guarantee of our advances. However, we may not be successful in negotiating such an agreement. In addition, if an institution's governing body does not ultimately approve our selection and the underlying terms of a pending development, we may not be able to recover these costs from the institution. In addition, when we are awarded development consulting business, we generally receive a significant percentage of our fees for development consulting services upon closing of the project financing, a portion of the fee over the construction period and the balance upon substantial completion of construction. As a result, the recognition and timing of revenues will, among other things differ from the timing of payments and be contingent upon the project owner's successful structuring and closing of the project financing as well as the timing of construction.

Our contractual obligations arising under third-party development consulting agreements expose us to risks related to the total project cost and on-time completion of the project.

We typically enter into development agreements with universities and other third parties as "developer at risk." At the same time, we enter into guaranteed maximum price contracts with a general contractor for the construction of the project. In our capacity as "developer at risk," we usually guarantee that a project will be completed within a certain maximum cost. Any additional costs which are not the responsibility of the contractor, under their guaranteed maximum price contract, or the result of changes by the university or other third-party, would be our responsibility to fund. We also typically guarantee that a project will be completed and ready for occupancy by a date certain in order to meet housing needs for a particular school term. If completion of a project was delayed beyond such date certain, we would be exposed to claims for liquidated damages, which would usually include, but may not be limited to, the cost of housing prospective residents of the community until it was available for occupancy. Although we generally transfer such risks to the general contractor who is responsible for the construction activities of a development project, if we were to experience significant cost-overruns or were to become subject to such a claim or claims, our financial condition, results of operations and/or cash flows could be materially and adversely impacted.

We may not be able to recover internal development costs.

When developing collegiate housing communities for our ownership on university land, definitive contracts are not executed until the formal approval of the transaction by the institution's governing body at the completion of the process. In the intervening period, we may incur significant predevelopment and other costs in the expectation that a ground lease will be executed. These costs could range up to $1.0 million or more and typically include architects' fees to design the property and third party fees related to other predevelopment services. If an institution's governing body does not ultimately approve the lease we will not be able to recover these predevelopment costs.

We may be unable to take advantage of certain disposition opportunities because of additional costs we have agreed to pay if we sell the University Towers collegiate housing community in a taxable transaction.

We issued University Towers Partnership units for our interest in University Towers. So long as the contributing owners of such property hold at least 25% of the University Towers Partnership units, we have agreed to maintain certain minimum amounts of debt on the property so as to avoid triggering gain to the contributing owners. If we fail to do this, we will owe to the contributing owners the amount of taxes that they incur. In each case, the amount of tax is computed assuming the highest federal and state rates. As a result, these agreements may preclude us from selling the restricted property at the optimal time.

Our growth will be dependent upon our ability to acquire and/or develop, lease, integrate and manage additional collegiate housing communities successfully.

We cannot assure you that we will be able to identify real estate investments, including joint ventures, that meet our investment criteria, that we will be successful in completing any acquisition we identify or that any acquisition we complete will produce a return on our investment.

Our future growth will be dependent upon our ability to successfully acquire new properties and enter into joint ventures on favorable terms, which may be adversely affected by the following significant risks:

- we may be unable to acquire a desired property at all or at a desired purchase price because of competition from other purchasers of collegiate housing;
- many of our future acquisitions are likely to be dependent on external financing, and we may be unable to finance an acquisition on favorable terms or at all;
- we may be required to incur significant capital expenditures to improve or renovate acquired properties;
- we may incur an increase in operating costs or may not have the proceeds available to implement renovations or improvements at existing properties which are necessary to attract and retain tenants;
- we may be unable to quickly and efficiently integrate new acquisitions, particularly acquisitions of portfolios of properties, into our existing operations;
- market conditions may result in higher than expected vacancy rates and lower than expected rental rates; and
- we may acquire properties subject to liabilities but without any recourse, or with only limited recourse, to the sellers, or with liabilities that are unknown to us, such as liabilities for undisclosed environmental contamination, claims by tenants, vendors or other persons dealing with the former owners of the properties and claims for indemnification by members, directors, officers and others indemnified by the former owners of the properties.

As we acquire additional properties, we will be subject to risks associated with managing new properties, including lease-up and integration risks. Newly acquired properties may not perform as expected, and newly acquired properties may have characteristics or deficiencies unknown to us at the time of acquisition.

We may be unable to invest our capital resources on acceptable terms or at all.

Our ability to achieve our expected levels of financial performance will depend significantly upon our ability to invest efficiently our available capital resources in accretive transactions. Although we seek to maintain a pipeline of suitable investment opportunities, we cannot assure you that we will be able to identify any acquisition and/or development opportunities or other investments that meet our investment objectives or that any investment that we make will produce a positive return. Moreover, our investment pipeline is generally subject to numerous uncertainties and conditions that make it difficult to predict if or when any such potential transactions will be consummated. Accordingly, we may be unable to invest our available capital resources on acceptable terms within the time period that we anticipate, or at all, and these delays could result in additional dilution and may cause our financial results, including funds from operations, or FFO, per share, to fall short of analyst expectations. Moreover, we have significant flexibility in investing our capital resources, and we may use the resources in ways with which our stockholders may not agree or for purposes other than those that we originally contemplated.

Our ownership of properties through ground leases exposes us to the loss of such properties upon breach or termination of the ground leases.

We have acquired an interest in certain of our properties by acquiring a leasehold interest in the property on which the building is located (or under development), and we may acquire additional properties in the future through the purchase of interests in ground leases. As the lessee under a ground lease, we are exposed to the possibility of losing the property (or building we may be developing) upon termination of the ground lease or an earlier breach of the ground lease by us.

We have limited time to perform due diligence on many of our acquired properties, which could subject us to significant unexpected liabilities and under-performance of the acquired properties.

When we enter into an agreement to acquire a property, we often have limited time to complete our due diligence prior to acquiring the property. Because our internal resources are limited, we may rely on third parties to conduct a portion of our due diligence. To the extent these third parties or we underestimate or fail to identify risks and liabilities associated with the properties we acquire, we may incur unexpected liabilities, or the property may fail to perform in accordance with our projections. If, during the due diligence phase, we do not accurately assess the value of and liabilities associated with a particular property, we may pay a purchase price that exceeds the current fair value of the assets. As a result, material goodwill and other intangible assets would be recorded, which could result in significant charges to earnings in future periods. These charges, in addition to the financial impact of significant liabilities that we may assume, could materially and adversely impact our financial and operating results, as well as our ability to pay distributions.

Certain losses may not be covered by insurance or may be underinsured.

We carry insurance covering comprehensive liability, fire, earthquake, terrorism, business interruption, vandalism and malicious mischief, extended coverage perils, physical loss perils, commercial general liability, personal injury, workers' compensation, business, automobile, errors and omissions, employee dishonesty, employment practices liability and rental loss with respect to all of the properties in our portfolio and the operation of our Management Company and Development Company. We also carry insurance covering flood (when the property is located in whole or in material part in a designated flood plain area) on some of our properties. We believe the policy specifications and insured limits are appropriate and adequate given the relative risk of loss, the cost of the coverage and industry practice. There are, however, certain types of losses (such as property damage from riots or wars, employment discrimination losses, punitive damage awards, or acts of God) that may be either uninsurable or not economically insurable. Some of our policies are subject to large deductibles or co-payments and policy limits that may not be sufficient to cover losses. In addition, we may discontinue earthquake, terrorism or other insurance on some or all of our properties in the future if the cost of premiums for these policies exceeds, in our judgment, the value of the coverage discounted for the risk of loss. If we experience a loss that is uninsured or that exceeds policy limits, we could lose the capital invested in the damaged properties as well as the anticipated future cash flows from those properties. In addition, if the damaged properties are subject to recourse indebtedness, we would continue to be liable for the indebtedness, even if these properties were irreparably damaged.

We could incur significant costs related to government regulation and private litigation over environmental matters.

Under various environmental laws, including the Comprehensive Environmental Response, Compensation and Liability Act, or CERCLA, a current or previous owner or operator of real property may be liable for contamination resulting from the release or threatened release of hazardous or toxic substances or petroleum at that property, and an entity that arranges for the disposal or treatment of a hazardous or toxic substance or petroleum at another property may be held jointly and severally liable for the cost to investigate and clean up such property or other affected property. Such parties are known as potentially responsible parties, or PRPs. Environmental laws often impose liability without regard to whether the owner or operator knew of, or was responsible for, the presence of the contaminants, and the costs of any required investigation or cleanup of these substances can be substantial. PRPs are liable to the government as well as to other PRPs who may have claims for contribution. The liability is generally not limited under such laws and could exceed the property's value and the aggregate assets of the liable party. The presence of contamination or the failure to remediate contamination at our properties also may expose us to third-party liability for personal injury or property damage, or adversely affect our ability to sell, lease or develop the real property or to borrow using the real property as collateral. We do not carry environmental insurance on any of the properties in our portfolio.

Environmental laws also impose ongoing compliance requirements on owners and operators of real property. Environmental laws potentially affecting us address a wide variety of matters, including, but not limited to, asbestos-containing building materials, storage tanks, storm water and wastewater discharges, lead-based paint, wetlands and hazardous wastes. Failure to comply with these laws could result in fines and penalties and/or expose us to third-party liability. Some of our properties may have conditions that are subject to these requirements, and we could be liable for such fines or penalties and/or liable to third parties for those conditions.

We could be exposed to liability and remedial costs related to environmental matters.

Certain properties in our portfolio may contain, or may have contained, asbestos-containing building materials, or ACBMs. Environmental laws require that ACBMs be properly managed and maintained, and may impose fines and penalties on building owners and operators for failure to comply with these requirements. Also, certain properties may contain, or may have contained, or are adjacent to or near other properties that have contained or currently contain storage tanks for the storage of petroleum products or other hazardous or toxic substances. These operations create a potential for the release of petroleum products or other hazardous or toxic substances. Certain properties in our portfolio contain, or may have contained, elevated radon levels. Third parties may be permitted by law to seek recovery from owners or operators for property damage and/or personal injury associated with exposure to contaminants, including, but not limited to, petroleum products, hazardous or toxic substances and asbestos fibers. Also, some of the properties may contain regulated wetlands that can delay or impede development or require costs to be incurred to mitigate the impact of any disturbance. Absent appropriate permits, we can be held responsible for restoring wetlands and be required to pay fines and penalties.

Some of the properties in our portfolio may contain microbial matter such as mold and mildew. In addition, if any property in our portfolio is not properly connected to a water or sewer system, or if the integrity of such systems are breached, or if water intrusion into our buildings otherwise occurs, microbial matter or other contamination can develop. When excessive moisture accumulates in buildings or on building materials, mold growth may occur, particularly if the moisture problem remains undiscovered or is not addressed over a period of time. Some molds may produce airborne toxins or irritants. If this were to occur, we could incur significant remedial costs and we may also be subject to material private damage claims and awards. Concern about indoor exposure to mold has been increasing, as exposure to mold may cause a variety of adverse health effects and symptoms, including allergic or other reactions. If we become subject to claims in this regard, it could materially and adversely affect us and our future insurability for such matters.

Independent environmental consultants conduct Phase I environmental site assessments on all of our acquisitions. Phase I environmental site assessments are intended to evaluate information regarding the environmental condition of the surveyed property and surrounding properties based generally on visual observations, interviews and certain publicly available databases. These assessments do not typically take into account all environmental issues including, but not limited to, testing of soil or groundwater or the possible presence of asbestos, lead-based paint, radon, wetlands or mold. The results of these assessments are addressed and could result in either a cancellation of the purchase, the requirement of the seller to remediate issues or additional costs on our part to remediate the issue.

None of the previous site assessments revealed any past or present environmental liability that we believe would be material to us. However, the assessments may have failed to reveal all environmental conditions, liabilities or compliance concerns.

Material environmental conditions, liabilities or compliance concerns may have arisen after the assessments were conducted or may arise in the future; and future laws, ordinances or regulations may impose material additional environmental liability. We cannot assure you that costs of future environmental compliance will not affect our ability to make distributions or that such costs or other remedial measures will not be material to us.

We may incur significant costs complying with the Americans with Disabilities Act and similar laws.

Under the Americans with Disabilities Act of 1990, or the ADA, all public accommodations must meet federal requirements related to access and use by disabled persons. Additional federal, state and local laws also may require modifications to our properties, or restrict our ability to renovate our properties. For example, the Fair Housing Amendments Act of 1988, or FHAA, requires apartment properties first occupied after March 13, 1990 to be accessible to the handicapped. We have not conducted an audit or investigation of all of our properties to determine our compliance with present ADA requirements. Noncompliance with the ADA or FHAA could result in the imposition of fines or an award for damages to private litigants and also could result in an order to correct any non-complying feature. We cannot predict the ultimate amount of the cost of compliance with the ADA, FHAA or other legislation. If we incur substantial costs to comply with the ADA, FHAA or any other legislation, we could be materially and adversely affected.

Reporting of on-campus crime statistics required of universities may negatively impact our communities.

Federal and state laws require universities to publish and distribute reports of on-campus crime statistics, which may result in negative publicity and media coverage associated with crimes occurring in the vicinity of, or on the premises of, our on-campus communities. Reports of crime or other negative publicity regarding the safety of the students residing on, or near, our communities may have an adverse effect on both our on-campus and off-campus communities.

Joint venture investments could be adversely affected by our lack of sole decision-making authority, our reliance on co-venturers' financial condition and disputes between our co-venturers and us.

We have co-invested and anticipate that we will continue to co-invest with third parties through partnerships, joint ventures or other entities, acquiring noncontrolling interests in or sharing responsibility for managing the affairs of a property, partnership, joint venture or other entity. In such event, we do not have sole decision-making authority regarding the property, partnership, joint venture or other entity. Investments in partnerships, joint ventures or other entities may, under certain circumstances, involve risks not present were a third party not involved, including the possibility that partners or co-venturers may become bankrupt or fail to fund their share of required capital contributions. Partners or co-venturers also may have economic or other business interests or goals that are inconsistent with our business interests or goals and may be in a position to take actions contrary to our preferences, policies or objectives. Such investments also will have the potential risk of our reaching impasses with our partners or co-venturers on key decisions, such as a sale, because neither we nor the partner or co-venturer would have full control over the partnership or joint venture. Disputes between us and our partners or co-venturers may result in litigation or arbitration that would increase our expenses and prevent our management team from focusing its time and effort exclusively on our business. In addition, we may in some circumstances be liable for the actions of our third-party partners or co-venturers.

Illiquidity of real estate investments could significantly impede our ability to respond to adverse changes in the performance of our properties.

Because real estate investments are relatively illiquid, our ability to promptly sell one or more properties in our portfolio in response to changing economic, financial and investment conditions is limited. The real estate market is affected by many factors, such as general economic conditions, availability of financing, interest rates and other factors, including supply and demand, that are beyond our control. We cannot predict whether we will be able to sell any property for the price or on the terms set by us or whether any price or other terms offered by a prospective purchaser would be acceptable to us. We also cannot predict the length of time needed to find a willing purchaser and to close the sale of a property.

We may be required to expend funds to correct defects or to make improvements before a property can be sold. We cannot ensure that we will have funds available to correct those defects or to make those improvements. In acquiring a property, we may agree to transfer restrictions that materially restrict us from selling that property for a period of time or impose other restrictions, such as a limitation on the amount of debt that can be placed or repaid on that property. These transfer restrictions would impede our ability to sell a property even if we deem it necessary or appropriate.

Risks Associated with Our Indebtedness and Financing

We depend heavily on the availability of debt and equity capital to fund our business.

In order to maintain our qualification as a REIT, we are required under the Internal Revenue Code of 1986, as amended, or the Code, to distribute annually at least 90% of our REIT taxable income, determined without regard to the deduction for dividends paid and excluding any net capital gain. To the extent that we satisfy this distribution requirement but distribute less than 100% of our net taxable income, including any net capital gains, we will be subject to federal corporate income tax on our undistributed taxable income. In addition, we will be subject to a 4% nondeductible excise tax if the actual amount that we pay out to our stockholders in a calendar year is less than a minimum amount specified under federal tax laws. Because of these distribution requirements, REITs are largely unable to fund capital expenditures, such as acquisitions, renovations, development and property upgrades from operating cash flow. Consequently, we will be largely dependent on the public equity and debt capital markets and private lenders to provide capital to fund our growth and other capital expenditures. We may not be able to obtain this financing on favorable terms or at all. Our access to equity and debt capital depends, in part, on:

- general market conditions;
- our current debt levels and the number of properties subject to encumbrances;
- our current performance and the market's perception of our growth potential;
- our cash flow and cash distributions; and
- the market price per share of our common stock.

If we cannot obtain capital from third-party sources, we may not be able to acquire properties when strategic opportunities exist, satisfy our debt service obligations or make cash distributions to our stockholders, including those necessary to maintain our qualification as a REIT.

Current market conditions could affect our ability to refinance existing indebtedness or obtain additional financing on acceptable terms and may have other adverse effects on us.

The United States credit markets have in the recent past experienced significant dislocations and liquidity disruptions, including the bankruptcy, insolvency or restructuring of certain financial institutions. In addition, recent U.S. budget deficit concerns, together with signs of deteriorating sovereign debt conditions in Europe, have increased the possibility of additional credit-rating downgrades and economic slowdowns.These circumstances have impacted liquidity in the debt markets, making financing terms for certain borrowers less attractive, and in certain cases have resulted in the unavailability of certain types of debt financing. Although we believe that our Master Secured Credit Facility and Fourth Amended Revolver (each defined below) are sufficient for our current operations, any reductions in our available borrowing capacity, or our inability to renew or replace these facilities when required or when business conditions warrant, could have a material adverse effect on our business, financial condition and results of operations. Furthermore, if prevailing interest rates or other factors at the time of refinancing result in higher interest rates upon refinancing, then the interest expense relating to that refinanced indebtedness would increase. Higher interest rates on newly incurred debt may negatively impact us as well. If interest rates increase, our interest costs and overall costs of capital will increase, which could adversely affect our transaction and development activity, financial condition, results of operations, cash flow, the market price of our stock, our ability to pay principal and interest on our debt and our ability to pay dividends to our stockholders.

If we are unable to secure additional financing or refinancing on favorable terms or our operating cash flow is insufficient, we may not be able to satisfy our outstanding financial obligations under our mortgage and construction debt. Furthermore, if financing is not available when needed, or is available on unfavorable terms, we may be unable to take advantage of business opportunities or respond to competitive pressures, any of which could have a material adverse effect on our business, financial condition and results of operations. A prolonged downturn in the credit markets may cause us to seek alternative sources of potentially less attractive financing. Such sources may not then be available and may require us to adjust our business plan accordingly or significantly cutback or curtail operations and development plans. In addition, these factors may make it more difficult for us to sell properties or may adversely affect the price we receive for properties that we do sell as prospective buyers may experience increased costs of debt financing or difficulties in obtaining debt financing.

In addition, we mortgage some of our properties to secure payment of indebtedness. In 2013, $33.4 million, or 8.4%, of our mortgage and construction debt reaches maturity. If we are unable to service the debt, including in the event we are not successful in refinancing our debt upon maturity, then the properties securing the mortgages could be foreclosed upon or transferred to the mortgagee, or we might be forced to dispose of some of our properties on disadvantageous terms, with a consequent loss of income and asset value. A foreclosure of a mortgaged property could also cause cross defaults under the Master Secured Credit Facility. A foreclosure or disadvantageous disposal on one or more of our properties could adversely affect our financial condition, results of operations, cash flow and ability to pay dividends on, and the market price of, our stock.

Our use of debt financing reduces cash available for distribution and may expose us to the risk of default under our debt obligations.

Our charter and bylaws impose no limitation on the amount of debt we may incur. Our debt service obligations expose us to the risk of default and reduce (or eliminate) cash resources that are available to operate our business. The Fourth Amended Revolver contains customary affirmative and negative covenants and provides for potential availability of $500 million upon satisfaction of certain conditions. The amount available to us and our ability to borrow from time to time under this facility is subject to certain conditions which includes borrowing base calculations that limit availability based upon the underlying value of the property asset value (as defined in the agreement) and the satisfaction of specified financial and other covenants, which include, without limitation, limiting distributions to our stockholders. If the income generated by our properties and other assets fails to cover our debt service, we would be forced to reduce or eliminate distributions to our stockholders and may experience losses. Our level of debt and the operating limitations imposed on us by our debt agreements could have significant adverse consequences, including the following:

- we may be unable to borrow additional funds as needed or on favorable terms;
- we may be unable to refinance our indebtedness at maturity or the refinancing terms may be less favorable than the terms of our original indebtedness;
- we may be forced to dispose of one or more of our properties, possibly on disadvantageous terms;
- we may default on our payment or other obligations as a result of insufficient cash flow or otherwise, and the lenders or mortgagees may foreclose on our properties that secure their loans and receive an assignment of rents and leases;
- a default under the Master Secured Credit Facility or the Fourth Amended Revolver may preclude further availability of credit from other sources; and
- foreclosures could create taxable income without accompanying cash proceeds, a circumstance that could hinder our ability to meet the REIT distribution requirements.

A change in U.S. government policy with regard to Fannie Mae could materially impact our financial condition.

In 2009 the U. S. Treasury removed the $200 billion cap on the amount of financial aid available for Fannie Mae and extended its conservatorship of Fannie Mae through 2012. The Treasury also capped Fannie Mae's retained mortgage portfolio limitation at $900 billion and required that this portfolio be reduced on a phased basis beginning in 2010. Through expansion of its off-balance sheet lending products, we believe that Fannie Mae's balance sheet limitations will not restrict its support of lending to the collegiate housing industry and to us in particular. Should loan availability be reduced, it could impact the value of collegiate housing assets and impair the value of our properties, and we would seek alternative sources of funding. We anticipate that additional capital may be available only at a higher cost and have less attractive terms, if available at all.

A change in the value of our assets could cause us to experience a cash shortfall, be in default of our loan covenants, lose management control or incur a charge for the impairment of assets.

We borrow on a secured basis under the Master Secured Credit Facility. A significant reduction in value of the assets secured as collateral could require us to post additional collateral or pay down the balance of the facility. While we believe that we have significant excess collateral and capacity, future asset values are uncertain. If we were unable to meet a request to add collateral to the facility, this inability would have a material adverse affect on our liquidity and our ability to comply with our loan covenants. We may determine that the value of an individual asset, or group of assets, was irrevocably impaired, and that we need to record a charge to write-down the value of the asset to reflect its current estimated value based on its intended use.

Our collegiate housing communities have previously been, and in the future may be, subject to impairment charges, which could adversely affect our results of operations.

We are required to periodically evaluate our properties for impairment indicators. A property's value is considered impaired if management's estimate of the aggregate future cash flows (undiscounted and without interest charges) to be generated by the property, based on its intended use, is less than the carrying value of the property. These estimates of cash flows are based on factors such as expected future operating income, trends and prospects, as well as the effects of interest and capitalization rates, demand and occupancy, competition and other factors. Ongoing adverse market and economic conditions and market volatility make it difficult to value our collegiate housing communities. These factors may result in uncertainty in valuation estimates and instability in the estimated value of our collegiate housing communities which, in turn, could result in a substantial decrease in the value of the communities and significant impairment charges.

We continually assess our collegiate housing communities to determine if any dispositions are necessary or appropriate. No assurance can be given that we will be able to recover the current carrying amount of our collegiate housing communities in the future. Our failure to do so would require us to recognize additional impairment charges for the period in which we reached that conclusion, which could materially and adversely affect us and our results of operations.

Variable rate debt is subject to interest rate risk.

We have mortgage and construction debt with varying interest rates dependent upon London InterBank Offered Rate ("LIBOR") plus an applicable margin. In addition, our Third Amended Revolver bore, and our Fourth Amended Revolver bears, interest at a variable rate on all amounts drawn under the facility. As of December 31, 2012, we had a total of $204.4 million outstanding in variable rate debt, or approximately 43%, of our total debt. 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 that 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 stockholders.

We may incur losses on interest rate hedging arrangements.

Periodically, we have entered into agreements to reduce the risks associated with changes in interest rates, and we may continue to do so in the future. Although these agreements may partially protect against rising interest rates, they may also reduce the benefits to us if interest rates decline. If a hedging arrangement is not indexed to the same rate as the indebtedness which is hedged, we may be exposed to losses to the extent which the rate governing the indebtedness and the rate governing the hedging arrangement change independently of each other. Additionally, nonperformance by the other party to the hedging arrangement may subject us to increased credit risks.

Broad market fluctuations could negatively impact the market price of our common stock.

As with other publicly traded equity securities, the value of our common stock depends on various market conditions, which may change from time to time. The stock market has recently experienced extreme price and volume fluctuations that have affected the market price of many companies in industries similar or related to ours and that are outside of management's control. These broad market fluctuations could adversely impact the market price of our common stock. Accordingly, the market price of our common stock could change in ways that may or may not be related to our business, our industry or our operating performance and financial condition. Furthermore, our operating results and prospects may not meet the expectations of public market analysts and investors or may not be comparable to companies within our industry and with comparable market capitalizations. Any of these factors could lead to a material decline in the market price of our common stock.

Additional issuances of equity securities may be dilutive to stockholders.

The interests of our stockholders could be diluted if we issue additional equity securities to finance future developments or acquisitions or to repay indebtedness. Our Board of Directors may authorize the issuance of additional equity securities without stockholder approval. Our ability to execute our business strategy depends upon our access to an appropriate blend of debt financing, including revolving credit facilities and other forms of secured and unsecured debt, and equity financing, including the issuance of common equity.

We may reduce the amount of dividends declared on our common stock.

In order for EdR to continue to qualify as a REIT, we are required to distribute annual dividends generally equal to a minimum of 90% of our REIT taxable income, computed without regard to the dividends paid deduction and our net capital gains. However, in the event of material deterioration in business conditions or tightening in the credit markets, among other factors, our Board of Directors may decide to reduce the amount of our dividend while ensuring compliance with the requirements of the Code related to REIT qualification.

Risks Related to Our Organization and Structure

To maintain our REIT status, we may be forced to limit the activities of our Management Company and Development Company.

To maintain our status as a REIT, no more than 25% of the value of our total assets may consist of the securities of one or more taxable REIT subsidiaries, such as our Management Company and our Development Company. Some of our activities, such as our third-party management, development consulting and food services, must be conducted through our Management Company and Development Company for us to maintain our REIT qualification. In addition, certain non-customary services such as cleaning, transportation, security and, in some cases, parking, must be provided by one of our taxable REIT subsidiaries or an independent contractor. If the revenues from such activities create a risk that the value of our Management Company and other TRSs, based on revenues or otherwise, approaches the 25% threshold, we will be forced to curtail such activities or take other steps to remain under the 25% threshold. Because the 25% threshold is based on value, it is possible that the Internal Revenue Service, or IRS, could successfully contend that the value of our Management Company and other TRSs exceed the 25% threshold even if our Management Company and other TRSs accounts for less than 25% of our consolidated revenues, income or cash flow, in which case our status as a REIT could be jeopardized.

Our charter contains restrictions on the ownership and transfer of our stock.

Our charter provides that, subject to certain exceptions, no person or entity may beneficially own, or be deemed to own by virtue of the applicable constructive ownership provisions of the Code, more than 9.8% (by value, by number of shares or by voting power, whichever is more restrictive) of the outstanding shares of our common stock or more than 9.8% (by value, by number of shares or by voting power, whichever is more restrictive) of the outstanding shares of our capital stock, including both common and preferred stock. We refer to these restrictions collectively as the “ownership limit.” Generally, if a beneficial owner of our shares exceeds the ownership limit, such owner will be effectively divested of all ownership rights with respect to shares exceeding the limit and may suffer a loss on such investment.

The constructive ownership rules under the Code are complex and may cause stock owned actually or constructively by a group of related individuals and/or entities to be owned constructively by one individual or entity. As a result, the acquisition of less than 9.8% of our stock (or the acquisition of an interest in an entity that owns, actually or constructively, our stock) by an individual or entity, could, nevertheless cause that individual or entity, or another individual or entity, to own constructively in excess of 9.8% of our outstanding common stock and thereby subject certain shares to the ramifications of exceeding the ownership limit. Our charter, however, permits exceptions to be made to this limitation if our Board of Directors determines that such exceptions will not jeopardize our tax status as a REIT. This ownership limit could delay, defer or prevent a change of control or other transaction that might otherwise result in a premium price for our common stock or otherwise be in the best interest of our stockholders.

Certain ownership limitations and anti-takeover provisions of our charter and bylaws may inhibit a change of our control.

Certain provisions contained in our charter and bylaws and the Maryland General Corporation Law may discourage a third party from making a tender offer or acquisition proposal to us, or could delay, defer or prevent a change in control or the removal of existing management. These provisions also may delay or prevent our stockholders from receiving a premium for their shares of common stock over then-prevailing market prices. These provisions include:

- the REIT ownership limit described above;
- authorization of the issuance of our preferred shares with powers, preferences or rights to be determined by our Board of Directors;
- the right of our Board of Directors, without a stockholder vote, to increase our authorized shares and classify or reclassify unissued shares; and
- advance notice requirements for stockholder nomination of directors and for other proposals to be presented at stockholder meetings.

The Maryland business statutes also impose potential restrictions on a change of control of EdR.

Various Maryland laws may have the effect of discouraging offers to acquire us, even if the acquisition would be advantageous to our stockholders. Our bylaws exempt us from some of those laws, such as the control share acquisition provisions, but our Board of Directors can change our bylaws at any time to make these provisions applicable to us.

We have the right to change some of our policies that may be important to our stockholders without stockholder consent.

Our major policies, including our policies with respect to investments, leverage, financing, growth, debt and capitalization, are determined by our Board of Directors or those committees or officers to whom our Board of Directors has delegated that authority. Our Board of Directors also establishes the amount of any distributions that we make to our stockholders. Our Board of Directors may amend or revise the foregoing policies, our distribution payment amounts and other policies from time to time without a stockholder vote. Accordingly, our stockholders may not have control over changes in our policies.

The ability of our Board of Directors to revoke our REIT election without stockholder approval may cause adverse consequences to our stockholders.

Our charter provides that our Board of Directors may revoke or otherwise terminate our REIT election, without the approval of our stockholders, if it determines that it is no longer in our best interests to continue to qualify as a REIT. If we cease to qualify as a REIT, we would become subject to federal income tax on our taxable income and would no longer be required to distribute most of our taxable income to our stockholders, which may have adverse consequences on the total return to our stockholders.

Our rights and the rights of our stockholders to take action against our directors and officers are limited.

Maryland law provides that a director or officer has no liability in that capacity if he or she performs his or her duties in good faith, in a manner he or she reasonably believes to be advisable and in our best interests and with the care that an ordinarily prudent person in a like position would use under similar circumstances. In addition, our charter eliminates our directors' and officers' liability to us and our stockholders for money damages except for liability resulting from actual receipt of an improper benefit in money, property or services or active and deliberate dishonesty established by a final judgment and that is material to the cause of action. Our bylaws require us to indemnify directors and officers for liability resulting from actions taken by them in those capacitates to the maximum extent permitted by Maryland law. As a result, our stockholders and we may have more limited rights against our directors and officers than might otherwise exist under common law. In addition, we may be obligated to fund the defense costs incurred by our directors and officers.

Our success depends upon key personnel whose continued service is not guaranteed.

We depend upon the services of our key personnel, particularly Randy Churchey, President and Chief Executive Officer, Randall H. Brown, our Executive Vice President and Chief Financial Officer, Thomas Trubiana, our Executive Vice President and Chief Investment Officer, and Christine Richards, our Senior Vice President and Chief Operating Officer. Mr. Churchey's considerable experience as a senior executive officer of publicly traded real estate companies, including REITs, prior service to EdR as a member of the Board of Directors and familiarity with our operational and organizational structure are critical to the oversight and implementation of our strategic initiatives and the evaluation of our operational performance. In addition, Mr. Brown possesses detailed knowledge of and experience with our financial and ancillary support operations that are critical to our operations and financial reporting obligations as a public company. Mr. Trubiana has been in the collegiate housing business for over 30 years, and has developed a network of contacts and a reputation that attracts business and investment opportunities and assists us in negotiations with universities, lenders and industry personnel. Ms. Richards possesses detailed knowledge of our property operations that is critical to the oversight of our communities' performance and has considerable experience in the collegiate housing industry. We will continue to need to attract and retain qualified additional senior executive officers as we grow our business. The loss of the services of any of our senior executive officers, or our inability to recruit and retain qualified personnel could have a material adverse effect on our business and financial results.

Any weaknesses identified in our system of internal controls by us and our independent registered public accounting firm pursuant to Section 404 of the Sarbanes-Oxley Act of 2002 could have an adverse effect on our business.

Section 404 of the Sarbanes-Oxley Act of 2002 requires that public companies evaluate and report on their systems of internal control over financial reporting. In addition, our independent registered public accounting firm must report on management's evaluation of those controls. In future periods, we may identify deficiencies in our system of internal controls over financial reporting that may require remediation. There can be no assurances that any such future deficiencies identified may not be material weaknesses that would be required to be reported in future periods.

Federal Income Tax Risks

Failure to qualify as a REIT would have significant adverse consequences to us and the value of our stock.

We intend to continue to be organized and to operate in a manner that will allow us to qualify as a REIT under the Code. We have not requested and do not plan to request a ruling from the IRS that we qualify as a REIT. If we lose our REIT status, we will face serious tax consequences that could substantially reduce the funds available for distribution to our stockholders for each year that we fail to qualify as a REIT because:

- we would not be allowed a deduction for distributions to stockholders in computing our taxable income and, therefore, such amounts would be subject to federal income tax at regular corporate rates;
- we also could be subject to the federal alternative minimum tax and possibly increased state and local taxes; and
- unless we are entitled to relief under applicable statutory provisions, we could not elect to be taxed as a REIT for four taxable years following the year during which we were disqualified.

In addition, if we fail to qualify as a REIT, we will not be required to make distributions to stockholders. As a result of all these factors, our failure to qualify as a REIT could impair our ability to expand our business and raise capital and would adversely affect the value of our common stock.

Qualification as a REIT involves the application of highly technical and complex Code provisions for which there are only limited judicial and administrative interpretations. The complexity of these provisions and of the applicable Treasury Regulations that have been promulgated under the Code is greater in the case of a REIT that, like us, holds its assets through partnerships and limited liability companies. The determination of various factual matters and circumstances not entirely within our control may affect our ability to qualify as a REIT. In order to qualify as a REIT, we must satisfy a number of requirements, including requirements regarding the diversification of our assets and the sources of our gross income composition of our assets and two "gross income tests." To satisfy the sources of gross income requirements, we must derive (a) at least 75% of our gross income in any year from qualified sources, such as "rents from real property," mortgage interest, distributions from other REITs and gains from sale of such assets, and (b) at least 95% of our gross income from sources meeting the 75% gross income test above, and other passive investment sources, such as other interest and dividends and gains from sales of securities. Also, we must make distributions to stockholders aggregating annually at least 90% of our REIT taxable income, determined without regard to the deduction for dividends paid and excluding any net capital gains. In order to meet these requirements, we may be required to forgo investments we might otherwise make. Thus, compliance with the REIT requirements may hinder our performance. In addition, new legislation, regulations, administrative interpretations or court decisions may adversely affect our investors, our ability to qualify as a REIT for federal income tax purposes or the desirability of an investment in a REIT relative to other investments.

We may be subject to federal and state income taxes that would harm our financial condition.

Even if we maintain our status as a REIT, we may become subject to federal and state income taxes. For example, if we recognize a gain from a sale of dealer property or inventory or if our Management Company enters into agreements with us or our tenants on a basis that is determined to be other than an arm's length, that gain or income will be subject to a 100% penalty tax. If we believe that a sale of a property might be treated as a prohibited transaction, we will attempt to structure a sale through a taxable REIT subsidiary, in which case the gain from the sale would be subject to corporate income tax but not the 100% prohibited transaction tax. We cannot assure you, however, that the IRS would not assert successfully that sales of properties that we make directly, rather than through a taxable REIT subsidiary, were sales of dealer property or inventory, in which case the 100% penalty tax will apply. In addition, we may not be able to make sufficient distributions to avoid corporate income tax and/or the 4% excise tax on undistributed income. We may also be subject to state and local taxes on our income or property, either directly or at the level of our Operating Partnership or the University Towers Partnership or at a level of the other entities through which we indirectly own our properties that would aversely affect our operating results.

An investment in our common stock has various tax risks, including the treatment of distributions in excess of earnings and the inability to apply "passive losses" against distributions.

Distributions in excess of current and accumulated earnings and profits, to the extent that they exceed the adjusted basis of an investor's common stock, will be treated as long-term capital gain (or short-term capital gain if the shares have been held for less than one year). Any gain or loss realized upon a taxable disposition of shares by a stockholder who is not a dealer in securities will be treated as a long-term capital gain or loss if the shares have been held for more than one year and otherwise will be treated as short-term capital gain or loss. Distributions that we properly designate as capital gain distributions (to the extent that they do not exceed our actual net capital gain for the taxable year) will be treated as taxable to stockholders as gains from the sale or disposition of a capital asset held for greater than one year. Distributions we make and gain arising from the sale or exchange by a stockholder of shares of our stock will not be treated as passive income, meaning stockholders generally will not be able to apply any "passive losses" against such income or gain.

Future distributions may include a significant portion as a return of capital.

Our distributions have historically exceeded, and may continue to exceed, the amount of our net income as a REIT. Any distributions in excess of a stockholder's share of our current and accumulated earnings and profits will be treated as a return of capital to the extent of the stockholder's basis in our stock, and the stockholder's basis in our stock will be reduced by such amount. To the extent distributions exceed both the stockholder's share of our current and accumulated earnings and profits and the stockholder's basis in our stock, the stockholder will recognize capital gain, assuming the stock is held as a capital asset. If distributions by us result in a reduction of a stockholder's adjusted basis in its stock, subsequent sales by such stockholder of its stock potentially will result in recognition of an increased capital gain or reduced capital loss due to the reduction in such stockholder's adjusted basis in its stock.

The tax imposed on REITs engaging in "prohibited transactions" may limit our ability to engage in transactions which would be treated as sales for federal income tax purposes.

A REIT's net income from prohibited transactions is subject to a 100% penalty tax. In general, prohibited transactions are sales or other dispositions of property, other than foreclosure property held in inventory primarily for sale to customers in the ordinary course of business. Although we do not intend to hold any properties that would be characterized as inventory held for sale to customers in the ordinary course of our business, subject to certain statutory safe harbors, such characterization is a factual determination and no guarantee can be given that the IRS would agree with our characterization of our properties or that we will always be able to make use of the available safe harbors.

If our Operating Partnership fails to maintain its status as a partnership for federal income tax purposes, its income may be subject to corporate-level income taxation.

We intend for our Operating Partnership to maintain its status as a partnership for federal income tax purposes; however, if the IRS were to successfully challenge the status of our Operating Partnership as a partnership, our Operating Partnership would be taxable as a corporation. In such event, this would reduce the amount of distributions that our Operating Partnership could make to us. This could also result in our losing REIT status and becoming subject to a corporate-level income tax. This would substantially reduce our cash available to pay distributions to our stockholders. In addition, if any of the entities through which our Operating Partnership owns its properties, in whole or in part, loses its characterization as a partnership for federal income tax purposes, it would be subject to taxation as a corporation, thereby reducing distributions to our Operating Partnership. Such a re-characterization of an underlying property owner could also threaten our ability to maintain REIT status.

Item 1B. Unresolved Staff Comments.

None.

Item 2. Properties.

General

As of December 31, 2012, our owned portfolio consisted of 43 communities located in 22 states containing 25,003 beds in 8,494 apartment units located near 38 universities.

The majority of our owned portfolio are modern apartments that consist of collegiate housing units with fully-furnished private bedrooms and one or more bathrooms centered around a common area consisting of a fully-furnished living room, fully-equipped eat-in kitchen and washers/dryers. University Towers is a high-rise residence hall that has a cafeteria on the premises and no individual kitchens in the units. We provide food services through our Management Company to residents of University Towers. Our collegiate housing communities typically contain a swimming pool, recreational facilities and common areas, and each bedroom has individual locks, high-speed Internet access and cable television connections.

Our owned collegiate housing communities typically have the following characteristics:

- median distance to campus of 0.2 miles;
- median age of approximately 9 years;
- designed specifically for students with modern unit plans and amenities; and
- supported by our long-standing Community Assistant program and other student-oriented activities and services that enhance the college experience.

Communities

The following table provides certain summary information about our owned communities as of December 31, 2012, which are included in the collegiate housing leasing segment discussed in Note 11, "Segments" to our accompanying consolidated financial statements. All communities are owned in fee with the exception of University Village on Colvin, GrandMarc at the Corner and GrandMarc at Westberry Place, which are operated pursuant to ground leases.

						Year Ended December 31, 2012		
Name	**Primary University Served**	**Year Built**	**Acquisition Date**	**# of Beds**	**# of Units**	**Average Occupancy Rate(1)**	**Monthly Total Revenue**	**Revenue per Available Bed(2)**
							(in thousands)	
Owned and Operated								
The District on 5th	University of Arizona Tuscon, Arizona	2012	Oct '12	764	208	99.9%	$ 123	$ 644
Campus Village	Michigan State University East Lansing, Michigan	2004	Oct '12	355	106	97.1%	46	517
The Province	Kent State University Kent, Ohio	2012	Nov '12	596	246	98.4%	46	465
The Reserve at Athens	University of Georgia Athens, Georgia	1999	Jan '05	612	200	95.6%	225	368
Players Club	Florida State University Tallahassee, Florida	1994	Jan '05	336	84	98.9%	164	489
The Suites at Overton Park	Texas Tech University Lubbock, Texas	2009	Dec '12	465	298	90.1%	21	542
The Centre at Overton Park	Texas Tech University Lubbock, Texas	2005	Dec '12	401	278	91.5%	20	584
University Towers	North Carolina State University Raleigh, North Carolina	1989	Jan '05	953	251	68.8%	484	508 (3)
The Pointe at South Florida	University of South Florida Tampa, Florida	1999	Jan '05	1,002	336	92.6%	431	430
Commons at Knoxville	University of Tennessee Knoxville, Tennessee	1999	Jan '05	708	211	92.7%	339	478
The Commons	Florida State University Tallahassee, Florida	1997	Jan '05	732	252	90.0%	276	376
The Reserve on Perkins	Oklahoma State University Stillwater, Oklahoma	1999	Jan '05	732	234	96.0%	277	378
The Pointe at Western	Western Michigan University Kalamazoo, Michigan	2000	Jan '05	876	324	85.7%	286	330
College Station at W. Lafayette	Purdue University West Lafayette, Indiana	2000	Jan '05	960	336	87.4%	360	374
Commons on Kinnear	The Ohio State University Columbus, Ohio	2000	Jan '05	502	166	99.2%	277	551
The Pointe	Pennsylvania State University State College, Pennsylvania	1999	Jan '05	984	294	97.8%	516	524
The Reserve at Columbia	University of Missouri Columbia, Missouri	2000	Jan '05	676	260	98.7%	320	474
The Lofts	University of Central Florida Orlando, Florida	2002	Jan '05	730	254	94.9%	455	623
The Reserve on West 31st	University of Kansas Lawrence, Kansas	1998	Jan '05	720	192	85.8%	240	333
Campus Creek	University of Mississippi Oxford, Mississippi	2004	Feb '05	636	192	99.8%	276	434
Pointe West	University of South Carolina Cayce, South Carolina	2003	Mar '05	480	144	96.6%	219	456
Campus Lodge	University of Florida Gainesville, Florida	2001	Jun '05	1,115	360	94.9%	490	439
The Province	East Carolina University Greenville, North Carolina	2011	Sept '12	728	235	95.8%	117	482
College Grove	Middle Tennessee State University Murfreesboro, Tennessee	1998	Apr '05	864	240	91.0%	298	345

Name	Primary University Served	Year Built	Acquisition Date	# of Beds	# of Units	Year Ended December 31, 2012 Average Occupancy Rate(1)	Monthly Total Revenue	Revenue per Available Bed(2)
							(in thousands)	
The Reserve on South College	Auburn University Auburn, Alabama	1999	Jul ’05	576	180	92.7%	187	324
The Avenue at Southern	Georgia Southern University Statesboro, Georgia	1993	Jun ’06	624	214	83.5%	203	326
The Reserve at Saluki Pointe	Southern Illinois University Carbondale, Illinois	2008 (4)	Aug ’08(4)	768	228	91.1%	831	451
University Village on Colvin	Syracuse University Syracuse, New York	2009	Aug ’09	432	120	86.7%	887	855
The Oaks on the Square	University of Connecticut Mansfield, Connecticut	2012	Aug ’12	253	127	99.8%	107	928
River Pointe	State University of West Georgia Carrollton, Georgia	2000	Jan ’06	504	132	94.3%	210	382
Cape Trails	Southeast Missouri State University Cape Girardeau, Missouri	2000	Jan ’06	360	96	99.4%	162	414
Carrollton Crossing	State University of West Georgia Carrollton, Georgia	1998	Jan ’06	336	84	98.6%	144	393
GrandMarc at the Corner	University of Virginia Charlottesville, VA	2006	Oct ’10	641	224	88.0%	471	673
Wertland Square	University of Virginia Charlottesville, VA	2006	Mar ’11	152	50	96.7%	122	738
Campus West	Syracuse University Syracuse, New York	2012	Aug '12	313	191	96.0%	143	1,004
Jefferson Commons	University of Virginia Charlottesville, VA	2007	Mar ’11	82	22	94.7%	52	585
East Edge	University of Alabama Tuscaloosa, Alabama	2012	Aug '12	774	337	68.6%	217	441
The Berk	University of California at Berkeley Berkeley, California	1920	May ’11	167	55	55.8%	119	668
Lotus Lofts	University of Colorado Boulder, Colorado	2008	Nov ’11	40	9	98.5%	34	774
University Village Towers	University of California at Riverside Riverside, California	2005	Sept ’11	554	149	71.2%	325	539
Irish Row	University of Notre Dame South Bend, Indiana	2011	Nov ’11	326	127	99.3%	266	747
GrandMarc at Westberry Place	Texas Christian University Ft. Worth, Texas	2006	Dec ’11	562	244	96.3%	631	1,029
The Reserve on Stinson	University of Oklahoma Norman, Oklahoma	2004	Jan ’12	612	204	95.1%	304	456
Total owned properties		2001 (5)		25,003	8,494			

(1) Average of the physical month-end occupancy rates.

(2) Monthly revenue per available bed for 2012 is equal to total revenue, including tenant concessions, for the year ended December 31, 2012 divided by the sum of the total beds (including staff and model beds) at the property each month. For properties acquired during the year, monthly revenue per available bed equals total revenue for the period subsequent to acquisition through December 31, 2012 divided by the sum of the total beds (including staff and model beds) at the property each month while owned.

(3) Revenues and revenue per available bed for University Towers excludes revenue from food service operations.

(4) The first phase of The Reserve at Saluki Pointe, which included 528 beds, was completed in August 2008. The second phase, which included 240 beds, was completed in August 2009.

(5) Represents average year for all properties in our wholly-owned portfolio.

Mortgage and Construction Indebtedness

The following table contains summary information concerning the mortgage and construction debt encumbering our owned communities as of December 31, 2012:

Property	Outstanding at December 31, 2012	Interest Rate	Maturity Date	Amortization
	(in thousands)			
University Towers	$ 25,000	5.99%	7/1/2013	30 Year
The Avenue at Southern/The Reserve at Columbia/ The Commons at Knoxville/College Grove	57,320	6.02%	1/1/2019	30 Year
The Reserve at Athens	7,366	4.96%	1/1/2015	30 Year
The Reserve at Perkins	14,731	5.99%	1/1/2014	30 Year
The Suites at Overton Park	25,118	4.16%	4/1/2016	30 Year
The Centre at Overton Park	23,333	5.60%	1/1/2017	30 Year
College Station at W. Lafayette/The Pointe at Penn State/The Reserve at Star Pass	68,585	6.02%	1/1/2016	30 Year
Pointe West	9,824	4.92%	8/1/2014	30 Year
University Village Apartments on Colvin	8,527	1.31%	9/29/2013	30 Year
Carrollton Crossing/The Commons on Kinnear	16,676	5.45%	1/1/2017	30 Year
River Pointe/Cape Trails/The Reserve on South College	22,390	5.67%	1/1/2020	30 Year
The Oaks on the Square	16,435	2.46%	10/30/2015	(1)
Campus West	11,960	2.16%	11/30/2014	(1)
East Edge	32,672	2.61%	6/30/2014	(1)
ASU Phoenix	8,869	2.50%	3/20/2015	(1)
The Retreat	10,639	2.31%	7/1/2015	(1)
GrandMarc at Westberry Place	36,333	4.95%	1/1/2020	30 Year
Total debt /weighted average rate	395,778	4.86%		
Unamortized premium	3,068			
Total net of unamortized premium	398,846			
Less current portion	(37,919)			
Total long-term debt, net of current portion	$ 360,927			

(1) Represents construction debt that is interest only through the maturity date. See Note 10 to the accompanying consolidated financial statements for additional information regarding the extension periods related to construction debt.

The weighted average interest rate of the mortgage and construction indebtedness was 4.86% as of December 31, 2012. Each of these mortgages is a non-recourse obligation subject to customary exceptions. These loans generally do not allow prepayment prior to maturity. However, prepayment is allowed in certain cases subject to prepayment penalties. Each of the construction loans have a 100% repayment guarantee with the exception of Campus West and The Retreat, which have a 50% and 25% repayment guarantee, respectively, during construction. Once construction is complete, the repayment guarantee is 50% for both Oaks on the Square and ASU Phoenix, 25% for Campus West and 10% for The Retreat. The construction loans can be prepaid without penalty.

Item 3. Legal Proceedings.

In the normal course of business, we are subject to claims, lawsuits and legal proceedings. While it is not possible to ascertain the ultimate outcome of such matters, in management's opinion, the liabilities, if any, in excess of amounts provided or covered by insurance, are not expected to have a material adverse effect on our financial position, results of operations or liquidity.

Item 4. Mine Safety Disclosures.

Not Applicable.

PART II

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

Market Information

Our common stock trades on the New York Stock Exchange under the symbol "EDR." There were approximately 522 holders of record of the 113,871,318 shares outstanding on February 22, 2013. On the same day, our common stock closed at $11.19. The following table provides information on the high and low sales prices for our common stock on the NYSE and the dividends declared for 2011 and 2012:

	High	Low	Distributions Declared
Fiscal 2011			
Quarter 1	$8.28	$7.24	$0.050
Quarter 2	8.78	7.89	0.070
Quarter 3	9.52	7.16	0.070
Quarter 4	10.34	8.04	0.070
Fiscal 2012			
Quarter 1	$10.90	$9.75	$0.070
Quarter 2	11.55	10.42	0.100
Quarter 3	11.81	10.78	0.100
Quarter 4	10.92	9.72	0.100

Since our initial quarter as a publicly-traded REIT, we have made regular quarterly distributions to our stockholders. We intend to continue to declare quarterly distributions. However, we cannot provide any assurance as to the amount or timing of future distributions. For a description of restrictions on EdR regarding the payment of distributions, see "Item 7 — Management's Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources — Revolving Credit Facility and Other Indebtedness," "Item 7 — Management's Discussion and Analysis of Financial Condition and Results of Operations — Distributions" and Note 10, "Debt," to our accompanying consolidated financial statements.

To the extent that we make distributions in excess of our earnings and profits, as computed for federal income tax purposes, these distributions will represent a return of capital, rather than a dividend, for federal income tax purposes. Distributions that are treated as a return of capital for federal income tax purposes will reduce the stockholder's basis in its shares (but not below zero) and therefore can result in the stockholder having a higher gain upon a subsequent sale of such shares. Return of capital distributions in excess of a stockholder's basis generally will be treated as gain from the sale of such shares for federal income tax purposes.

Amended and Restated Dividend Reinvestment and Direct Stock Purchase Plan

In September 2012, the Trust adopted the Amended and Restated Dividend Reinvestment and Direct Stock Purchase Plan, or DRSPP, which offers the following:

- automatic reinvestment of some or all of the cash distributions paid on common stock, shares of other classes of stock that we might issue in the future and units of limited partnership interest;
- an opportunity to make an initial purchase of our common stock and to acquire additional shares over time; and
- safekeeping of shares and accounting for distributions received and reinvested at no cost.

Shares of common stock purchased under the DRSPP will be either issued by EdR or acquired directly from third parties in the open market or in privately negotiated transactions. Subject to certain conditions and at our sole discretion, the discount from market prices, if any, on all shares of common stock purchased directly from us will range from 0% to 5%.

We will determine the source of shares available through the DRSPP based on market conditions, relative transaction costs and our need for additional capital. To the extent the DRSPP acquires shares of common stock directly from EdR, we will receive additional capital for general corporate purposes.

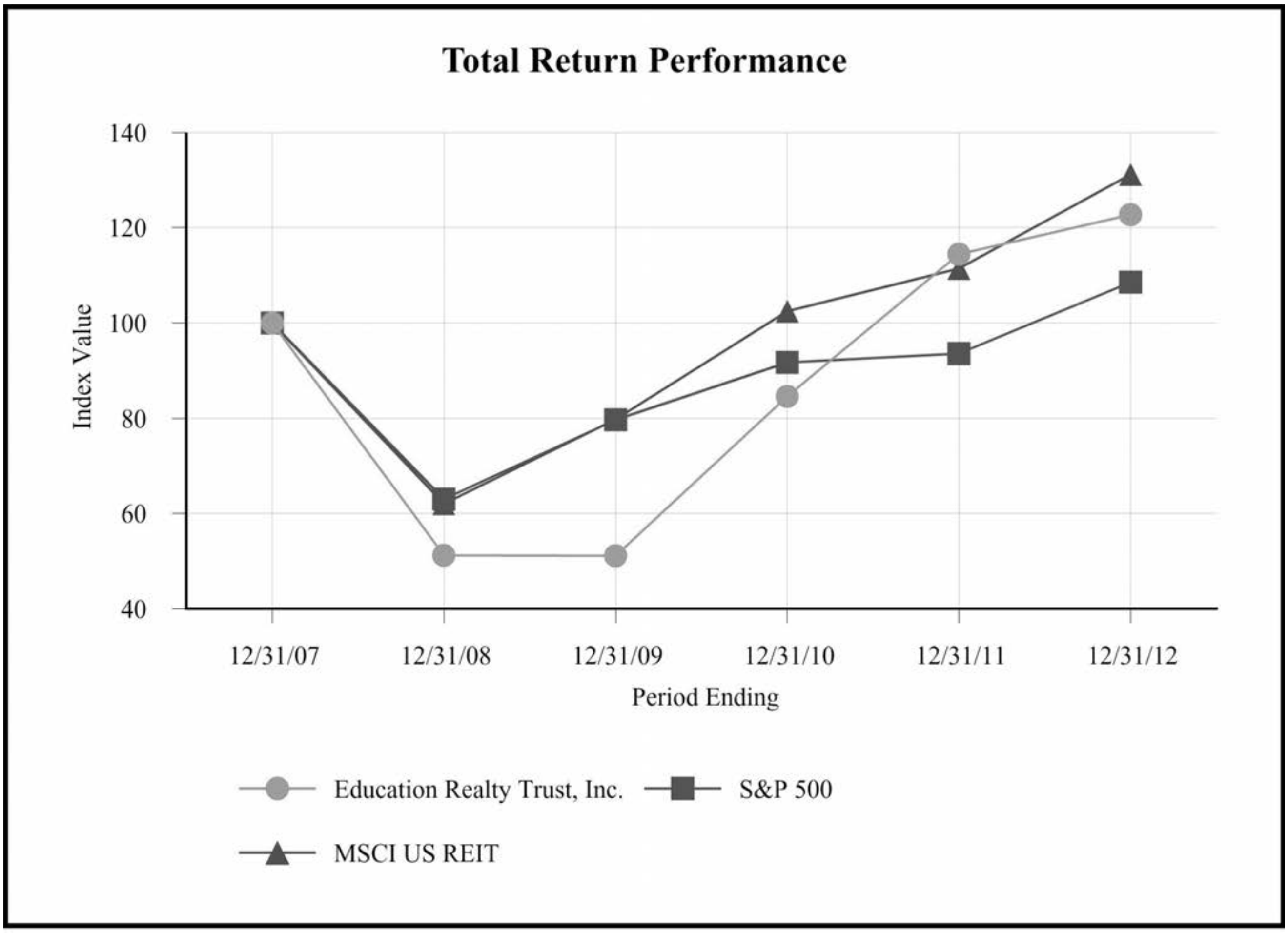
During the three months ended December 31, 2012, in connection with the DRSPP, we directed the plan administrator to purchase 668 shares of our common stock for $6,587 in the aggregate in the open market pursuant to the dividend reinvestment component of the DRSPP with respect to our dividend for the fourth quarter of 2012. We also directed the plan administrator to purchase 742 shares of our common stock for $7,600 in the aggregate in the open market for investors pursuant to the direct stock purchase component of the DRSPP. The following chart summarizes these purchases of our common stock for the three months ended December 31, 2012.

Period	**Total Number of Shares Purchased(1)**	**Average Price Paid per Share**	**Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs**	**Maximum Number (or Approximate Dollar Value) of Shares that May Yet Be Purchased Under the Plans or Programs**
October 1 – 31, 2012	145	$ 10.29	—	—
November 1 – 30, 2012	921	$ 9.86	—	—
December 1 – 31, 2012	344	$ 10.45	—	—
Total	1,410	$ 10.06	—	—

(1) All shares of common stock were purchased in the open market pursuant to the terms of our DRSPP. Our Board of Directors authorized the issuance or purchase of 4,000,000 shares of common stock under the DRSPP.

COMPARISON OF 60 MONTH CUMULATIVE TOTAL RETURN*
Among Education Realty Trust, Inc., The S&P 500 Index
And The MSCI US REIT Index

The following graph compares the cumulative total return of our common stock to the Standard & Poor's 500 Index, or the S&P 500, and to the Morgan Stanley Capital International U.S. REIT Index, or the MSCI US REIT Index.



* $100 invested on 12/31/07 in stock or in index, including reinvestment of dividends. Fiscal year ended December 31.

	Period Ending					
Index	**12/31/2007**	**12/31/2008**	**12/31/2009**	**12/31/2010**	**12/31/2011**	**12/31/2012**
Education Realty Trust, Inc.	100.00	51.21	51.09	84.56	114.44	122.77
S&P 500	100.00	63.00	79.68	91.68	93.61	108.59
MSCI US REIT	100.00	62.03	79.78	102.50	111.41	131.20

We cannot assure you that our share performance will continue into the future with the same or similar trends depicted in the graph above. We will not make or endorse any predictions as to future share performance.

The performance comparisons noted in the graph shall not be deemed incorporated by reference by any general statement incorporating by reference this Annual Report on Form 10-K into any filing under the Securities Act or under the Exchange Act, except to the extent that we specifically incorporate this graph by reference, and shall not otherwise be deemed filed under the Securities Act and/or Exchange Act.

Recent Sales of Unregistered Securities

None.

Item 6. Selected Financial Data.

The following table sets forth selected financial and operating data on a consolidated historical basis for EdR.

The following information presented below does not provide all of the information contained in our financial statements, including the related notes. You should read the information below in conjunction with the historical consolidated financial statements and related notes and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included elsewhere in this Annual Report on Form 10-K.

STATEMENT OF OPERATIONS DATA

	Year Ended December 31,				
	2012	2011	2010	2009	2008
	(In thousands, except per share data)				
Revenues:					
Collegiate housing leasing revenue	$ 131,092	$ 98,491	$ 86,347	$ 82,448	$ 79,533
Other leasing revenue	—	—	—	—	1,357
Third-party development services	820	4,103	2,483	8,178	8,303
Third-party management services	3,446	3,336	3,189	3,221	3,672
Operating expense reimbursements	9,593	8,604	14,519	9,722	10,796
Total revenues	144,951	114,534	106,538	103,569	103,661
Operating expenses:					
Collegiate housing leasing operations	63,194	48,789	44,703	44,904	45,118
General and administrative	14,176	12,316	13,373	10,952	11,481
Depreciation and amortization	35,436	25,961	21,984	19,822	19,656
Ground lease expense	6,395	5,498	1,528	207	105
Loss on impairment	—	—	—	—	388
Reimbursable operating expenses	9,593	8,604	13,603	9,722	10,796
Total operating expenses	128,794	101,168	95,191	85,607	87,544
Operating income	16,157	13,366	11,347	17,962	16,117
Nonoperating expenses	15,322	18,647	19,467	17,851	23,011
Income (loss) from continuing operations before equity in earnings (losses) of unconsolidated entities, income taxes and discontinued operations	835	(5,281)	(8,120)	111	(6,894)
Equity in earnings (losses) of unconsolidated entities	(363)	(447)	(260)	(1,410)	(196)
Income (loss) before income taxes and discontinued operations	472	(5,728)	(8,380)	(1,299)	(7,090)
Income tax expense (benefit)	(884)	(95)	442	1,905	1,102
Income (loss) from continuing operations	1,356	(5,633)	(8,822)	(3,204)	(8,192)
Discontinued operations:					
Income (loss) from operations of discontinued operations	1,785	(7,530)	(34,080)	(3,887)	117

Gain on sale of collegiate housing property	5,496	2,388	611	—	—
Income (loss) from discontinued operations	7,281	(5,142)	(33,469)	(3,887)	117
Net income (loss)	8,637	(10,775)	(42,291)	(7,091)	(8,075)
Less: Net income (loss) attributable to the noncontrolling interests	216	239	(233)	164	(128)
Net income (loss) attributable to Education Realty Trust, Inc.	$ 8,421	$ (11,014)	$ (42,058)	$ (7,255)	$ (7,947)
Earnings per share information:					
Income (loss) per share – basic and diluted					
Continuing operations	0.01	(0.08)	(0.16)	(0.09)	(0.28)
Discontinued operations	0.07	(0.07)	(0.57)	(0.09)	—
Net income (loss) per share	$ 0.08	$ (0.15)	$ (0.73)	$ (0.18)	$ (0.28)
Weighted average common shares outstanding – basic and diluted	102,317	75,485	57,536	40,496	28,513
Distributions per common share	$ 0.34	$ 0.24	$ 0.20	$ 0.36	$ 0.82
Amounts attributable to Education Realty Trust, Inc. – common stockholders:					
Income (loss) from continuing operations, net of tax	1,198	(5,916)	(9,095)	(3,486)	(8,059)
Income (loss) from discontinued operations, net of tax	7,223	(5,098)	(32,963)	(3,769)	112
Net income (loss)	$ 8,421	$ (11,014)	$ (42,058)	$ (7,255)	$ (7,947)

BALANCE SHEET DATA

	As of December 31,				
	2012	2011	2010	2009	2008
			(In thousands)		
Assets:					
Collegiate housing properties, net	$ 1,220,266	$ 860,167	$ 698,793	$ 749,884	$ 733,507
Other assets, net	104,421	117,642	37,887	54,729	44,140
Total assets	$ 1,324,687	$ 977,809	$ 736,680	$ 804,613	$ 777,647
Liabilities and equity:					
Mortgage and construction notes payable	$ 398,846	$ 358,504	$ 367,631	$ 406,365	$ 442,259
Other indebtedness	79,000	—	3,700	—	32,900
Other liabilities	75,087	46,175	30,567	22,004	20,559
Total liabilities	552,933	404,679	401,898	428,369	495,718
Redeemable noncontrolling interests	8,944	9,776	10,039	11,079	11,751
Equity	762,810	563,354	324,743	365,165	270,178
Total liabilities and equity	$ 1,324,687	$ 977,809	$ 736,680	$ 804,613	$ 777,647

OTHER DATA (UNAUDITED)

	As of December 31,				
	2012	2011	2010	2009	2008
	(In thousands, except per share data and selected property information)				
Funds from operations (FFO)(1):					
Net income (loss) attributable to Education Realty Trust, Inc.	$ 8,421	$ (11,014)	$ (42,058)	$ (7,255)	$ (7,947)
Gain on sale of collegiate housing property	(5,496)	(2,388)	(611)	—	—
Impairment losses	—	7,859	33,610	3,173	2,021
Loss on sale of collegiate housing assets	—	—	—	—	512
Collegiate housing property depreciation and amortization of lease intangibles	37,237	29,101	29,940	28,522	28,819
Equity portion of real estate depreciation and amortization on equity investees	225	412	479	512	496
Equity portion of loss on sale of collegiate housing property on equity investee	88	256	137	—	—
Noncontrolling interests	305	244	(233)	164	(128)
Funds from operations available to all share and unitholders	$ 40,780	$ 24,470	$ 21,264	$ 25,116	$ 23,773
Other adjustments to FFO:					
Development cost write-off, net of tax benefit	—	—	—	—	417
Acquisition costs	1,110	741	1,467	—	—
Ground lease straightline	4,364	4,208	984	—	—
Reorganization/severance costs, net of tax	—	—	447	—	—
Loss (gain) on extinguishment of debt	—	757	1,426	(830)	4,360
Impact of other adjustments to FFO	5,474	5,706	4,324	(830)	4,777
FFO on participating developments:					
Interest on loan to participating development	1,830	1,598	329	—	—
Development fees on participating development, net of costs and tax	91	887	128	—	—
FFO on participating developments	1,921	2,485	457	—	—
Core funds from operations available to all share and unitholders(2)	$ 48,175	$ 32,661	$ 26,045	$ 24,286	$ 28,550

	As of December 31,				
	2012	2011	2010	2009	2008
	(In thousands, except per share data and selected property information)				
Cash flow information:					
Net cash provided by operations	$ 38,353	$ 41,086	$ 32,269	$ 33,235	$ 26,011
Net cash used in investing	(400,668)	(220,098)	(46,314)	(41,638)	(31,656)
Net cash provided by (used in) financing	303,541	247,867	(10,166)	30,569	10,614
Per share and distribution data:					
Net income (loss) per share – basic and diluted	$ 0.08	$ (0.15)	$ (0.73)	$ (0.18)	$ (0.28)
Cash distributions declared per share/unit	0.34	0.26	0.20	0.36	0.82
Cash distributions declared	34,491	18,224	12,295	15,330	25,797
Selected community information(3):					
Units(4)	8,494	6,461	5,608	5,444	5,168
Beds(4)	25,003	19,997	17,853	17,213	16,547
Occupancy(5)	90.6%	92.7%	91.6%	90.4%	92.6%
Revenue per available bed(6)	$ 498	$ 444	$ 414	$ 408	$ 411

(1) As defined by the National Association of Real Estate Investment Trusts (“NAREIT”), FFO represents net income (loss) (computed in accordance with accounting principles generally accepted in the United States ("GAAP")), excluding gains (or losses) from sales of property plus real estate-related depreciation and amortization and after adjustments for unconsolidated partnerships and joint ventures. Adjustments for unconsolidated partnerships and joint ventures will be calculated to reflect funds from operations on the same basis. In October 2011, NAREIT communicated to its members that the exclusion of impairment write-downs of depreciable real estate is consistent with the definition of FFO and prior periods should be restated to be consistent with this guidance. Accordingly, we have restated all periods presented to reflect the current guidance. We present FFO available to all stockholders and unitholders because we consider it an important supplemental measure of our operating performance and believe it is frequently used by securities analysts, investors and other interested parties in the evaluation of REITs, many of which present FFO when reporting their results. As such, we also exclude the impact of noncontrolling interest in our calculation. FFO is intended to exclude GAAP historical cost depreciation and amortization of real estate and related assets, which assumes that the value of real estate diminishes ratably over time. Historically, however, real estate values have risen or fallen with market conditions. Because FFO excludes depreciation and amortization unique to real estate, gains and losses from property dispositions and extraordinary items, it provides a performance measure that, when compared year over year, reflects the impact to operations from trends in occupancy rates, rental rates, operating costs, development activities and interest costs, providing perspective not immediately apparent from net income. For a reconciliation of our FFO available to our stockholders and unitholders to our net income (loss) for the years ended December 31, 2012, 2011 and 2010, see “Item 7 — Management’s Discussion and Analysis of Financial Condition and Results of Operations — Funds From Operations.”

(2) Core FFO is defined as FFO adjusted to include the economic impact of revenue on participating projects for which recognition is deferred for GAAP purposes. The adjustment for this revenue is calculated on the same percentage of completion method used to recognize revenue on third-party development projects. Core FFO also includes adjustments to exclude the impact of straight-line adjustments for ground leases, gains/losses on extinguishment of debt, transaction costs related to acquisitions and reorganization or severance costs. We believe that these adjustments are appropriate in determining Core FFO as they are not indicative of the operating performance of the Trust’s assets. In addition, management uses Core FFO in the assessment of the Trust’s operating performance and comparison to its industry peers and believes that Core FFO is a useful supplemental measure for the investing community to use in comparing the Trust to other REITs as many REITs provide some form of adjusted or modified FFO.

(3) The selected community information represents all owned communities for 2012 (43), 2011 (34), 2010 (28), 2009 (27), and 2008 (26). This information excludes property information related to discontinued operations for all years.

(4) Represents data as of December 31.

(5) Average of the month-end occupancy rates for the period.

(6) Revenue per available bed is equal to the total revenue divided by the sum of the design beds (including staff and model beds) at the property each month. Revenue and design beds for any acquired properties are included prospectively from acquisition date.

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

Management's Discussion and Analysis of Financial Condition and Results of Operations, or MD&A, is designed to provide a reader of our financial statements with a narrative on our financial condition, results of operations, liquidity and certain other factors that may affect our future results from the perspective of our management. Our MD&A is presented in eleven sections:

- Overview
- Our Business Segments
- Trends and Outlook
- Critical Accounting Policies
- Results of Operations
- Liquidity and Capital Resources
- Distributions
- Off-Balance Sheet Arrangements
- Non GAAP Measures
- Inflation
- Recent Accounting Pronouncements

We believe our MD&A should be read in conjunction with the Consolidated Financial Statements and related notes included in "Item 8. Financial Statements and Supplementary Data" and the risk factors included in "Item 1A. Risk Factors" of this Annual Report.

Unless otherwise noted, this MD&A relates only to results from continuing operations. The years ended December 31, 2012, 2011 and 2010 reflect the classification of the following communities' financial results as discontinued operations: Reserve at Clemson (sold in November 2010); The Gables, Western Place, Berkeley Place and the Pointe at Southern (all sold in December 2010); Troy Place, The Reserve at Jacksonville, The Reserve at Martin, The Chase at Murray and Clemson Place (all sold in January 2011); Collegiate Village (sold in April 2011); Clayton Station (sold in June 2011); NorthPointe and The Reserve on Frankford (both sold in September 2012) and The Reserve at Star Pass (sold in December 2012).

Overview

We are a self-managed and self-advised REIT engaged in the ownership, acquisition, development and management of high-quality collegiate housing communities. We also provide collegiate housing management and development consulting services to universities, charitable foundations and other third parties. We believe that we are one of the largest private owners, developers and managers of high-quality collegiate housing communities in the United States in terms of total beds both owned and under management.

We earn income from rental payments we receive as a result of our ownership of collegiate housing communities. We also earn income by performing property management services and development consulting services for third parties through our Management Company and our Development Company, respectively.

We have elected to be taxed as a REIT for federal income tax purposes.

Our Business Segments

We define business segments by their distinct customer base and the service provided. Management has identified three reportable segments: collegiate housing leasing, development consulting services and management services. We evaluate each segment's performance based on net operating income, which is defined as income before depreciation, amortization, ground leases, impairment losses, interest expense (income), gains (losses) on extinguishment of debt, equity in earnings of unconsolidated entities, noncontrolling interests and discontinued operations. The accounting policies of the reportable segments are described in more detail in the summary of significant accounting policies in the notes to the accompanying consolidated financial statements.

Collegiate housing leasing

Collegiate housing leasing revenue represented approximately 96.7% of our revenue, excluding operating expense reimbursements, for the year ended December 31, 2012.

Unlike multi-family housing where apartments are leased by the unit, collegiate-housing communities are typically leased by the bed on an individual lease liability basis. Individual lease liability limits each resident's liability to his or her own rent without liability for a roommate's rent. The number of lease contracts that we administer is therefore equivalent to the number of beds occupied instead of the number of apartment units occupied. A parent or guardian is required to execute each lease as a guarantor unless the resident provides adequate proof of income and/or pays a deposit, which is usually equal to two months rent.

Due to our predominantly private bedroom accommodations and individual lease liability, the high level of student-oriented amenities and the fact that most units are furnished and typically rent includes utilities, cable television and internet service, we believe our communities in most cases can command higher per-unit and per-square foot rental rates than most multi-family communities in the same geographic markets. We are also typically able to command higher rental rates than on-campus collegiate housing, which tends to offer fewer amenities.

The majority of our leases commence mid-August and terminate the last day of July. These dates generally coincide with the commencement of the universities' fall academic term and the completion of the subsequent summer school session. As such, we are required to re-lease each community in its entirety each year, resulting in significant turnover in our tenant population from year to year. In 2012 and 2011, approximately 74.6% and 72.6%, respectively, of our leased beds were to students who were first-time residents at our communities. As a result, we are highly dependent upon the effectiveness of our marketing and leasing efforts during the annual leasing season that typically begins in November and ends in August of each year. Our communities' occupancy rates are therefore typically stable during the August to July academic year but are susceptible to fluctuation at the commencement of each new academic year.

Prior to the commencement of each new lease period, mostly during the first two weeks of August, but also during September at some communities, we prepare the units for new incoming tenants. Other than revenue generated by in-place leases for returning tenants, we do not generally recognize lease revenue during this period referred to as "Turn," as we have no leases in place. In addition, we incur significant expenses during Turn to make our units ready for occupancy. These expenses are recognized when incurred. This Turn period results in seasonality in our operating results during the third quarter of each year.

Development consulting services

For the year ended December 31, 2012, revenue from our development consulting services represented approximately 0.8% of our revenue, excluding operating expense reimbursements. We provide development consulting services primarily to colleges and universities seeking to modernize their on-campus collegiate housing communities, to other third-party investors and to our collegiate housing leasing segment in order to develop communities for our ownership. Our development consulting services typically include the following:

- market analysis and evaluation of collegiate housing needs and options;
- cooperation with college or university in architectural design;
- negotiation of ground lease, development agreement, construction contract, architectural contract and bond documents;
- oversight of architectural design process;
- coordination of governmental and university plan approvals;
- oversight of construction process;
- design, purchase and installation of furniture;
- pre-opening marketing to students; and
- obtaining final approvals of construction.

Fees for these services are typically 3 – 5% of the total cost of a project and are payable over the life of the construction period, which in most cases is one to two years in length. Occasionally, the development consulting contracts include a provision whereby the Trust can participate in project savings resulting from successful cost management efforts. These revenues are recognized once all contractual terms have been satisfied and no future performance requirements exist. This typically occurs after construction is complete. As part of the development agreements, there are certain costs we pay on behalf of universities or third-party investors. These costs are included in reimbursable operating expenses and are required to be reimbursed to us by the universities or third-party investors. We recognize the expense and revenue related to these reimbursements when incurred.

These operating expenses are wholly reimbursable and therefore not considered by management when analyzing the operating performance of our development consulting services business.

Management services

For the year ended December 31, 2012, revenue from our management services segment represented approximately 2.5% of our revenue, excluding operating expense reimbursements. We provide management services for collegiate housing communities owned by educational institutions, charitable foundations, the Trust and others. Our management services typically cover all aspects of community operations, including residence life and student development, marketing, leasing administration, strategic relationships, information systems and accounting services. We provide these services pursuant to multi-year management agreements under which management fees are typically 3 – 5% of leasing revenue. These agreements usually have an initial term of two to five years with renewal options of like terms. As part of the management agreements, there are certain payroll and related expenses we pay on behalf of the property owners. These costs are included in reimbursable operating expenses and are required to be reimbursed to us by the property owners. We recognize the expense and revenue related to these reimbursements when incurred. These operating expenses are wholly reimbursable and therefore not considered by management when analyzing the operating performance of our management services business.

Trends and Outlook

Rents and occupancy

We manage our communities to maximize revenues, which are primarily driven by two components: rental rates and occupancy rate. We customarily adjust rental rates in order to maximize revenues, which in some cases results in a lower occupancy rate, but in most cases results in stable or increasing revenue from the community. As a result, a decrease in occupancy may be offset by an increase in rental rates and may not be material to our operations. Periodically, certain of our markets experience increases in new on-campus collegiate housing provided by colleges and universities and off-campus collegiate housing provided by private owners. This additional collegiate housing both on and off campus can create competitive pressure on rental rates and occupancy.

Our communities' occupancy rates are typically stable during the August to July academic year but are susceptible to fluctuation at the commencement of each new academic year. For the year ended December 31, 2012, same-community revenue per available bed increased to $456 and same-community physical occupancy decreased to 91.5%, compared to same-community revenue per available bed of $439 and same-community physical occupancy of 92.7% for the year ended December 31, 2011. The results represent averages for the Trust's portfolio, which are not necessarily indicative of every community in the portfolio. Individual communities can and do perform both above and below these averages, and, at times, an individual community may experience a decline in total revenue due to local university and economic conditions. Our management focus is to assess these situations and address them quickly in an effort to minimize the Trust's exposure and reverse any negative trends.

Our last two leasing cycles produced same-community revenue growth of nearly 5.0% in 2010 and over 7.0% in 2011. Same-community opening occupancy for the 2012/2013 lease term was 90.5% as compared to 94.7% for the 2011/2012 lease term. Net rental rates for the 2012/2013 lease term increased approximately 5.1% over the prior lease term, thus producing overall same-community revenue growth of approximately 1.0% over the prior lease term. The decline in occupancy for the 2012/2013 lease term is primarily attributable to 5 communities that were impacted by local factors, including modest declines in university enrollment.

Development consulting services

The Trust has historically earned more than $5.0 million annually in third-party development revenue. However, as a result of a deterioration in the credit markets, which began in late 2008, financing of new projects became harder to obtain, and the Trust's third-party development revenue declined from $8.2 million for the year ended December 31, 2009 to $2.5 million in 2010 and then rebounded to $4.1 million in 2011. For the year ended December 31, 2012, third-party development revenue was $0.8 million. Beginning in the summer of 2010, our development team began seeing improvement in the credit markets and an increase in interest from colleges and universities that are considering new collegiate housing. We also continue to receive requests for proposals on new development projects. This improvement in the development consulting market is evidenced by the Trust's active development projects, the completion of our participating development during the second quarter of 2012 and the completion of two third-party developments in the first quarter of 2012. Furthermore, the Trust currently has one active third-party development at Mansfield University of Pennsylvania (scheduled to open in summer 2013), three third-party developments scheduled to begin in the spring/summer of 2013 at Clarion University of Pennsylvania, East Stroudsburg University of Pennsylvania and West Chester University of Pennsylvania and was awarded a third-party development at Wichita State University in the fourth quarter of 2012 that is also scheduled to begin in 2013.

We develop collegiate housing communities for our ownership, and we plan to increase self-development activity going forward. The On-Campus Equity Plan, or The ONE Plan^{SM}, is our private equity program for universities, which allows universities to use the Trust's equity and financial stability to develop and revitalize campus housing while preserving their credit capacity for other campus projects. This program is designed to provide the Trust's equity to solve a university's housing needs through a ground lease structure where the Trust owns the land improvements and operates the community. Others in the industry have a similar program and to date the Trust has four ONE Plan^{SM} projects completed or underway. In December 2011, we were selected by the University of Kentucky (UK) to develop, own and manage a multi-phase project aimed at revitalizing UK's on-campus housing which could potentially include the addition of 9,000 beds within five to seven years utilizing the ONE Plan^{SM}. Construction on Central Hall, the first building in the multi-phase project, is progressing as planned. The 601-bed, two-building, four-story community will be available for occupancy in the summer of 2013. In October 2012, the Trust received approval from the UK board of trustees and signed definitive agreements for Phase II of the project. Phase II of the project will include four communities with 2,317 beds and a total project cost of approximately $133.7 million. All four communities are expected to open in the summer of 2014. We view our entry into the partnership with UK as a defining moment, not only for EdR, but also for our industry. Most state universities face many of the same challenges as UK, including reduced support from constrained state budgets, aged on-campus housing and demands on institutional funds for academic and support services. This declining state support for higher education is the norm rather than the exception. These external factors provide a great opportunity for our company. The volume of discussions we are having with other universities has increased over the last year as additional universities investigate this type of structure to replace their aging on-campus housing stock. We expect the volume of true third-party development contracts to be impacted as more universities avail themselves of this new program.

While considering the possible shift in the type of projects universities pursue, the amount and timing of future revenue from development consulting services will be contingent upon our ability to successfully compete in public colleges and universities' competitive procurement processes, our ability to successfully structure financing of these projects and our ability to ensure completion of construction within committed timelines and budgets. To date, we have completed construction on all of our development consulting projects in time for their targeted occupancy dates.

Collegiate housing operating costs

The Trust implemented focused cost control measures in late 2008 that drove a same-community operating expense decline of 4.6% for the year ended December 31, 2009 and helped keep operating expenses relatively flat during 2010. During the year ended December 31, 2011, same-community operating expenses increased approximately 2.9% compared to the year ended December 31, 2010, which included a 2.2% increase in direct operating expenses and a 5.9% increase in fixed costs primarily as a result of real estate tax refunds received in 2010. For the year ended December 31, 2012, same-community operating expenses increased approximately 2.3% compared to the same period in the prior year which is in line with our expectation and a reasonable level of growth for the foreseeable future.

General and administrative costs

Historically, we have presented all general and administrative ("G&A") costs, including regional and corporate costs of supporting our communities, in G&A in our consolidated statement of operations. Beginning with the three months ended March 31, 2012, we began reporting the costs to manage our owned portfolio as part of our collegiate housing operating costs and not as part of G&A costs, and previous periods presented have been reclassified for consistent presentation and comparability (see Note 2 to the accompanying consolidated financial statements). We believe the new presentation improves comparability within the industry and provides a better reflection of the total cost to operate a property as we do not include management fees in our property operating expenses. G&A costs for the year ended December 31, 2012 were $6.8 million, before development pursuit costs and acquisition costs, an increase of $0.6 million, or 9.5%, when compared to the same period in the prior year. This increase is largely due to costs associated with the growth of our owned collegiate housing portfolio, the growth in our owned development activity and normal inflationary pressures.

Asset repositioning and capital recycling

We continue to reposition and improve our owned portfolio as follows:

- In 2010 and 2011, we sold twelve communities for a combined sales price of $112.8 million. These communities were located at mostly smaller universities with limited barriers to entry (see Note 5 to the accompanying consolidated financial statements);

- In 2011, we purchased $256 million of assets within walking distance of universities such as the University of Virginia, University of California–Berkeley, Notre Dame, Texas Christian University and Saint Louis University (see Note 4 to the accompanying consolidated financial statements);

- In 2012, we sold three communities, The Reserve at Star Pass and NorthPointe both serving the University of Arizona and The Reserve on Frankford serving Texas Tech University for net cash proceeds of approximately $67.2 million (see Note 5 to the accompanying consolidated financial statements);

- In 2012, we purchased the collegiate housing community referred to as The Province, adjacent to the campus of East Carolina University, for $50.0 million in cash, The District on 5th, within walking distance of the University of Arizona, for $66.4 million in cash, Campus Village, adjacent to Michigan State University, for $20.9 million in cash, The Province, adjacent to Kent State University for $45 million in cash, and The Centre and The Suites at Overton Park, both adjacent to Texas Tech University for $25.5 million in cash and $48.5 million in assumed debt (see Note 4 to the accompanying consolidated financial statements);

- We currently have eleven active owned developments with our share of aggregate development costs of $343.8 million within walking distance of universities such as Arizona State University, University of Connecticut, University of Mississippi and the University of Colorado and directly on the campuses of University of Kentucky and the University of Texas at Austin (see Note 4 to the accompanying consolidated financial statements);

- We have improved our portfolio's median distance to edge of campus to 0.2 miles; and

- We have increased our average rental rate to $571 per bed.

Critical Accounting Policies

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions in certain circumstances that affect amounts reported in our financial statements and related notes. In preparing these financial statements, management has utilized all available information, including its past history, industry standards and the current economic environment, among other factors, in forming its estimates and judgments of certain amounts included in the financial statements, giving due consideration to materiality. The ultimate outcome anticipated by management in formulating its estimates may not be realized. Application of the critical accounting policies below involves the exercise of judgment and use of assumptions as to future uncertainties and, as a result, actual results could differ from these estimates. In addition, other companies in similar businesses may utilize different estimation policies and methodologies, which may impact the comparability of our results of operations and financial condition to those companies.

Collegiate housing leasing revenue recognition

Collegiate housing leasing revenue is comprised of all revenues related to the leasing activities at our collegiate housing communities and includes revenues from leasing apartments by the bed, food services, parking space rentals and certain ancillary services.

Students are required to execute lease contracts with payment schedules that vary from per semester to monthly. Generally, a parental guarantee must accompany each executed contract. Receivables are recorded when due, while leasing revenue and related lease incentives/concessions and nonrefundable application and service fees are recognized on a straight-line basis over the term of the contracts. Balances are considered past due when payment is not received on the contractual due date. Allowances for doubtful accounts are established by management when it is determined that collection is doubtful.

Revenue and cost recognition of development consulting services

Costs associated with the pursuit of third-party development consulting contracts are expensed as incurred until such time as we have been notified of a contract award or reimbursement that has been otherwise guaranteed by the customer. At such time, the reimbursable portion of such costs is recorded as a receivable. Development consulting revenues are recognized using the percentage of completion method as determined by construction costs incurred relative to the total estimated construction costs. Occasionally, our development consulting contracts include a provision whereby we can participate in project savings resulting from our successful cost management efforts. We recognize these revenues once all contractual terms have been satisfied and we have no future performance requirements. This typically occurs after construction is complete. Costs associated with development consulting services are expensed as incurred. We generally receive a significant percentage of our fees for development consulting services upon closing of the project financing, a portion of the fee over the construction period and the balance upon substantial completion of construction. Because revenue from these services is recognized for financial reporting purposes utilizing the percentage of completion method, differences occur between amounts received and revenues recognized. Differences also occur between amounts recognized for tax purposes and those recognized for financial reporting purposes.

We also periodically enter into joint venture arrangements whereby we provide development consulting services to third-party collegiate housing owners in an agency capacity. We recognize our portion of the earnings in each joint venture based on our ownership interest, which is reflected after net operating income in our condensed consolidated statement of operations as equity in earnings of unconsolidated entities. Our revenue and operating expenses could fluctuate from period to period based on the extent to which we utilize joint venture arrangements to provide third-party development consulting services.

Collegiate housing property acquisitions and dispositions

Land, land improvements, buildings and improvements and furniture, fixtures and equipment are recorded at cost. Buildings and improvements are depreciated over 15 to 40 years, land improvements are depreciated over 15 years and furniture, fixtures, and equipment are depreciated over 3 to 7 years. Depreciation is computed using the straight-line method for financial reporting purposes.

Results of operations for acquired collegiate housing communities are included in the Trust's results of operations from the respective dates of acquisition. Appraisals, estimates of cash flows and other valuation techniques are used to allocate the purchase price of acquired property between land, land improvements, buildings and improvements, furniture, fixtures and equipment and identifiable intangibles such as amounts related to in-place leases. The Trust recognizes pre-acquisition costs, which include legal and professional fees and other third-party costs related directly to the acquisition of a community when they are incurred.

Management assesses impairment of long-lived assets to be held and used whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Management uses an estimate of future undiscounted cash flows of the related asset based on its intended use to determine whether the carrying value is recoverable. If the Trust determines that the carrying value of an asset is not recoverable, the fair value of the asset is estimated and an impairment loss is recorded to the extent the carrying value exceeds estimated fair value (see Note 2 to the accompanying consolidated financial statements). Management estimates fair value using discounted cash flow models, market appraisals if available, and other market participant data.

When a collegiate housing community has met the criteria to be classified as held for sale, the fair value less cost to sell such asset is estimated. If fair value less cost to sell the asset is less than the carrying amount of the asset, an impairment charge is recorded for the estimated loss. Depreciation expense is no longer recorded once a collegiate housing community has met the held for sale criteria. The related carrying value of the community is recorded as held for sale in the accompanying consolidated balance sheet and operations of collegiate housing communities that are sold or classified as held for sale are recorded as part of discontinued operations for all periods presented.

Repairs and maintenance

The costs of ordinary repairs and maintenance are charged to operations when incurred. Major improvements that extend the life of an asset beyond one year are capitalized and depreciated over the remaining useful life of the asset. Planned major repair, maintenance and improvement projects are capitalized when performed. In some circumstances, the lenders require us to maintain a reserve account for future repairs and capital expenditures. These amounts are not available for current use and are recorded as restricted cash on our accompanying consolidated balance sheets.

Use of estimates

Significant estimates and assumptions are used by management in determining the recognition of third-party development consulting revenue under the percentage of completion method, useful lives of collegiate housing assets, the valuation of goodwill, the initial valuations and underlying allocations of purchase price in connection with collegiate housing property acquisitions, the determination of fair value for impairment assessments and in recording the allowance for doubtful accounts. Actual results could differ from those estimates.

We review our assets, including our collegiate housing communities, communities under development and goodwill for potential impairment indicators whenever events or circumstances indicate that the carrying value might not be recoverable. Impairment indicators include, but are not limited to, declines in our market capitalization, overall market factors, changes in cash flows, significant decreases in net operating income and occupancies at our operating properties, changes in projected completion dates of our development projects and sustainability of development projects. Our tests for impairment are based on the most current information available and if conditions change or if our plans regarding our assets change, it could result in additional impairment charges in the future. However, based on our plans with respect to our operating properties and those under development, we believe the carrying amounts are recoverable.

Results of Operations for the Years Ended December 31, 2012 and 2011

The following table presents our results of operations for the years ended December 31, 2012 and 2011 (amounts in thousands):

	Year Ended December 31, 2012					Year Ended December 31, 2011				
	Collegiate Housing Leasing	Development Consulting Services	Management Services	Adjustments/ Eliminations	Total	Collegiate Housing Leasing	Development Consulting Services	Management Services	Adjustments/ Eliminations	Total
Segment Revenues:										
Collegiate housing leasing revenue	$ 131,092	$ —	$ —	$ —	$131,092	$ 98,491	$ —	$ —	$ —	$ 98,491
Third-party development consulting services	—	1,018	—	(198)	820	—	5,682	—	(1,579)	4,103
Third-party management services	—	—	3,446	—	3,446	—	—	3,336	—	3,336
Operating expense reimbursements	—	—	—	9,593	9,593	—	—	—	8,604	8,604
Total segment revenues	131,092	1,018	3,446	9,395	144,951	98,491	5,682	3,336	7,025	114,534
Segment operating expenses:										
Collegiate housing leasing operations	63,194	—	—	—	63,194	48,789	—	—	—	48,789
General and administrative	—	3,528	2,779	(44)	6,263	—	2,998	2,667	(75)	5,590
Reimbursable operating expenses	—	—	—	9,593	9,593	—	—	—	8,604	8,604
Total segment operating expenses	63,194	3,528	2,779	9,549	79,050	48,789	2,998	2,667	8,529	62,983
Segment net operating income (loss) (1)	$ 67,898	$ (2,510)	$ 667	$ (154)	$ 65,901	$ 49,702	$ 2,684	$ 669	$ (1,504)	$ 51,551

(1) The following is a reconciliation of the reportable segments' net operating income to the Trust's consolidated income (loss) before income taxes and discontinued operations for the year ended December 31:

	2012	2011
Net operating income for reportable segments	$ 65,901	$ 51,551
Other unallocated general and administrative expenses	(7,913)	(6,726)
Depreciation and amortization	(35,436)	(25,961)
Ground leases	(6,395)	(5,498)
Nonoperating expenses	(15,322)	(18,647)
Equity in earnings (losses) of unconsolidated entities	(363)	(447)
Income (loss) before income taxes and discontinued operations	$ 472	$ (5,728)

Collegiate housing leasing

Collegiate housing operating statistics for owned communities and same-communities for the years ended December 31, 2012 and 2011 were as follows:

	Year Ended December 31, 2012[9]	Year Ended December 31, 2011[9]	Favorable (Unfavorable)
Owned communities:			
Occupancy			
Physical[1]	90.6%	92.7%	(210) bps
Economic[2]	87.4%	87.8%	(40) bps
NarPAB[3]	$ 464	$ 433	$ 31
Other income per avail. bed[4]	$ 34	$ 11	$ 23
RevPAB[5]	$ 498	$ 444	$ 54
Operating expense per bed[6]	$ 240	$ 220	$ (20)
Operating margin[7]	51.8%	50.5%	130 bps
Design Beds[8]	263,002	221,663	41,339
Same-communities[10]:			
Occupancy			
Physical[1]	91.5%	92.7%	(120) bps
Economic[2]	87.6%	88.2%	(60) bps
NarPAB[3]	$ 430	$ 414	$ 16
Other income per avail. bed[4]	$ 26	$ 25	$ 1
RevPAB[5]	$ 456	$ 439	$ 17
Operating expense per bed[6]	$ 223	$ 218	$ (5)
Operating margin[7]	51.1%	50.2%	90 bps
Design Beds[8]	214,301	214,301	—

(1) Represents a weighted average of the month-end occupancies for the respective period.

(2) Represents the effective occupancy calculated by taking net apartment rent accounted for on a GAAP basis for the respective period divided by market rent for the respective period.

(3) Net apartment rent per available bed ("NarPAB") represents GAAP net apartment rent for the respective period divided by the sum of the design beds in the portfolio for each of the included months.

(4) Represents other GAAP-based income for the respective period divided by the sum of the design beds in the portfolio for each of the included months. Other income includes service/application fees, late fees, termination fees, parking fees, transfer fees, damage recovery, utility recovery and other miscellaneous fees.

(5) Revenue per available bed ("RevPAB") represents total revenue (net apartment rent plus other income) for the respective period divided by the sum of the design beds in the portfolio for each of the included months.

(6) Represents property-level operating expense excluding management fees, depreciation and amortization and ground/facility lease fees divided by the sum of the design beds for each of the included months

(7) Represents operating income divided by revenue.

(8) Represents the sum of the monthly design beds in the portfolio during the period. Design beds are total beds (including staff and model beds) in the portfolio.

(9) This information excludes property information related to discontinued operations.

(10) Represents operating statistics for communities that were operating for the full year ended December 31, 2012 and 2011.

Total revenue in the collegiate housing leasing segment was $131.1 million for the year ended December 31, 2012. This represents an increase of $32.6 million, or 33.1%, from the same period in 2011. This increase included $28.8 million of revenue related to 17 new communities, which increased the portfolio to more than 25,000 beds, and $3.8 million of revenue from a 4.0% increase in same-community revenue. The same-community revenue growth was driven by a 5.1% improvement in net rental rates, a 1.4% decline in occupancies and a 0.3% increase in other rental revenue.

As discussed above, beginning with the three months ended March 31, 2012, we are reporting in all periods presented regional and corporate costs to support our owned portfolio as part of our collegiate housing operating costs and not as part of G&A costs. Operating expenses in the collegiate housing leasing segment increased $14.4 million, or 29.5%, to $63.2 million for the year ended December 31, 2012 as compared to the same period in 2011. The 17 new communities added $13.3 million of operating expenses over the same period in the prior year. In addition, same-community operating expenses increased $1.1 million, or 2.3%, over the same period in the prior year.

Development consulting services

The following table represents the development consulting projects that were active during the years ended December 31, 2012 and 2011:

Project	Beds	Fee Type	Segment Revenues 2012	2011	Difference
			(in thousands)		
Indiana University of Pennsylvania – Phase IV	596	Development fee	$ —	$ 456	$ (456)
Colorado State University – Pueblo II	500	Development fee	—	1	(1)
Centennial Hall	454	Development fee	182	273	(91)
East Stroudsburg University	969	Development fee	136	1,886	(1,750)
Mansfield University of Pennsylvania	634	Development fee	35	1,362	(1,327)
Mansfield University of Pennsylvania - Phase II	684	Development fee	417	—	417
Miscellaneous consulting fees	—	Consulting fee	50	125	(75)
Third-party development consulting services total			**820**	**4,103**	**(3,283)**
Participating project – Science + Technology Park at Johns Hopkins	572	Development fee	198	1,579	(1,381)
Development consulting services total			**$ 1,018**	**$ 5,682**	**$ (4,664)**

Development consulting services revenue decreased $4.7 million, or 82.1%, to $1.0 million for the year ended December 31, 2012 as compared to the same period in 2011. Third-party development consulting revenue decreased $3.3 million from the prior year due to less development activity on two active third-party development consulting projects offset by $0.4 million of revenue related to the Mansfield University of Pennsylvania - Phase II project which was begun in the third quarter of 2012. The Science + Technology Park at Johns Hopkins (see Note 2 to the accompanying consolidated financial statements) contributed $1.4 million to the decline in revenue as the project was completed early in the third quarter of 2012. Due to the fact that the Trust is guaranteeing the construction loan and extending a second mortgage to the development, all revenue on the project is being deferred in the accompanying consolidated financial statements until the second mortgage is repaid and the Trust no longer guarantees the debt. Since management considers these fees when assessing the performance of the segment, they are included in the segment financial statements above and deferred in the adjustments/eliminations column. If the construction loan and second mortgage had been repaid prior to December 31, 2012, the Trust would have recognized development services revenue net of costs of $1.9 million, guarantee fee revenue of $3.0 million and interest income of $3.8 million since the commencement of the project.

General and administrative expenses increased $0.5 million, or 17.7%, for the year ended December 31, 2012 compared to the prior year. This increase is primarily due to additional payroll costs, net of capitalized payroll on owned developments, related to the increased development activity discussed under "Trends and Outlook" above. Internal development project costs related to the Science + Technology Park at Johns Hopkins discussed above are deferred in the accompanying consolidated financial statements until the revenue associated with this project is recognized. As such, these expenses are eliminated in the adjustments/eliminations column of the segment financial statements.

Management services

Total management services revenue increased $0.1 million, or 3.3%, for the year ended December 31, 2012 when compared to the same period in 2011. Existing contracts produced a net increase in fee revenue and five additional contracts, including one community for which development was completed in the fourth quarter of 2011 and four new management contracts added in 2012, further contributed to the increase, which was offset by the loss of three management contracts associated with the sales of the communities. Beginning with the three months ended March 31, 2012, we are no longer including intersegment revenues related to the management of our owned portfolio in the management services segment for all periods presented due to the fact that the costs to manage our owned portfolio are now included in collegiate housing operating costs as discussed above.

G&A costs for our management services segment increased $0.1 million, or 4.2%, for the year ended December 31, 2012 compared to the same period in the prior year primarily due to the growth of the company.

Other unallocated general and administrative expenses

Other unallocated G&A costs increased $1.2 million, or 17.6%, during the year ended December 31, 2012 over the same period in the prior year primarily due to costs associated with the growth of our owned portfolio.

Depreciation and amortization

Depreciation and amortization increased $9.5 million, or 36.5%, during the year ended December 31, 2012 over the same period in the prior year. This increase relates mainly to the purchase of 17 new properties since January 1, 2011 as discussed above.

Ground lease expense

For the year ended December 31, 2012, the cost of ground leases increased $0.9 million or 16.3%, compared to the same period in the prior year, due to the addition of GrandMarc at Westberry Place at Texas Christian University in the fourth quarter of 2011. This community is subject to a 53-year ground lease with a fixed-floor annual rent increase. The Trust recognizes ground lease expense on a straight-line basis over the life of the lease.

Nonoperating expenses

For the year ended December 31, 2012, nonoperating expenses decreased $3.3 million or 17.8% as compared to the same period in the prior year. Interest expense decreased $2.9 million primarily related to the capitalization of interest on our eleven owned development projects and a $11.2 million net reduction in mortgage and construction debt since December 31, 2011 excluding debt of $48.5 million that was assumed in December 2012 (see Note 10 to the accompanying consolidated financial statements). Also contributing to the decrease was a loss on extinguishment of debt of $0.4 million taken in the first quarter of 2011 related to the repayment of $35.5 million of variable rate debt.

Results of Operations for the Years Ended December 31, 2011 and 2010

The following table presents our results of operations for the years ended December 31, 2011 and 2010 (amounts in thousands):

	Year Ended December 31, 2011					Year Ended December 31, 2010				
	Collegiate Housing Leasing	Development Consulting Services	Management Services	Adjustments/ Eliminations	Total	Collegiate Housing Leasing	Development Consulting Services	Management Services	Adjustments/ Eliminations	Total
Segment Revenues:										
Collegiate housing leasing revenue	$ 98,491	$ —	$ —	$ —	$ 98,491	$ 86,347	$ —	$ —	$ —	$ 86,347
Third-party development consulting services	—	5,682	—	(1,579)	4,103	—	2,788	—	(305)	2,483
Third-party management services	—	—	3,336	—	3,336	—	—	3,189	—	3,189
Operating expense reimbursements	—	—	—	8,604	8,604	—	916	—	13,603	14,519
Total segment revenues	98,491	5,682	3,336	7,025	114,534	86,347	3,704	3,189	13,298	106,538
Segment operating expenses:										
Collegiate housing leasing operations	48,789	—	—	—	48,789	44,703	—	—	—	44,703
General and administrative	—	2,998	2,667	(75)	5,590	—	2,885	3,227	(170)	5,942
Reimbursable operating expenses	—	—	—	8,604	8,604	—	—	—	13,603	13,603
Total segment operating expenses	48,789	2,998	2,667	8,529	62,983	44,703	2,885	3,227	13,433	64,248
Segment net operating income (loss) (1)	$ 49,702	$ 2,684	$ 669	$ (1,504)	$ 51,551	$ 41,644	$ 819	$ (38)	$ (135)	$ 42,290

(1) The following is a reconciliation of the reportable segments' net operating income to the Trust's consolidated loss before income taxes and discontinued operations for the year ended December 31:

	2011	2010
Net operating income for reportable segments	$ 51,551	$ 42,290
Other unallocated general and administrative expenses	(6,726)	(7,431)
Depreciation and amortization	(25,961)	(21,984)
Ground leases	(5,498)	(1,528)
Nonoperating expenses	(18,647)	(19,467)
Equity in earnings (losses) of unconsolidated entities	(447)	(260)
Loss before income taxes and discontinued operations	$ (5,728)	$ (8,380)

Collegiate housing leasing

Collegiate housing operating statistics for owned communities and same-communities for the years ended December 31, 2011 and 2010 were as follows:

	Year Ended December 31, 2011(9)	Year Ended December 31, 2010(9)	Favorable (Unfavorable)
Owned communities:			
Occupancy			
Physical(1)	92.7%	91.6%	110 bps
Economic(2)	87.8%	87.0%	80 bps
NarPAB(3)	$ 433	$ 390	$ 43
Other income per avail. bed(4)	$ 11	$ 24	$ (13)
RevPAB(5)	$ 444	$ 414	$ 30
Property operating expense per bed(6)	$ 220	$ 214	$ (6)
Operating margin(7)	50.5%	48.2%	230 bps
Design Beds(8)	221,663	208,480	13,183
Same communities(10):			
Occupancy			
Physical(1)	92.7%	91.5%	120 bps
Economic(2)	88.6%	87.3%	160 bps
NarPAB(3)	$ 406	$ 389	$ 17
Other income per avail. bed(4)	$ 24	$ 24	$ —
RevPAB(5)	$ 430	$ 413	$ 17
Property operating expense per bed(6)	$ 200	$ 215	$ 15
Operating margin(7)	53.6%	47.9%	570 bps
Design Beds(8)	206,613	206,557	56

(1) Represents a weighted average of the month-end occupancies for the respective period.

(2) Represents the effective occupancy calculated by taking net apartment rent accounted for on a GAAP basis for the respective period divided by market rent for the respective period.

(3) Represents GAAP net apartment rent for the respective period divided by the sum of the design beds in the portfolio for each of the included months.

(4) Represents other GAAP-based income for the respective period divided by the sum of the design beds in the portfolio for each of the included months. Other income includes service/application fees, late fees, termination fees, parking fees, transfer fees, damage recovery, utility recovery and other miscellaneous fees.

(5) Represents total revenue (net apartment rent plus other income) for the respective period divided by the sum of the design beds in the portfolio for each of the included months.

(6) Represents property-level operating expense excluding management fees, depreciation and amortization and ground/facility lease fees divided by the sum of the design beds for each of the included months.

(7) Represents operating income divided by revenue.

(8) Represents the sum of the monthly design beds in the portfolio during the period. Design beds are total beds (including staff and model beds) in the portfolio.

(9) This information excludes property information related to discontinued operations.

(10) Represents operating statistics for communities that were operating for the full years ended December 31, 2011 and 2010.

Total revenue in the collegiate housing leasing segment was $98.5 million for the year ended December 31, 2011, an increase of $12.1 million, or 14.1%, from the same period in 2010. This increase included $8.5 million related to the new communities, GrandMarc at the Corner, Wertland Square and Jefferson Commons, all located in Charlottesville, Virginia, The Berk located in Berkeley, California, University Village Towers located in Riverside, California, Lotus Center located in Boulder, Colorado, Irish Row located in South Bend, Indiana, GrandMarc at Westberry Place located in Ft. Worth, Texas and 3949 Lindell located in St. Louis, Missouri, and $3.7 million from a 4.3% increase in same-community revenue. The same-community revenue growth was driven by a 1.3% improvement in occupancies, a 2.9% increase in net rental rates and a 0.1% increase in other rental revenue.

Operating expenses in the collegiate housing leasing segment increased $4.1 million, or 9.1%, to $48.8 million for the year ended December 31, 2011 as compared to the same period in 2010. The nine new communities discussed above added $3.0 million of operating expenses over the prior year. In addition, same-community operating expenses increased $1.1 million, or 2.4%, over the same period in the prior year primarily due to real estate tax refunds recorded in the same period in 2010 and an increase in payroll, marketing and cable/internet expenses.

Development consulting services

The following table represents the development consulting projects that were active during the years ended December 31, 2011 and 2010:

		Segment Revenues		
Project	**Beds**	**2011**	**2010**	**Difference**
			(in thousands)	
University of Michigan	896	$ —	$ 1	$ (1)
Indiana University of Pennsylvania – Phase IV	596	456	641	(185)
Colorado State University – Pueblo II	500	1	531	(530)
SUNY College of Environmental Science and Forestry	454	273	802	(529)
East Stroudsburg University	969	1,886	231	1,655
Mansfield University of Pennsylvania	634	1,362	52	1,310
Miscellaneous consulting fees	—	125	225	(100)
Third-party development consulting services total		**4,103**	**2,483**	**1,620**
Participating project – Science + Technology Park at Johns Hopkins	572	1,579	305	1,274
Development consulting services total		**$ 5,682**	**$ 2,788**	**$ 2,894**

Development consulting services revenue increased $2.9 million, or 103.8%, to $5.7 million for the year ended December 31, 2011 as compared to the same period in 2010. Third-party development consulting revenue increased $1.6 million from the prior year due to more development activity on two active third-party development consulting projects. The Science + Technology Park at Johns Hopkins (see Note 2 to the accompanying consolidated financial statements) contributed $1.3 million of additional revenue. Due to the fact the Trust is guaranteeing the construction loan and extending a second mortgage to the development, all revenue on the project is being deferred in the accompanying consolidated financial statements until the second mortgage is repaid and the Trust no longer guarantees the debt. Since management considers these fees when assessing the performance of the segment, they are included in the segment financial statements above and deferred in the adjustments/eliminations column. If the construction loan and second mortgage had been repaid prior to December 31, 2011, the Trust would have recognized development services revenue net of costs of $1.7 million, guarantee fee revenue of $3.0 million and interest income of $1.9 million since the commencement of the project.

General and administrative expenses increased $0.1 million, or 3.9%, for the year ended December 31, 2011 compared to the same period in the prior year. This increase is primarily due to additional payroll costs related to the increased development activity. Internal development project costs related to the Science + Technology Park at Johns Hopkins discussed above are deferred in the accompanying consolidated financial statements until the revenue associated with this project is recognized. As such, these expenses are eliminated in the adjustments/eliminations column of the segment financial statements.

Management services

Total management services revenue increased $0.1 million, or 4.6%, for the year ended December 31, 2011 when compared to the prior year due to a net increase in fee revenue for existing contracts offset by the sale of the Fontainebleau collegiate housing community joint venture in the third quarter of 2010.

General and administrative costs for our management services segment decreased $0.6 million, or 17.4% for the year ended December 31, 2011 as compared to the same period in 2010, primarily due to a reduction in payroll and benefits. Excluding the impact of restructuring costs recorded in 2010, general and administrative expenses increased 4.5% over the prior year.

Other unallocated general and administrative expenses

For the year ended December 31, 2011, other unallocated general and administrative expenses decreased $0.7 million or 9.5% to $6.7 million compared to the prior year primarily due to $1.5 million in acquisition costs related to the purchase of The GrandMarc at The Corner (Charlottesville) in the fourth quarter of 2010 offset by $0.7 million in acquisition costs for the purchase of various collegiate housing communities incurred during 2011.

Depreciation and amortization

Depreciation and amortization increased $4.0 million, or 18.1%, during the year ended December 31, 2011 over the same period in the prior year. This increase relates primarily to the purchase of nine new properties discussed above.

Ground lease expense

For the year ended December 31, 2011, the cost of ground leases increased $4.0 million, compared to the same period in the prior year, due to the addition of The GrandMarc at The Corner (Charlottesville) in the fourth quarter of 2010. This community is subject to a 99-year ground lease with a fixed-floor annual rent increase. The Trust recognizes ground lease expense on a straight-line basis over the life of the lease.

Nonoperating expenses

For the year ended December 31, 2011, interest expense declined $1.5 million, or 7.8%, when compared to the same period in the prior year primarily due to the repayment of variable rate debt of $35.5 million that was outstanding under the Master Secured Credit Facility with proceeds from the sale of five collegiate housing communities (see Note 10 to the accompanying consolidated financial statements) and the sale of the interest rate cap associated with this variable rate debt in January of 2011. These decreases were offset by the loss on extinguishment of debt of $0.4 million incurred in the first quarter of 2011 (see Note 10 to the accompanying consolidated financial statements) and a decline in interest income of $0.2 million.

Equity in earnings of unconsolidated entities

Equity in earnings of unconsolidated entities represents our share of the net income or loss related to investments in unconsolidated entities that own collegiate housing communities. For the year ended December 31, 2011, equity in losses was $0.4 million compared to $0.3 million in the prior year.

Liquidity and Capital Resources

Fourth Amended Revolver, Master Secured Credit Facility and other indebtedness

On January 14, 2013, the Operating Partnership entered into a Fourth Amended and Restated Credit Agreement (the “Fourth Amended Revolver”). The Fourth Amended Revolver amended and restated the existing unsecured revolving credit facility dated September 21, 2011. The previous facility (the “Third Amended Revolver”) was unsecured, had a maximum availability of $175 million and was scheduled to mature on September 21, 2014. The Fourth Amended Revolver is unsecured, has a maximum availability of $375 million and within the first four years of the agreement may be expanded to $500 million upon satisfaction of certain conditions. The Fourth Amended Revolver matures on January 14, 2017, provided that the Operating Partnership may extend the maturity date for one year subject to certain conditions.

Availability under the Third Amended Revolver was limited to a “borrowing base availability” equal to the lesser of (i) 60% of the property asset value (as defined in the agreement) and (ii) the loan amount, which would produce a debt service coverage ratio of no less than 1.40. As of December 31, 2012, our borrowing base was $175.0 million, and we had $79.0 million outstanding under the Third Amended Revolver; thus, our remaining borrowing base availability was $96.0 million. During the year ended December 31, 2012, the Trust repaid $62.0 million outstanding under the Third Amended Revolver with proceeds from our August 2012 common stock offering discussed below. As of December 31, 2012, our borrowing base availability would have been $252.3 million considering the expansion under the Fourth Amended Revolver discussed above.

The Trust served as the guarantor for any funds borrowed by the Operating Partnership under the Third Amended Revolver. The interest rate per annum applicable to the Third Amended Revolver was, at the Operating Partnership’s option, equal to a base rate or LIBOR plus an applicable margin based upon our leverage. As of December 31, 2012, the interest rate applicable to the Third Amended Revolver was 1.84%.

The Third Amended Revolver contained customary affirmative and negative covenants and contained financial covenants that, among other things, required the Trust and its subsidiaries to maintain certain minimum ratios of “EBITDA” (earnings before payment or charges of interest, taxes, depreciation, amortization or extraordinary items) as compared to interest expense and total fixed charges. The financial covenants also included consolidated net worth and leverage ratio tests, and the Trust was prohibited from making distributions in excess of 95% of FFO except to comply with the legal requirements to maintain its status as a REIT. As of December 31, 2012, the Trust was in compliance with all covenants of the Third Amended Revolver.

As of December 31, 2012, the Trust had outstanding mortgage and construction indebtedness of $395.8 million (excluding unamortized debt premium of $3.1 million). Of the total, $89.1 million and $36.3 million relates to construction and variable rate mortgage debt, respectively, that is described below, and $34.8 million pertains to outstanding mortgage debt that is secured by the underlying collegiate housing properties or leaseholds bearing interest at fixed rates ranging from 4.92% to 5.99%. The remaining $235.6 million of the outstanding mortgage indebtedness relates to the Fannie Mae master secured credit facility that the Trust entered into on December 31, 2008 and expanded on December 2, 2009 (the “Master Secured Credit Facility”), which bears interest at a weighted average fixed rate of 5.88%. During the year ended December 31, 2011, we repaid $35.5 million of variable rate debt that was outstanding under the Master Secured Credit Facility with proceeds from the sale of five collegiate housing communities (see Note 10 to the accompanying consolidated financial statements).

In December 2012, in connection with the acquisition of the Suites at Overton Park and the Centre at Overton Park collegiate housing communities, both adjacent to Texas Tech University in Lubbock, Texas, we assumed $25.1 million and $23.3 million of fixed rate mortgage debt, respectively. The loan for the Suites at Overton Park bears interest at 4.2% and initially matures on April 1, 2016. The loan for the Centre at Overton Park bears interest at 5.6% and initially matures on January 1, 2017. If no event of default has occurred by the initial maturity dates we have the option to extend the maturity dates one year at a base rate plus a 2.5% margin. Principal and interest are paid on a monthly basis for both loans.

As of December 31, 2012, we had outstanding variable rate mortgage debt of $36.3 million that was assumed in connection with the acquisition of the GrandMarc at Westberry Place collegiate housing community located at Texas Christian University during 2011. The interest rate per year applicable to the loan is equal to a base rate plus a 4.85% margin, in total not to exceed 7.5% per year, and principal and interest are paid on a monthly basis. The loan matures on January 1, 2020. As of December 31, 2012, the interest rate applicable to the loan was 4.95%.

As of December 31, 2012, we had borrowed $16.4 million on a construction loan related to the development of a wholly-owned collegiate housing community in Storrs, Connecticut (The Oaks on the Square). The interest rate per year applicable to the loan is, at the option of the Trust, equal to a base rate plus a 1.25% margin or LIBOR plus a 2.25% margin and is interest only through October 30, 2015. As of December 31, 2012, the interest rate applicable to the loan was 2.46%. On October 30, 2015, if certain conditions for extension are met, we have the option to extend the loan until October 31, 2016. On October 30, 2016, if certain conditions are met, we have the option to extend the loan until October 31, 2017. During the extension periods, if applicable, principal and interest are to be repaid on a monthly basis.

As of December 31, 2012, the Trust had borrowed $32.7 million on a construction loan related to the development of a jointly owned collegiate housing community in Tuscaloosa, Alabama (East Edge). We are the majority owner and managing member of the joint venture and manage the community now that it is completed. The loan bears interest equal to LIBOR plus a 2.4% margin and is interest only through June 30, 2014. As of December 31, 2012, the interest rate applicable to the loan was 2.61%. On June 15, 2014, if the debt service ratio is not less than 1.15 to 1 and an extension fee of 12.5 basis points of the total outstanding principal is paid to the lender, we can extend the loan until June 30, 2015. On June 15, 2015, if the debt service ratio is not less than 1.25 to 1 and an extension fee of 12.5 basis points of the total outstanding principal is paid to the lender, we can extend the loan until June 30, 2016. During the first and second extension periods, if applicable, principal and interest are to be repaid on a monthly basis.

As of December 31, 2012, the Trust had $8.5 million outstanding on a construction loan related to the development of a wholly-owned collegiate housing community at Syracuse University (University Village Apartments on Colvin). The loan bears interest equal to LIBOR plus a 1.1% margin and was interest only through September 29, 2011. On September 29, 2011, the Trust extended the maturity date until September 29, 2013. Going forward, a debt service coverage ratio, calculated annually on a rolling 12-month basis, of not less than 1.25 to 1 must be maintained with principal and interest being repaid on a monthly basis. As of December 31, 2012, the interest rate applicable to the loan was 1.31%.

As of December 31, 2012, the Trust had $12.0 million outstanding on a construction loan related to the development of a second wholly-owned collegiate housing community at Syracuse University (Campus West). The interest rate per year applicable to the loan is, at the option of the Trust, equal to a base rate plus a 0.95% margin or LIBOR plus a 1.95% margin and is interest only through November 30, 2014. As of December 31, 2012, the interest rate applicable to the loan was 2.16%. Once the project is complete and the debt service coverage ratio of not less than 1.30 to 1 is maintained, the interest rate will be reduced to a base rate plus a 0.80% margin or LIBOR plus 1.80% margin at the option of the Trust. If certain conditions for extension are met, the Trust has the option to extend the loan twice for an additional year. During the extension periods, if applicable, principal and interest are to be repaid on a monthly basis.

As of December 31, 2012, the Trust had borrowed $10.6 million on a construction loan related to the development of a jointly owned collegiate housing community near the University of Mississippi (The Retreat). The Trust is the majority owner and managing member of the joint venture and will manage the community when completed. The interest rate per year applicable to the loan is, at the option of the Trust, equal to a base rate plus a 1.10% margin or LIBOR plus a 2.10% margin and is interest only through June 12, 2015. As of December 31, 2012, the interest rate applicable to the loan was 2.31%. Once the project is complete and a debt service coverage ratio of not less than 1.30 to 1 is maintained, the interest rate will be reduced to a base rate plus a 0.80% margin or LIBOR plus a 1.80% margin at the option of the Trust. If certain conditions for extension are met, the Trust has the option to extend the loan twice for an additional year. During the extension periods, if applicable, principal and interest are to be repaid on a monthly basis.

As of December 31, 2012, the Trust had borrowed $8.9 million on a construction loan related to the development of a jointly owned collegiate housing community near the Arizona State University-Downtown Phoenix campus. The Trust is the majority owner and managing member of the joint venture and will manage the community when completed. The loan bears interest equal to LIBOR plus a 2.25% margin and is interest only through March 20, 2015. As of December 31, 2012, the interest rate applicable to the loan was 2.50%. On March 20, 2015, if the debt service ratio is not less than 1.35 to 1 and an extension fee of 0.25% of the total outstanding principal is paid to the lender, the Trust may extend the loan until March 20, 2016. On March 20, 2016, if the debt service ratio is not less than 1.45 to 1 and an extension fee of 0.25% of the total outstanding principal is paid to the lender, the Trust can extend the loan until March 20, 2017. During the first and second extension periods, if applicable, principal and interest are to be repaid on a monthly basis.

During the year ended December 31, 2012, the Trust repaid in full $27.0 million of mortgage debt secured by the collegiate housing community referred to as The Lofts located near the University of Central Florida in Orlando, Florida. The debt had a fixed interest rate of 5.59% and was due to mature in May 2014. The Trust also repaid $10.2 million and $4.1 million on construction loans related to the development of a wholly-owned collegiate housing community near Southern Illinois University (The Reserve at Saluki Pointe-Carbondale). The loans bore interest equal to LIBOR plus 1.1% and 2.0% margins, respectively, and were due to mature on June 28, 2012. The mortgage debt and construction loans were repaid with proceeds from the Third Amended Revolver and cash on hand.

During the year ended December 31, 2012, the Trust repaid in full $34.0 million of mortgage debt secured by the collegiate housing community referred to as Campus Lodge located near the University of Florida in Gainesville, Florida. The debt had a fixed interest rate of 6.97%, an effective interest rate of 5.48% and was due to mature in May 2012. The mortgage debt was repaid with cash on hand.

During the year ended December 31, 2011, the Trust repaid $18.8 million of mortgage debt bearing a fixed interest rate of 5.55% that was due to mature in March 2012 and was secured by the collegiate housing community referred to as NorthPointe in Tucson, Arizona. The mortgage debt was repaid with proceeds received in connection with the stock offering that was conducted in November 2011 (see Note 2 to the accompanying consolidated financial statements).

Liquidity outlook and capital requirements

During the year ended December 31, 2012, we generated $38.4 million of cash from operations, received proceeds of $220.4 million from equity offerings through a follow-on offering conducted in August 2012 and our at-the-market program, received proceeds of $67.3 million related to the sale of three collegiate housing communities, borrowed $119.6 million on mortgage and construction loans and borrowed a net $79.0 million on our unsecured revolving credit facility. When combined with $75.8 million of existing cash, we were able to invest $22.6 million of capital into existing communities, acquire seven communities for an aggregate of $284.8 million, invest $11.8 million in joint ventures, repay $79.2 million of mortgage and construction debt, make a $3.0 million mezzanine loan to acquire a purchase option to acquire a property, invest $145.0 million in assets under development and distribute $34.0 million to our stockholders and unitholders in order to end the year with approximately $17.0 million in cash.

Our current liquidity needs include funds for distributions to our stockholders and unitholders, including those required to maintain our REIT status and satisfy our current annual distribution target of $0.40 per share/unit, funds for capital expenditures, funds for debt repayment and, potentially, funds for new property acquisition and development. We generally expect to meet our short-term liquidity requirements through cash provided by operations, debt refinancing, existing cash, recycling through potential asset sales and raising additional equity capital. We believe that these sources of capital will be sufficient to provide for our short-term capital needs.

Distributions for the year ended December 31, 2012 totaled $34.0 million, or $0.34, per weighted average share/unit, compared to cash provided by operations of $38.4 million, or $0.37, per weighted average share/unit.

Based on our closing share price of $10.64 on December 31, 2012, our total enterprise value was $1.7 billion. With net debt (total debt less cash) of $457.7 million as of December 31, 2012, our debt to enterprise value was 27.4% compared to 22.9% as of December 31, 2011. With gross assets of $1.5 billion, which excludes accumulated depreciation of $175.3 million, our debt to gross assets ratio was 31.7% as of December 31, 2012 as compared to 31.3% as of December 31, 2011.

Management believes that it has strengthened the Trust's balance sheet through the follow-on equity offerings in August of 2012 and January and November of 2011, selling 17.3 million shares, 13.2 million shares and 14.4 million shares, respectively, all including the underwriters' overallotment option to purchase additional shares, for net proceeds of $180.9 million, $91.7 million and $124.4 million, respectively. A portion of the net proceeds was used to repay approximately $117.1 million of debt with the remaining proceeds used to fund the Trust's current developments and acquisitions, fund future acquisitions and developments and for general corporate purposes.

As discussed in Note 2 to the accompanying consolidated financial statements, we implemented an at-the-market equity distribution program during the second quarter of 2010. As of December 31, 2011, the Trust had sold 5.9 million shares of common stock under the agreements for net proceeds of $49.3 million and reached the aggregate offering amount of $50.0 million. On September 20, 2011, the Trust entered into the 2011 equity distribution agreement. Similar to the 2010 equity distribution agreements, the Trust may issue and sell shares of its common stock having an aggregate offering amount of up to $50.0 million. As of December 31, 2012, the Trust had sold 4.8 million shares of common stock under the 2011 equity distribution program for net proceeds of approximately $49.2 million and reached the aggregate offering amount of $50.0 million. The Trust used the net proceeds to repay debt, fund its development pipeline, fund potential future acquisitions and for general corporate purposes. On May 22, 2012, the Trust entered into two additional equity distribution agreements similar to the previous agreements discussed above. Under the 2012 agreements the Trust may issue and sell shares of its common stock having an aggregate offering amount of $50 million. As of December 31, 2012, the Trust had sold $0.1 million shares of common stock under the 2012 agreements for net proceeds of approximately $1.1 million.

An additional source of capital, subject to appropriate market conditions, is the targeted disposition of non-strategic properties. We continually assess all of our communities, the markets in which they are located and the colleges and universities they serve, to determine if any dispositions are necessary or appropriate. The net proceeds from the sale of any asset would provide additional capital that would most likely be used to pay down debt and possibly finance acquisition/development growth or other operational needs.

The Trust completed the sale of five communities in January 2011 (see Note 5 to the accompanying consolidated financial statements). These transactions culminated a significant repositioning of the Trust's portfolio that began in the fourth quarter of 2010. The five communities had over 1,900 beds and were at mostly smaller universities with limited barriers to entry. With a total sales price of approximately $46.1 million, the dispositions reduced outstanding debt by $16.1 million and provided net cash proceeds, after costs, of approximately $29.7 million.

In the second quarter of 2011, we completed the sale of two non-core assets, Collegiate Village, serving Macon State University, and Clayton Station, serving Clayton State University, for an aggregate sale price of $28.0 million (see Note 5 to the accompanying consolidated financial statements). The net proceeds of approximately $27.8 million were used to fund development and acquisition activity and for general working capital purposes.

In the third quarter of 2012, we completed the sale of NorthPointe, located in Tucson, Arizona, and The Reserve on Frankford, located in Lubbock, Texas, for an aggregate sales price of $44.0 million. In the fourth quarter of 2012, we completed the sale of Star Pass, also located in Tucson, Arizona for an aggregate sales price of $25.5 million (see Note 5 to the accompanying consolidated financial statements). The net proceeds of approximately $67.2 million were used to fund development and acquisition activity and for general working capital purposes.

We intend to invest in additional communities only as suitable opportunities arise. We also plan to develop communities for our ownership and management. In the short term, we intend to fund any acquisitions or developments with working capital, borrowings under first mortgage property secured debt, construction loans or borrowings under our Fourth Amended Revolver. We intend to finance property acquisitions and development projects over the longer term with cash from operations, the proceeds from potential asset sales, additional issuances of common or preferred stock, private capital in the form of joint ventures, debt financing and issuances of Operating Partnership Units. There can be no assurance, however, that such funding will be obtained on reasonable terms, or at all, particularly in light of current capital market conditions.

During 2011, we completed eight collegiate housing community acquisitions (see Note 4 to the accompanying consolidated financial statements) for approximately $193.4 million after acquisition costs. The Trust funded these acquisitions with assumed debt of $36.9 million and existing cash, including cash proceeds generated by the January and November 2011 common stock offerings and sales of collegiate housing communities as discussed above.

We have eleven active development projects that we are developing for our ownership with our share of aggregate development costs of $343.8 million. Through December 31, 2012, $186.7 million of the anticipated costs had been incurred and funded.

In January 2012, we completed the purchase of The Reserve on Stinson, near the University of Oklahoma in Norman, Oklahoma for a purchase price of $22.9 million. We previously owned a 10% equity interest in the community and managed the property prior to the acquisition. The Reserve on Stinson has 612 beds and is less than a half-mile from campus.

In the third quarter of 2012 we completed the purchase of The Province, near East Carolina University in Greenville, North Carolina for a purchase price of $50.0 million. In the fourth quarter of 2012 we completed the purchase of The District on 5th serving the University of Arizona, Campus Village serving Michigan State University, The Province at Kent State serving Kent State University and The Suites at Overton Park and The Centre at Overton Park both serving Texas Tech University for a combined purchase price of $206.3 million and a total 2,581 beds (see Note 4 to the accompanying consolidated financial statements). The Trust funded these acquisitions with assumed debt of $48.5 million and existing cash, including cash proceeds generated by the August 2012 common stock offering (see Notes 2 and 10 to the accompanying consolidated financial statements) and sales of collegiate housing communities as discussed above.

On September 7, 2012, the Trust filed an automatic shelf registration statement, which permits us to issue an unlimited number of securities, including equity or debt securities, from time to time in one or more transactions, depending on market conditions and terms. The registration statement was automatically effective on September 7, 2012.

Predevelopment expenditures

Our third-party development consulting activities have historically required us to fund predevelopment expenditures such as architectural fees, permits and deposits. Because the closing of a development project's financing is often subject to third-party delay, we cannot always predict accurately the liquidity needs of these activities. We frequently incur these predevelopment expenditures before a financing commitment has been obtained and, accordingly, bear the risk of the loss of these predevelopment expenditures if financing cannot ultimately be arranged on acceptable terms. However, we typically obtain a guarantee of repayment of these predevelopment expenditures from the project owner, but no assurance can be given that we would be successful in collecting the amount guaranteed in the event that project financing is not obtained. When we develop projects for ownership, as opposed to our third-party development services, the Trust bears all exposure to risks and capital requirements for these developments.

Long-term liquidity requirements

Our long-term liquidity requirements consist primarily of funds necessary for scheduled debt maturities, renovations and other non-recurring capital expenditures that are needed periodically for our communities. We expect to meet these needs through existing working capital, cash provided by operations, additional borrowings under our Fourth Amended Revolver, net proceeds from potential asset sales, the issuance of equity instruments, including common or preferred stock, Operating Partnership Units or additional debt, if market conditions permit. We believe these sources of capital will be sufficient to provide for our long-term capital needs. Market conditions, however, may make additional capital more expensive for us. There can be no assurance that we will be able to obtain additional financing under satisfactory conditions, or at all, or that we will make any investments in additional communities. Our Fourth Amended Revolver is a material source to satisfy our long-term liquidity requirements. As such, compliance with the financial and operating debt covenants is material to our liquidity. As of December 31, 2012, we were in compliance with all covenants related to our Third Amended Revolver.

Capital expenditures

The historical recurring capital expenditures, excluding discontinued operations, at our wholly-owned communities are set forth as follows:

	As of and for the Years Ended December 31,		
	2012	**2011**	**2010**
Total units	5,608	5,264	5,264
Total beds	17,854	16,541	16,540
Total recurring capital expenditures (in thousands)	$ 4,824	$ 4,390	$ 4,123
Average per unit	$ 763.95	$ 834.03	$ 783.28
Average per bed	$ 270.20	$ 265.42	$ 249.28

Recurring capital expenditures exclude capital spending on renovations, community repositioning or other major periodic projects. Capital expenditures associated with newly developed communities are typically capitalized as part of their development costs. As a result, such communities typically require little to no recurring capital expenditures until their second year of operation or later.

Additionally, we are required by certain of our lenders to contribute contractual amounts annually to reserves for capital repairs and improvements at the mortgaged communities.

These contributions are typically less than, but could exceed, the amount of capital expenditures actually incurred during any given year at such communities.

Commitments

The following table summarizes our contractual obligations as of December 31, 2012 (amounts in thousands):

	Less than 1 Year	1 – 3 Years	3 – 5 Years	More than 5 Years	Total
Contractual Obligations:					
Long-Term Debt Obligations(1)	$ 37,919	$ 120,251	$ 131,486	$ 106,122	$ 395,778
Contractual Interest Obligations(2)	18,179	28,840	18,786	10,650	76,455
Operating Lease and Future Purchase Obligations(3)	12,387	19,014	14,992	503,015	549,408
Capital Reserve Obligations(4)	1,234	2,119	1,250	894	5,497
Total	$ 69,719	$ 170,224	$ 166,514	$ 620,681	$ 1,027,138

(1) Includes required monthly principal amortization and amounts due at maturity on first mortgage debt secured by collegiate housing properties and any amounts due under the Fourth Amended Revolver and construction loan agreements.

(2) Includes contractual fixed-rate interest payments as well as estimates of variable rate interest payments based on the variable interest rates effective as of December 31, 2012. The Trust has $89,103 of variable rate debt as of December 31, 2012.

(3) Includes future minimum lease commitments under operating lease obligations (includes long-term ground leases) and future purchase obligations for advertising.

(4) Includes future annual contributions to the capital reserve as required by certain mortgage debt.

Long-term indebtedness

As of December 31, 2012, 20 of our communities were unencumbered by mortgage debt.

As of December 31, 2012, we had outstanding mortgage and construction indebtedness of $398.8 million (net of unamortized debt premium of $3.1 million). The scheduled future maturities of this indebtedness as of December 31, 2012 were as follows (in thousands):

Year	
2013	$ 37,919
2014	72,912
2015	47,339
2016	91,729
2017	39,757
Thereafter	106,122
Total	395,778
Debt premium	3,068
Outstanding as of December 31, 2012, net of debt premium	$ 398,846

As of December 31, 2012, the outstanding mortgage and construction debt had a weighted average interest rate of 4.86% and carried an average term to maturity of 3.62 years.

The Trust had $79.0 million outstanding under the Third Amended Revolver as of December 31, 2012. As discussed above, the Third Amended Revolver was replaced with the Fourth Amended Revolver in January 2013. The Fourth Amended Revolver has a term of four years and matures on January 14, 2017, and provides that the Operating Partnership may extend the maturity date one year subject to certain conditions. The Fourth Amended Revolver requires interest only payments through maturity. The interest rate per annum applicable to the Fourth Amended Revolver is, at the Operating Partnership’s option, equal to a base rate or LIBOR plus an applicable margin based upon our leverage. The interest rate applicable to the Third Amended Revolver as of December 31, 2012 was 1.84%.

Distributions

We are required to distribute 90% of our REIT taxable income (excluding the deduction for dividends paid and net capital gains) on an annual basis in order to qualify as a REIT for federal income tax purposes. Accordingly, we intend to make, but are not contractually bound to make, regular quarterly distributions to holders of our common stock and Operating Partnership Units. All such distributions are authorized at the discretion of our Board. We may be required to use borrowings under our Fourth Amended Revolver, if necessary, to meet REIT distribution requirements, avoid the imposition of federal income and excise taxes and maintain our REIT status. Additionally, we may make certain distributions consisting of both cash and shares to meet REIT distribution requirements. We consider market factors and our performance in addition to REIT requirements in determining distribution levels. During the third quarter of 2011, our Board increased the annual dividend target 40% from $0.20 to $0.28 per share/unit becoming effective with the August 16, 2011 dividend. During July of 2012, our Board increased the annual dividend target 43% from $0.28 to $0.40 per share/unit becoming effective with the August 15, 2012 dividend.

As discussed above, our Board declared a fourth quarter distribution of $0.10 per share of common stock for the quarter ended December 31, 2012. The distribution is payable on February 15, 2013 to stockholders of record at the close of business on January 31, 2013.

Off-Balance Sheet Arrangements

The Operating Partnership entered into a letter of credit agreement in conjunction with the closing of the acquisition of a collegiate housing community at the University of Florida. As of December 31, 2012, the mortgage debt on this community was repaid (see Note 10 to the accompanying consolidated financial statements), and the $1.5 million letter of credit is no longer outstanding.

The Operating Partnership serves as non-recourse, carve-out guarantor for secured third-party debt in the amount of $24.3 million, held by one unconsolidated joint venture. The Operating Partnership is liable to the lender for any loss, damage, cost, expense, liability, claim or other obligation incurred by the lender arising out of or in connection with certain non-recourse exceptions in connection with the debt. Pursuant to the operating agreement, the joint venture partner agreed to indemnify, defend and hold harmless the Trust with respect to such obligations, except to the extent such obligations were caused by the willful misconduct, gross negligence, fraud or bad faith of the Operating Partnership or its employees, agents or affiliates. Therefore, exposure under the guarantee for obligations not caused by the willful misconduct, gross negligence, fraud or bad faith of the Operating Partnership or its employees, agents or affiliates is not expected to exceed the Operating Partnership’s proportionate interest in the related mortgage debt.

In connection with the development agreement entered into on July 14, 2010 for a project at the Science + Technology Park at Johns Hopkins Medical Institute (see Note 2 to the accompanying consolidated financial statements) the Trust has committed to provide a guarantee of repayment of a $42.0 million third-party construction loan for a $3.0 million fee. The guarantee fee will not be recognized until the second mortgage loan is repaid. The project will have a $2.5 million reserve to fund any operating or debt service shortfalls that is to be replenished annually by East Baltimore Development, Inc., until a 1.10 debt service coverage ratio is achieved for twelve consecutive months. The second mortgage loan and related debt service are the first at risk if such reserve is not adequate to cover operating expenses and debt service on the construction loan.

In connection with the condominium agreement related to The Oaks on the Square project in Storrs, Connecticut (see Note 4 to the accompanying consolidated financial statements) the Operating Partnership and LeylandAlliance LLC have jointly committed to provide a guarantee of repayment of a $46.4 million construction loan to develop the residential and retail portions of the project. As of December 31, 2012 and December 31, 2011, $22.7 million and $1.5 million, respectively, had been drawn on the construction loan of which $6.3 million and $0.6 million, respectively, is attributable to LeylandAlliance LLC. These amounts are not included in our accompanying consolidated financial statements.

Non GAAP Measures

Funds From Operations (FFO)

As defined by the National Association of Real Estate Investment Trusts ("NAREIT"), FFO represents net income (loss) (computed in accordance with GAAP), excluding gains (or losses) from sales of property, plus real estate related depreciation and amortization and after adjustments for unconsolidated partnerships and joint ventures. Adjustments for unconsolidated partnerships and joint ventures are calculated to reflect funds from operations on the same basis. In October 2011, NAREIT communicated to its members that the exclusion of impairment write-downs of depreciable real estate is consistent with the definition of FFO, and prior periods should be restated to be consistent with this guidance. Accordingly, we have restated all periods presented to reflect the current guidance. We present FFO available to all stockholders and unitholders because we consider it to be an important supplemental measure of our operating performance and believe it is frequently used by securities analysts, investors and other interested parties in the evaluation of REITs, many of which present FFO when reporting their results. As such, we also exclude the impact of noncontrolling interests in our calculation. FFO is intended to exclude GAAP historical cost depreciation and amortization of real estate and related assets, which assumes that the value of real estate diminishes ratably over time. Historically, real estate values have risen or fallen with market conditions. Because FFO excludes depreciation and amortization unique to real estate, gains and losses from property dispositions and extraordinary items, it provides a performance measure that, when compared year over year, reflects the impact to operations from trends in occupancy rates, rental rates, operating costs, development activities and interest costs, providing perspective not immediately apparent from net income.

We compute FFO in accordance with standards established by the Board of Governors of NAREIT in its March 1995 White Paper (as amended in November 1999, April 2002 and by the October 2011 guidance described above), which may differ from the methodology for calculating FFO utilized by other equity REITs and, accordingly, may not be comparable to such other REITs. Further, FFO does not represent amounts available for management's discretionary use because of needed capital replacement or expansion, debt service obligations or other commitments and uncertainties. We believe that net income is the most directly comparable GAAP measure to FFO available to stockholders and unitholders. FFO should not be considered as an alternative to net income (loss) (computed in accordance with GAAP) as an indicator of our financial performance or to cash flow from operating activities (computed in accordance with GAAP) as an indicator of our liquidity, nor is it indicative of funds available to fund our cash needs, including our ability to make distributions.

The Trust also uses core funds from operations, or Core FFO, as an operating performance measure. Core FFO is defined as FFO adjusted to include the economic impact of revenue on participating projects for which recognition is deferred for GAAP purposes. The adjustment for this revenue is calculated on the same percentage of completion method used to recognize revenue on third-party development projects. Core FFO also includes adjustments to exclude the impact of straight-line adjustments for ground leases, gains/losses on extinguishment of debt, transaction costs related to acquisitions and reorganization or severance costs. We believe that these adjustments are appropriate in determining Core FFO as they are not indicative of the operating performance of the Trust's assets. In addition, management uses Core FFO in the assessment of the Trust's operating performance and comparison to its industry peers and believes that Core FFO is a useful supplemental measure for the investing community to use in comparing the Trust to other REITs as many REITs provide some form of adjusted or modified FFO.

The following table presents a reconciliation of FFO and Core FFO available to our stockholders and unitholders to net income (loss) for the years ended December 31, 2012, 2011 and 2010 (amounts in thousands):

	2012	2011	2010
Net income (loss) attributable to Education Realty Trust, Inc.	$ 8,421	$ (11,014)	$ (42,058)
Gain on sale of collegiate housing assets	(5,496)	(2,388)	(611)
Loss on impairment of collegiate housing assets	—	7,859	33,610
Real estate related depreciation and amortization	37,237	29,101	29,940
Real estate depreciation and amortization included in equity in earnings of investees	225	412	479
Equity portion of loss on sale of collegiate housing property on equity investee	88	256	137
Noncontrolling interests	305	244	(233)
FFO	40,780	24,470	21,264
FFO adjustments:			
Loss on extinguishment of debt	—	757	1,426
Acquisition costs	1,110	741	1,467
Straight-line adjustment for ground leases	4,364	4,208	984
Reorganization/severance costs, net of taxes	—	—	447
FFO adjustments:	5,474	5,706	4,324
FFO on Participating Developments:			
Interest on loan to Participating Development	1,830	1,598	329
Development fees on Participating Development, net of costs and taxes	91	887	128
FFO on Participating Developments:	1,921	2,485	457
Core FFO	$ 48,175	$ 32,661	$ 26,045

Net Operating Income (NOI)

We believe NOI is a useful measure of our collegiate housing operating performance. We define NOI as rental and other community-level revenues earned from our collegiate housing communities less community-level operating expenses, excluding management fees, depreciation, amortization, ground lease expense and impairment charges and including regional and other corporate costs of supporting the communities. Other REITs may use different methodologies for calculating NOI, and accordingly, the Trust's NOI may not be comparable to other REITs. We believe that this measure provides an operating perspective not immediately apparent from GAAP operating income or net income. The Trust uses NOI to evaluate performance on a community-by-community basis because it allows management to evaluate the impact that factors such as lease structure, lease rates and tenant base, which vary by property, have on the Trust’s operating results. However, NOI should only be used as an alternative measure of the Trust's financial performance.

The following is a reconciliation of our GAAP operating income to NOI for years ended December 31, 2012, 2011 and 2010 (in thousands):

	For the Year ended December 31,		
	2012	2011	2010
Operating income	$ 16,157	$ 13,366	$ 11,347
Less: Third-party development services revenue	820	4,103	2,483
Less: Third-party management services revenue	3,446	3,336	3,189
Less: Operating expense reimbursements	—	—	916
Plus: General and administrative expenses	14,176	12,316	13,373
Plus: Ground leases	6,395	5,498	1,528
Plus: Depreciation and amortization	35,436	25,961	21,984
Plus: Loss on impairment of collegiate housing assets	—	—	—
NOI	$ 67,898	$ 49,702	$ 41,644

Adjusted earnings before interest, taxes, depreciation and amortization (Adjusted EBITDA)

Adjusted EBITDA is defined as net income or loss excluding: (1) straight line adjustment for ground leases; (2) acquisition costs; (3) depreciation and amortization; (4) loss on impairment of collegiate housing assets; (5) gain on sale of collegiate housing assets; (6) interest expense; (7) other non-operating expense (income); (8) income tax expense (benefit); (9) non-controlling interest; and (10) applicable expenses related to discontinued operations. We consider Adjusted EBITDA useful to an investor in evaluating and facilitating comparisons of our operating performance between periods and between REITs by removing the impact of our capital structure (primarily interest expense) and asset base (primarily depreciation and amortization) from our operating results.

The following is a reconciliation of our GAAP net income (loss) to Adjusted EBITDA for the years ended December 31, 2012, 2011 and 2010 (in thousands):

	For the Year ended December 31,		
	2012	2011	2010
Net income (loss) attributable to common stockholders	$ 8,421	$ (11,014)	$ (42,058)
Straight line adjustment for ground leases	4,364	4,208	984
Acquisition costs	1,110	741	1,467
Depreciation and amortization	35,436	25,961	21,984
Depreciation and amortization – discontinued operations	2,438	3,594	8,395
Loss on impairment of collegiate housing assets – discontinued operations	88	7,859	33,610
Gain on sale of collegiate housing assets – discontinued operations	(5,496)	(2,388)	(611)
Interest expense, net	14,390	17,274	18,729
Interest expense – discontinued operations	—	1,044	3,395
Other nonoperating expense (income)	932	1,373	738
Income tax expense (benefit)	(884)	(95)	442
Non-controlling interest	216	239	(233)
Applicable expenses (income) related to discontinued operations	—	472	1,551
Adjusted EBITDA	$ 61,015	$ 49,268	$ 48,393

Inflation

Our collegiate housing leases typically do not have terms that extend beyond twelve months. Accordingly, although on a short-term basis we would be required to bear the impact of rising costs resulting from inflation, we have the opportunity to raise rental rates at least annually to offset such rising costs. However, our ability to raise rental rates may be limited by a weak economic environment, increased competition from new collegiate housing in our primary markets and/or a reduction in student enrollment at our principal colleges and universities.

Recent Accounting Pronouncements

In May 2011, the Financial Accounting Standards Board ("FASB") issued new authoritative guidance resulting in common fair value measurement and disclosure requirements in GAAP and International Financial Reporting Standards. Consequently, some of the amendments clarify the FASB's intent about the application of existing fair value measurement requirements. Other amendments change a particular principle or requirement for measuring fair value or for disclosing information about fair value measurements. The guidance is effective for financial statements issued for fiscal years and interim periods beginning after December 15, 2011 and is applied prospectively. The adoption had no material impact on the Trust's consolidated financial statements, but resulted in additional fair value measurement disclosures (see Note 2 to the accompanying consolidated financial statements).

In September 2011, the FASB issued new authoritative guidance to simplify how entities test for goodwill impairment. The new guidance allows an entity the option to first assess qualitative factors to determine whether the existence of events or circumstances leads to a determination that it is more likely than not that the fair value of a reporting unit is less than its carrying amount. If, after assessing the totality of events or circumstances, an entity determines it is not more likely than not that the fair value of a reporting unit is less than its carrying amount, then performing the two-step goodwill impairment test is unnecessary. However, if the entity concludes otherwise, it is required to proceed with performing step one of the goodwill impairment test and step two if necessary. Under the new guidance, an entity is no longer permitted to carry forward its detailed calculation of a reporting unit's fair value as previously permitted. The guidance is effective for financial statements issued for fiscal years and interim periods beginning after December 15, 2011, and early adoption is permitted. The adoption had no material impact on the Trust's consolidated financial statements as the Trust will continue to assess goodwill impairment based on quantitative measures.

In December 2011, the FASB updated the guidance related to *Property, Plant and Equipment – Real Estate Sales* to eliminate diversity in practice regarding whether in-substance real estate should be derecognized when the parent ceases to have a controlling financial interest in a subsidiary that is in-substance real estate because of a default of the subsidiary on its nonrecourse debt. The updated guidance clarifies that the accounting for such transactions is based on substance rather than form, and a reporting entity generally would not satisfy the requirements to derecognize the in-substance real estate before the legal transfer of the real estate to the lender and the extinguishment of the related nonrecourse debt. The guidance is effective for financial statements issued for fiscal years and interim periods beginning after June 15, 2012. The adoption had no material impact on the Trust's consolidated financial statements.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

Our future income, cash flows and fair values relevant to financial instruments are dependent upon prevailing market interest rates. Market risk refers to the risk of loss from adverse changes in market prices and interest rates. The Trust's interest rate risk objective is to limit the impact of interest rate fluctuations on earnings and cash flows and to lower its overall borrowing costs. To achieve this objective, the Trust manages its exposure to fluctuations in market interest rates for its borrowings through the use of fixed rate debt instruments to the extent that reasonably favorable rates are obtainable.

For fixed rate debt, interest rate changes affect the fair market value but do not impact net income to common stockholders or cash flows. Conversely, for floating rate debt, interest changes generally do not affect the fair market value but do impact net income to common stockholders and cash flows, assuming other factors are held constant. As of December 31, 2012, we had fixed rate debt of $270.3 million. Holding other variables constant, a 100 basis point increase in interest rates would cause a $9.4 million decline in the fair value for our fixed rate debt. Conversely, a 100 basis point decrease in interest rates would cause a $9.9 million increase in the fair value of our fixed rate debt. As of December 31, 2012, 68.3% of the outstanding principal amounts of our mortgage and construction notes payable on the properties we own have fixed interest rates with a weighted average interest rate of 5.67% and an average term to maturity of 3.72 years.

As of December 31, 2012, we assumed $36.3 million of variable rate mortgage debt in connection with the acquisition of the GrandMarc at Westberry Place collegiate housing community located at Texas Christian University. The interest rate per annum applicable to the loan is equal to a base rate plus a 4.85% margin, in total not to exceed 7.5% per annum, and principal and interest are paid on a monthly basis. The loan matures on January 1, 2020. As of December 31, 2012, the interest rate applicable to the loan was 4.95%.

As of December 31, 2012, we had borrowed $89.1 million on construction loans related to the development of owned collegiate apartment communities. These loans bear interest equal to a base rate or LIBOR plus an applicable margin with $8.5

million, $44.6 million and $36.0 million maturing in 2013, 2014, and 2015, respectively. As of December 31, 2012, the weighted average interest rate applicable to these loans was 2.35%.

Item 8. Financial Statements and Supplementary Data.

Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rules 13a-15(f) and 15d-15(f). Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting as of December 31, 2012 based upon the guidelines established in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Our internal control over financial reporting includes policies and procedures that provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external reporting purposes in accordance with accounting principles generally accepted in the United States of America.

Based on the results of our evaluation, our management concluded that our internal control over financial reporting was effective as of December 31, 2012. We reviewed the results of management's assessment with our Audit Committee.

The effectiveness of our internal control over financial reporting as of December 31, 2012 has been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their attestation report which appears on the following page.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of

Education Realty Trust, Inc.

Memphis, Tennessee

We have audited the accompanying consolidated balance sheets of Education Realty Trust, Inc. and subsidiaries (the "Trust") as of December 31, 2012 and 2011, and the related consolidated statements of operations, changes in equity, and cash flows for each of the three years in the period ended December 31, 2012. We also have audited the Trust's internal control over financial reporting as of December 31, 2012, based on criteria established in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. The Trust's management is responsible for these financial statements, 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 these financial statements and an opinion on the Trust's internal control over financial reporting 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 and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

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

Because of 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Trust as of December 31, 2012 and 2011, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2012 in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, the Trust maintained, in all material respects, effective internal control over financial reporting as of December 31, 2012, based on the criteria established in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

/s/ DELOITTE & TOUCHE LLP

Memphis, Tennessee
February 28, 2013

CONSOLIDATED BALANCE SHEETS
As of December 31,

	2012	2011
	(Amounts in thousands, except share and per share data)	
Assets:		
Collegiate housing properties, net	$ 1,061,002	$ 803,519
Assets under development	159,264	56,648
Corporate office furniture, net	3,007	574
Cash and cash equivalents	17,039	75,813
Restricted cash	6,410	4,826
Student contracts receivable, net	708	347
Receivable from managed third parties	629	933
Notes receivable	21,000	18,000
Goodwill and other intangibles, net	4,455	3,965
Other assets	51,173	13,184
Total assets	$ 1,324,687	$ 977,809
Liabilities:		
Mortgage and construction loans, net of unamortized premium	$ 398,846	$ 358,504
Unsecured revolving credit facility	79,000	—
Accounts payable	1,749	3,933
Accrued expenses	55,374	27,833
Deferred revenue	17,964	14,409
Total liabilities	552,933	404,679
Commitments and contingencies (see Note 16)	—	—
Redeemable noncontrolling interests	8,944	9,776
Equity:		
Common stock, $.01 par value, 200,000,000 shares authorized, 113,062,452 and 91,800,688 shares issued and outstanding as of December 31, 2012 and 2011, respectively	1,131	918
Preferred shares, $0.01 par value, 50,000,000 shares authorized, no shares issued and outstanding	—	—
Additional paid-in capital	849,878	662,657
Accumulated deficit	(93,287)	(101,708)
Total Education Realty Trust, Inc. stockholders' equity	757,722	561,867
Noncontrolling interests	5,088	1,487
Total equity	762,810	563,354
Total liabilities and equity	$ 1,324,687	$ 977,809

CONSOLIDATED STATEMENTS OF OPERATIONS
Years Ended December 31,

	2012	2011	2010
	(Amounts in thousands, except share and per share data)		
Revenues:			
Collegiate housing leasing revenue	$ 131,092	$ 98,491	$ 86,347
Third-party development consulting services	820	4,103	2,483
Third-party management services	3,446	3,336	3,189
Operating expense reimbursements	9,593	8,604	14,519
Total revenues	144,951	114,534	106,538
Operating expenses:			
Collegiate housing leasing operations	63,194	48,789	44,703
Development and management services	6,268	5,506	5,268
General and administrative	7,908	6,810	8,105
Depreciation and amortization	35,436	25,961	21,984
Ground lease expense	6,395	5,498	1,528
Reimbursable operating expenses	9,593	8,604	13,603
Total operating expenses	128,794	101,168	95,191
Operating income	16,157	13,366	11,347
Nonoperating expenses:			
Interest expense	14,390	17,274	18,729
Amortization of deferred financing costs	1,215	1,197	1,152
Loss on extinguishment of debt	—	351	—
Interest income	(283)	(175)	(414)
Total nonoperating expenses	15,322	18,647	19,467
Income (loss) before equity in earnings (losses) of unconsolidated entities, income taxes and discontinued operations	835	(5,281)	(8,120)
Equity in earnings (losses) of unconsolidated entities	(363)	(447)	(260)
Income (loss) before income taxes and discontinued operations	472	(5,728)	(8,380)
Income tax expense (benefit)	(884)	(95)	442
Income (loss) from continuing operations	1,356	(5,633)	(8,822)
Discontinued operations:			
Income (loss) from operations of discontinued operations	1,785	(7,530)	(34,080)
Gain on sale of collegiate housing property	5,496	2,388	611
Income (loss) from discontinued operations	7,281	(5,142)	(33,469)
Net income (loss)	8,637	(10,775)	(42,291)
Less: Net income (loss) attributable to the noncontrolling interests	216	239	(233)
Net income (loss) attributable to Education Realty Trust, Inc.	$ 8,421	$ (11,014)	$ (42,058)

	2012	2011	2010
	(Amounts in thousands, except share and per share data)		
Earnings (loss) per share information:			
Income (loss) attributable to Education Realty Trust, Inc. common stockholders per share – basic and diluted:			
Continuing operations	$ 0.01	$ (0.08)	$ (0.16)
Discontinued operations	0.07	(0.07)	(0.57)
Net loss attributable to Education Realty Trust, Inc. common stockholders per share	$ 0.08	$ (0.15)	$ (0.73)
Weighted average common shares outstanding – basic	101,243,974	75,485,418	57,535,698
Weighted average common shares outstanding – diluted	102,316,958	75,485,418	57,535,698
Amounts attributable to Education Realty Trust, Inc. – common stockholders:			
Income (loss) from continuing operations, net of tax	$ 1,198	$ (5,916)	$ (9,095)
Income (loss) from discontinued operations, net of tax	7,223	(5,098)	(32,963)
Net income (loss)	$ 8,421	$ (11,014)	$ (42,058)
Distributions per common share	$ 0.34	$ 0.24	$ 0.20

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
Years Ended December 31,
(Amounts in thousands, except shares)

	Common Stock		Additional Paid-In Capital	Accumulated Deficit	Noncontrolling Interests	Total
	Shares	Amount				
Balance, December 31, 2009	56,705,605	$ 567	$ 410,455	$ (48,636)	$ 2,779	$ 365,165
Proceeds from issuances of common stock, net of offering costs	1,802,931	19	12,435	—	—	12,454
Common stock issued to officers and directors	34,000	—	336	—	—	336
Common stock issued to retire PIUs	50,826	1	196	—	—	197
Amortization of restricted stock	63,694	—	619	—	—	619
Cash dividends	—	—	(11,477)	—	(22)	(11,499)
PIUs forfeited and redeemed	—	—	2,286	—	(2,767)	(481)
Net income (loss)	—	—	—	(42,058)	10	(42,048)
Balance, December 31, 2010	58,657,056	587	414,850	(90,694)	—	324,743
Common stock issued to officers and directors	44,280	—	360	—	—	360
Proceeds from issuances of common stock, net of offering costs	32,996,205	330	264,004	—	—	264,334
Amortization of restricted stock	103,147	1	1,165	—	—	1,166
Cash dividends	—	—	(17,722)	—	—	(17,722)
Noncontrolling interests in joint ventures	—	—	—	—	1,487	1,487
Net loss	—	—	—	(11,014)	—	(11,014)
Balance, December 31, 2011	91,800,688	918	662,657	(101,708)	1,487	563,354
Common stock issued to officers and directors	32,286	—	360	—	—	360
Proceeds from issuances of common stock, net of offering costs	20,987,826	210	220,055	—	—	220,265
Amortization of restricted stock	241,652	3	765	—	—	768
Cash dividends	—	—	(33,959)	—	—	(33,959)
Return of equity to noncontrolling interests	—	—	—	—	(349)	(349)
Contributions from noncontrolling interests	—	—	—	—	4,039	4,039
Net income (loss)	—	—	—	8,421	(89)	8,332
Balance, December 31, 2012	113,062,452	$ 1,131	$ 849,878	$ (93,287)	$ 5,088	$ 762,810

CONSOLIDATED STATEMENTS OF CASH FLOWS
Years Ended December 31,

	2012	2011	2010
	(Amounts in thousands)		
Operating activities:			
Net income (loss)	$ 8,637	$ (10,775)	$ (42,291)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation and amortization	35,436	25,961	21,984
Depreciation included in discontinued operations	2,438	3,594	8,396
Deferred tax expense (benefit)	1,043	(197)	(841)
Loss on disposal of assets	99	22	32
Gain on sale of collegiate housing property in discontinued operations	(5,496)	(2,388)	(611)
Noncash rent expense related to the straight-line adjustment for long-term ground leases	4,364	4,208	984
Loss on impairment of collegiate housing properties included in discontinued operations	—	7,859	33,610
Loss on extinguishment of debt	—	351	—
Loss on extinguishment of debt included in discontinued operations	—	406	1,426
Amortization of deferred financing costs	1,215	1,197	1,152
Amortization of deferred financing costs included in discontinued operations	—	48	124
Loss on interest rate cap	—	5	235
Amortization of unamortized debt premiums	(80)	(390)	(398)
Distributions of earnings from unconsolidated entities	195	264	388
Noncash compensation expense related to stock-based incentive awards	2,041	1,502	783
Equity in losses of unconsolidated entities	363	447	260
Change in operating assets and liabilities (net of acquisitions):			
Student contracts receivable	(19)	(239)	(20)
Management fees receivable	304	(406)	(250)
Other assets	(16,750)	(1,497)	(1,606)
Accounts payable and accrued expenses	421	8,500	6,286
Accounts receivable (payable) affiliate	—	—	18
Deferred revenue	4,142	2,614	2,608
Net cash provided by operating activities	38,353	41,086	32,269
Investing activities:			
Property acquisitions, net of cash acquired	(284,775)	(193,393)	(45,500)
Purchase of corporate furniture and fixtures	(3,106)	(173)	(173)
Restricted cash	(1,584)	(35)	(212)
Insurance proceeds received on property losses	5,000	—	—
Investment in collegiate housing properties	(22,599)	(22,129)	(17,978)
Proceeds from sale of collegiate housing properties	67,261	57,515	25,682
Payments on notes receivable	1,800	75	2,148
Loans to developments	(3,000)	(8,128)	(9,872)
Earnest money deposits	(3,000)	(75)	—
Investment in assets under development	(144,950)	(54,015)	(1,146)
Distributions from unconsolidated entities	82	285	777
Investments in unconsolidated entities	(11,797)	(25)	(40)
Net cash used in investing activities	(400,668)	(220,098)	(46,314)

	2012	2011	2010
	(Amounts in thousands)		
Financing activities:			
Payment of mortgage and construction notes	(79,185)	(42,130)	(13,222)
Borrowings under mortgage and construction loans	119,607	49,488	—
Debt issuance costs	(1,026)	(1,527)	6
Debt extinguishment costs	—	(351)	(629)
Borrowings on line of credit	141,000	—	31,700
Repayments of line of credit	(62,000)	(3,700)	(28,000)
Proceeds from issuance of common stock	220,441	265,318	12,599
Payment of offering costs	(805)	(1,007)	(158)
Redemption of noncontrolling interests	—	—	(167)
Dividends and distributions paid to common and restricted stockholders	(33,959)	(17,722)	(11,477)
Dividends and distributions paid to noncontrolling interests	(532)	(502)	(818)
Net cash provided by (used in) financing activities	303,541	247,867	(10,166)
Net (decrease) increase in cash and cash equivalents	(58,774)	68,855	(24,211)
Cash and cash equivalents, beginning of period	75,813	6,958	31,169
Cash and cash equivalents, end of period	$ 17,039	$ 75,813	$ 6,958
Supplemental disclosure of cash flow information:			
Interest paid	$ 18,402	$ 19,526	$ 19,764
Income taxes paid	$ 76	$ 339	$ 1,456
Supplemental disclosure of noncash activities:			
Redemption of redeemable noncontrolling interests from unit holder	$ 606	$ —	$ —

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
(Amounts in thousands, except share and per share data)

1. Organization and description of business

Education Realty Trust, Inc. (the "Trust") was organized in the state of Maryland on July 12, 2004 and commenced operations as a real estate investment trust ("REIT") effective with the initial public offering (the "Offering") that was completed on January 31, 2005. Under the Trust's Articles of Incorporation, as amended, the Trust is authorized to issue up to 200 million shares of common stock and 50 million shares of preferred stock, each having a par value of $0.01 per share.

The Trust operates primarily through a majority-owned Delaware limited partnership, Education Realty Operating Partnership, LP (the "Operating Partnership"). The Operating Partnership owns, directly or indirectly, interests in collegiate housing communities located near major universities in the United States.

The Trust also provides real estate facility management, development and other advisory services through the following subsidiaries of the Operating Partnership:

- EDR Management Inc. ("Management Company"), a Delaware corporation performing collegiate housing management activities; and
- EDR Development LLC ("Development Company"), a Delaware limited liability company providing development consulting services for third party collegiate housing communities.

The Trust is subject to the risks involved with the ownership and operation of residential real estate near major universities throughout the United States. The risks include, among others, those normally associated with changes in the demand for housing by students at the related universities, competition for tenants, creditworthiness of tenants, changes in tax laws, interest rate levels, the availability of financing and potential liability under environmental and other laws.

2. Summary of significant accounting policies

Basis of presentation and principles of consolidation

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States ("GAAP"). The accompanying consolidated financial statements of the Trust represent the assets and liabilities and operating results of the Trust and its majority owned subsidiaries.

The Trust, as the sole general partner of the Operating Partnership, has the responsibility and discretion in the management and control of the Operating Partnership, and the limited partners of the Operating Partnership, in such capacity, have no authority to transact business for, or participate in the management activities of the Operating Partnership. Accordingly, the Trust accounts for the Operating Partnership using the consolidation method.

All intercompany balances and transactions have been eliminated in the accompanying consolidated financial statements.

Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates and assumptions are used by management in determining the recognition of third-party development consulting services revenue under the percentage of completion method, useful lives of collegiate housing assets, the valuation of goodwill, the initial valuations and underlying allocations of purchase price in connection with collegiate housing property acquisitions, the determination of fair value for impairment assessments and in the recording of the allowance for doubtful accounts. Actual results could differ from those estimates.

Reclassifications

Certain prior period amounts have been reclassified to conform to the current period presentation. In the consolidated statements of operations, regional and corporate costs of supporting our owned communities had previously been included in general and administrative expenses. In 2012, the Trust reclassified regional and corporate costs of supporting our owned communities to collegiate housing leasing operations. The reclassification was not material to our consolidated financial statements and had no impact on our previously reported net income, changes in equity, financial position or net cash flows from operations.

Cash and cash equivalents

All highly-liquid investments with a maturity of three months or less when purchased are considered cash equivalents. Restricted cash is excluded from cash for the purpose of preparing the consolidated statements of cash flows. The Trust maintains cash balances in various banks. At times, the amounts of cash may exceed the amount the Federal Deposit Insurance Corporation ("FDIC") insures. As of December 31, 2012, the Trust had no cash on deposit that was uninsured by the FDIC or in excess of the FDIC limits.

Restricted cash

Restricted cash includes escrow accounts held by lenders for the purpose of paying taxes, insurance, principal and interest and funding capital improvements.

Distributions

The Trust pays regular quarterly cash distributions to stockholders. These distributions are determined quarterly by the Board of Directors ("Board") based on the operating results, economic conditions, capital expenditure requirements, the REIT annual distribution requirements of the Internal Revenue Code of 1986, as amended (the "Code"), leverage covenants imposed by our revolving credit facility and other debt documents, and any other matters the Board deems relevant. Distributions for the year ended December 31, 2012 totaled $34.0 million, or $0.34, per weighted average share/unit of which $0.24 was treated as a non-taxable return of capital and $0.10 was treated as ordinary dividend income for income tax purposes.

Notes receivable

During the year ended December 31, 2012, the Trust entered into a mezzanine loan and purchase option agreement with Landmark Properties Holdings, LLC ("Landmark") for the purpose of developing a cottage-style collegiate housing community at Pennsylvania State University in State College, Pennsylvania. The community will be wholly owned by Landmark and a construction loan will be used to fund 80% of the development. The Trust provided $3.0 million of mezzanine financing at an interest rate of 10% per annum and was granted an option to purchase the community in 2013, 2014 or 2015. As of December 31, 2012, the mezzanine financing is recorded in notes receivable in the accompanying consolidated balance sheet. In the event the Trust does not exercise the purchase option by 2015, the mezzanine loan will be due at the earlier of when written notice is received by Landmark from the Trust or when the construction loan is repaid. The mezzanine loan is secured by 100% of Landmark's equity interest in the Pennsylvania State University development and Landmark's equity interest in the joint venture currently being developed near the University of Mississippi campus.

On July 14, 2010, the Trust entered into definitive agreements for the development, financing and management of a $60.7 million, 20-story, 572-bed graduate collegiate housing complex at the Science + Technology Park at Johns Hopkins Medical Institute. The Trust developed and manages the building, which was constructed on land owned by Johns Hopkins University and leased to a subsidiary of East Baltimore Development, Inc., a nonprofit partnership of private and public entities dedicated to Baltimore's urban revitalization. Under terms of the agreements, the Trust (a) received development and construction oversight fees and reimbursement of pre-development expenses, (b) invested in the form of an $18.0 million second mortgage, (c) received a $3.0 million fee for providing a repayment guarantee of the construction first mortgage and (d) received a 10-year management contract. As of December 31, 2012 and 2011, the note receivable for the second mortgage had a balance of $18.0 million and is recorded in notes receivable in the accompanying consolidated balance sheets. The Trust does not have an ownership interest in any form that would require consolidation. Due to its financing commitments to the project along with other factors, the Trust will not recognize the development services revenue, guarantee fee revenue and interest income earned on the second mortgage until the second mortgage is repaid, and the Trust no longer has a substantial continuing financial involvement. If the construction loan and second mortgage had been repaid prior to December 31, 2012, the Trust would have recognized development services revenue net of costs of $1.9 million, guarantee fee revenue of $3.0 million and interest income of $3.8 million since the commencement of the project.

Collegiate housing properties

Land, land improvements, buildings and improvements, and furniture, fixtures and equipment are recorded at cost. Buildings and improvements are depreciated over 15 to 40 years, land improvements are depreciated over 15 years and furniture, fixtures, and equipment are depreciated over 3 to 7 years. Depreciation is computed using the straight-line method for financial reporting purposes over the estimated useful life.

Acquired collegiate housing communities' results of operations are included in the Trust's results of operations from the respective dates of acquisition. Appraisals, estimates of cash flows and valuation techniques are used to allocate the purchase price of acquired property between land, land improvements, buildings and improvements, furniture, fixtures and equipment and identifiable intangibles such as amounts related to in-place leases. Acquisition costs are expensed as incurred and are included in general and administrative costs in the accompanying consolidated statements of operations.

Management assesses impairment of long-lived assets to be held and used whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Management uses an estimate of future undiscounted cash flows of the related asset based on its intended use to determine whether the carrying value is recoverable. If the Trust determines that the carrying value of an asset is not recoverable, the fair value of the asset is estimated and an impairment loss is recorded to the extent the carrying value exceeds estimated fair value. Management estimates fair value using discounted cash flow models, market appraisals if available, and other market participant data.

When a collegiate housing community has met the criteria to be classified as held for sale, the fair value less cost to sell such asset is estimated. If the fair value less cost to sell the asset is less than the carrying amount of the asset, an impairment charge is recorded for the estimated loss. Depreciation expense is no longer recorded once a collegiate housing community has met the held for sale criteria. Operations of collegiate housing communities that are sold or classified as held for sale are recorded as part of discontinued operations for all periods presented. During the years ended December 31, 2012, 2011 and 2010, 15 properties were classified as part of discontinued operations in the accompanying consolidated statements of operations for all periods presented. All 15 of these properties were sold by December 31, 2012 (see Note 5).

Deferred financing costs

Deferred financing costs represent costs incurred in connection with acquiring debt facilities. The deferred financing costs incurred for years ended December 31, 2012 and 2011 were $0.9 million and $1.7 million, respectively, and are being amortized over the terms of the related debt using a method that approximates the effective interest method. There were no deferred financing costs incurred during the year ended December 31, 2010. Amortization expense totaled $1.2 million for all of the years ended December 31, 2012, 2011 and 2010. As of December 31, 2012 and 2011, accumulated amortization totaled $5.7 million and $5.1 million, respectively. Deferred financing costs, net of amortization, are included in other assets in the accompanying consolidated balance sheets (see Note 7).

Common stock issuances and offering costs

Specific incremental costs directly attributable to the issuance of common stock are charged against the gross proceeds of the related issuance. Accordingly, underwriting commissions and other stock issuance costs are reflected as a reduction of additional paid-in capital in the accompanying consolidated statement of changes in equity.

On August 14, 2012, the Trust completed a follow-on offering of 17.3 million shares of its common stock, which included 2.3 million shares purchased by the underwriters pursuant to an option to purchase additional shares. The Trust received approximately $180.9 million in net proceeds from the offering after deducting the underwriting discount and other offering expenses. The Trust used the net proceeds to repay the unsecured revolving credit facility (see Note 10) and to fund the acquisition of The Province at East Carolina University, The District on 5th serving the University of Arizona, Campus Village serving Michigan State University, The Province at Kent State serving Kent State University and The Suites at Overton Park and The Centre at Overton Park both serving Texas Tech University (see Note 4).

On November 8, 2011, the Trust completed a follow-on offering of 14.4 million shares of its common stock, which includes 1.9 million shares purchased by the underwriters pursuant to an overallotment option. The Trust received approximately $124.4 million in net proceeds from the offering after deducting the underwriting discount and other offering expenses. On January 10, 2011, the Trust completed a follow-on offering of 13.2 million shares of its common stock, which includes 1.7 million shares purchased by the underwriters pursuant to an overallotment option. The Trust received approximately $91.7 million in net proceeds from the offering after deducting the underwriting discount and other offering expenses. The Trust used the net proceeds from the 2011 offerings to repay debt, fund its development pipeline, fund acquisitions and for general corporate purposes.

On June 2, 2010, the Trust entered into two equity distribution agreements. Pursuant to the terms and conditions of the agreements, the Trust could issue and sell shares of its common stock having an aggregate offering amount of up to $50 million. Sales of the common stock depended upon market conditions and other factors determined by the Trust and were made in transactions that were deemed to be "at-the-market" offerings as defined in Rule 415 under the Securities Act of 1933, as amended. The Trust had no obligation to sell any of the common stock, and could at any time suspend offers under the agreements or terminate the agreements. As of December 31, 2011, the Trust had sold 5.9 million shares of common stock under the agreements for net proceeds of $49.3 million and reached the aggregate offering amount of $50 million. On September 20, 2011, the Trust entered into the 2011 equity distribution agreement. Similar to the equity distribution agreements discussed above, the Trust could issue and sell shares of its common stock having an aggregate offering amount of up to $50 million. As of December 31, 2012, the Trust had sold 4.8 million shares of common stock under the 2011 equity distribution program for net proceeds of approximately $49.2 million and reached the aggregate offering amount of $50 million. On May 22, 2012, the Trust entered into two additional equity distribution agreements similar to the previous agreements discussed above. Under the 2012 agreements, the Trust could issue and sell shares of its common stock having an aggregate offering amount of $50 million. As of December 31, 2012, the Trust had sold $0.1 million shares of common stock under the 2012 agreements for net proceeds of approximately $1.1 million. The Trust used the net proceeds to repay debt, fund its development pipeline, fund acquisitions and for general corporate purposes.

On May 19, 2010, the Trust's stockholders approved the Education Realty Trust, Inc. Employee Stock Purchase Plan (the "ESPP") which became effective on July 1, 2010. Pursuant to the ESPP, all employees of the Trust are eligible to make periodic purchases of common stock through payroll deductions. Subject to the discretion of the compensation committee of the Board, the purchase price per share of common stock purchased by employees under the ESPP is 85% of the fair market value on the applicable purchase date. The Trust reserved 300,000 shares of common stock for sale under the ESPP. The aggregate cost of the ESPP (generally the 15% discount on the shares purchased) is recorded by the Trust as a period expense. For the years ended December 31, 2012, 2011 and 2010, total compensation expense relating to the ESPP was $25,345, $24,338, and $12,605 respectively.

Debt premiums/discounts

Differences between the estimated fair value of debt and the principal value of debt assumed in connection with collegiate housing property acquisitions are amortized over the term of the related debt as an offset to interest expense using the effective interest method. As of December 31, 2012 and 2011, the Trust had net unamortized debt premiums of $3.1 million and $9,508, respectively. These amounts are included in mortgage and construction loans in the accompanying consolidated balance sheets.

Income taxes

The Trust qualifies as a REIT under the Code. The Trust is generally not subject to federal, state and local income taxes on any of its taxable income that it distributes if it distributes at least 90% of its REIT taxable income for each tax year to its stockholders and meets certain other requirements. If the Trust fails to qualify as a REIT for any taxable year, the Trust will be subject to federal, state and local income taxes (including any applicable alternative minimum tax) on its taxable income.

The Trust has elected to treat certain of its subsidiaries, including the Management Company, as taxable REIT subsidiaries (each a "TRS"). A TRS is subject to federal, state and local income taxes. The Management Company provides management services and through the Development Company, provides development services, which if directly provided by the Trust would jeopardize the Trust's REIT status. Deferred tax assets and liabilities are recognized based on the difference between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using enacted tax rates in effect in the years in which those temporary differences are expected to reverse.

The Trust had no unrecognized tax benefits as of December 31, 2012, 2011 and 2010. As of December 31, 2012, the Trust did not expect to record any unrecognized tax benefits. The Trust, and its subsidiaries, file federal and state income tax returns. As of December 31, 2012, open tax years generally included tax years for 2009, 2010 and 2011. The Trust's policy is to include interest and penalties related to unrecognized tax benefits in general and administrative expenses. As of December 31, 2012, 2011 and 2010, the Trust had no interest or penalties recorded related to unrecognized tax benefits.

Noncontrolling interests

As of December 31, 2012, the Trust entered into three joint venture agreements to develop, own and manage properties near the University of Alabama, Arizona State University-Phoenix and The University of Mississippi. The Trust is deemed to be the primary beneficiary of these communities; therefore, the Trust accounts for the joint ventures using the consolidation method of accounting. Our joint venture partners' investments in the joint ventures are accounted for as noncontrolling interests in the accompanying consolidated balance sheets and statements of changes in equity and net income attributable to noncontrolling interests in the accompanying consolidated statements of operations.

The units of limited partnership of the Operating Partnership ("Operating Partnership Units"), units of limited partnership of University Towers Operating Partnership, LP ("University Towers Operating Partnership Units") and profits interest units ("PIUs") (see Note 9) are referred to as noncontrolling interests. The Trust follows the guidance issued by the Financial Accounting Standards Board ("FASB") regarding the classification and measurement of redeemable securities. The Operating Partnership Units and the University Towers Operating Partnership Units are redeemable at the option of the holder and essentially have the same characteristics as common stock as they participate in net income and distributions. Accordingly, the Trust has determined that the Operating Partnership Units and the University Towers Operating Partnership Units meet the requirements to be classified outside of permanent equity and are therefore classified as redeemable noncontrolling interests in the accompanying consolidated balance sheets and net income attributable to noncontrolling interests in the accompanying consolidated statements of operations. The value of redeemable noncontrolling interests is reported at the greater of fair value or historical cost at the end of each reporting period. As of December 31, 2012, the Trust reported the redeemable noncontrolling interests at historical cost, which was greater than fair value.

The following table sets forth the activity with the redeemable noncontrolling interests for the years ended December 31, 2012 and 2011 (in thousands):

	2012	2011
Beginning balance – redeemable noncontrolling interests	$ 9,776	$ 10,039
Net income (loss) attributable to redeemable noncontrolling interests	305	239
Redemption of operating partnership units	(607)	—
Distributions attributable to redeemable noncontrolling interests	(530)	(502)
Ending balance – redeemable noncontrolling interests	$ 8,944	$ 9,776

Earnings per share

Basic earnings per share is calculated by dividing net earnings available to common stock by weighted average shares of common stock outstanding. Diluted earnings per share is calculated similarly, except that it includes the dilutive effect of the assumed exercise of potentially dilutive securities. The Trust follows the authoritative guidance regarding the determination of whether certain instruments are participating securities. All unvested share-based payment awards that contain nonforfeitable rights to dividends or dividend equivalents are included in the computation of earnings per share under the two-class method. This results in shares of unvested restricted stock being included in the computation of basic earnings per share for all periods presented.

The following table reconciles the basic and diluted weighted average shares for the year ended December 31, 2012:

Basic weighted average shares of common stock outstanding	101,243,974
Operating Partnership Units	865,727
University Towers Operating Partnership Units	207,257
Diluted weighted average shares of common stock outstanding	102,316,958

As of December 31, 2011 and 2010, the following potentially dilutive securities were outstanding but were not included in the computation of diluted earnings per share because the effects of their inclusion would be anti-dilutive:

	2011	2010
Operating Partnership Units	903,738	903,738
University Towers Operating Partnership Units	207,257	207,257
Total potentially dilutive securities	1,110,995	1,110,995

A reconciliation of the numerators and denominators for the basic and diluted earnings per share computation is not presented, as the Trust reported a loss from continuing operations for the years ended December 31, 2011 and 2010, and therefore the effect of the inclusion of all potentially dilutive securities would be anti-dilutive when computing diluted earnings per share; thus, the computation for both basic and diluted earnings per share is the same.

Repairs, maintenance and major improvements

The costs of ordinary repairs and maintenance are charged to operations when incurred. Major improvements that extend the life of an asset are capitalized and depreciated over the remaining useful life of the asset. Planned major repair, maintenance and improvement projects are capitalized when performed. In some circumstances, the lenders require the Trust to maintain a reserve account for future repairs and capital expenditures. These amounts are classified as restricted cash in the accompanying consolidated balance sheets as the funds are not available for use.

Goodwill and other intangible assets

Goodwill is tested annually for impairment as of December 31, and is tested for impairment more frequently if events and circumstances indicate that the assets might be impaired. An impairment loss is recognized to the extent that the carrying amount exceeds the asset's fair value. The accumulated impairment loss recorded by the Trust as of December 31, 2008 was $0.4 million. No additional impairment has been recorded through December 31, 2012. The carrying value of goodwill was $3.1 million as of December 31, 2012 and 2011, of which $2.1 million was recorded on the management services segment and $0.9 million was recorded on the development consulting services segment. Goodwill is not subject to amortization. Other intangible assets generally include in-place leases and management contracts acquired in connection with acquisitions and are amortized over the estimated life of the lease/contract term. The carrying value of other intangible assets was $1.4 million and $0.9 million as of December 31, 2012 and 2011, respectively.

Investment in unconsolidated entities

The Operating Partnership accounts for its investments in unconsolidated joint ventures using the equity method whereby the costs of an investment is adjusted for the Trust's share of earnings of the respective investment reduced by distributions received. The earnings and distributions of the unconsolidated joint ventures are allocated based on each owner's respective ownership interests. These investments are classified as other assets or accrued expenses, depending on whether the distributions exceed the Trust's contributions and share of earnings in the joint ventures, in the accompanying consolidated balance sheets (see Note 8). As of December 31, 2012, the Trust had investments, directly or indirectly, in the following unconsolidated joint ventures that are accounted for under the equity method:

- 1313 5th Street MN Holdings, LLC, a Delaware limited liability company, 50% owned by the Operating Partnership;
- Elauwit Networks, a South Carolina limited liability company, 10% owned by the Operating Partnership; and
- University Village-Greensboro LLC, a Delaware limited liability company, 25% owned by the Operating Partnership;

As of December 31, 2011, the Trust had investments, directly or indirectly, in the following unconsolidated joint ventures that are accounted for under the equity method:

- University Village-Greensboro LLC, a Delaware limited liability company, 25% owned by the Operating Partnership;
- WEDR Riverside Investors LLC, a Delaware limited liability company, 10% owned by the Operating Partnership; and
- WEDR Stinson Investors V, LLC, a Delaware limited liability company, 10% owned by the Operating Partnership.

Comprehensive income

The Trust follows the authoritative guidance issued by the FASB relating to the reporting and display of comprehensive income and its components. For all periods presented, comprehensive income (loss) is equal to net income (loss).

Revenue recognition

The Trust recognizes revenue related to leasing activities at the collegiate housing communities owned by the Trust, management fees related to managing third-party collegiate housing communities, development consulting fees related to the general oversight of third-party collegiate housing development and operating expense reimbursements for payroll and related expenses incurred for third-party collegiate housing communities managed by the Trust.

Collegiate housing leasing revenue — Collegiate housing leasing revenue is comprised of all activities related to leasing and operating the collegiate housing communities and includes revenues from leasing apartments by the bed, food services, parking lot rentals and providing certain ancillary services. This revenue is reflected in collegiate housing leasing revenue in the accompanying consolidated statements of operations. Students are required to execute lease contracts with payment schedules that vary from annual to monthly payments. Generally, the Trust requires each executed leasing contract to be accompanied by a signed parental guarantee. Receivables are recorded when billed. Revenues and related lease incentives and nonrefundable application and service fees are recognized on a straight-line basis over the term of the contracts. At certain collegiate housing facilities, the Trust offers parking lot rentals to the tenants. The related revenues are recognized on a straight-line basis over the term of the related agreement.

Due to the nature of the Trust's business, accounts receivable result primarily from monthly billings of student rents. Payments are normally received within 30 days. Balances are considered past due when payment is not received on the contractual due date. Allowances for uncollectible accounts are established by management when it is determined that collection is doubtful. Such allowances are reviewed periodically based upon experience. The following table reconciles the allowance for doubtful accounts as of and for the years ended December 31, 2012, 2011 and 2010 (in thousands):

	2012	2011	2010
Balance, beginning of period	$ 133	$ 129	$ 207
Provision for uncollectible accounts	1,128	1,079	1,567
Deductions	(1,119)	(1,075)	(1,645)
Balance, end of period	$ 142	$ 133	$ 129

Third-party development services revenue — The Trust provides development consulting services in an agency capacity with third parties whereby the fee is determined based upon the total construction costs. Total fees vary from 3 – 5% of the total estimated costs, and the Trust typically receives a portion of the fees up front. These fees, including the up-front fee, are recognized using the percentage of completion method in proportion to the contract costs incurred by the owner over the course of construction of the respective projects. Occasionally, the development consulting contracts include a provision whereby the Trust can participate in project savings resulting from successful cost management efforts. These revenues are recognized once all contractual terms have been satisfied and no future performance requirements exist. This typically occurs after construction is complete. For the years ended December 31, 2012 and 2011, there was $0.2 million and $0.5 million revenue recognized, respectively, related to cost savings agreements on development projects. There was no cost savings revenue recognized for the year ended December 31, 2010.

Third-party management services revenue — The Trust enters into management contracts to manage third-party collegiate housing communities. Management revenues are recognized when earned in accordance with each management contract. Incentive management fees are recognized when the incentive criteria have been met.

Operating expense reimbursements — The Trust pays certain payroll and related costs to operate third-party collegiate housing communities that are managed by the Trust. Under the terms of the related management agreements, the third-party property owners reimburse these costs. The amounts billed to the third-party owners are recognized as revenue.

Costs related to development consulting services

Costs associated with the pursuit of third-party development consulting contracts are expensed as incurred, until such time that management has been notified of a contract award. At such time, the reimbursable costs are recorded as receivables and are reflected as other assets in the accompanying consolidated balance sheets (see Note 7).

Costs directly associated with internal development projects are capitalized as part of the cost of the project.

Advertising expense

Advertising expenses are charged to income during the period incurred. The Trust does not use direct response advertising. Advertising expense was $3.2 million, $2.5 million and $2.5 million for the years ended December 31, 2012, 2011 and 2010, respectively.

Segment information

The Trust discloses certain operating and financial data with respect to separate business activities within its enterprise. The Trust has identified three reportable business segments: collegiate housing leasing, collegiate housing development consulting services and collegiate housing management services.

Stock-based compensation

On May 4, 2011, the Trust's stockholders approved the Education Realty Trust, Inc. 2011 Omnibus Equity Incentive Plan (the "2011 Plan"). The 2011 Plan replaced the Education Realty Trust, Inc. 2004 Incentive Plan ("2004 Plan") in its entirety. The 2011 Plan is described more fully in Note 9. The Trust recognizes compensation costs related to share-based payments in the accompanying consolidated financial statements in accordance with authoritative guidance.

Fair value measurements

The Trust follows the guidance contained in FASB ASC 820, *Fair Value Measurements and Disclosures*. Fair value is generally defined as the exit price at which an asset or liability could be exchanged in a current transaction between willing unrelated parties, other than in a forced liquidation or sale. The guidance establishes a fair value hierarchy, giving the highest priority to quoted prices in active markets and the lowest priority to unobservable data, and requires disclosures for assets and liabilities measured at fair value based on their level in the hierarchy.

The fair value framework requires the categorization of assets and liabilities into three levels based upon the assumptions used to value the assets or liabilities. Level 1 provides the most reliable measure of fair value, whereas Level 3 generally requires significant management judgment. The three levels are defined as follows:

- *Level 1* - Unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- *Level 2* - Observable inputs other than those included in Level 1, for example, quoted prices for similar assets or liabilities in active markets or quoted prices for identical assets or liabilities in inactive markets.
- *Level 3* - Unobservable inputs reflecting management's own assumption about the inputs used in pricing the asset or liability at the measurement date.

Fair value measurements on a recurring basis include the interest rate cap (see Note 10). The fair value of the interest rate cap was determined using available market information or other appropriate valuation methodologies and was classified as Level 2 as defined in the authoritative guidance. As the cap was sold back to the bank during 2011, there was no value recorded in the accompanying balance sheets as of December 31, 2012 and 2011.

Non-financial assets measured at fair value on a nonrecurring basis consist of real estate assets and investments in partially owned entities that have been written-down to estimated fair value when it has been determined that asset values are not recoverable during 2012 and 2011. The fair values of these assets are determined using discounted cash flow models, market appraisals if available, and other market participant data. Footnote 6 provides details for the impairment charges recorded during the year ended December 31, 2011.

(in thousands)	As of December 31, 2012 Total	Level 1	Level 2	Level 3	As of December 31, 2011 Total	Level 1	Level 2	Level 3
Real estate assets	$ —	$ —	$ —	$ —	$ 14,750	$ —	$ —	$ 14,750

Financial assets and liabilities that are not measured at fair value in our consolidated financial statements include mezzanine notes receivable and debt. Estimates of the fair values of these instruments are based on our assessments of available market information and valuation methodologies, including discounted cash flow analyses. The table below summarizes the carrying amounts and fair values of these financial instruments as of December 31, 2012 and 2011.

	As of December 31, 2012			
		Estimated Fair Value		
(in thousands)	Carrying value	Level 1	Level 2	Level 3
Mezzanine notes receivable	$ 21,000	$ —	$ 23,772	$ —
Unsecured revolving credit facility	79,000	—	79,000	—
Variable rate mortgage and construction loans	125,436	—	125,436	—
Fixed rate mortgage and construction loans	270,342	—	290,409	—

	As of December 31, 2011			
		Estimated Fair Value		
(in thousands)	Carrying value	Level 1	Level 2	Level 3
Mezzanine notes receivable	$ 18,000	$ —	$ 18,000	$ —
Unsecured revolving credit facility	—	—	—	—
Variable rate mortgage and construction loans	72,701	—	72,701	—
Fixed rate mortgage and construction loans	285,794	—	299,281	—

The Trust discloses the fair value of financial instruments for which it is practicable to estimate. The Trust does not hold or issue financial instruments for trading purposes. The Trust considers the carrying amounts of cash and cash equivalents, restricted cash, student contracts receivable, accounts payable and accrued expenses to approximate fair value due to the short maturity of these instruments. The carrying value of restricted cash approximates its fair value based on the nature of our assessment of the ability to recover these amounts. Due to the short-term nature of these investments, Level 1 and Level 2 inputs are utilized to estimate the fair value of these financial instruments.

Recent accounting pronouncements

In May 2011, the FASB issued new authoritative guidance resulting in common fair value measurement and disclosure requirements in GAAP and International Financial Reporting Standards. Consequently some of the amendments clarify the FASB's intent about the application of existing fair value measurement requirements. Other amendments change a particular principle or requirement for measuring fair value or for disclosing information about fair value measurements. The guidance is effective for financial statements issued for fiscal years and interim periods beginning after December 15, 2011 and is applied prospectively. The adoption had no material impact on the Trust's consolidated financial statements, but resulted in additional fair value measurement disclosures.

In September 2011, the FASB issued new authoritative guidance to simplify how entities test for goodwill impairment. The new guidance allows an entity the option to first assess qualitative factors to determine whether the existence of events or circumstances leads to a determination that it is more likely than not that the fair value of a reporting unit is less than its carrying amount. If, after assessing the totality of events or circumstances, an entity determines it is not more likely than not that the fair value of a reporting unit is less than its carrying amount, then performing the two-step goodwill impairment test is unnecessary. However, if the entity concludes otherwise, it is required to proceed with performing step one of the goodwill impairment test and step two if necessary. Under the new guidance, an entity is no longer permitted to carry forward its detailed calculation of a reporting unit's fair value as previously permitted. The guidance is effective for financial statements issued for fiscal years and interim periods beginning after December 15, 2011, and early adoption is permitted. The adoption had no material impact on the Trust's consolidated financial statements as the Trust will continue to assess goodwill impairment based on quantitative measures.

In December 2011, the FASB updated the guidance related to *Property, Plant and Equipment – Real Estate Sales* to eliminate diversity in practice regarding whether in-substance real estate should be derecognized when the parent ceases to have a controlling financial interest in a subsidiary that is in-substance real estate because of a default of the subsidiary on its nonrecourse debt. The updated guidance clarifies that the accounting for such transactions is based on substance rather than form, and a reporting entity generally would not satisfy the requirements to derecognize the in-substance real estate before the legal transfer of the real estate to the lender and the extinguishment of the related nonrecourse debt. The guidance is effective for financial statements issued for fiscal years and interim periods beginning after June 15, 2012. The adoption had no material impact on the Trust's consolidated financial statements.

3. Income taxes

Deferred income taxes result from temporary differences between the carrying amounts of assets and liabilities of the TRSs for financial reporting purposes and the amounts used for income tax purposes. Significant components of the deferred tax assets and liabilities as of December 31, 2012 and 2011, respectively, are as follows (in thousands):

	2012	2011
Deferred tax assets:		
Deferred revenue	$ 717	$ 525
Depreciation and amortization	—	109
Accrued expenses	159	245
Straight line rent	69	15
Restricted stock amortization	—	538
Total deferred tax assets	945	1,432
Deferred tax liabilities:		
Depreciation and amortization	(493)	—
Restricted stock amortization	(63)	—
Total deferred tax liabilities:	(556)	—
Net deferred tax assets	$ 389	$ 1,432

Significant components of the income tax provision (benefit) for the years ended December 31, 2012, 2011 and 2010, respectively, are as follows (in thousands):

	2012	2011	2010
Deferred:			
Federal	$ 895	$ (169)	$ (719)
State	148	(28)	(122)
Deferred expense (benefit)	1,043	(197)	(841)
Current:			
Federal	(1,326)	(199)	1,028
State	(601)	301	255
Current (benefit) expense	(1,927)	102	1,283
Total (benefit) provision	$ (884)	$ (95)	$ 442

TRS earnings or losses subject to tax consisted of $1.9 million loss, $0.9 million loss and $1.0 million earnings for the years ended December 31, 2012, 2011 and 2010, respectively. The reconciliation of income tax attributable to income before noncontrolling interest computed at the U.S. statutory rate to income tax provision is as follows (in thousands):

	2012	2011	2010
Tax provision at U.S. statutory rates on TRS income subject to tax	$ (566)	$ (293)	$ 357
State income tax, net of federal benefit	(312)	319	48
Other	(6)	(121)	37
Tax (benefit) provision	$ (884)	$ (95)	$ 442

4. Acquisition and development of real estate investments

During the year ended December 31, 2012, the Trust completed the following seven collegiate housing community acquisitions:

Name	Primary University Served	Acquisition Date	# of Beds	# of Units	Purchase Price (in thousands)
The Reserve on Stinson (1)	University of Oklahoma Norman, Oklahoma	Jan 2012	612	204	$22,954
The Province	East Carolina University Greenville, North Carolina	Sept 2012	728	235	$50,000
The District on 5th	University of Arizona Tucson, Arizona	Oct 2012	764	208	$66,442
Campus Village (2)	Michigan State University East Lansing, Michigan	Oct 2012	355	106	$20,900
The Province	Kent State University Kent, Ohio	Nov 2012	596	246	$45,000
The Suites at Overton Park	Texas Tech University Lubbock, Texas	Dec 2012	465	298	$37,000
The Centre at Overton Park	Texas Tech University Lubbock, Texas	Dec 2012	401	278	$37,000

(1) The Operating Partnership had a 10% equity investment in the entity that previously owned The Reserve on Stinson collegiate housing community and also managed the property prior to the acquisition.

(2) The Trust entered into a 32-year ground lease, with the option to extend the lease 20 additional years subject to certain conditions, which requires an increase in annual rent expense to be determined on predetermined adjustment dates based on the consumer price index for the life of the lease.

Combined acquisition costs for these purchases were $1.1 million and are included in general and administrative costs in the accompanying consolidated statement of operations for the year ended December 31, 2012. The Trust funded these acquisitions with assumed debt of $48.5 million and existing cash, including cash proceeds generated by the August 2012 and November 2011 common stock offerings (see Note 2) and sales of collegiate housing communities (see Note 5). A summary follows of the fair values of the assets acquired and the liabilities assumed as of the dates of the acquisitions (in thousands):

	The Province at East Carolina	The District on 5th	The Suites and Centre at Overton Park	Other	Total
Collegiate housing properties	$ 49,609	$ 65,997	$ 76,678	$ 88,129	$ 280,413
Other assets	502	475	4,830	971	6,778
Current liabilities	(531)	(545)	(1,651)	(1,356)	(4,083)
Mortgage debt	—	—	(51,625)	—	(51,625)
Total net assets acquired	$ 49,580	$ 65,927	$ 28,232	$ 87,744	$ 231,483

The amounts of the 2012 acquisitions' revenue and net income (loss) included in the Trust's accompanying consolidated statement of operations for the year ended December 31, 2012, and the unaudited pro forma revenue and net income (loss) of the combined entity had the acquisition date been January 1, 2011, are as follows:

	Revenue	Net income (loss)	Net income (loss) attributable to common stockholders per share - basic and diluted
	(in thousands)		
Actual from date of acquisition – 12/31/12	$ 7,830	$ 1,549	$ 0.02
2012 supplemental pro forma for 1/1/12 – 12/31/12(1)	$ 157,375	$ 10,568	$ 0.10
2011 supplemental pro forma for 1/1/11 – 12/31/11(1)	$ 126,430	$ (12,490)	$ (0.17)

(1) Supplemental pro forma earnings for the year ended December 31, 2012 were adjusted to exclude $1.1 million of acquisition-related costs incurred in 2012. Supplemental pro forma earnings for the year ended December 31, 2011 were adjusted to include these charges.

Also in 2012, the Trust purchased the land and parking garage associated with the University Towers residence hall for $7.5 million and simultaneously terminated the ground lease.

During the year ended December 31, 2011, the Trust completed the following eight collegiate housing community acquisitions:

Name	Primary University Served	Acquisition Date	# of Beds	# of Units	Purchase Price (in thousands)
Wertland Square	University of Virginia Charlottesville, VA	Mar 2011	152	50	$ 16,600
Jefferson Commons	University of Virginia Charlottesville, VA	Mar 2011	82	22	$ 6,400
Westminster House	University of California Berkeley, California	May 2011	167	55	$ 16,000
University Village Towers (1)	University of California Riverside, California	Sept 2011	554	149	$ 38,100
Lotus Lofts	University of Colorado Boulder, Colorado	Nov 2011	40	9	$ 6,000
Irish Row	University of Notre Dame South Bend, Indiana	Nov 2011	326	127	$ 27,500
GrandMarc at Westberry Place(2)	Texas Christian University Ft. Worth, Texas	Dec 2011	562	244	$ 55,100
3949 Lindell	Saint Louis University St. Louis, Missouri	Dec 2011	256	197	$ 28,500

(1) The Operating Partnership had a 10% equity investment in the entity that previously owned the University Village Towers collegiate housing community and also managed the property prior to the acquisition.

(2) The Trust entered into a 53-year ground lease which requires an increase in annual rent expense to be determined on predetermined adjustment dates based on the greater of 3% or the consumer price index for the life of the lease. The Trust recognizes the minimum 3% annual increase in rent expense on a straight-line basis. For the year ended December 31, 2011, the Trust recognized $34,366 in the accompanying consolidated statement of operations related to the ground lease.

Combined acquisition costs for these purchases were $0.7 million and are included in general and administrative costs in the accompanying consolidated statement of operations for the year ended December 31, 2011. The Trust funded these acquisitions with assumed debt of $36.9 million and existing cash, including cash proceeds generated by the January and November 2011 common stock offerings (see Note 2) and sales of collegiate housing communities (see Note 5). A summary follows of the fair values of the assets acquired and the liabilities assumed as of the dates of the acquisitions (in thousands):

	University Village Towers		GrandMarc at Westberry Place		Other		Total
Collegiate housing properties	$	37,881	$	53,935	$	100,386	$	192,202
Other assets		268		1,146		570		1,984
Current liabilities		(286)		(434)		(1,654)		(2,374)
Mortgage debt		—		(36,930)		—		(36,930)
Total net assets acquired	$	37,863	$	17,717	$	99,302	$	154,882

The amounts of the 2011 acquisitions' revenue and net loss included in the Trust's accompanying consolidated statement of operations for the year ended December 31, 2011, and the unaudited pro forma revenue and net loss of the combined entity had the acquisition date been January 1, 2010, are as follows:

	Revenue (in thousands)	Net income (loss) (in thousands)	Net income (loss) attributable to common stockholders per share- basic and diluted
Actual from date of acquisition – 12/31/11	$ 4,505	$ 935	$ 0.01
2011 supplemental pro forma for 1/1/11 – 12/31/11[1]	$ 140,426	$ (7,503)	$ (0.10)
2010 supplemental pro forma for 1/1/10 – 12/31/10[1]	$ 134,910	$ (40,144)	$ (0.70)

(1) Supplemental pro forma earnings for the year ended December 31, 2011 were adjusted to exclude $0.7 million of acquisition-related costs incurred in 2011. Supplemental pro forma earnings for the year ended December 31, 2010 were adjusted to include these charges.

In July 2012, the 3949 Lindell collegiate housing community at Saint Louis University was damaged by fire. The Trust is in the process of rebuilding this community. As of December 31, 2012, the Trust had incurred $5.2 million in costs for the project.

In March 2012, the financing was finalized for the agreement executed in June 2011 between the Trust and Summa West, LLC to develop, own and manage a new collegiate housing community near Arizona State University-Downtown Phoenix campus. The Trust is the majority owner and managing member of the joint venture and will manage the community once completed. As of December 31, 2012, the Trust and Summa West, LLC had incurred $30.2 million in costs for the project. During the years ended December 31, 2012 and 2011, capitalized interest costs of approximately $0.5 million and $0.1 million, respectively, and capitalized internal development project costs of approximately $0.1 million and $17,782, respectively, were incurred related to the development. The community is expected to open in the summer of 2013.

In January 2012, the Trust entered into a joint venture agreement with Landmark Properties to develop, own and manage a new cottage-style collegiate housing community near the University of Mississippi campus (The Retreat). The Trust is the majority owner and managing member of the joint venture and will manage the community once completed. As of December 31, 2012, the Trust and Landmark Properties had incurred $22.4 million in costs for the project. During the year ended December 31, 2012, capitalized interest costs of approximately $0.3 million and capitalized internal development project costs of approximately $0.1 million were incurred related to the development. The community is expected to open in the summer of 2013.

In December 2011, the Trust was selected by the University of Kentucky to develop, own and manage new collegiate housing on its campus. This project will be financed through the Trust's On-Campus Equity Plan, or the ONE Plan SM. As of December 31, 2012, the Trust had incurred $17.8 million in costs for Phase I and II of the project, with Phase I expected to open in the summer of 2013 and Phase II in the summer of 2014. During the year ended December 31, 2012, the Trust capitalized interest costs and internal development costs of $0.2 million and $0.3 million, respectively, related to the development.

In November 2011, the Trust purchased a collegiate housing community near the University of Colorado, Boulder. The Trust is developing adjacent housing on the existing land, which is expected to open in the summer of 2014. As of December 31, 2012, the Trust had incurred $0.5 million in project costs. During the years ended December 31, 2012 and 2011, the Trust capitalized interest costs of $13,800 and $933, respectively, and internal development project costs of $22,878 and $7,376, respectively, related to the development.

In February 2011, the Trust was selected by Syracuse University to develop, own and manage new collegiate housing on its campus. This was the Trust's second on-campus development at Syracuse University and third project financed through the ONE Plan SM. As of December 31, 2012, the Trust had incurred $27.3 million in costs for the project, which opened in August 2012. During the years ended December 31, 2012 and 2011, interest costs of $0.3 million and $0.1 million, respectively, and internal development project costs of $0.1 million for both periods, were capitalized related to the development.

Also, in February 2011, the Trust executed an agreement with the Edwards Companies to develop, own and manage a new collegiate housing community at the University of Alabama in Tuscaloosa. The Edwards Companies developed the housing, which is owned jointly by the two companies. The Trust is the majority owner and manages the community. As of December 31, 2012, the Trust and the Edwards Companies had incurred $42.0 million in costs for the project, which opened in August 2012. During the years ended December 31, 2012 and 2011, interest costs of approximately $0.3 million and $0.1 million, respectively, and internal development project costs of approximately $0.1 million for both periods, were capitalized related to the development.

In July 2010, the University of Texas Board of Regents selected the Trust to be the ground tenant to develop, own and manage a new high-rise collegiate housing community near the core of the University of Texas at Austin campus. As of December 31, 2012, the Trust had incurred $40.6 million in costs for the project, which is expected to open in July of 2013. During the years ended December 31, 2012 and 2011, the Trust capitalized interest costs of $0.9 million and $0.2 million, respectively, and internal development project costs of $0.2 million for both years, related to the development.

In September of 2010, LeylandAlliance LLC and the Trust entered into an agreement to develop the first two phases of Storrs Center, a mixed-use town center project, adjacent to the University of Connecticut. The Trust will develop, own and manage the collegiate housing communities in these first two phases and both phases will include commercial and residential offerings. The first phase opened in August 2012 and second phase is scheduled to be completed in 2013. As of December 31, 2012, the Trust had incurred $37.4 million in project costs. During the years ended December 31, 2012 and 2011, the Trust capitalized interest costs of $0.8 million and $0.3 million, respectively, and internal development project costs of $0.1 million and $0.2 million, respectively, related to the development.

All costs related to the development of collegiate housing communities are classified as assets under development in the accompanying consolidated balance sheets until the community is completed and opened. The Trust has expenditures for assets under development accrued in accounts payable and accrued expenses of $0.7 million and $19.3 million, respectively, as of December 31, 2012. As of December 31, 2011, the Trust had expenditures for assets under development accrued in accounts payable and accrued expenses of $1.7 million and $5.3 million, respectively.

5. Disposition of real estate investments and discontinued operations

In 2012, the Trust sold The Reserve at Star Pass and NorthPointe, both located in Tucson, Arizona, and The Reserve on Frankford, located in Lubbock, Texas, for an aggregate sales price of $69.5 million, resulting in net proceeds of approximately $67.2 million after closing costs.

In 2011, the Trust sold the Collegiate Village, located in Macon, Georgia, and Clayton Place, located in Morrow, Georgia, respectively, for an aggregate sales price of $28.0 million resulting in net proceeds of approximately $27.8 million after closing costs.

In October 2010, the Trust entered into two separate sales agreements to sell nine collegiate housing communities with a net carrying value of $83.5 million. The first agreement closed on December 8, 2010 and included the following four properties:

- The Gables serving Western Kentucky University in Bowling Green, Kentucky;
- Western Place, serving Western Kentucky University in Bowling Green, Kentucky;
- Berkeley Place, serving Clemson University in Clemson, South Carolina; and
- The Pointe at Southern, serving Georgia Southern University in Statesboro, Georgia.

The gross sales price for the first agreement was $38.7 million with net proceeds of approximately $20.5 million after repayment of related debt of $17.3 million and other closing costs.

The second agreement closed on January 19, 2011 and included the following five properties :

- Troy Place, serving Troy University in Troy, Alabama;
- The Reserve at Jacksonville, serving Jacksonville State University in Jacksonville, Alabama;
- The Reserve at Martin, serving University of Tennessee at Martin in Martin, Tennessee;
- The Chase at Murray, serving Murray State University in Murray, Kentucky; and
- Clemson Place, serving Clemson University in Clemson, South Carolina.

The sales price was $46.1 million, and the Trust received net proceeds of approximately $29.7 million after the repayment of related debt of $16.1 million and other closing costs.

Accordingly, the results of operations of all fourteen properties are included in discontinued operations in the accompanying consolidated statements of operations for all periods presented. The Trust ceased depreciation on the properties when they met the held for sale criteria.

On April 7, 2009, the Trust sold the College Station collegiate housing community for a sales price of $2.6 million. The Trust received proceeds of $0.3 million and a note receivable of $2.3 million. Payments of principal and interest, at a rate of 6% per annum, were due on a monthly basis, and the resulting net gain on disposition of approximately $0.4 million was deferred against the note receivable until the debt was paid in full. In April 2012, the note receivable was repaid at a discount, and the Trust recognized a gain on the sale of $0.2 million.

The following table summarizes the income (loss) from discontinued operations, net of noncontrolling interests, and the related realized gains on sales of real estate from discontinued operations, net of noncontrolling interests, for the years ended December 31, 2012, 2011 and 2010 (in thousands):

	2012	2011	2010
Collegiate housing leasing revenue	$ 9,224	$ 11,629	$ 29,593
Other leasing revenue	—	414	191
Collegiate housing leasing operating expenses	(5,001)	(6,621)	(16,858)
Depreciation and amortization	(2,438)	(3,594)	(8,396)
Loss on impairment	—	(7,859)	(33,610)
Interest expense	—	(1,045)	(3,450)
Amortization of deferred financing costs	—	(48)	(124)
Loss on extinguishment of debt	—	(406)	(1,426)
Noncontrolling interests	(16)	74	515
Income (loss) from discontinued operations attributable to Education Realty Trust, Inc.	$ 1,769	$ (7,456)	$ (33,565)
Gain on sale of collegiate housing property	$ 5,496	$ 2,388	$ 611
Noncontrolling interests	(42)	(30)	(9)
Gain on sale of collegiate housing property attributable to Education Realty Trust, Inc.	$ 5,454	$ 2,358	$ 602

6. Collegiate housing properties and assets under development

Collegiate housing properties consist of the following as of December 31, 2012 and 2011, respectively (in thousands):

	2012	2011
Land	$ 115,818	$ 83,133
Land improvements	71,580	58,577
Construction in progress	208,142	43,715
Buildings	943,279	789,492
Furniture, fixtures and equipment	56,757	51,586
	1,395,576	1,026,503
Less accumulated depreciation	(175,310)	(166,336)
Collegiate housing properties and assets under development, net	$ 1,220,266	$ 860,167

Following is certain information related to investment in collegiate housing properties as of December 31, 2012 (amounts in thousands):

		Initial Cost				Total Costs				
Property[4]	Encumbrances	Land	Buildings and Improvements	Total	Cost Capitalized Subsequently	Land	Buildings and Improvements	Total	Accumulated Depreciation[5]	Date of Acquisition/ Construction
University Towers	$ 25,000	$ —	$ 28,652	$ 28,652	$ 14,152	$ 2,364	$ 40,440	$ 42,804	$ 10,540	01/31/2005
The District on 5th	—	2,601	63,396	65,997	4	2,601	63,400	66,001	651	10/04/2012
Campus Village	—	2,650	18,077	20,727	66	2,650	18,143	20,793	141	10/18/2012
The Province at Kent State	—	4,239	40,441	44,680	—	4,239	40,441	44,680	207	11/16/2012
The Reserve at Athens	7,366	1,740	17,985	19,725	1,325	1,740	19,310	21,050	5,106	01/31/2005
Players Club	—	727	7,498	8,225	1,909	727	9,407	10,134	2,643	01/31/2005
The Suites at Overton Park	25,118	4,384	33,281	37,665	—	4,384	33,281	37,665	77	12/07/2012
The Centre at Overton Park	23,333	3,781	35,232	39,013	—	3,781	35,232	39,013	75	12/07/2012
The Pointe at South Florida	—	3,508	30,510	34,018	5,231	3,508	35,741	39,249	10,466	01/31/2005
The Reserve on Perkins	14,731	913	15,795	16,708	3,314	913	19,109	20,022	5,774	01/31/2005
The Commons at Knoxville[1]	20,711	4,630	18,386	23,016	2,587	4,586	21,017	25,603	6,349	01/31/2005
The Reserve at Tallahassee	—	2,743	21,176	23,919	4,277	2,743	25,453	28,196	7,337	01/31/2005
The Pointe at Western	—	1,096	30,647	31,743	4,129	1,096	34,776	35,872	9,654	01/31/2005
College Station at W. Lafayette[2]	18,610	1,887	19,528	21,415	2,915	1,887	22,443	24,330	6,884	01/31/2005
The Commons on Kinnear[7]	12,756	1,327	20,803	22,130	1,943	1,327	22,746	24,073	6,186	01/31/2005
The Pointe at Penn State[2]	27,286	2,151	35,094	37,245	4,035	2,151	39,129	41,280	10,863	01/31/2005
The Reserve at Columbia[1]	14,270	1,071	26,134	27,205	3,790	1,071	29,924	30,995	8,047	01/31/2005
The Lofts	—	2,801	34,117	36,918	1,872	2,801	35,989	38,790	9,260	01/31/2005
The Reserve on West 31st	—	1,896	14,920	16,816	5,319	1,896	20,239	22,135	5,846	01/31/2005

		Initial Cost				Total Costs				
Property[4]	Encumbrances	Land	Buildings and Improvements	Total	Cost Capitalized Subsequently	Land	Buildings and Improvements	Total	Accumulated Depreciation[5]	Date of Acquisition/ Construction
Campus Creek	—	2,251	21,604	23,855	2,506	2,251	24,110	26,361	6,960	02/22/2005
Pointe West	9,824	2,318	10,924	13,242	1,344	2,318	12,268	14,586	3,805	03/17/2005
Campus Lodge	—	2,746	44,415	47,161	2,338	2,746	46,753	49,499	11,949	06/07/2005
The Province	—	4,436	45,173	49,609	—	4,436	45,173	49,609	499	09/21/2012
College Grove[1]	14,100	1,334	19,270	20,604	3,791	1,334	23,061	24,395	7,422	04/27/2005
The Reserve on South College[3]	8,083	1,744	10,784	12,528	3,224	1,744	14,008	15,752	4,552	07/06/2005
The Avenue at Southern[1]	8,239	2,028	10,675	12,703	3,902	2,028	14,577	16,605	4,315	06/15/2006
The Reserve at Saluki Pointe(6)	—	1,099	32,377	33,476	1,215	1,099	33,592	34,691	4,652	8/1/2008[6]
University Apartments on Colvin	8,527	—	25,792	25,792	(190)	—	25,602	25,602	3,105	08/01/2009
University of Texas – Austin	—	—	40,571	40,571	—	—	40,571	40,571	—	08/01/2010
Oaks on the Square	16,435	1,800	35,633	37,433	—	1,800	35,633	37,433	297	09/27/2010
Carrollton Crossing(7)	3,920	682	12,166	12,848	1,401	682	13,567	14,249	3,079	01/01/2006
River Pointe(3)	6,964	837	17,746	18,583	1,668	837	19,414	20,251	4,594	01/01/2006
Cape Trails(3)	7,343	445	11,207	11,652	1,763	445	12,970	13,415	2,981	01/01/2006
GrandMarc at the Corner	—	—	45,384	45,384	850	—	46,234	46,234	3,144	10/22/2010
Campus West	11,960	—	27,262	27,262	—	—	27,262	27,262	374	03/01/2011
Wertland Square	—	3,230	13,285	16,515	559	3,230	13,844	17,074	808	03/15/2011
Jefferson Commons	—	1,420	4,915	6,335	146	1,420	5,061	6,481	297	03/15/2011
East Edge	32,672	10,420	31,592	42,012	—	10,420	31,592	42,012	427	03/01/2011
The Berk	—	2,687	13,718	16,405	545	2,687	14,263	16,950	769	05/23/2011
ASU Phoenix	8,869	3,093	27,081	30,174	—	3,093	27,081	30,174	—	07/01/2011
Lotus Lofts	—	5,245	1,286	6,531	—	5,245	1,286	6,531	31	11/14/2011
University Village Towers	—	3,434	34,424	37,858	49	3,434	34,473	37,907	1,312	09/22/2011
Irish Row	—	2,637	24,679	27,316	118	2,637	24,797	27,434	901	11/01/2011
GrandMarc at Westberry Place	36,333	—	53,935	53,935	709	—	54,644	54,644	1,783	12/08/2011
3949 Lindell	—	3,822	24,448	28,270	(9,552)	3,822	14,896	18,718	375	12/21/2011
The Retreat	10,639	4,743	17,694	22,437	—	4,743	17,694	22,437	—	06/14/2012
The Reserve on Stinson[2]	22,689	2,111	20,609	22,720	375	2,111	20,984	23,095	773	01/27/2012
Central Hall	—	—	—	—	11,197	—	11,197	11,197	—	11/01/2012
Champions Court II	—	—	—	—	1,495	—	1,495	1,495	—	11/01/2012
Haggin Hall	—	—	—	—	296	—	296	296	—	11/01/2012

Property[4]	Encumbrances	Initial Cost: Land	Initial Cost: Buildings and Improvements	Initial Cost: Total	Cost Capitalized Subsequently	Total Costs: Land	Total Costs: Buildings and Improvements	Total Costs: Total	Accumulated Depreciation[5]	Date of Acquisition/ Construction
Champions Court I	—	—	—	—	1,948	—	1,948	1,948	—	11/01/2012
Woodland Glen	—	—	—	—	2,884	—	2,884	2,884	$ —	11/01/2012
Land acquisition for future development	—	4,791	308	5,099	—	4,791	308	5,099	$ —	—
Totals	$ 395,778	$ 113,498	$ 1,190,629	$ 1,304,127	$ 91,449	$ 115,818	$ 1,279,758	$ 1,395,576	$ 175,310	

(1) The Commons at Knoxville, The Reserve at Columbia, College Grove and The Avenue at Southern are cross-collateralized against the $57.3 million outstanding loan discussed in Note 10.

(2) The Pointe at Penn State, The Reserve on Stinson and College Station at West Lafayette are cross-collateralized against the $68.6 million outstanding loan discussed in Note 10.

(3) The Reserve on South College, River Pointe and Cape Trails are cross-collateralized against the $22.4 million outstanding loan discussed in Note 10.

(4) All properties are of garden-style collegiate housing communities except for University Towers which is a traditional residence hall, University of Texas-Austin, which will be a high-rise building, The Retreat, which will be a cottage-style community and Oaks on the Square, which will be a mixed use town center and main street development project located in Storrs, Connecticut.

(5) Assets have useful lives ranging from 3 to 40 years.

(6) The first phase of The Reserve at Saluki Pointe, which included 528 beds, was completed in August 2008. The second phase, which included 240 beds, was completed in August 2009.

(7) Carrollton Crossing and The Commons on Kinnear are cross-collateralized against the $16.7 million outstanding loan discussed in Note 10.

The following table reconciles the historical cost of the Trust's investment in collegiate housing properties for the years ended December 31, 2012, 2011 and 2010 (in thousands):

	2012	2011	2010
Balance, beginning of period	$ 1,026,503	$ 855,151	$ 891,391
Collegiate housing acquisitions or completed developments	353,966	192,178	45,194
Collegiate housing dispositions	(104,117)	(90,072)	(66,639)
Impairment loss	—	(7,859)	(33,610)
Additions	120,058	77,474	19,124
Disposals	(834)	(369)	(309)
Balance, end of period	$ 1,395,576	$ 1,026,503	$ 855,151

The following table reconciles the accumulated depreciation of the Trust's investment in collegiate housing properties for the years ended December 31, 2012, 2011 and 2010 (in thousands):

	2012	2011	2010
Balance, beginning of period	$ 166,336	$ 156,358	$ 141,507
Depreciation	35,708	28,568	29,849
Disposals	(771)	(347)	(278)
Collegiate housing dispositions	(25,963)	(18,243)	(14,720)
Balance, end of period	$ 175,310	$ 166,336	$ 156,358

When the Trust determines that an asset is not recoverable, management estimates fair value using discounted cash flow models, market appraisals if available, and other market participant data. There were no impairment losses in 2012. During 2011 and 2010, management determined that the carrying value of various collegiate housing communities may not be recoverable due to a decline in estimated net operating income and/or the potential sale of these assets. The fair value of these properties was estimated and management recorded an impairment loss of $7.9 million and $33.6 million, respectively. As the related properties were subsequently sold the impairment loss is recorded in discontinued operations the accompanying consolidated statements of operations.

7. Corporate office furniture and other assets

As of December 31, 2012 and 2011, the Trust had corporate office furniture with a historical cost of $5.0 million and $3.5 million, and accumulated depreciation of $2.0 million and $2.9 million, respectively. Depreciation is computed using the straight-line method for financial reporting purposes over the estimated useful lives of the related assets, generally 3 to 7 years. Depreciation expense totaled $0.6 million, $0.5 million and $0.4 million for the years ended December 31, 2012, 2011 and 2010, respectively.

Other assets consisted of the following as of December 31, 2012 and 2011 (in thousands):

	2012	2011
Accounts receivable related to pre-development costs	$ 3,464	$ 104
Receivable for construction loan guarantee (see Note 2)	3,000	3,000
Prepaid expenses	824	902
Deferred tax asset	945	1,432
Deferred financing costs	3,373	3,646
Investments in unconsolidated entities	11,796	29
Note receivable (see Note 5)	—	2,300
Deposit	3,000	—
Insurance proceeds receivable (see Note 16)	14,665	—
Other	10,106	1,771
Total other assets	$ 51,173	$ 13,184

8. Investments in unconsolidated entities

As of December 31, 2012 and 2011, the Trust had investments in unconsolidated entities (see Note 2). The Trust participates in major operating decisions of these entities; therefore, the equity method is used to account for these investments.

The following is a summary of financial information for the Trust's unconsolidated joint ventures (in thousands):

Financial Position: **As of December 31,**	2012	2011
Total assets	$ 42,942	$ 48,305
Total liabilities	25,394	47,104
Equity	$ 17,548	$ 1,201
Trust's investment in unconsolidated entities	$ 11,796	$ 29

Results of Operations: **For the years ended December 31,**	2012	2011	2010
Revenues	$ 3,847	$ 9,748	$ 13,464
Net loss	(4,013)	(3,951)	(2,989)
Trust's equity in losses of unconsolidated entities	$ (363)	$ (447)	$ (260)

As of December 31, 2012 and 2011, the Trust had $1.5 million and $0.9 million, respectively, in liabilities related to investments in unconsolidated entities where distributions exceeded contributions and equity in earnings; therefore, these investments are classified in accrued expenses in the accompanying consolidated balance sheets (see Note 2).

In December 2012 the Trust invested in a collegiate housing development with GEM Realty Capital to jointly develop and own new off-campus collegiate housing. The trust is a 50% owner and will manage the community once the development is completed. The Trust also purchased a 10% interest in Elauwit Networks, a provider of Internet access, high definition video and telephone service, in order to secure reliable and advanced technology services for its owned and third-party managed collegiate housing communities. The Trust accounts for these investments under the equity method.

During the year ended December 31, 2012 the Trust purchased the majority of the assets from the WEDR Stinson Investors V, LLC joint venture for $22.9 million (see Note 4). The Trust recognized $0.1 million as its portion of the loss on the investment as part of equity in earnings (losses) of unconsolidated entities in the consolidated statement of operations and recorded its share of the proceeds from the sale of $45,000 as a distribution in the accompanying consolidated financial statements.

During the year ended December 31, 2011, the Trust purchased the majority of the assets from the WEDR Riverside Investors V, LLC joint venture for $38.1 million (see Note 4). During the year ended December 31, 2010, the majority of the assets of the APF EDR, LP and APF EDR Food Services LP joint ventures were sold to an unrelated third party. During the years ended December 31, 2011 and 2010, the Trust recognized $0.3 million and $0.1 million, respectively, as its portion of the losses on the investments as part of equity in losses of unconsolidated entities in the accompanying consolidated statement of operations and recorded its share of the proceeds from the sales of $0.2 million and $0.7 million, respectively, as distributions in the accompanying consolidated financial statements.

9. Incentive plans

On May 4, 2011, the Trust's stockholders approved the Education Realty Trust, Inc. 2011 Omnibus Equity Incentive Plan (the "2011 Plan"). The purpose of the 2011 Plan is to promote the interests of the Trust and its stockholders by attracting, motivating and retaining talented executive officers, employees and directors of the Trust and linking their compensation to the long-term interests of the Trust and its stockholders. The 2011 Plan replaced the Education Realty Trust, Inc. 2004 Incentive Plan ("2004 Plan") in its entirety and authorizes the grant of the 315,000 shares that remained available for grant under the 2004 plan, as well as 3,147,500 additional shares. As of December 31, 2012, the Trust had 3,315,339 shares of its common stock reserved for issuance pursuant to the 2011 Plan. Automatic increases in the number of shares available for issuance are not provided. The 2011 Plan provides for the grant of stock options, restricted stock, restricted stock units ("RSUs"), stock appreciation rights, other stock-based incentive awards to employees, directors and other key persons providing services to the Trust.

A restricted stock award is an award of the Trust's common stock that is subject to restrictions on transferability and other restrictions as the Trust's compensation committee determines in its sole discretion on the date of grant. The restrictions may lapse over a specified period of employment or the satisfaction of pre-established criteria as the compensation committee may determine. Except to the extent restricted under the award agreement, a participant awarded restricted stock will have all of the rights of a stockholder as to those shares, including, without limitation, the right to vote and the right to receive dividends or distributions on the shares. Restricted stock is generally taxed at the time of vesting. As of December 31, 2012 and 2011, unearned compensation related to restricted stock totaled $1.0 million and $1.2 million, respectively, and will be recorded as expense over the applicable vesting period. The value is determined based on the market value of the Trust's common stock on the grant date. During the years ended December 31, 2012, 2011 and 2010, compensation expense of $0.9 million, $0.7 million and $0.4 million, respectively, was recognized in the accompanying consolidated statements of operations, related to the vesting of restricted stock. Effective January 1, 2012 and January 1, 2011, the Trust adopted the 2012 Long-Term Incentive Plan (the "2012 LTIP") and the 2011 Long-Term Incentive Plan (the "2011 LTIP"), respectively. The purpose of the 2012 LTIP and 2011 LTIP is the attract, retain and motivate the executive officers and certain key employees of the Trust to promote the long-term growth and profitability of the Trust. On January 1, 2012 and 2011, the Trust issued 70,595 and 135,500, respectively, of time vested restricted stock to executives and key employees under the 2012 LTIP and 2011 LTIP. The restricted stock granted under the 2012 LTIP and the 2011 LTIP will vest ratably over three years as long as the participants remain employed by the Trust.

A restricted stock unit ("RSU") award is an award that will vest based upon the Trust's achievement of total stockholder returns at specified levels as compared to the average total stockholder returns of a peer group of companies and/or the National Association of Real Estate Investment Trusts Equity Index over three years (the "Performance Period"). At the end of the Performance Period, the compensation committee of the Board will determine the level and the extent to which the performance goal was achieved. RSUs that satisfy the performance goal will be converted into fully-vested shares of the Trust's common stock and the Trust will receive a tax deduction for the compensation expense at the time of vesting. Prior to vesting, the participants are not eligible to vote or receive dividends or distributions on the RSUs. On January 1, 2012, the Trust granted the specific dollar amount of $1.1 million of performance vested equity awards that are denominated in cash and will convert to common stock at the end of the performance period to executives and key employees under the 2012 LTIP described above. The number of shares of common stock to be issued will be determined on the date of vesting based on the performance level achieved and the price per share of our common stock. On January 1, 2011, the Trust granted 203,250 performance vested

RSUs to executives and key employees under the 2011 LTIP described above. As of December 31, 2012 and 2011, unearned compensation related to RSUs totaled $0.8 million and $0.8 million, respectively, and will be recorded as expense over the applicable vesting period. The value was determined using a Monte Carlo simulation technique. During the years ended December 31, 2012, 2011 and 2010, compensation expense of $0.7 million, $0.5 million and $0.2 million, respectively, was recognized in the accompanying consolidated statements of operations, related to the vesting of RSUs. On December 31, 2012, 198,750 of fully-vested shares of common stock were issued pursuant to the vesting of RSUs granted in 2010.

Total stock-based compensation recognized in general and administrative expense in the accompanying consolidated statements of operations for the years ended December 31, 2012, 2011 and 2010 was $2.0 million, $1.5 million and $0.8 million, respectively. Additionally during the years ended December 31, 2012 and 2011, the Trust issued 32,287 and 44,280 shares, respectively, to its independent directors pursuant to the 2011 Plan discussed above.

A summary of the stock-based incentive plan activity as of and for the years ended December 31, 2012, 2011 and 2010 is as follows:

	PIUs	Stock Awards(1)	Total
Outstanding as of December 31, 2009	275,000	216,000	491,000
Granted	—	436,826	436,826
Retired	(275,000)	—	(275,000)
Outstanding as of December 31, 2010	—	652,826	652,826
Granted	—	389,280	389,280
Retired	—	(7,020)	(7,020)
Outstanding as of December 31, 2011	—	1,035,086	1,035,086
Granted	—	102,882	102,882
Retired	—	(85,917)	(85,917)
Outstanding as of December 31, 2012	—	1,052,051	1,052,051
Vested as of December 31, 2012	—	662,895	662,895

(1) Includes restricted stock and RSU awards.

10. Debt

Revolving credit facility

On September 21, 2011, the Operating Partnership entered into a Third Amended and Restated Credit Agreement (the "Third Amended Revolver"). The Third Amended Revolver amended and restated the existing secured revolving credit facility dated November 20, 2009. The previous facility (the "Second Amended Revolver") had a maximum availability of $95 million and was scheduled to mature on November 20, 2012. The Third Amended Revolver is unsecured, has a maximum availability of $175 million and, within the first three years of the agreement, may be expanded to $315 million upon satisfaction of certain conditions. The Third Amended Revolver matures on September 21, 2014, provided that the Operating Partnership may extend the maturity date for one year subject to certain conditions.

Availability under the Third Amended Revolver is limited to a "borrowing base availability" equal to the lesser of (i) 60% of the property asset value (as defined in the agreement) and (ii) the loan amount, which would produce a debt service coverage ratio of no less than 1.40. As of December 31, 2012, our borrowing base was $175.0 million, and we had $79.0 million outstanding under the Third Amended Revolver; thus, our remaining borrowing base availability was $96.0 million.

The Trust serves as the guarantor for any funds borrowed by the Operating Partnership under the Third Amended Revolver. The interest rate per annum applicable to the Third Amended Revolver is, at the Operating Partnership's option, equal to a base rate or the London InterBank Offered Rate ("LIBOR") plus an applicable margin based upon our leverage. As of December 31, 2012, the interest rate applicable to the Third Amended Revolver was 1.84%. If amounts are drawn, due to the fact the Third Amended Revolver bears interest at variable rates, cost approximates the fair value.

The Third Amended Revolver contains customary affirmative and negative covenants and contains financial covenants that, among other things, require the Trust and its subsidiaries to maintain certain minimum ratios of EBITDA (earnings before payment or charges of interest, taxes, depreciation, amortization or extraordinary items) as compared to interest expense and total fixed charges. The financial covenants also include consolidated net worth and leverage ratio tests, and the Trust is prohibited from making distributions in excess of 95% of funds from operations except to comply with the legal requirements to maintain its status as a REIT. As of December 31, 2012, the Trust was in compliance with all covenants of the Third Amended Revolver.

During the year ended December 31, 2011, the Trust used $3.7 million of the proceeds received in connection with the stock offering that was conducted in January 2011 (see Note 2) to repay the outstanding balance of the Second Amended Revolver.

Mortgage and construction debt

As of December 31, 2012, the Trust had mortgage and construction notes payable consisting of the following which were secured by the underlying collegiate housing properties or leaseholds of:

Property	Outstanding as of at December 31, 2012	Interest Rate	Maturity Date	Amortization
	(in thousands)			
University Towers	$ 25,000	5.99%	7/1/2013	30 Year
The Avenue at Southern/The Reserve at Columbia/ The Commons at Knoxville/College Grove(2)	57,320	6.02%	1/1/2019	30 Year
The Reserve at Athens(2)	7,366	4.96%	1/1/2015	30 Year
The Reserve at Perkins(2)	14,731	5.99%	1/1/2014	30 Year
The Suites at Overton Park	25,118	4.16%	4/1/2016	30 Year
The Centre at Overton Park	23,333	5.60%	1/1/2017	30 Year
College Station at W. Lafayette/The Pointe at Penn State/The Reserve on Stinson(2)	68,585	6.02%	1/1/2016	30 Year
Pointe West	9,824	4.92%	8/1/2014	30 Year
University Village Apartments on Colvin	8,527	1.31%	9/29/2013	30 Year
Carrollton Crossing/The Commons on Kinnear(2)	16,676	5.45%	1/1/2017	30 Year
River Pointe/Cape Trails/The Reserve on South College(2)	22,390	5.67%	1/1/2020	30 Year
The Oaks on the Square	16,435	2.46%	10/30/2015	(1)
Campus West	11,960	2.16%	11/30/2014	(1)
East Edge	32,672	2.61%	6/30/2014	(1)
ASU Phoenix	8,869	2.50%	3/20/2015	(1)
The Retreat	10,639	2.31%	7/1/2015	(1)
GrandMarc at Westberry Place	36,333	4.95%	1/1/2020	30 Year
Total debt /weighted average rate	395,778	4.86%		
Unamortized premium	3,068			
Total net of unamortized premium	398,846			
Less current portion	(37,919)			
Total long-term debt, net of current portion	$ 360,927			

(1) Represents construction debt that is interest only through the maturity date. See the footnotes below regarding the applicable extension periods.
(2) Represents loans under the Master Secured Credit Facility as defined below.

The Trust also has a credit facility with Fannie Mae (the "Master Secured Credit Facility") that was entered into on December 31, 2008 and expanded on December 2, 2009. The Trust was in compliance with all financial covenants, including consolidated net worth and liquidity tests, contained in the Master Secured Credit Facility as of December 31, 2012. During the year ended December 31, 2011, the Trust repaid $35.5 million of variable rate debt that was outstanding under the Master Secured Credit Facility with proceeds from the sale of five collegiate housing communities (see Note 5).

In order to hedge the interest rate risk associated with the variable rate loans under the Master Secured Credit Facility, the Operating Partnership purchased an interest rate cap from the Royal Bank of Canada on December 22, 2008 for $0.1 million. During the year ended December 31, 2011, the Trust sold the cap back to the bank for $45,000 when the variable rate debt discussed above was repaid. The notional amount of the cap was $49.9 million and the cap rate was 7.0% per annum. The Operating Partnership chose not to designate the cap as a hedge and recognized all gains or losses associated with this derivative instrument in earnings. The Trust was in compliance with all financial covenants, including consolidated net worth and liquidity tests, contained in the Master Secured Credit Facility as of December 31, 2012.

In December 2012, in connection with the acquisition of the Suites at Overton Park and the Centre at Overton Park collegiate housing communities, both adjacent to Texas Tech University in Lubbock, Texas, the Trust assumed $25.1 million and $23.3 million of fixed rate mortgage debt, respectively. The loan for the Suites at Overton Park bears interest at 4.2% and initially matures on April 1, 2016. The loan for the Centre at Overton Park bears interest at 5.6% and initially matures on January 1, 2017. If no event of default has occurred by the initial maturity dates we have the option to extend the maturity dates one year at a base rate plus a 2.5% margin. Principal and interest are paid on a monthly basis for both loans.

As of December 31, 2012, the Trust had outstanding variable rate mortgage debt of $36.3 million that was assumed in connection with the acquisition of the GrandMarc at Westberry Place collegiate housing community located at Texas Christian University. The interest rate per year applicable to the loan is equal to a base rate plus a 4.85% margin, in total not to exceed 7.5% per year, and principal and interest are paid on a monthly basis. The loan matures on January 1, 2020. As of December 31, 2012, the interest rate applicable to the loan was 4.95%.

As of December 31, 2012, the Trust had borrowed $16.4 million on a construction loan related to the development of a wholly-owned collegiate housing community in Storrs, Connecticut (The Oaks on the Square). The interest rate per year applicable to the loan is, at the option of the Trust, equal to a base rate plus a 1.25% margin or LIBOR plus a 2.25% margin and is interest only through October 30, 2015. As of December 31, 2012, the interest rate applicable to the loan was 2.46%. On October 30, 2015, if certain conditions for extension are met, we have the option to extend the loan until October 31, 2016. On October 30, 2016, if certain conditions are met, we have the option to extend the loan until October 31, 2017. During the extension periods, if applicable, principal and interest are to be repaid on a monthly basis.

As of December 31, 2012, the Trust had borrowed $32.7 million on a construction loan related to the development of a jointly owned collegiate housing community in Tuscaloosa, Alabama (East Edge). We are the majority owner and managing member of the joint venture and manage the community now that it is completed. The loan bears interest equal to LIBOR plus a 240 basis point margin and is interest only through June 30, 2014. As of December 31, 2012, the interest rate applicable to the loan was 2.61%. On June 15, 2014, if the debt service ratio is not less than 1.15 to 1 and an extension fee of 12.5 basis points of the total outstanding principal is paid to the lender, we can extend the loan until June 30, 2015. On June 15, 2015, if the debt service ratio is not less than 1.25 to 1 and an extension fee of 12.5 basis points of the total outstanding principal is paid to the lender, we can extend the loan until June 30, 2016. During the first and second extension periods, if applicable, principal and interest are to be repaid on a monthly basis.

As of December 31, 2012, the Trust had $8.5 million outstanding on a construction loan related to the development of a wholly-owned collegiate housing community at Syracuse University (University Village Apartments on Colvin). The loan bears interest equal to LIBOR plus a 110 basis point margin and was interest only through September 29, 2011. On September 29, 2011, the Trust extended the maturity date until September 29, 2013. Going forward, a debt service coverage ratio, calculated annually on a rolling 12 month basis, of not less than 1.25 to 1 must be maintained with principal and interest being repaid on a monthly basis. As of December 31, 2012, the interest rate applicable to the loan was 1.31%.

As of December 31, 2012, the Trust had $12.0 million outstanding on a construction loan related to the development of a second wholly-owned collegiate housing community at Syracuse University (Campus West). The interest rate per year applicable to the loan is, at the option of the Trust, equal to a base rate plus a 0.95% margin or LIBOR plus a 1.95% margin and is interest only through November 30, 2014. As of December 31, 2012, the interest rate applicable to the loan was 2.16%. Once the project is complete and the debt service coverage ratio of not less than 1.30 to 1 is maintained, the interest rate will be reduced to a base rate plus a 0.80% margin or LIBOR plus 1.80% margin at the option of the Trust. If certain conditions for extension are met, the Trust has the option to extend the loan twice for an additional year. During the extension periods, if applicable, principal and interest are to be repaid on a monthly basis.

As of December 31, 2012, the Trust had borrowed $10.6 million on a construction loan related to the development of a jointly owned collegiate housing community near the University of Mississippi (The Retreat). The Trust is the majority owner and managing member of the joint venture and will manage the community when completed. The interest rate per year applicable to the loan is, at the option of the Trust, equal to a base rate plus a 1.10% margin or LIBOR plus a 2.10% margin and is interest only through June 12, 2015. As of December 31, 2012, the interest rate applicable to the loan was 2.31%. Once the project is complete and a debt service coverage ratio of not less than 1.30 to 1 is maintained, the interest rate will be reduced to a base rate plus a 0.80% margin or LIBOR plus a 1.80% margin at the option of the Trust. If certain conditions for extension are met, the Trust has the option to extend the loan twice for an additional year. During the extension periods, if applicable, principal and interest are to be repaid on a monthly basis.

As of December 31, 2012, the Trust had borrowed $8.9 million on a construction loan related to the development of a jointly owned collegiate housing community near the Arizona State University-Downtown Phoenix campus. The Trust is the majority owner and managing member of the joint venture and will manage the community when completed. The loan bears interest equal to LIBOR plus a 225 basis point margin and is interest only through March 20, 2015. As of December 31, 2012, the interest rate applicable to the loan was 2.50%. On March 20, 2015, if the debt service ratio is not less than 1.35 to 1 and an extension fee of 0.25% of the total outstanding principal is paid to the lender, the Trust may extend the loan until March 20, 2016. On March 20, 2016, if the debt service ratio is not less than 1.45 to 1 and an extension fee of 0.25% of the total outstanding principal is paid to the lender, the Trust can extend the loan until March 20, 2017. During the first and second extension periods, if applicable, principal and interest are to be repaid on a monthly basis.

During the year ended December 31, 2012, the Trust repaid in full $27.0 million of mortgage debt secured by the collegiate housing community referred to as The Lofts located near the University of Central Florida in Orlando, Florida. The debt had a fixed interest rate of 5.59% and was due to mature in May 2014. The Trust also repaid $10.2 million and $4.1 million on construction loans related to the development of a wholly-owned collegiate housing community near Southern Illinois University (The Reserve at Saluki Pointe-Carbondale). The loans bore interest equal to LIBOR plus 110 and 200 basis point margins, respectively, and were due to mature on June 28, 2012. The mortgage debt and construction loans were repaid with proceeds from the Third Amended Revolver and cash on hand.

During the year ended December 31, 2012, the Trust repaid in full $34.0 million of mortgage debt secured by the collegiate housing community referred to as Campus Lodge located near the University of Florida in Gainesville, Florida. The debt had a fixed interest rate of 6.97%, an effective interest rate of 5.48% and was due to mature in May 2012. The mortgage debt was repaid with cash on hand.

During the year ended December 31, 2011, the Trust repaid $18.8 million of mortgage debt bearing a fixed interest rate of 5.55% that was due to mature in March 2012 and was secured by the collegiate housing community referred to as NorthPointe in Tucson, Arizona. The mortgage debt was repaid with proceeds received in connection with the stock offering that was conducted in November 2011 (see Note 2).

As of December 31, 2011, the Trust had mortgage and construction notes payable consisting of the following which were secured by the underlying collegiate housing properties or leaseholds of:

Property	Outstanding as of December 31, 2011	Interest Rate	Maturity Date	Amortization
	(in thousands)			
University Towers	$ 25,000	5.99%	7/1/2013	30 Year
The Avenue at Southern/The Reserve at Columbia/ The Commons at Knoxville/College Grove	58,131	6.02%	1/1/2019	30 Year
The Reserve at Perkins	14,940	5.99%	1/1/2014	30 Year
The Lofts	27,000	5.59%	5/1/2014	30 Year
College Station at W. Lafayette/The Pointe at Penn State/The Reserve at Star Pass	69,555	6.02%	1/1/2016	30 Year
Campus Lodge	34,017	6.97%	5/1/2012	30 Year
Pointe West	10,041	4.92%	8/1/2014	30 Year
The Reserve on Frankford	7,485	4.96%	1/1/2015	30 Year
The Reserve at Saluki Pointe – Phase I	10,312	1.38%	6/28/2012	30 Year
The Reserve at Saluki Pointe – Phase II	4,135	2.28%	6/28/2012	30 Year
University Village Apartments on Colvin	8,766	1.38%	9/29/2013	30 Year
Carrollton Crossing/The Commons on Kinnear	16,920	5.45%	1/1/2017	30 Year
River Pointe/Cape Trails/The Reserve on South College	22,705	5.67%	1/1/2020	30 Year
The Oaks on the Square	928	2.48%	10/30/2015	(1)
East Edge	11,630	2.68%	7/1/2014	(2)
GrandMarc at Westberry Place	36,930	4.85%	1/1/2020	30 Year
Total debt /weighted average rate	358,495	5.44%		
Unamortized premium	9			
Total net of unamortized premium	358,504			
Less current portion	(52,288)			
Total long-term debt, net of current portion	$ 306,216			

(1) The construction debt encumbering The Oaks on the Square is interest only through October 30, 2015, the initial maturity date. The Trust has the ability to extend the construction loan two years if certain criteria are met on the initial maturity date.

(2) The construction debt encumbering East Edge is interest only through July 1, 2014, the initial maturity date. The Trust has the ability to extend the construction loan two years if certain criteria are met on the initial maturity date.

The following table reconciles the carrying amount of mortgage and construction notes payable as of and for the years ended December 31, 2012, 2011 and 2010 (in thousands):

	2012	2011	2010
Balance, beginning of period	$ 358,504	$ 367,631	$ 406,365
Additions	119,607	49,488	—
Repayments of principal	(79,185)	(58,225)	(38,336)
Amortization of premium	(80)	(390)	(398)
Balance, end of period	$ 398,846	$ 358,504	$ 367,631

The scheduled maturities of outstanding mortgage and construction indebtedness as of December 31, 2012 are as follows (in thousands):

Year		
2013	$	37,919
2014		72,912
2015		47,339
2016		91,729
2017		39,757
Thereafter		106,122
Total		395,778
Debt premium		3,068
Outstanding as of December 31, 2012, net of debt premium	$	398,846

As of December 31, 2012, the outstanding mortgage and construction debt had a weighted average interest rate of 4.86% and carried a weighted average term of 3.62 years.

11. Segments

The Trust defines business segments by their distinct customer base and service provided. The Trust has identified three reportable segments: collegiate housing leasing, development consulting services and management services. Management evaluates each segment's performance based on net operating income, which is defined as income before depreciation, amortization, ground leases, impairment losses, interest expense (income), gains (losses) on extinguishment of debt, equity in earnings of unconsolidated entities and noncontrolling interests. The accounting policies of the reportable segments are the same as those described in the summary of significant accounting policies. Intercompany fees are reflected at the contractually stipulated amounts. Discontinued operations are not included in segment reporting as management addresses these items on a corporate level. The following tables represent the Trust's segment information for the years ended December 31, 2012, 2011 and 2010 (amounts in thousands):

	Year Ended December 31, 2012					Year Ended December 31, 2011				
	Collegiate Housing Leasing	Development Consulting Services	Management Services	Adjustments/ Eliminations	Total	Collegiate Housing Leasing	Development Consulting Services	Management Services	Adjustments/ Eliminations	Total
Segment Revenues:										
Collegiate housing leasing revenue	$ 131,092	$ —	$ —	$ —	$ 131,092	$ 98,491	$ —	$ —	$ —	$ 98,491
Third-party development consulting services	—	1,018	—	(198)	820	—	5,682	—	(1,579)	4,103
Third-party management services	—	—	3,446	—	3,446	—	—	3,336	—	3,336
Operating expense reimbursements	—	—	—	9,593	9,593	—	—	—	8,604	8,604
Total segment revenues	131,092	1,018	3,446	9,395	144,951	98,491	5,682	3,336	7,025	114,534
Segment operating expenses:										
Collegiate housing leasing operations	63,194	—	—	—	63,194	48,789	—	—	—	48,789
General and administrative	—	3,528	2,779	(44)	6,263	—	2,998	2,667	(75)	5,590
Reimbursable operating expenses	—	—	—	9,593	9,593	—	—	—	8,604	8,604
Total segment operating expenses	63,194	3,528	2,779	9,549	79,050	48,789	2,998	2,667	8,529	62,983
Segment net operating income (loss) (1)	$ 67,898	$ (2,510)	$ 667	$ (154)	$ 65,901	$ 49,702	$ 2,684	$ 669	$ (1,504)	$ 51,551
Total segment assets, as of December 31, 2012 and 2011 (2)(3)	$1,257,476	$ 5,695	$ 10,218	$ —	$1,273,389	$ 879,199	$ 3,007	$ 5,399	$ —	$ 887,605

(1) The following is a reconciliation of the reportable segments' net operating income to the Trust's consolidated income (loss) before income taxes and discontinued operations for the year ended December 31 (amounts in thousands):

	2012	2011
Net operating income for reportable segments	$ 65,901	$ 51,551
Other unallocated general and administrative expenses	(7,913)	(6,726)
Depreciation and amortization	(35,436)	(25,961)
Ground leases	(6,395)	(5,498)
Nonoperating expenses	(15,322)	(18,647)
Equity in earnings (losses) of unconsolidated entities	(363)	(447)
Income (loss) before income taxes and discontinued operations	$ 472	$ (5,728)

(2) Reconciliation of segment assets to the Trust's total assets:

	2012	2011
Total segment assets, end of period (includes goodwill of $2,149 related to management services and $921 related to development consulting services)	$ 1,273,389	$ 887,605
Unallocated corporate amounts:		
Cash	8,436	66,469
Notes receivable (see Note 2)	21,000	18,000
Investments in unconsolidated entities (see Note 8)	11,796	29
Deposit (see Note 16)	3,000	—
Other assets	6,017	3,993
Deferred financing costs, net	1,049	1,713
Total assets, end of period	$ 1,324,687	$ 977,809

(3) The increase in segment assets related to collegiate housing leasing is primarily related to the purchase of seven additional communities and the continued development of eleven collegiate housing communities for the Trust's ownership offset by the sale of three collegiate housing communities during the year ended December 31, 2012.

	Year Ended December 31, 2011					Year Ended December 31, 2010				
	Collegiate Housing Leasing	Development Consulting Services	Management Services	Adjustments/ Eliminations	Total	Collegiate Housing Leasing	Development Consulting Services	Management Services	Adjustments/ Eliminations	Total
Segment Revenues:										
Collegiate housing leasing revenue	$ 98,491	$ —	$ —	$ —	$ 98,491	$ 86,347	$ —	$ —	$ —	$ 86,347
Third-party development consulting services	—	5,682	—	(1,579)	4,103	—	2,788	—	(305)	2,483
Third-party management services	—	—	3,336	—	3,336	—	—	3,189	—	3,189
Operating expense reimbursements	—	—	—	8,604	8,604	—	916	—	13,603	14,519
Total segment revenues	98,491	5,682	3,336	7,025	114,534	86,347	3,704	3,189	13,298	106,538
Segment operating expenses:										
Collegiate housing leasing operations	48,789	—	—	—	48,789	44,703	—	—	—	44,703
General and administrative	—	2,998	2,667	(75)	5,590	—	2,885	3,227	(170)	5,942
Reimbursable operating expenses	—	—	—	8,604	8,604	—	—	—	13,603	13,603
Total segment operating expenses	48,789	2,998	2,667	8,529	62,983	44,703	2,885	3,227	13,433	64,248
Segment net operating income (loss) (1)	$ 49,702	$ 2,684	$ 669	$ (1,504)	$ 51,551	$ 41,644	$ 819	$ (38)	$ (135)	$ 42,290
Total segment assets, as of December 31, 2011 and 2010 (2)(3)	$ 879,199	$ 3,007	$ 5,399	$ —	$887,605	$ 713,940	$ 2,778	$ 4,427	$ —	$721,145

(1) The following is a reconciliation of the reportable segments' net operating income to the Trust's consolidated income (loss) before income taxes and discontinued operations for the year ended December 31 (amounts in thousands):

	2011	2010
Net operating income for reportable segments	$ 51,551	$ 42,290
Other unallocated general and administrative expenses	(6,726)	(7,431)
Depreciation and amortization	(25,961)	(21,984)
Ground leases	(5,498)	(1,528)
Nonoperating expenses	(18,647)	(19,467)
Equity in earnings (losses) of unconsolidated entities	(447)	(260)
Loss before income taxes and discontinued operations	$ (5,728)	$ (8,380)

(2) Reconciliation of segment assets to the Trust's total assets:

Total segment assets, end of period (includes goodwill of $2,149 related to management services and $921 related to development consulting services)	$ 887,605	$ 721,145
Unallocated corporate amounts:		
Cash	66,469	748
Loan to participating property (see Note 2)	18,000	9,872
Other assets	4,022	3,752
Deferred financing costs, net	1,713	1,163
Total assets, end of period	$ 977,809	$ 736,680

(3) The increase in segment assets related to collegiate housing leasing is primarily related to the purchase of eight additional communities and the continued development of six collegiate housing communities for the Trust's ownership offset by the sale of seven collegiate housing communities during the year ended December 31, 2011 (see Note 5).

12. Related party transactions

The Trust incurs certain common costs on behalf of Allen & O'Hara, Inc. ("A&O"), which is 100% owned by the chairman of the Board of the Trust. These costs relate to human resources, information technology, legal services and certain management personnel. Prior to January 1, 2012, the Trust allocated the costs to A&O based on time and effort expended. Indirect costs were allocated monthly in an amount that approximates what management believes costs would have been had A&O operated on a stand-alone basis. For each of the years ended December 31, 2011 and 2010, the Trust incurred common costs on behalf of A&O in the amount of $0.1 million. For the year ended December 31, 2012, the Trust charged A&O a fee of $54,000 for the services provided.

Prior to December 2012, the Trust engaged A&O to procure furniture, fixtures and equipment from third party vendors for its owned and managed properties and for third-party owners in connection with its development consulting projects. The Trust incurred a service fee in connection with this arrangement and the expense totaled $0.2 million for each of the years ended December 31, 2012, 2011 and 2010. As of December 2012, the Trust will no longer engage A&O to perform these services.

13. Lease commitments and unconditional purchase obligations

The Trust has various long-term ground lease agreements with terms ranging from 40 to 99 years. Some of these agreements contain an annual increase to rent expense equal to the greater of 3% or the increase in the consumer price index. Additionally, the Trust leases corporate office space and the agreement contains rent escalation clauses based on pre-determined annual rate increases. The Trust recognizes rent expense under the straight-line method over the terms of the leases. Any difference between the straight-line rent amounts and amounts payable under the leases' terms are recorded as deferred rent in accrued expenses in the accompanying consolidated balance sheets. As of December 31, 2012 and 2011, deferred rent totaled $10.5 million and $5.2 million, respectively.

The Trust has various operating leases for furniture, office and technology equipment which expire at varying times through fiscal year 2016. Rental expense under the operating lease agreements totaled $0.8 million, $0.6 million and $0.6 million for the years ended December 31, 2012, 2011 and 2010. Furthermore, the Trust has entered into various contracts for advertising which will expire at varying times through fiscal year 2013.

Future minimum rental payments required under operating leases that have initial or remaining noncancellable lease terms as well as future minimum payments required under advertising contracts that have noncancellable terms in excess of one year as of December 31, 2012 are as follows (in thousands):

Year Ending	Advertising	Leases
2012	$ 176	$ 12,387
2013	24	10,294
2014	—	8,720
2015	—	7,492
2016	—	7,500
Thereafter	—	503,015

14. Employee savings plan

The Trust's eligible employees may participate in a 401(k) savings plan (the "Plan"). Participants may contribute up to 15% of their earnings to the Plan. Employees are eligible to participate in the Plan on the first day of the next calendar quarter following six months of service and reaching 21 years of age. Additionally a matching contribution of 50% is provided on eligible employees' contributions up to the first 3% of compensation. Employees vest in the matching contribution over a 3-year period. Matching contributions were approximately $0.2 million for each of the years ended December 31, 2012, 2011 and 2010.

15. Accrued expenses

Accrued expenses consist of the following as of December 31, 2012 and 2011 (in thousands):

	2012	2011
Payroll	$ 2,070	$ 2,611
Real estate taxes	5,421	3,850
Interest	1,780	1,827
Utilities	1,111	893
Ground leases	9,554	5,191
Construction loan guarantee	3,000	3,000
Assets under development	19,312	5,330
Deferred revenue related to insurance proceeds (See Note 16)	3,860	—
Other	9,266	5,131
Total accrued expenses	$ 55,374	$ 27,833

16. Commitments and contingencies

In July 2012, the Trust's 3949 Lindell community located in St. Louis, Missouri was destroyed by a fire, which is currently in the process of being rebuilt. This fire caused substantial business interruption and property damage, both of which are covered under the Trust's existing insurance policies. Management anticipates that the ultimate proceeds received from insurance will exceed the book value of the property destroyed, and accordingly a gain on insurance settlement will be recorded in a future period. Management anticipates that the gain will be recorded during 2013, once all contingencies have been resolved and the amount of the gain is determinable.

The Operating Partnership entered into a letter of credit agreement in conjunction with the closing of the acquisition of a collegiate housing community at the University of Florida. As of December 31, 2012, the mortgage debt on this community was repaid (see Note 10), and the $1.5 million letter of credit is no longer outstanding.

The Operating Partnership serves as non-recourse, carve-out guarantor, for secured third party debt in the amount of $24.3 million, held by one unconsolidated joint venture. The Operating Partnership is liable to the lender for any loss, damage, cost, expense, liability, claim or other obligation incurred by the lender arising out of or in connection with certain non-recourse exceptions in connection with the debt. Pursuant to the respective operating agreement, the joint venture partner agreed to indemnify, defend and hold harmless the Trust with respect to such obligations, except to the extent such obligations were caused by the willful misconduct, gross negligence, fraud or bad faith of the Operating Partnership or its employees, agents or affiliates. Therefore, exposure under the guarantee for obligations not caused by the willful misconduct, gross negligence, fraud or bad faith of the Operating Partnership or its employees, agents or affiliates is not expected to exceed the Operating Partnership’s proportionate interest in the related mortgage debt of $6.1 million.

In connection with the development agreement entered into on July 14, 2010 for a project at the Science + Technology Park at Johns Hopkins Medical Institute (see Note 2), the Trust has committed to provide a guarantee of repayment of a $42.0 million third-party construction loan for a $3.0 million fee of which the carrying value approximates fair value. The guarantee fee will not be recognized until the second mortgage loan is repaid. The project will have a $2.5 million reserve to fund any operating or debt service shortfalls that are to be replenished annually by East Baltimore Development, Inc., until a 1.10 debt service coverage ratio is achieved for twelve consecutive months. The second mortgage loan and related debt service are the first at risk if such reserve is not adequate to cover operating expenses and debt service on the construction loan.

In connection with the condominium agreement related to The Oaks on the Square project in Storrs, Connecticut (see Note 4) the Operating Partnership and LeylandAlliance LLC have jointly committed to provide a guarantee of repayment of a $46.4 million construction loan to develop the residential and retail portions of the project. As of December 31, 2012 and 2011, $22.7 million and $1.5 million, respectively, had been drawn on the construction loan of which $6.3 million and $0.6 million, respectively, is attributable to LeylandAlliance LLC; these amounts are not included in our accompanying consolidated financial statements.

As owners and operators of real estate, environmental laws impose ongoing compliance requirements on the Trust. The Trust is not aware of any environmental matters or liabilities with respect to the collegiate housing communities that would have a material adverse effect on the Trust's consolidated financial condition or results of operations.

In the normal course of business, the Trust is subject to claims, lawsuits and legal proceedings. While it is not possible to ascertain the ultimate outcome of such matters, in management's opinion, the liabilities, if any, are not expected to have a material effect on our financial position, results of operations or liquidity.

Under the terms of the limited partnership agreement of University Towers Operating Partnership, LP, so long as the contributing owners of such property hold at least 25% of the University Towers Partnership Units, the Trust has agreed to maintain certain minimum amounts of debt on the property to avoid triggering gain to the contributing owners. If the Trust fails to do this, the Trust must repay the contributing owners the amount of taxes they incur.

After being awarded a development consulting contract, the Trust will enter into predevelopment consulting contracts with educational institutions to develop collegiate housing communities on their behalf. The Trust will enter into reimbursement agreements that provide for the Trust to be reimbursed for the predevelopment costs incurred prior to the institution's governing body formally approving the final development contract. As of December 31, 2012 and 2011, the Trust had reimbursable predevelopment costs of $3.5 million and $0.1 million, respectively, which are reflected in other assets in the accompanying consolidated balance sheets.

17. Quarterly financial information (unaudited)

Quarterly financial information for the years ended December 31, 2012 and 2011 is summarized below (in thousands, except per share data):

2012	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total
Revenues	$ 34,931	$ 33,219	$ 33,683	$ 43,118	$ 144,951
Operating expenses	28,979	29,577	35,731	34,507	128,794
Nonoperating expenses	4,438	3,729	3,533	3,622	15,322
Equity in earnings (losses) of unconsolidated entities(1)	(263)	(38)	(39)	(23)	(363)
Income taxes expense/(benefit)	(75)	(404)	(638)	233	(884)
Noncontrolling interests	226	(80)	(119)	189	216
Discontinued operations(3)	788	897	5,352	244	7,281
Net income attributable to Education Realty Trust, Inc.	$ 1,888	$ 1,256	$ 489	$ 4,788	$ 8,421
Net income per share-basic and diluted	$ 0.02	$ 0.01	$ 0.01	$ 0.04	$ 0.08

2011	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total
Revenues	$ 27,973	$ 26,813	$ 27,055	$ 32,693	$ 114,534
Operating expenses	22,891	23,481	28,291	26,505	101,168
Nonoperating expenses	5,061	4,606	4,491	4,489	18,647
Equity in earnings (losses) of unconsolidated entities(2)	5	(23)	(390)	(39)	(447)
Income taxes expense/(benefit)	153	(371)	(60)	183	(95)
Noncontrolling interests	211	(60)	(91)	179	239
Discontinued operations(3)	993	1,442	(500)	(7,077)	(5,142)
Net income (loss) attributable to Education Realty Trust, Inc.	$ 655	$ 576	$ (6,466)	$ (5,779)	$ (11,014)
Net income (loss) per share-basic and diluted	$ 0.01	$ 0.01	$ (0.09)	$ (0.07)	$ (0.15)

(1) Equity in earnings (losses) for the 1st quarter of 2012 include the Trust's $88 share of the loss on the sale of assets.

(2) Equity in earnings (losses) for the 3rd quarter of 2011 include the Trust's $256 share of the loss on the sale of assets.

(3) All quarterly information presented above for 2012 and 2011 reflects the classification of the properties sold during 2012 and 2011 in discontinued operations (see Note 5). Discontinued operations for the 4th quarter of 2011 includes an impairment loss of $7,859.

18. Subsequent events

Our Board declared a fourth quarter distribution of $0.10 per share of common stock for the quarter ended on December 31, 2012. The distribution was paid on February 15, 2013 to stockholders of record at the close of business on January 31, 2013.

On January 14, 2013, the Operating Partnership entered into an amended and restated credit agreement. The previous facility was unsecured, had a maximum availability of $175 million and was scheduled to mature on September 21, 2014. The amended and restated credit agreement is unsecured, has a maximum availability of $375 million and within the first four years of the agreement may be expanded to $500 million upon satisfaction of certain conditions. The amended and restated credit agreement matures on January 14, 2017, provided that the Operating Partnership may extend the maturity date for one year subject to certain conditions.

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

None.

Item 9A. Controls and Procedures.

Disclosure Controls and Procedures

The Trust maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed in the Trust's filings under the Securities Exchange Act of 1934 (the "Exchange Act") is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and to ensure that such information is accumulated and communicated to the Trust's management, including its Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. The Trust also has investments in unconsolidated entities which are not under its control. Consequently, the Trust's disclosure controls and procedures with respect to these entities are necessarily more limited than those it maintains with respect to its consolidated subsidiaries.

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the design and operation of the Trust's disclosure controls and procedures (as defined in Rule 13a-15(e) or 15d-15(e) of the Exchange Act) as of December 31, 2012. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that, as of December 31, 2012, the Trust's disclosure controls and procedures were effective in causing material information relating to the Trust to be recorded, processed, summarized and reported by management on a timely basis and to ensure the quality and timeliness of our public disclosures with SEC disclosure obligations.

Changes in Internal Control Over Financial Reporting

There were no changes in the Trust's internal control over financial reporting (as defined in Rule 13a-15(f) and 15d-15(f) of the Exchange Act) during the quarter ended December 31, 2012 that materially affected, or are reasonably likely to materially affect, the Trust's internal control over financial reporting.

Management's Report on Internal Control Over Financial Reporting

Management's report on our internal control over financial reporting is included in Item 8, *Financial Statements and Supplementary Data*, of this Annual Report.

Item 9B. Other Information.

None.

PART III

Item 10. Directors, Executive Officers and Corporate Governance.

The information required by this Item will be presented in the Trust's definitive proxy statement for the annual meeting of stockholders to be held on May 8, 2013, which will be filed with the Securities and Exchange Commission and is incorporated herein by reference.

Item 11. Executive Compensation.

The information required by this Item will be presented in the Trust's definitive proxy statement for the annual meeting of stockholders to be held on May 8, 2013, which will be filed with the Securities and Exchange Commission and is incorporated herein by reference.

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

Equity Compensation Plan Information

The following table provides information related to securities available and outstanding under EdR's equity compensation plans as of December 31, 2012:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in the first column)
Equity compensation plans approved by security holders	268,000 (1)	— (2)	3,560,144 (3)
Equity compensation plans not approved by security holders	—	—	N/A (4)
Total	268,000	—	3,560,144

(1) Represents up to 268,000 shares of common stock subject to outstanding equity awards granted pursuant to our 2011 Long-Term Incentive Plan and 2010 Long-Term Incentive Plan.

(2) Does not account for the potential 268,000 shares of common stock subject to outstanding restricted stock units granted pursuant to our 2011 Long-Term Incentive Plan and 2010 Long-Term Incentive Plan.

(3) Includes 244,805 shares of common stock available for issuance under the Education Realty Trust, Inc. Employee Stock Purchase Plan and 3,315,339 shares available for issuance under the Education Realty Trust, Inc. 2011 Omnibus Equity Incentive Plan.

(4) Does not include 50,000 shares of restricted common stock which were granted to Randy Churchey on January 12, 2010 pursuant to an inducement award.

Except as set forth above, the information required by this Item will be presented in the Trust's definitive proxy statement for the annual meeting of stockholders to be held on May 8, 2013, which will be filed with the Securities and Exchange Commission and is incorporated herein by reference.

Item 13. Certain Relationships and Related Transactions, and Director Independence.

The information required by this Item will be presented in the Trust's definitive proxy statement for the annual meeting of stockholders to be held on May 8, 2013, which will be filed with the Securities and Exchange Commission and is incorporated herein by reference.

Item 14. Principal Accountant Fees and Services.

The information required by this Item will be presented in the Trust's definitive proxy statement for the annual meeting of stockholders to be held on May 8, 2013, which will be filed with the Securities and Exchange Commission and is incorporated herein by reference.

PART IV

Item 15. Exhibits and Financial Statement Schedules.

(a) List of Documents Filed.

1. *Financial Statements*
   All financial statements as set forth under Item 8 of this Annual Report on Form 10-K.

2. *Financial Statement Schedules*
   All schedules required are included in the financial statements and notes thereto.

3. *Exhibits*
   The list of exhibits filed as part of this Annual Report on Form 10-K is submitted in the Exhibit Index in response to Item 601 of Regulation S-K.

(b) Exhibits.
The exhibits filed in response to Item 601 of Regulation S-K are listed on the Exhibit Index attached hereto.

(c) None.

SIGNATURES

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

	Education Realty Trust, Inc.
Date: February 28, 2013	By: /s/ Randy Churchey
	Randy Churchey President, Chief Executive Officer and Director

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

Signature	Date
/s/ Randy Churchey	February 28, 2013
Randy Churchey President, Chief Executive Officer and Director (Principal Executive Officer)	
/s/ Randall H. Brown	February 28, 2013
Randall H. Brown Executive Vice President, Chief Financial Officer, Treasurer and Secretary (Principal Financial Officer)	
/s/ J. Drew Koester	February 28, 2013
J. Drew Koester Senior Vice President, Assistant Secretary and Chief Accounting Officer (Principal Accounting Officer)	
/s/ Paul O. Bower	February 28, 2013
Paul O. Bower Chairman of the Board of Directors	
/s/ Monte J. Barrow	February 28, 2013
Monte J. Barrow Director	
/s/ William J. Cahill, III	February 28, 2013
William J. Cahill, III Director	
/s/ John L. Ford	February 28, 2013
John L. Ford Director	
/s/ Howard A. Silver	February 28, 2013
Howard A. Silver Director	
/s/ Wendell W. Weakley	February 28, 2013
Wendell W. Weakley Director	

INDEX TO EXHIBITS

Exhibit Number	Description
3.1	Second Articles of Amendment and Restatement of Education Realty Trust, Inc. (Incorporated by reference to Exhibit 3.1 to the Trust's Amendment No. 2 to its Registration Statement on Form S-11 (File No. 333-119264), filed on December 10, 2004.)
3.2	Amended and Restated Bylaws of Education Realty Trust, Inc. (Incorporated by reference to Exhibit 3.2 to the Trust's Current Report on Form 8-K, filed on February 20, 2009.)
4.1	Form of Certificate for Common Stock of Education Realty Trust, Inc. (Incorporated by reference to Exhibit 4.1 to the Trust's Annual Report on Form 10-K filed on March 16, 2010.)
10.1	Amended and Restated Agreement of Limited Partnership of Education Realty Operating Partnership, LP. (Incorporated by reference to Exhibit 10.1 to the Trust's Annual Report on Form 10-K, filed on March 16, 2009.)
10.2	First Amendment to Amended and Restated Agreement of Limited Partnership of Education Realty Operating Partnership, LP. (Incorporated by reference to Exhibit 10.2 to the Trust's Quarterly Report on Form 10-Q, filed on August 1, 2008.)
10.3	Amended and Restated Agreement of Limited Partnership of University Towers Operating Partnership, LP. (Incorporated by reference to Exhibit 10.2 to the Trust's Registration Statement on Form S-11 (File No. 333-119264), filed on September 24, 2004.)
10.4(1)	Education Realty Trust, Inc. 2004 Incentive Plan. (Incorporated by reference to Exhibit 10.3 to the Trust's Amendment No. 4 to its Registration Statement on Form S-11. (File No. 333-119264), filed on January 11, 2005.)
10.5(1)	Form of Indemnification Agreement between Education Realty Trust, Inc. and its directors and officers. (Incorporated by reference to Exhibit 10.4 to the Trust's Amendment No. 1 to its Registration Statement on Form S-11 (File No. 333-119264), filed on November 4, 2004.)
10.6(1)	Executive Employment Agreement between Education Realty Trust, Inc. and Randall L. Churchey, effective as of January 1, 2010. (Incorporated by reference to Exhibit 10.1 to the Trust's Current Report on Form 8-K, filed on January 12, 2010.)
10.7(1)	Executive Employment Agreement between Education Realty Trust, Inc. and Randall H. Brown, effective as of January 1, 2011. (Incorporated by reference to Exhibit 10.1 to the Trust's Current Report on Form 8-K, filed on January 3, 2011.)
10.8(1)	Amended and Restated Executive Employment Agreement between Education Realty Trust, Inc. and Thomas Trubiana, effective as of January 1, 2013. (Incorporated by reference to Exhibit 10.1 to the Trust's Current Report on Form 8-K, filed on January 2, 2013.)
10.9(1)	Executive Employment Agreement between Education Realty Trust, Inc. and J. Drew Koester, effective as of January 1, 2011. (Incorporated by reference to Exhibit 10.3 to the Trust's Current Report on Form 8-K, filed on January 3, 2011.)
10.10(1)	Executive Employment Agreement between Education Realty Trust, Inc. and Christine Richards, effective as of January 1, 2011. (Incorporated by reference to Exhibit 10.4 to the Trust's Current Report on Form 8-K, filed on January 3, 2011.)
10.11(1)	Restricted Stock Award Agreement between Education Realty Trust, Inc. and Randall L. Churchey, dated as of January 12, 2010. (Incorporated by reference to Exhibit 10.2 to the Trust's Current Report on Form 8-K, filed on January 12, 2010.)
10.12	Contribution Agreement dated as of September 24, 2004, by and among University Towers Operating Partnership, LP, Allen & O'Hara, Inc., Paul O. Bower, Clyde C. Porter, Robert D. Bird, Thomas J. Hickey, Barbara S. Hays and Hays Enterprises III, Ltd. (Incorporated by reference to Exhibit 10.8 to the Trust's Amendment No. 2 to its Registration Statement on Form S-11 (File No. 333-119264), filed on December 10, 2004.)
10.13	Contribution Agreement dated as of September 20, 2004, by and between Melton E. Valentine, Jr. and University Towers Operating Partnership, LP. (Incorporated by reference to Exhibit 10.9 to the Trust's Amendment No. 2 to its Registration Statement on Form S-11 (File No. 333-119264), filed on December 10, 2004.)
10.14(1)	Incentive Compensation Plan for Executive Officers. (Incorporated by reference to Exhibit 10.38 to the Trust's Annual Report on Form 10-K, filed on March 16, 2010.)
10.15(1)	Form of Restricted Stock Award Agreement. (Incorporated by reference to Exhibit 10.1 to the Trust's Current Report on Form 8-K filed on August 17, 2006.)
10.16(1)	Education Realty Trust, Inc. 2010 Long-Term Incentive Plan. (Incorporated by reference to Exhibit 10.40 to the Trust's Annual Report on Form 10-K, filed on March 16, 2010.)

Exhibit Number	Description
10.17(1)	Form of Restricted Stock Award Agreement (Time-Vested Restricted Stock) for the Education Realty Trust, Inc. 2010 Long-Term Incentive Plan. (Incorporated by reference to Exhibit 10.41 to the Trust’s Annual Report on Form 10-K, filed on March 16, 2010.)
10.18(1)	Form of Restricted Stock Unit Award Agreement (Performance-Vested Restricted Stock) for the Education Realty Trust, Inc. 2010 Long-Term Incentive Plan. (Incorporated by reference to Exhibit 10.42 to the Trust’s Annual Report on Form 10-K, filed on March 16, 2010.)
10.19(1)	Restricted Stock Award Agreement between Education Realty Trust, Inc. and Randall L. Churchey, dated as of April 13, 2010. (Incorporated by reference to Exhibit 10.1 to the Trust’s Current Report on Form 8-K, filed on April 14, 2010.)
10.20(1)	Education Realty Trust, Inc. 2011 Long-Term Incentive Plan. (Incorporated by reference to Exhibit 10.6 to the Trust’s Current Report on Form 8-K, filed on January 3, 2011.)
10.21(1)	Form of Restricted Stock Award Agreement (Time-Vested Restricted Stock) for the Education Realty Trust, Inc. 2011 and 2012 Long-Term Incentive Plans. (Incorporated by reference to Exhibit 10.7 to the Trust’s Current Report on Form 8-K, filed on January 3, 2011.)
10.22(1)	Form of Restricted Stock Unit Award Agreement (Performance-Vested Restricted Stock) for the Education Realty Trust, Inc. 2011 Long-Term Incentive Plan. (Incorporated by reference to Exhibit 10.8 to the Trust’s Current Report on Form 8-K, filed on January 3, 2011.)
10.23	Promissory Note, 929 N. Wolfe Street LLC and Education Realty Operating Partnership, LP, dated as of July 14, 2010. (Incorporated by reference to Exhibit 10.4 to the Trust’s Quarterly Report on Form 10-Q, filed on August 6, 2010.)
10.24	Purchase and Sale Agreement, by and between EDR Berkeley Place Limited Partnership, Western Place, LLC, Statesboro Place, LLC, EDR BG, LP and KAREP REIT I, Inc. dated as of October 8, 2010. (Incorporated by reference to Exhibit 10.1 to the Trust’s Quarterly Report on Form 10-Q, filed on November 5, 2010.)
10.25	Purchase and Sale Agreement, by and between Troy Place (DE), LLC, Jacksonville Place (DE), LLC, Martin Place (DE), LLC, Murray Place (DE), LLC, EDR Clemson Place Limited Partnership and KAREP REIT I, Inc. (Incorporated by reference to Exhibit 10.2 to the Trust’s Quarterly Report on Form 10-Q, filed on November 5, 2010.)
10.26	Agreement to Guarantee Loan, entered into as of July 14, 2010, by and between 929 N. Wolfe Street LLC and Education Realty Operating Partnership, LP. (Incorporated by reference to Exhibit 10.4 to the Trust’s Quarterly Report on Form 10-Q, filed on November 5, 2010.)
10.27	Master Credit Facility Agreement, dated as of December 31, 2008, by and among Education Realty Trust, Inc., Education Realty Operating Partnership, LP and certain subsidiaries, and Red Mortgage Capital, Inc. (Incorporated by reference to Exhibit 10.35 to the Trust’s Annual Report on Form 10-K, filed on March 16, 2009.)
10.28	Amended and Restated Master Credit Facility Agreement, dated as of December 2, 2009, by and among Education Realty Trust, Inc., Education Realty Operating Partnership, LP and certain subsidiaries, Red Mortgage Capital, Inc. and Fannie Mae. (Incorporated by reference to Exhibit 10.1 to the Trust’s Current Report on Form 8-K, filed on December 8, 2009.)
10.29	Amendment No. 1 to Amended and Restated Master Credit Facility Agreement, dated as of February 25, 2010, by and among Education Realty Trust, Inc., Education Realty Operating Partnership, LP and certain subsidiaries, Red Mortgage Capital, Inc. and Fannie Mae. (Incorporated by reference to Exhibit 10.45 to the Trust’s Annual Report on Form 10-K, filed on March 16, 2010.)
10.30(1)	Amendment No. 1 to the Education Realty Trust, Inc. 2004 Incentive Plan. (Incorporated by reference to Exhibit 10.47 to the Trust’s Annual Report on Form 10-K, filed on March 16, 2010.)
10.31	Education Realty Trust Deferred Compensation Plan, effective as of October 1, 2011. (Incorporated by reference to Exhibit 10.55 to the Trust's Annual Report on Form 10-K, filed on March 8, 2012.)
10.32	Third Amended and Restated Credit Agreement, dated as of September 21, 2011, among Education Realty Operating Partnership, LP, and certain of its subsidiaries as borrowers, the lenders party thereto and KeyBank, National Association as administrative agent. (Incorporated by reference to Exhibit 10.1 to the Trust’s Current Report on Form 8-K filed on September 26, 2011.)
10.33(1)	Education Realty Trust, Inc. 2012 Long-Term Incentive Plan. (Incorporated by reference to Exhibit 10.57 to the Trust's Annual Report on Form 10-K, filed on March 8, 2012).
10.34(1)	Amendment to the Education Realty Trust, Inc. 2010 and 2011 Long-Term Incentive Plans. (Incorporated by reference to Exhibit 10.58 to the Trust's Annual Report on Form 10-K, filed on March 8, 2012).

Exhibit Number	Description
10.35	First Amendment to Third Amended and Restated Credit Agreement, dated as of August 7, 2012, among Education Realty Operating Partnership, LP, and certain of its subsidiaries as borrowers, the lenders party thereto and KeyBank, National Association as administrative agent. (Incorporated by reference to Exhibit 10.1 to the Trust's Quarterly Report on Form 10-Q, filed on November 6, 2012.)
10.36	Fourth Amended and Restated Credit Agreement, dated as of January 4, 2013, among Education Realty Operating Partnership, LP, and certain of its subsidiaries as borrowers, the lenders party thereto and KeyBank, National Association as administrative agent. (Incorporated by reference to Exhibit 10.1 to the Trust's Current Report on Form 8-K, filed on January 15, 2013.)
10.37(1)	Education Realty Trust, Inc. 2013 Long-Term Incentive Plan, filed herewith.
10.38(1)	Education Realty Trust, Inc. Annual Incentive Plan, filed herewith.
10.39(1)	Education Realty Trust, Inc. 2011 Omnibus Equity Incentive Plan. (Incorporated by reference to Exhibit 99.1 to the Trust's Registration Statement on Form S-8 (file No. 333-173932), filed on May 4, 2011.)
11	Statement Regarding Computation of Per Share Earnings (included within Annual Report on Form 10-K).
12	Statement Regarding Computation of Ratios, filed herewith.
14	Code of Business Conduct and Ethics (Incorporated by reference to Exhibit 14 to the Trust’s Annual Report on Form 10-K, filed on March 16, 2009.)
21.1	List of Subsidiaries of the Trust, filed herewith.
23.1	Consent of Independent Registered Public Accounting Firm, Deloitte & Touche LLP, filed herewith.
31.1	Certificate of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, filed herewith.
31.2	Certificate of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, filed herewith.
32.1	Certificate of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, furnished herewith.
32.2	Certificate of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, furnished herewith.
	101. INS XBRL Instance Document* (2)
	101. SCH XBRL Taxonomy Extension Schema Document* (2)
	101.CAL XBRL Taxonomy Extension Calculation Linkbase Document* (2)
	101.LAB XBRL Taxonomy Extension Label Linkbase Document* (2)
	101.PRE XBRL Taxonomy Extension Presentation Linkbase Document* (2)
	101.DEF XBRL Taxonomy Extension Definition Linkbase Document* (2)

(1) Denotes a management contract or compensatory plan, contract or arrangement.

(2) In accordance with the temporary hardship exemption provided by Rule 201 of Regulation S-T, the date by which the interactive data file is required to be submitted has been extended by six business days.

* Attached as Exhibit 101 to this Annual Report on Form 10-K are the following materials, formatted in XBRL (eXtensible Business Reporting Language): (i) the Consolidated Balance Sheets as of December 31, 2012 and 2011, (ii) the Consolidated Statements of Operations for the years ended December 31, 2012, 2011 and 2010, (iii) the Consolidated Statements of Changes in Equity for the years ended December 31, 2012, 2011 and 2010, (iv) the Consolidated Statements of Cash Flows for the years ended December 31, 2012, 2011 and 2010 and (v) the Notes to Consolidated Financial Statements.

Pursuant to Rule 406T of Regulation S-T, the Interactive Data Files on Exhibit 101 hereto are deemed not filed or part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, as amended, are deemed not filed for purposes of Section 18 of the Securities and Exchange Act of 1934, as amended, and otherwise are not subject to liability under those sections.

Exhibit 31.1

Certification of Principal Executive Officer
Pursuant to Section 302 of the Sarbanes Oxley Act of 2002

I, Randy Churchey, certify that:

1. I have reviewed this Annual Report on Form 10-K of Education Realty Trust, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. the registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in the Securities Exchange Act of 1934, as amended (the "Exchange Act") Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (i) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (ii) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (iii) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (iv) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   (i) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (ii) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 28, 2013

/s/ Randy Churchey

Randy Churchey
Chief Executive Officer

Exhibit 31.2

Certification of Principal Financial Officer
Pursuant to Section 302 of the Sarbanes Oxley Act of 2002

I, Randall H. Brown, certify that:

1. I have reviewed this Annual Report on Form 10-K of Education Realty Trust, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. the registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in the Securities Exchange Act of 1934, as amended (the "Exchange Act") Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (i) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (ii) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (iii) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (iv) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   (i) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (ii) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 28, 2013

/s/ Randall H. Brown

Randall H. Brown
Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. § 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report on Form 10-K of Education Realty Trust, Inc. (the "Trust") for the year ended December 31, 2012 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Randy Churchey, Chief Executive Officer of the Trust, certify, in my capacity as an officer of the Trust, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Trust.

February 28, 2013

/s/ Randy Churchey

Randy Churchey
Chief Executive Officer

In accordance with SEC Release NO. 34-47986, this Exhibit is furnished to the SEC as an accompanying document and is not deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that Section, nor shall it be deemed incorporated by reference into any filing under the Securities Act of 1933.

Exhibit 32.2

CERTIFICATION PURSUANT TO 18 U.S.C. § 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Annual Report on Form 10-K of Education Realty Trust, Inc. (the "Trust") for the year ended December 31, 2012 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Randall H. Brown, Chief Financial Officer of the Trust, certify, in my capacity as an officer of the Trust, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Trust.

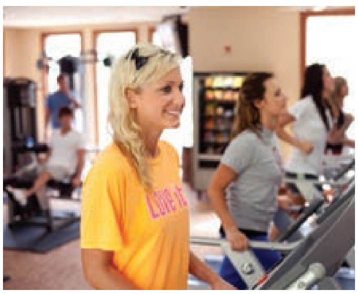
Date: February 28, 2013

/s/ Randall H. Brown
Randall H. Brown
Chief Financial Officer

In accordance with SEC Release NO. 34-47986, this Exhibit is furnished to the SEC as an accompanying document and is not deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that Section, nor shall it be deemed incorporated by reference into any filing under the Securities Act of 1933.

EdR

CORPORATE INFORMATION



Corporate Headquarters
EdR
999 South Shady Grove Road, Suite 600
Memphis, TN 38120
901.259.2500

EdR is traded on the New York Stock Exchange under the stock symbol EDR.

Annual Meeting
EdR will conduct its annual meeting of shareholders on Wednesday, May 8, 2013, at 9 a.m. EDT at the Griffin Gate Marriott Resort & Spa, 1800 Newtown Pike, Lexington, Kentucky 40511.

Transfer Agent and Registrar
American Stock Transfer and Trust Co. LLC
New York, NY

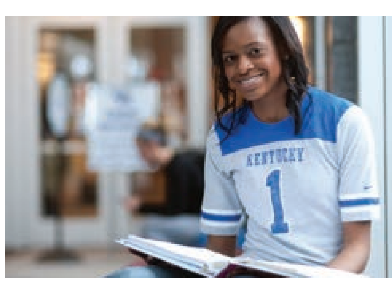
Auditors
Deloitte & Touche LLP
Memphis, TN

Securities Counsel
Bass, Berry & Sims PLC
Memphis, TN

Investor Inquiries
For copies of reports filed with the Securities and Exchange Commission, including Form 10-K for the year ended December 31, 2012, or for additional information about EdR, please visit our website (www.EdRtrust.com), or contact Mr. Brad Cohen at ICR Inc. (203.682.8211 or brad.cohen@icrinc.com.)

Copies of the Annual Report on Form 10-K may also be obtained free of charge upon written request to the Investor Relations Department at the Corporate Headquarters address listed above. If requested, EdR will provide copies of exhibits for a reasonable fee.

Forward-Looking Statements
Statements about EdR's business that are not historic facts are forward-looking statements as described by the Private Securities Litigation Reform Act of 1995. Forward-looking statements are based on current expectations. They involve known and unknown risks and uncertainties that could cause the company's future results to differ significantly from the results expressed or implied by such statements. Such risks and uncertainties are discussed in the company's Annual Report on Form 10-K for the year ended December 31, 2012, under the heading "Item 1A Risk Factors." Forward-looking statements speak only as of the dates on which they are made. EdR undertakes no obligation to update publicly or revise any forward-looking statement as a result of new information, future developments or otherwise.



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PORTFOLIO

AS OF MARCH 1, 2013

2013 DELIVERIES

In Construction:	
Arizona State University (Downtown Phoenix) — Roosevelt Point	Company-Owned, Joint Venture
Penn State University — The Retreat at State College	Mezzanine Investment/ Option to Purchase
University of Kentucky — Central Halls I & II	Company-Owned, ONE Plan℠
University of Texas at Austin — 2400 Nueces	Company-Owned, ONE Plan℠
University of Connecticut — Phase II: The Oaks on The Square	Company-Owned
University of Mississippi — The Retreat at Oxford	Company-Owned, Joint Venture
Mansfield University of Pennsylvania — Phase II	Third-Party Development

2014 DELIVERIES

In Construction:	
University of Colorado — Lotus Lofts	Company-Owned
University of Kentucky — Champions Court I & II	Company-Owned, ONE Plan℠
University of Kentucky — Haggin Hall	Company-Owned, ONE Plan℠
University of Kentucky — Woodland Glen I & II	Company-Owned, ONE Plan℠
University of Minnesota	Joint Venture
In Development:	
East Stroudsburg University of Pennsylvania — Phase II	Third-Party Development
West Chester University of Pennsylvania — Phase II	Third-Party Development
Wichita State University	Third-Party Development

2015 DELIVERIES

In Development:	
Clarion University of Pennsylvania	Third-Party Development

EdR™

999 South Shady Grove Road
Suite 600
Memphis, TN 38120

901.259.2500

www.EdRtrust.com

MANAGED COMMUNITIES

Honeysuckle Student Apartments	Bloomsburg University of Pennsylvania
Upper Eastside Lofts	California State University, Sacramento
University Village	California State University, San Marcos
The Quad	California State University, San Marcos
Vulcan Village Phase I & II	California University of Pennsylvania
Reinhard Villages	Clarion University of Pennsylvania
100 Midtown	Georgia Tech and Georgia State University
929	Johns Hopkins Medical Institute
University Park I & II	Salisbury University
Centennial Hall	State University of New York College of Environmental Science and Forestry
Evergreen Commons	Lock Haven University of Pennsylvania
Wesley House	University of California, Berkeley
University Park	University of Cincinnati
Campus Village	University of Colorado at Denver
Bettie Johnson Hall	University of Louisville
Herman & Heddy Kurz Hall	University of Louisville
Billy Minardi Hall	University of Louisville
Community Park	University of Louisville
The Courtyards	University of Michigan
Granville Towers	University of North Carolina
University Village	University of North Carolina-Greensboro
Arlington Park	University of Northern Colorado

OWNED COMMUNITIES

The Reserve on South College	Auburn University
The Province	East Carolina University
Players Club	Florida State University and Florida A&M University
The Commons	Florida State University and Florida A&M University
The Avenue at Southern	Georgia Southern University
The Province	Kent State University
Campus Village	Michigan State University
College Grove	Middle Tennessee State University
University Towers	North Carolina State University
The Commons on Kinnear	Ohio State University
The Reserve on Perkins	Oklahoma State University
The Pointe	Penn State University
College Station at West Lafayette	Purdue University
3949 Lindell	Saint Louis University
Cape Trails	Southeast Missouri State University
The Reserve at Saluki Pointe	Southern Illinois University
River Pointe	State University of West Georgia
Carrollton Place	State University of West Georgia
University Village on Colvin	Syracuse University
Campus West	Syracuse University
GrandMarc at Westberry Place	Texas Christian University
The Centre at Overton Park	Texas Tech University
The Suites at Overton Park	Texas Tech University
East Edge	University of Alabama
The District on 5th	University of Arizona
The Berk	University of California, Berkeley
University Village Towers	University of California, Riverside
The Lofts	University of Central Florida
Lotus Lofts	University of Colorado, Boulder
The Oaks on The Square	University of Connecticut
Campus Lodge	University of Florida
The Reserve at Athens	University of Georgia
The Reserve on West 31st	University of Kansas
Campus Creek	University of Mississippi
The Reserve at Columbia	University of Missouri
Irish Row	University of Notre Dame
The Reserve on Stinson	University of Oklahoma
Pointe West	University of South Carolina
The Pointe at South Florida	University of South Florida
The Commons at Knoxville	University of Tennessee
GrandMarc at The Corner	University of Virginia
Wertland Square	University of Virginia
Jefferson Commons	University of Virginia
The Pointe at Western	Western Michigan University