American Homes 4 Rent
Form 424B3
October 01, 2013

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Filed Pursuant to Rule 424(b)(3)
Registration No. 333-191173

PROSPECTUS

81,894,741 CLASS A COMMON SHARES

American Homes 4 Rent is an internally managed Maryland real estate investment trust, or REIT, focused on acquiring, renovating, leasing and operating single-family homes as rental properties.

This prospectus relates to the offer and sale from time to time of up to 81,894,741 of our Class A common shares of beneficial interest, par value $0.01 per share, or our Class A common shares, by the selling shareholders identified in this prospectus or in supplements to this prospectus. See Selling Shareholders. This prospectus does not necessarily mean that the selling shareholders will offer or sell those shares. We cannot predict when or in what amounts the selling shareholders may sell any of the shares offered by this prospectus. The prices at which the selling shareholders may sell the shares will be determined by the prevailing market price for the shares or in negotiated transactions. We are filing the registration statement pursuant to contractual obligations that exist with the selling shareholders.

Our Class A common shares are listed on the New York Stock Exchange, or the NYSE, under the symbol AMH. On September 27, 2013, the last reported sale price of our Class A common shares on the NYSE was $16.40 per share.

We are not offering for sale any Class A common shares in the registration statement of which this prospectus is a part. We will not receive any of the proceeds from sales of our Class A common shares by the selling shareholders, but have agreed to pay expenses relating to registering the shares.

We have been organized and operated in conformity with the requirements for qualification and taxation as a REIT under the U.S. federal income tax laws, commencing with our taxable year ended December 31, 2012, and we expect to satisfy the requirements for qualification and taxation as a REIT under the U.S. federal income tax laws for our taxable year ending December 31, 2013, and subsequent taxable years. To assist us in qualifying as a REIT, shareholders generally are restricted from owning more than 8.0% of our outstanding common shares or more than 9.9% of our outstanding preferred shares, subject to certain exceptions. See Description of Equity Shares Restrictions on Ownership and Transfer.

We are an emerging growth company under the U.S. federal securities laws and will be subject to reduced public company reporting requirements. Investing in our Class A common shares involves risks. See Risk Factors beginning on page 19 for factors you should consider before investing in our Class A common shares.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

Prospectus dated October 1, 2013

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You should rely only on the information contained in this prospectus, or other information to which we have referred you. We have not, and the selling shareholders have not, authorized anyone to provide you with different or additional information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and the selling shareholders are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. The information in this prospectus is current only as of the date that such information is presented. Our business, financial condition, results of operations, and prospects may have changed since those dates.

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Certain Terms Used in This Prospectus

Unless the context otherwise requires or indicates, we define certain terms in this prospectus as follows:

We, our company, the Company, the REIT, our and us refer to American Homes 4 Rent, a Maryland real estate investment trust, and its subsidiaries taken as a whole (including our operating partnership and its subsidiaries).

Our operating partnership refers to American Homes 4 Rent, L.P., a Delaware limited partnership, and its subsidiaries taken as a whole.

AH LLC refers to American Homes 4 Rent, LLC, a Delaware limited liability company formed by B. Wayne Hughes, our founder and chairman of our board of trustees.

Alaska Joint Venture refers to an investment vehicle between AH LLC and the Alaska Permanent Fund Corporation, acting for and on behalf of the funds that the Alaska Permanent Fund Corporation is designated by Alaska Statutes 37.13 to manage and invest, or APFC.

Alaska Joint Venture Acquisition refers to our operating partnership s acquisition of the Alaska Joint Venture on June 11, 2013. Unless the context otherwise requires or indicates, all references to our business, our portfolio and our acquisition and management activities reflect the completion of the Alaska Joint Venture Acquisition. See Certain Relationships and Related Party Transactions for more information on the Alaska Joint Venture Acquisition.

Our former manager refers to our former external manager and advisor, American Homes 4 Rent Advisor, LLC, a Delaware limited liability company previously wholly owned by AH LLC, that became wholly owned by us following the Management Internalization.

Our former property manager refers to American Homes 4 Rent Management Holdings, LLC, a Delaware limited liability company previously wholly owned by AH LLC, that became wholly owned by us following the Management Internalization.

AH LLC Portfolio refers to the 2,770 single-family homes that we purchased from AH LLC on February 28, 2013.

Acquisition cost means:

- with respect to single-family homes in the AH LLC Portfolio, AH LLC s actual purchase price of the property (including closing and other title or escrow costs), without giving effect to the $491.7 million maximum agreed upon valuation of the AH LLC Portfolio under the terms of the contribution agreement pursuant to which we acquired the portfolio.

- with respect to all other single-family homes, the actual purchase price of the property (including broker commissions and closing costs) plus a 5% acquisition fee.

Concurrent private placements refer to AH LLC s purchase of $50 million of our Class A common shares and APFC s purchase of $25 million of our Class A common shares in private placements. The concurrent private placements closed on the same day as our initial public offering.

Estimated renovation costs refer to the costs incurred or expected to be incurred in preparing the property for rent plus a 5% renovation fee payable to AH LLC. Estimated renovation costs represent the total costs to renovate a property to prepare it for rental. These costs typically include paint, flooring, appliances, blinds and landscaping.

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Estimated total investment means the sum of the property s acquisition cost plus its estimated renovation costs payable to AH LLC.

Management Internalization refers to our operating partnership s acquisition of our former manager and our former property manager from AH LLC on June 10, 2013, at which time all administrative, financial, property management and marketing and leasing personnel, including executive management became our fully dedicated personnel. Acquisition and renovation personnel remain personnel of AH LLC but are exclusively dedicated to us until December 10, 2014. Unless the context otherwise requires or indicates, all references to our business, our portfolio and our acquisition and management activities reflect the completion of the Management Internalization and include the acquisition and management activities of AH LLC, our former manager and our former property manager. See Certain Relationships and Related Party Transactions for more information on the Management Internalization.

RJ joint ventures refers to two investment vehicles with accredited investors identified by Raymond James & Associates, Inc. in which we own an approximately one-third interest.

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PROSPECTUS SUMMARY

This summary highlights information contained elsewhere in this prospectus, but it does not contain all of the information that you may consider important in making your investment decision. Therefore, you should read the entire prospectus carefully, including, in particular, the Risk Factors section beginning on page 19 of this prospectus, as well as the financial statements and related notes included elsewhere in this prospectus.

Overview

We are an internally managed Maryland real estate investment trust, or REIT, focused on acquiring, renovating, leasing and operating single-family homes as rental properties. We commenced operations in November 2012 to continue the investment activities of AH LLC, which was founded by our chairman, B. Wayne Hughes, in 2011 to take advantage of the dislocation in the single-family home market. Mr. Hughes has over 40 years of experience in the real estate business and a successful track record as co-founder and former chairman and chief executive officer of Public Storage, a REIT listed on the New York Stock Exchange, or the NYSE. We have an integrated operating platform that consists of approximately 270 personnel dedicated to property management, marketing, leasing, financial and administrative functions. Our acquisition and renovation functions are performed by AH LLC, to whom we will continue to pay an acquisition and renovation fee through December 2014.

As of July 31, 2013, we owned 19,825 single-family properties for an estimated total investment of $3.4 billion and had an additional 458 properties in escrow that we expected to acquire, subject to customary closing conditions, for an estimated total investment of $76.3 million. As of July 31, 2013, we owned properties in selected sub-markets of metropolitan statistical areas, or MSAs, in 22 states, and we continually evaluate potential new target markets that fit our underwriting criteria and are located where we believe we can achieve sufficient scale for internalized property management.

We intend to become a leader in the single-family home rental industry by aggregating a geographically diversified portfolio of high quality single-family homes and developing American Homes 4 Rent into a nationally recognized brand that is well-known for quality, value and tenant satisfaction and is well respected in our communities. Our objective is to generate attractive, risk-adjusted returns for our shareholders through dividends and capital appreciation. In addition to single-family properties, we also may seek to invest in condominium units, townhouses and real estate-related debt investments. Our investments may be made directly or through investment vehicles with third-party investors. In addition to individual property purchases, we may pursue bulk acquisitions from financial institutions, government agencies and competitors.

We have been organized and operated in conformity with the requirements for qualification and taxation as a REIT under U.S. federal income tax laws, commencing with our taxable year ended December 31, 2012, and we expect to satisfy the requirements for qualification and taxation as a REIT under the U.S. federal income tax laws for our taxable year ending December 31, 2013, and subsequent taxable years.

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Our Properties

The table below summarizes certain information with respect to our properties as of July 31, 2013.

Our Properties[1]

	Properties		Estimated Total Investment[2][3]		Estimated Total Book Value[3][4]		Average per Property	
	Units	% of Total	$ millions	Avg. per Property	$ millions	Avg. per Property	Square Footage	Property Age (years)
Indianapolis, IN	1,718	8.7%	$ 252.1	$ 146,731	$ 246.1	$ 143,234	1,870	11.6
Dallas-Fort Worth, TX	1,660	8.4%	269.9	162,603	262.2	157,927	2,209	10.2
Greater Chicago area, IL and IN	1,361	6.9%	218.0	160,165	206.7	151,845	1,855	12.4
Atlanta, GA	1,216	6.1%	214.2	176,147	195.3	160,584	2,168	13.2
Houston, TX	1,027	5.2%	179.2	174,472	179.2	174,472	2,295	9.6
Cincinnati, OH	1,005	5.1%	173.7	172,834	169.4	168,545	1,848	11.9
Phoenix, AZ	960	4.8%	149.6	155,883	139.4	145,196	1,812	11.3
Jacksonville, FL	892	4.5%	135.6	151,974	131.7	147,635	1,924	9.8
Charlotte, NC	877	4.4%	152.0	173,271	146.8	167,376	1,948	10.6
Nashville, TN	869	4.4%	181.4	208,743	173.9	200,155	2,193	9.5
All Other[5]	8,240	41.6%	1,474.7	178,973	1,435.1	174,166	1,913	10.9
Total / Average	**19,825**	**100.0%**	**$ 3,400.4**	**$ 171,519**	**$ 3,285.7**	**$ 165,733**	**1,972**	**11.0**

(1) Includes 377 properties owned by the RJ joint ventures in which we hold an approximate one-third interest.

(2) For properties that we acquired directly, Estimated Total Investment represents our actual purchase price (including closing costs) and estimated renovation costs plus a 5% acquisition and renovation fee, if applicable. Estimated renovation costs represent the total costs we have incurred or expect to incur to renovate a property to prepare it for rental. These costs typically include paint, flooring, appliances, blinds and landscaping. Estimated Total Investment differs from Estimated Total Book Value only with respect to the properties contributed by AH LLC. For properties contributed by AH LLC, Estimated Total Book Value is an estimate of the properties GAAP book value, which includes estimates for renovation costs we expect to incur. These properties were recorded at the net book value of AH LLC as of the date of contribution. See note 3 below. GAAP means U.S. generally accepted accounting principles.

(3) Estimated Total Investment and Estimated Total Book Value each include estimated renovation costs in the aggregate of approximately $204 million, approximately $168 million of which represents actual renovation costs incurred through July 31, 2013 and approximately $36 million of which represents estimated remaining costs we expect to incur as of that date to prepare these properties for rental. Estimated renovation costs typically include paint, flooring, appliances, blinds and landscaping.

(4) Estimated Total Book Value represents the estimated book value on a GAAP basis of all properties. In the case of AH LLC s contribution of properties to us, for GAAP purposes these transactions are considered to be transactions between entities under common control under the provisions of the Accounting Standards Codification, or ASC, 805, *Business Combinations*. As a result, these properties have been reflected at the net carrying cost of AH LLC. For the properties acquired from the Alaska Joint Venture, the $904.5 million purchase price has been allocated among the properties in accordance with GAAP. For all other properties, Estimated Total Book Value represents the actual purchase price (including closing costs) and estimated renovation costs plus a 5% acquisition and renovation fee, if any.

(5) Represents 34 markets in 18 states.

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The table below summarizes certain information with respect to properties in escrow as of July 31, 2013.

Properties in Escrow[(1)]

Market	Properties in Escrow				Estimated Total Investment[(2)]	
	Units	% of Total	Avg. Sq.Ft.	Avg. Age (years)	$ millions	Avg. per Property
Cincinnati, OH	55	12.0%	1,882	12.1	$ 8.5	$ 154,842
Columbus, OH	50	10.9%	1,839	12.3	$ 6.9	138,878
Raleigh, NC	32	7.0%	1,955	9.1	$ 4.8	149,401
Charlotte, NC	28	6.1%	2,038	11.1	$ 4.3	153,718
Houston, TX	24	5.2%	2,698	9.9	$ 4.9	204,433
Chicago Area, IL and IN	23	5.0%	1,933	13.9	$ 4.0	175,339
Indianapolis, IN	21	4.6%	2,014	11.8	$ 3.2	153,743
Nashville, TN	17	3.7%	2,202	7.2	$ 3.3	195,829
Dallas-Fort Worth, TX	17	3.7%	2,136	12.2	$ 2.9	167,735
Columbia, SC	15	3.3%	1,983	4.9	$ 2.2	146,847
All Other[(3)]	176	38.4%	1,892	9.7	$ 31.2	177,404
Total / Average	458	100.0%	1,971	10.5	$ 76.3	$ 166,636

(1) Includes properties in escrow subject to customary closing conditions. Does not include properties in escrow subject to lender approval. Properties in escrow are typically not occupied at the closing date.

(2) Estimated Total Investment represents our actual purchase price (including closing costs) and estimated renovation costs plus a 5% acquisition and renovation fee. Estimated renovation costs represent the total costs we expect to incur to renovate a property to prepare it for rental. These costs typically include paint, flooring, appliances, blinds and landscaping.

(3) Represents 24 markets in 14 states.

Between July 31, 2013 and August 31, 2013 (the latest practicable date before the commencement of this offering), we acquired approximately 857 properties with an estimated total investment of $126.1 million (including properties in escrow as of July 31, 2013). Approximately 62% of these properties acquired between July 31, 2013 and August 31, 2013 were purchased in foreclosure auctions and the balance through other acquisition channels. At August 31, 2013, we had approximately 410 properties in escrow with an estimated total investment of $65.9 million.

Our Competitive Strengths

We believe that the following strengths enable us to implement our business and growth strategies and compete effectively in the single-family home rental market. For more information, see Our Business and Properties Our Competitive Strengths.

Experienced and tenured management team. We believe the significant experience, expertise and relationships of our executive team drive our business and growth. Our executive team, headed by Mr. Hughes, our Chairman, David Singelyn, our Chief Executive Officer, Jack Corrigan, our Chief Operating Officer, and Peter Nelson, our Chief Financial Officer, each of whom is a former executive of Public Storage, has a successful track record of managing and growing a publicly traded REIT through all stages of the real estate investment cycle. Among other executive positions they have held, Mr. Singelyn was treasurer of Public Storage and was chief executive officer of Public Storage Canadian Properties, or Public Storage Canada, a real estate company previously listed on the Toronto

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Stock Exchange, and American Commercial Equities, LLC, or ACE; Mr. Corrigan was the chief financial officer of PS Business Parks, a NYSE-listed REIT; and Mr. Nelson was the chief financial officer of Lennar Partners, Inc. and Alexandria Real Estate Equities, Inc., a NYSE-listed REIT.

Large, diversified portfolio of high-quality properties. As of July 31, 2013, we owned 19,825 single-family properties concentrated in select sub-markets of MSAs within 22 states. These homes are located in neighborhoods of cities that we believe remain desirable places to live, despite significantly impacted home prices. In addition, we continually evaluate potential new markets across the country. We are focused on acquiring homes with a number of key property characteristics, including: (i) construction after 1990; (ii) three or more bedrooms; (iii) two or more bathrooms; (iv) a range of $70,000 estimated minimum valuation to $400,000 maximum bid price; and (v) estimated renovation costs not in excess of 25% of estimated value. We target areas with above average median household incomes, well-regarded school districts and access to desirable lifestyle amenities. We believe that homes in these areas will attract tenants with strong credit profiles, produce high occupancy and rental rates and generate long-term property appreciation. Not all of the homes that we may acquire will meet all of these criteria, especially if acquired as part of a bulk purchase.

Monthly Acquisition, Renovation and Leasing Rates

(As of July 31, 2013)

Demonstrated property acquisition track record and processes. Since its inception in June 2011, AH LLC has developed an effective acquisition process, supported by analytics and dedicated personnel within our target markets, that is capable of efficiently deploying large amounts of capital. Through July 31, 2013, AH LLC and its affiliates had acquired 19,937 properties (including our 19,825 properties) with an estimated total investment exceeding $3.4 billion and had approximately 458 properties in escrow. The level of our acquisition activity will fluctuate because it depends on the number of suitable investments, as well as on the level of funds available for investment.

Substantial Renovation Capabilities. AH LLC has an in-house team of approximately 176 dedicated personnel to oversee the renovation process. This team focuses on renovating our homes to meet our quality standards prior to leasing. We estimate that AH LLC generally completes property renovations

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within approximately 90 days after a property is available for renovation. From January 1 to July 31, 2013, we completed renovations on 10,350 properties, 1,695 of which were completed in June and 1,828 of which were completed in July.

Institutional quality management platform and systems. Our management platform and systems are fully integrated with AH LLC s acquisition and renovation platform to ensure oversight and coordination of our key functions, including acquisitions, renovations, leasing, property management and accounting. We have developed an extensive property management infrastructure with modern systems and technology, dedicated personnel and local offices in certain of our target markets. Our property management personnel maintain a disciplined focus on controlling costs, driving occupancy and maximizing rental rates through all phases of our properties lifecycles.

As of July 31, 2013, we had approximately 11,753 leased properties, including leases on properties for which we have completed renovations and leases existing at the date of acquisition. The following table summarizes our leasing experience as of July 31, 2013.

Our Leasing Experience

	Number of Properties[1]				30+ Days	90+ Days	Average Annual Scheduled
	Not Rent Ready	Leased[2]	Available for Rent 30+ Days[3]	Available for Rent 90+ Days[4]	Occupancy %[5]	Occupancy %[6]	Rent Per Property
Dallas-Fort Worth, TX	490	966	995	972	97%	99%	$ 17,444
Indianapolis, IN	454	938	996	954	94%	98%	14,600
Greater Chicago area, IL and IN	697	428	473	449	90%	95%	19,140
Atlanta, GA	177	904	942	926	96%	98%	15,919
Houston, TX	296	482	528	495	91%	97%	17,923
Phoenix, AZ	369	691	745	731	93%	95%	13,142
Cincinnati, OH	98	511	548	533	93%	96%	16,868
Jacksonville, FL	135	539	552	542	98%	99%	15,386
Nashville, TN	161	594	615	605	97%	98%	17,848
Charlotte, NC	204	428	516	433	83%	99%	15,371
All Other[7]	2,474	3,842	4,604	4,040	83%	95%	16,679
Total / Average	**5,555**	**10,323**	**11,514**	**10,680**	**90%**	**97%**	**$ 16,374**

(1) Includes single-family properties acquired in the Alaska Joint Venture Acquisition on June 11, 2013.
(2) Includes leases on properties for which we have completed renovations and excludes 1,430 leases with tenants existing at the date of acquisition.
(3) Available for Rent 30+ Days represents the number of properties that have been leased after we have completed renovations or are available for rent (i.e., rent-ready) for a period of greater than 30 days.
(4) Available for Rent 90+ Days represents the number of properties that have been leased after we have completed renovations or are available for rent (i.e., rent-ready) for a period of greater than 90 days.
(5) Occupancy percentage is computed by dividing the number of leased properties by the number of properties available for rent 30+ days.
(6) Occupancy percentage is computed by dividing the number of leased properties by the number of properties available for rent 90+ days.
(7) Represents 30 markets in 18 states.

Substantial alignment of interests of AH LLC and management with our shareholders. Through the Management Internalization, our operating partnership acquired our former manager and former property manager from AH LLC, and we became an internally managed REIT with an integrated operating platform, other than the acquisition and renovation services that AH LLC continues to

provide us, on an exclusive basis, until December 10, 2014. In connection with the Management Internalization, AH LLC also received convertible equity securities in our operating partnership that are linked to favorable financial metrics and share appreciation. AH LLC owns approximately 25.6% of our Class A common shares assuming that all of its Class B common shares and OP units are redeemed for Class A common shares. As a result, we believe that the economic interests of AH LLC and management are substantially aligned with those of our shareholders.

Successful track record raising capital and strong balance sheet. We have a proven ability to raise significant amounts of debt and equity capital. Since November 2012, we have raised net proceeds of approximately $2.0 billion through two private placements of our Class A common shares, our initial public offering and the concurrent private placements to AH LLC and APFC. In addition, in March 2013, we entered into a $500 million senior secured revolving credit facility with Wells Fargo Bank, National Association, or Wells Fargo. On September 30, 2013, we amended our credit facility to add J.P. Morgan Chase Bank as a lender, expand our borrowing capacity under the credit facility to $800 million and extend the repayment period to September 30, 2018. At August 31, 2013, we had $94 million of borrowings outstanding under our credit facility and cash and cash equivalents on hand of approximately $128 million. At June 30, 2013, we had approximately $3.5 billion in assets. As of the date of this prospectus, we are currently in discussions with lending institutions and rating agencies regarding other potential financing and securitization transactions. The discussions are preliminary in nature, and we cannot assure you that we will enter into any of these potential transactions.

Our Business and Growth Strategies

Our primary objective is to generate attractive risk-adjusted returns for our shareholders through dividends and capital appreciation. We believe we can achieve this objective by pursuing the following strategies. For more information, see Our Business and Properties Our Business and Growth Strategies.

Secure early-mover advantage and position as a dominant owner/operator of single-family rental properties. Historically, the single-family home rental market has been extremely fragmented, comprised primarily of private and individual property investors in local markets. Until recently, there have been no large-scale, national market owners/operators due primarily to the challenge of efficiently scaling the acquisition and management of many individual homes. With an unprecedented opportunity to acquire a large number of homes at attractive prices, we intend to continue to leverage our expertise and experience in rapidly building an institutional-quality, professionally managed business.

Employ a robust and disciplined property acquisition process. We have exclusive access to AH LLC s established acquisition and renovation platform to acquire high quality single-family homes. AH LLC has approximately 185 full-time personnel dedicated to identifying, evaluating, inspecting and acquiring homes. To date, AH LLC has primarily acquired properties at foreclosure auctions and through broker sales (primarily multiple listing service, or MLS, and short sales). AH LLC may source property acquisition opportunities through portfolio (or bulk) sales from government agencies, financial institutions and competitors.

Assemble a geographically diversified portfolio. We currently are focusing on acquiring single-family homes in selected sub-markets of MSAs within 22 states, with an emphasis on achieving critical mass within each target market. We continually evaluate potential new markets where we may make investments and establish operations as opportunities emerge. We select our markets based on steady population growth, strong rental demand and a high level of distressed sales of homes that can be acquired below replacement cost, providing for attractive potential yields and capital appreciation.

Efficiently manage and operate properties. Building on the experience of our executive team at Public Storage and our significant in-house property management capabilities, we strive to create a leading,

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comprehensive single-family home property management business. As was the case with the self-storage industry, we believe the key to efficiently managing a large number of relatively low-cost properties is to strike the appropriate balance between centralization and decentralization. We utilize local, in-house property management for our properties in all markets where we believe it is economical to do so.

Establish a nationally recognized brand. We are striving to establish American Homes 4 Rent as a nationally recognized brand because we believe that establishing a brand well-known for quality, value and tenant satisfaction will help attract and retain tenants and qualified personnel, as well as support higher rental rates. We believe our brand is gaining recognition within a number of our markets.

Optimize capital structure. We may use leverage to increase potential returns to our shareholders, but we will seek to maintain a conservative and flexible balance sheet. We may also access additional financing markets, including issuing preferred shares. Based in part on our executive team s experience at Public Storage, we believe that preferred shares may provide an attractive source of permanent capital.

Recent Developments

Initial Public Offering and Concurrent Private Placements with AH LLC and APFC

In August 2013, we issued and sold 50,735,294 Class A common shares at a price of $16.00 per share in our initial public offering (including the exercise in full of the underwriters option to purchase additional shares), for gross proceeds of approximately $811,765,000 before underwriting discounts and offering costs.

Concurrently with the completion of our initial public offering, AH LLC purchased 3,125,000 of our Class A common shares and APFC purchased 1,562,500 of our Class A common shares in private placements at the initial public offering price of $16.00 per share for total gross proceeds of $75 million and without payment by us of any underwriting discount or placement fee. The concurrent private placements closed on the same day as our initial public offering.

Joint Venture to Acquire Mortgage Assets

In September 2013, we announced the formation of American Mortgage Investment Partners, LLC, or AMIP, a joint venture between us and Johnson Capital Residential Investments, LLC, or JCRI, an investment entity formed and capitalized by a group of mortgage servicing and real estate finance professionals. AMIP was formed to manage multiple investment funds focused on the acquisition and resolution of distressed residential mortgage assets in the United States. AMIP currently holds no residential mortgages and is expected to focus initially on evaluating possible acquisitions.

Proposed Offering of Class A Preferred Shares

On September 5, 2013, we filed a Form S-11 Registration Statement (File No. 333-191015) in connection with a contemplated public offering by us of preferred shares of beneficial interest, which will be designated as our Series A participating preferred shares of beneficial interest.

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Our Structure

We were formed as a Maryland REIT on October 19, 2012. The following chart illustrates our current organizational structure:

[1] Our trustees, our executive officers, our dedicated personnel and others have been granted options to purchase an aggregate 670,000 of our Class A common shares under the American Homes 4 Rent 2012 Equity Incentive Plan, or the 2012 Incentive Plan.

[2] Consists of 6,860,783 Class A common shares and 635,075 Class B common shares.

[3] Consists of 13,787,292 Class A units, 31,085,974 Series C convertible units, 4,375,000 Series D units and 4,375,000 Series E units.

Securities Outstanding

Class A and Class B Common Shares

We have two classes of common shares, Class A common shares, and Class B common shares. Each outstanding Class B common share entitles the holder to 50 votes on all matters on which the holders of Class A common shares are entitled to vote, including the election of trustees, and holders of Class A common shares and Class B common shares will vote together as a single class. Each Class B common share has the same economic interest as a Class A common share, and one Class B common share and 49 units of limited partnership in our operating partnership, or OP units, together represent a similar economic value as 50 Class A common shares.

Subject to the rights of holders of Series C convertible units of limited partnership in our operating partnership, or Series C units, Series D units and Series E units, holders of OP units and shareholders of our company will have the same rights to distributions. For a description of voting limitations pertaining to certain shareholders, see Description of Equity Shares Common Shares.

Class A Units of our Operating Partnership

In general, beginning 12 months after the date of issuance, Class A units are redeemable by limited partners of our operating partnership (other than us) for cash or, at our election, exchangeable for our Class A common shares on a one-for-one basis. The partnership agreement requires that our operating partnership distribute available cash to its partners on at least a quarterly basis in accordance with their relative percentage interests or specified preferences, if any.

Series C Convertible Units of our Operating Partnership

On February 28, 2013, we issued to AH LLC 634,408 of our Class B common shares and our operating partnership issued 31,085,974 Series C units in exchange for the AH LLC Portfolio. Holders of the Series C units will be entitled to distributions equal to the actual net cash flow of the properties in the AH LLC Portfolio up to a maximum of 3.9% per unit per year based on a price per unit of $15.50, but will not be entitled to any distributions of income generated by any other properties or operations of our company or any liquidating distributions. Holders of Class A units, including our company and AH LLC, will be entitled to any net cash flow from the AH LLC Portfolio above the maximum yield on the Series C units, as well as distributions of all other cash available for distribution from our operating partnership. At any time, at the option of the holders, the Series C units may be converted into Class A units. If holders of the Series C units have not exercised their right to convert the Series C units into Class A units by the earlier of (i) the third anniversary of the date of original issuance of the Series C units or (ii) the date of commencement of the dissolution, liquidation or winding up of our operating partnership, then the Series C units will automatically convert into Class A units. Holders of Series C units will vote on all operating partnership matters with holders of Class A units.

Series D Convertible Units and Series E Convertible Units of our Operating Partnership

The Series D units are convertible into Class A units, and the Series E units are convertible into Series D units, or if the Series D units have previously converted into Class A units, into Class A units, as described below.

The Series D units do not participate in distributions for 30 months from the date of issuance and do not have liquidating distributions or any voting rights. The Series D units are automatically convertible into Class A units on a one-for-one basis only effective as of the later of (1) 30 months from the date of issuance and (2) the earlier of (i) the date on which adjusted funds from operations, or adjusted FFO, per Class A common share aggregates or exceeds $0.80 over four consecutive quarters following the closing date of the Management Internalization or (ii) the date on which the daily closing price of our Class A common shares on the NYSE averages $18.00 or greater for two consecutive quarters following the closing date of the Management Internalization. After 30 months, the Series D units will participate in distributions (other than liquidating distributions) at a rate of 70% of the per unit distributions on the Class A units.

The Series E units do not participate in distributions and do not have any voting rights. The Series E units will automatically convert into Series D units, or if the Series D units have previously converted into Class A units, into Class A units, on February 29, 2016, if certain conditions are satisfied. See Operating Partnership and the Partnership Agreement Series D Convertible Units and Series E Convertible Units.

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The tables below set forth the outstanding securities of our company and of our operating partnership, as of August 31, 2013. For a description of the terms of these securities, see Description of Equity Shares and Operating Partnership and the Partnership Agreement.

Securities of Our Company	Shares
Class A common shares	184,856,219
Class B common shares	635,075(1)

Securities of Our Operating Partnership(2)	Units
Class A units	13,787,292(3)
Series C units	31,085,974(4)
Series D units	4,375,000(4)
Series E units	4,375,000(4)

(1) Convertible into Class A common shares on a one-for-one basis.
(2) Excludes securities issued to our company.
(3) Redeemable for cash or, at our option, exchangeable for our Class A common shares on a one-for-one basis, beginning one year after the initial date of issuance.
(4) Convertible into Class A units on a one-for-one basis if certain conditions are satisfied. See Operating Partnership and the Partnership Agreement Series C Convertible Units and Operating Partnership and the Partnership Agreement Series D Convertible Units and Series E Convertible Units.

Our Tax Status

We have elected to be taxed as a REIT, commencing with our first taxable year ended December 31, 2012. Our qualification as a REIT, and maintenance of such qualification, will depend upon our ability to meet, on a continuing basis, various complex requirements under the Internal Revenue Code of 1986, or the Code, relating to, among other things, the sources of our gross income, the composition and values of our assets, our distributions to our shareholders and the concentration of ownership of our equity shares. We believe that, commencing with our initial taxable year ended December 31, 2012, we have been organized in conformity with the requirements for qualification and taxation as a REIT under the Code, and we intend to continue to operate in a manner that will enable us to meet the requirements for qualification and taxation as a REIT. In connection with this offering of our Class A common shares for resale by the selling shareholders named in this prospectus, we have received an opinion from Hogan Lovells US LLP to the effect that we have been organized and have operated in conformity with the requirements for qualification and taxation as a REIT under the Code, and that our current organization and proposed method of operation will enable us to continue to meet the requirements for qualification and taxation as a REIT.

As a REIT, we generally will not be subject to U.S. federal income tax on the REIT taxable income that we currently distribute to our shareholders, but taxable income generated by any taxable REIT subsidiary that we may form or acquire will be subject to federal, state and local income tax. Under the Code, REITs are subject to numerous organizational and operational requirements, including a requirement that they distribute annually at least 90% of their REIT taxable income to their shareholders. If we fail to qualify as a REIT in any taxable year and do not qualify for certain statutory relief provisions, our income would be subject to U.S. federal income tax, and we would likely be precluded from qualifying for treatment as a REIT until the fifth calendar year following the year in which we fail to qualify. Even if we qualify as a REIT, we may still be subject to certain U.S. federal, state and local taxes on our income and assets and to U.S. federal income and excise taxes on our undistributed income.

Our Distribution Policy

To qualify as a REIT, we must distribute annually to our shareholders an amount at least equal to 90% of our REIT taxable income, determined without regard to the deduction for dividends paid and excluding any net

capital gain. We will be subject to income tax on our taxable income that is not distributed and to an excise tax to the extent that certain percentages of our taxable income are not distributed by specified dates. See Material U.S. Federal Income Tax Considerations. Income as computed for purposes of the foregoing tax rules will not necessarily correspond to our income as determined for financial reporting purposes. We intend to distribute our taxable income to our shareholders and retain the balance of our cash available for distribution for reinvestment in properties. However, our cash available for distribution may be less than the amount required to meet the distribution requirements for REITs under the Code, and we may be required to borrow money, sell assets or make taxable distributions of our equity shares or debt securities to satisfy the distribution requirements. Additionally, we may pay future distributions from the proceeds of securities offerings and thus all or a portion of such distributions may constitute a return of capital for federal income tax purposes.

The timing and frequency of distributions authorized by our board of trustees in its sole discretion and declared by us will be based upon a variety of factors deemed relevant by our board of trustees, which may include among others: our actual and projected results of operations; our liquidity, cash flows and financial condition; revenue from our properties; our operating expenses; economic conditions; debt service requirements; limitations under our financing arrangements; applicable law; capital requirements and the REIT requirements of the Code. We cannot guarantee whether or when we will be able to make distributions or that any distributions will be sustained over time. Distributions to our shareholders generally will be taxable to our shareholders as ordinary income, although a portion of such distributions may be designated by us as capital gain dividends or qualified dividend income, or may constitute a return of capital. We will furnish annually to each of our shareholders a statement setting forth distributions paid during the preceding year and their federal income tax treatment. For a discussion of the federal income tax treatment of our distributions, see Material U.S. Federal Income Tax Considerations.

Restrictions on Ownership

Due to limitations on the concentration of ownership of REIT shares imposed by the Code, subject to certain exceptions, our declaration of trust provides that no person may beneficially own more than 8.0% (in value or in number of shares, whichever is more restrictive) of the outstanding common shares or more than 9.9% (in value or in number of shares, whichever is more restrictive) of any class or series of outstanding preferred shares. Our declaration of trust also prohibits any person from, among other matters, beneficially owning equity shares if such ownership would result in our being closely held within the meaning of Section 856(h) of the Code (without regard to whether the ownership interest is held during the last half of a year) effective upon the completion of our initial public offering; transferring equity shares if such transfer would result in our equity shares being owned by less than 100 persons, effective beginning on the date on which we first have 100 shareholders; and beneficially owning equity shares if such beneficial ownership would otherwise cause us to fail to qualify as a REIT under the Code. Our board of trustees may exempt a person from the ownership limits if such person submits to the board of trustees certain information satisfactory to the board of trustees. See Description of Equity Shares Restrictions on Ownership and Transfer.

Emerging Growth Company Status

We currently qualify as an emerging growth company, as defined in the Jumpstart Our Business Startups Act of 2012, or the JOBS Act, and are eligible to take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies, including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002, or Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements and exemptions from the requirements of holding a non-binding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved. We have not made a decision whether to take advantage of certain of these exemptions. If we do take advantage of any of these exemptions, we do not know if some investors will find our

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Class A common shares less attractive as a result. The result may be a less active trading market for our Class A common shares, and our share price may be more volatile.

In addition, an emerging growth company can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act of 1933, as amended, or the Securities Act, for complying with new or revised accounting standards. In other words, an emerging growth company can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. However, we are choosing to opt out of such extended transition period, and as a result, we will comply with new or revised accounting standards on the relevant dates on which adoption of such standards is required for all public companies which are not emerging growth companies. Our decision to opt out of the extended transition period for complying with new or revised accounting standards is irrevocable.

We could remain an emerging growth company for up to five years, or until the earliest of (i) the last day of the first fiscal year in which our annual gross revenues exceed $1 billion, (ii) the date that we become a large accelerated filer as defined in Rule 12b-2 under the Securities Exchange Act of 1934, as amended, or the Exchange Act, which would occur if the market value of our Class A common shares that are held by non-affiliates exceeds $700 million as of the last business day of our most recently completed second fiscal quarter, or (iii) the date on which we have issued more than $1 billion in non-convertible debt during the preceding three year period.

Registration Rights and Lock-Up Agreements

Pursuant to registration rights agreements between us and the initial purchaser/placement agent for our initial private placement in November 2012 and our follow-on private placement in March 2013, we are required, among other things, to:

- file with the SEC a resale shelf registration statement registering all of the Class A common shares sold in our private placements no later than November 21, 2013 (unless otherwise extended upon approval by our board of trustees, in which case we may defer such filing until not later than May 20, 2014); and

- use our commercially reasonable efforts to cause the resale shelf registration statement to become effective under the Securities Act as promptly as practicable after the filing of the resale shelf registration statement, and in any event, subject to certain exceptions, no later than 180 days after the initial filing of the resale shelf registration statement, and to maintain the resale shelf registration statement continuously effective under the Securities Act for a specified period.

We are filing the registration statement of which this prospectus forms a part pursuant to the contractual obligations described above.

Pursuant to a registration rights agreement between us and AH LLC that we entered into in connection with the Management Internalization, we are required to file a shelf registration statement with the SEC, once we become eligible, to register for resale the Class A common shares and securities convertible into Class A common shares that are held by AH LLC. These registration rights are exercisable after December 10, 2015. See Certain Relationships and Related Party Transactions Management Internalization Registration Rights Agreement.

Pursuant to a registration rights agreement between us and APFC that we entered into in connection with the Alaska Joint Venture Acquisition, we are required to file a shelf registration statement with the SEC, once we become eligible, to register the Class A common shares acquired by APFC in connection with the Alaska Joint Venture Acquisition. See Certain Relationships and Related Party Transactions Alaska Joint Venture Acquisition Registration Rights.

Subject to certain exceptions, each of our officers, trustees, AH LLC and APFC have entered into a lock-up agreement with respect to our Class A common shares and securities exchangeable or exercisable for our Class A

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common shares, restricting the direct or indirect sale of such securities for 180 days after July 31, 2013 without the prior written consent of the underwriters. Additionally, all of our shareholders that purchased shares in our November 2012 private placement or our March 2013 follow-on private placement have agreed with us not to directly or indirectly sell, offer to sell, grant any option or otherwise transfer or dispose of our Class A common shares for 60 days after July 31, 2013.

Summary Risk Factors

An investment in our Class A common shares involves risks. You should consider carefully the risks discussed below and described more fully along with other risks under Risk Factors in this prospectus before investing in our Class A common shares.

- We are employing a new and untested business model with no proven track record, which may make our business difficult to evaluate.

- We are a recently organized REIT with a limited operating history, and we may not be able to successfully operate our business or generate sufficient operating cash flows to make or sustain distributions to our shareholders.

- We may not be able to effectively manage our growth, and any failure to do so may have an adverse effect on our business and operating results.

- We intend to continue to rapidly expand our scale of operations and make acquisitions even if the rental and housing markets are not as favorable as they have been in recent months, which could adversely impact anticipated yields.

- Our future growth depends, in part, on the availability of additional debt or equity financing. If we cannot obtain additional financing on terms favorable or acceptable to us, our growth may be limited.

- Our credit facility contains financial and operating covenants that could restrict our business and investment activities. Failure to satisfy these covenants could result in a default under our credit facility that could accelerate the maturity of our debt obligations, which would have a material adverse effect on our business, liquidity, results of operations and financial condition and our ability to make distributions to our shareholders.

- Our success depends, in part, upon our ability to hire and retain highly skilled managerial, investment, financial and operational personnel, and the past performance of our senior management may not be indicative of future results.

- Our investments are and will continue to be concentrated in our target markets and the single-family properties sector of the real estate industry, which exposes us to downturns in our target markets or in the single-family properties sector.

- We face significant competition for acquisitions of our target properties, which may limit our strategic opportunities and increase the cost to acquire those properties.

- We face significant competition in the leasing market for quality tenants, which may limit our ability to rent our single-family homes on favorable terms or at all.

The large supply of single-family homes becoming available for purchase as a result of the heavy volume of foreclosures, combined with historically low residential mortgage rates, may cause some potential renters to seek to purchase residences rather than lease them and, as a result, cause a decline in the number and quality of potential tenants.

Our evaluation of properties involves a number of assumptions that may prove inaccurate, which could result in us paying too much for properties we acquire or overvaluing our properties or our properties failing to perform as we expect.

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Single-family properties that are being sold through short sales or foreclosure sales are subject to risks of theft, mold, infestation, vandalism, deterioration or other damage that could require extensive renovation prior to renting and adversely impact our operating results.

If occupancy levels and rental rates in our target markets do not increase sufficiently to keep pace with rising costs of operations, our income and distributable cash will decline.

We depend on our tenants and their willingness to renew their leases for substantially all of our revenues. Poor tenant selection and defaults and nonrenewals by our tenants may adversely affect our reputation, financial performance and ability to make distributions to our shareholders.

Declining real estate values and impairment charges could adversely affect our earnings and financial condition.

We are self-insured against many potential losses, and uninsured or underinsured losses relating to properties may adversely affect our financial condition, operating results, cash flows and ability to make distributions on our Class A common shares.

Mortgage loan modification programs and future legislative action may adversely affect the number of available properties that meet our investment criteria.

Completion of the Management Internalization has exposed us to new and additional responsibilities, costs and risks.

The contribution agreement we entered into in connection with the Management Internalization was negotiated between a special committee of our board of trustees and AH LLC. Therefore, the terms of the agreement may not have been as favorable to us as if it had been negotiated with unaffiliated third parties.

Our board of trustees has approved a very broad investment policy and does not review or approve each acquisition decision made by AH LLC.

We may be adversely affected by lawsuits alleging trademark infringement as such lawsuits could materially harm our brand name, reputation and results of operations.

Our fiduciary duties as the general partner of our operating partnership could create conflicts of interest, which may impede business decisions that could benefit our shareholders.

As long as AH LLC continues to perform acquisition and renovation services for us, we will depend on AH LLC for our external growth.

A trading market for our Class A common shares was initiated only recently following our initial public offering and the price of our Class A common shares may be volatile and could decline substantially.

The availability and timing of cash distributions is uncertain.

Members of our executive team, our board of trustees, AH LLC and APFC, collectively own a significant amount of our Class A common shares or OP units exchangeable for our Class A common shares, and future sales by these holders of our Class A common shares, or the perception that such sales could occur in the future, could have a material adverse effect on the market price of our Class A common shares.

Failure to qualify as a REIT, or failure to remain qualified as a REIT, would cause us to be taxed as a regular corporation, which would substantially reduce funds available for distribution to our shareholders.

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Organizational Information

Our principal executive offices are located at 30601 Agoura Road, Suite 200, Agoura Hills, California 91301. Our main telephone number is (805) 413-5300. Our Internet website is http://www.americanhomes4rent.com. The contents of our website are not incorporated by reference in or otherwise a part of this prospectus.

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THE OFFERING

Class A Common Shares Offered by the Selling Shareholders	81,894,741 shares
Class A Common Shares, Class B Common Shares, Class A Units, Series C Units, Series D Units and Series E Units Outstanding Immediately After this Offering	184,856,219 Class A common shares, 635,075 Class B common shares, 13,787,292 Class A units, 31,085,974 Series C units, 4,375,000 Series D units and 4,375,000 Series E units.(1)
Use of Proceeds	We will not receive any proceeds from the sale of our Class A common shares by the selling shareholders pursuant to this prospectus.
Restrictions on Ownership and Transfer	To assist us in qualifying as a REIT, our declaration of trust generally limits beneficial ownership by any person to no more than 8.0% in value or in number of shares, whichever is more restrictive, of the outstanding shares of any class or series of our equity shares. In addition, our declaration of trust contains various other restrictions on the ownership and transfer of our common shares. See Description of Equity Shares Restrictions on Ownership and Transfer.
Listing	Our Class A common shares are listed on the NYSE under the symbol AMH.

(1) Excludes: (i) an aggregate of 670,000 of our Class A common shares issuable upon exercise of options previously granted or approved for grant to our trustees, our executive officers, our dedicated personnel and other service providers under the 2012 Incentive Plan that vest ratably over a period of four years from the date of grant and (ii) 5,330,000 of our Class A common shares available for issuance in the future under the 2012 Incentive Plan, subject to certain contingencies.

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SUMMARY SELECTED FINANCIAL DATA

The following table presents selected historical consolidated financial information and selected portfolio data as of June 30, 2013 (unaudited) and December 31, 2012 and 2011 and for the six months ended June 30, 2013 and 2012 (unaudited), for the year ended December 31, 2012 and for the period from June 23, 2011 to December 31, 2011. The selected consolidated financial information presented below under the captions Consolidated Statements of Operations Data and Consolidated Balance Sheets Data have been derived from our consolidated financial statements. Under the provisions of ASC 805, *Business Combinations,* we have reflected transactions between businesses under common control retroactively based on the date AH LLC commenced acquiring properties, June 23, 2011. As such, the statements of operations reflect activity prior to our date of formation, and the properties contributed to us by AH LLC are reflected retroactively on the balance sheets based on AH LLC s net book value. Therefore, our selected consolidated financial data may not be indicative of our past or future results and does not reflect our financial position or results of operations had it been presented as if we had been operating independently during the period presented. Because the information presented below is only a summary and does not provide all of the information contained in our historical consolidated financial statements, including the related notes, you should read it in conjunction with Management s Discussion and Analysis of Financial Condition and Results of Operations and our consolidated financial statements, including the related notes, included elsewhere in this prospectus.

Consolidated Statements of Operations Data

(Amounts in thousands, except share information)

	For the Six Months Ended June 30, 2013	For the Six Months Ended June 30, 2012	Year Ended December 31, 2012	Period from June 23, 2011 to December 31, 2011
Revenues:				
Rents from single-family properties	$ 24,144	$ 280	$ 4,540	$ 65
Other	535			
Total revenues	24,679	280	4,540	65
Expenses:				
Property operating expenses				
Leased single-family properties	9,362	133	1,744	27
Vacant single-family properties	6,120	118	1,846	12
General and administrative expense	2,436	1,657	7,199	47
Advisory fees	6,352		937	
Interest expense	370			
Noncash share-based compensation expense	453		70	
Acquisition fees and costs expensed	3,489		869	
Depreciation and amortization	13,784	102	2,111	21
Total expenses	42,366	2,010	14,776	107
Gain on remeasurement of equity method investment	10,945			
Income / (loss) from continuing operations	(6,742)	(1,730)	(10,236)	(42)
Discontinued operations				
Gain on disposition of assets	904			
Income from discontinued operations	104			
Total income from discontinued operations	1,008			

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	For the Six Months Ended June 30, 2013	2012	Year Ended December 31, 2012	Period from June 23, 2011 to December 31, 2011
Net income / (loss)	(5,734)	(1,730)	(10,236)	(42)
Noncontrolling interest	5,559			
Conversion of preferred units	10,456			
Net loss attributable to common shareholders	$ (21,749)	$ (1,730)	$ (10,236)	$ (42)
Weighted average shares outstanding basic and diluted	72,234,717	3,301,667	7,225,512	3,301,667
Net loss per share basic and diluted:				
Loss from continuing operations	$ (0.31)	$ (0.52)	$ (1.42)	$ (0.01)
Discontinued operations	0.01			
Net loss attributable to common shareholders per share basic and diluted	$ (0.30)	$ (0.52)	$ (1.42)	$ (0.01)

Consolidated Balance Sheets Data

	As of June 30, 2013 (unaudited) (in thousands)	As of December 31, 2012 (in thousands)	2011 (in thousands)
Single-family properties, net	$ 3,039,504	$ 505,713	$ 3,495
Cash and cash equivalents	251,406	397,198	
Rent and other receivables	7,644	6,586	11
Restricted cash for resident security deposits	13,572		
Escrow deposits, prepaid expenses and other assets	27,936	11,961	17
Deferred costs and other intangibles	21,978		
Goodwill	120,655		
Total assets	$ 3,482,695	$ 921,458	$ 3,523
Total liabilities	$ 831,359	$ 16,294	$ 49
Total equity	2,651,336	905,164	3,474
Total liabilities and equity	$ 3,482,695	$ 921,458	$ 3,523

Selected Other Portfolio Data

	As of June 30, 2013 (unaudited)	As of December 31, 2012	2011
Leased single-family properties	10,245	1,164	19
Vacant single-family properties available for lease	2,007	623	2

Single-family properties being renovated	6,074	1,857	12
Total single-family properties owned	18,326	3,644	33

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RISK FACTORS

An investment in our Class A common shares involves a high degree of risk. Before making an investment decision, you should carefully consider the following risk factors, together with the other information contained in this prospectus. If any of the risks discussed in this prospectus occur, our business, prospects, financial condition, results of operations and our ability to make cash distributions to our shareholders could be materially and adversely affected. In that case, the trading price of our Class A common shares could decline significantly, and you could lose all or part of your investment. Some statements in this prospectus, including statements in the following risk factors, constitute forward-looking statements. Please refer to the section entitled Forward-Looking Statements.

Risks Related to Our Business

We are employing a new and untested business model with no proven track record, which may make our business difficult to evaluate.

Until very recently, the single-family rental business consisted primarily of private and individual investors in local markets and was managed individually or by small, local property managers. Our investment strategy involves purchasing a large number of residential properties and leasing them to suitable tenants. No peer companies exist with an established track record to enable us to predict whether our investment strategy can be implemented successfully over time. It will be difficult for you to evaluate our potential future performance without the benefit of established track records from companies implementing a similar investment strategy. We may encounter unanticipated problems implementing our investment strategy, which may adversely affect our results of operations and ability to make distributions on our Class A common shares and cause our share price to decline significantly. We believe the acquisition, operation and management of multi-family residential real estate is the most comparable established model for our business, but in contrast to multi-family operations, the geographic dispersion of single-family properties (even within a local clustering) creates significantly greater operational and maintenance challenges and, potentially, significantly higher per-unit operating costs. In addition, since each home has unique features, appliances and building materials, renovations, maintenance, marketing and operational tasks will be far more varied and demanding than in a typical multi-family setting. We may be unable to operate a large portfolio of single-family rental properties in a cost-effective and profitable manner and our business plan may not succeed. We also can provide no assurance that we will be able to successfully achieve our objective of providing attractive risk-adjusted returns to our shareholders.

We are a recently organized REIT with a limited operating history, and we may not be able to successfully operate our business or generate sufficient cash flows to make or sustain distributions to our shareholders.

We were organized in October 2012, and we commenced operations in November 2012 upon completion of our initial private placement. We have a limited operating history, and through June 30, 2013, we have not generated any earnings. We may not be able to successfully operate our business or implement our operating policies and investment strategy as described in this prospectus. Furthermore, we may not be able to generate sufficient cash flows to pay our operating expenses, service any debt we may incur in the future and make distributions to our shareholders. Our ability to successfully operate our business and implement our operating policies and investment strategy depends on many factors, including:

- the availability of, and our ability to identify, attractive acquisition opportunities consistent with our investment strategy;
- our ability to contain renovation, maintenance, marketing and other operating costs for our properties;
- our ability to maintain high occupancy rates and target rent levels;
- our ability to compete with other investors entering the single-family sector;
- costs that are beyond our control, including title litigation, litigation with tenants or tenant organizations, legal compliance, real estate taxes, homeowners association, or HOA, fees and insurance;

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- judicial and regulatory developments affecting landlord-tenant relations that may affect or delay our ability to dispossess or evict occupants or increase rents;

- judicial and regulatory developments affecting banks and other mortgage holders ability to foreclose on delinquent borrowers;

- reversal of population, employment or homeownership trends in target markets;

- interest rate levels and volatility, such as the accessibility of short-and long-term financing on desirable terms; and

- economic conditions in our target markets, including changes in employment and household earnings and expenses, as well as the condition of the financial and real estate markets and the economy generally.

In addition, we face significant competition in acquiring attractive properties on advantageous terms, and the value of the properties that we acquire may decline substantially after we purchase them.

We may not be able to effectively manage our growth, and any failure to do so may have an adverse effect on our business and operating results.

We have a limited operating history, and we plan to grow our own property portfolio and operations rapidly. From commencement of our operations in November 2012 through July 31, 2013, we have acquired 19,825 single-family properties in 22 states. Our future operating results may depend on our ability to effectively manage our rapid growth, which is dependent, in part, upon our ability to:

- stabilize and manage a rapidly increasing number of properties and tenant relationships while maintaining a high level of tenant satisfaction and building and enhancing our brand;

- identify and supervise an increasing number of suitable third parties on which we rely to provide certain services to our properties;

- attract, integrate and retain new management and operations personnel as our organization grows in size and complexity;

- continue to improve our operational and financial controls and reporting procedures and systems; and

- scale our technology and other infrastructure platforms to adequately service new properties.

We cannot assure you that we will be able to achieve these results or that we may otherwise be able to manage our growth effectively. Any failure to do so may have an adverse effect on our business and operating results.

We intend to continue to rapidly expand our scale of operations and make acquisitions even if the rental and housing markets are not as favorable as they have been in recent months, which could adversely impact anticipated yields.

Our long-term growth depends on the availability of acquisition opportunities in our target markets at attractive pricing levels. We believe various factors and market conditions have made homes available for purchase at prices that are below replacement costs. We expect that in the future housing prices will stabilize and return to more normalized levels, and therefore future acquisitions may be more costly. There are many factors that may cause a recovery in the housing market that would result in future acquisitions becoming more expensive and possibly less attractive than recent past and present opportunities, including:

improvements in the overall economy and job market;

a resumption of consumer lending activity and greater availability of consumer credit;

improvements in the pricing and terms of mortgage-backed securities;

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- the emergence of increased competition for single-family assets from private investors and entities with similar investment objectives to ours; and
- tax or other government incentives that encourage homeownership.

We have not adopted and do not expect to adopt a policy of making future acquisitions only if they are accretive to existing yields and distributable cash. We plan to continue acquiring properties as long as we believe such properties offer an attractive total return opportunity. Accordingly, future acquisitions may have lower yield characteristics than recent past and present opportunities and if such future acquisitions are funded through equity issuances, the yield and distributable cash per share will be reduced, and the value of our Class A common shares may decline.

Our future growth depends, in part, on the availability of additional debt or equity financing. If we cannot obtain additional financing on terms favorable or acceptable to us, our growth may be limited.

Part of our business strategy may involve the use of debt and equity financing to increase potential returns to our shareholders in the future. Although we do not believe we need to use leverage to execute our business strategy, our inability in the future to obtain additional financing on attractive terms, or at all, could adversely impact our ability to execute our business strategy, which could adversely affect our growth prospects and future shareholder returns. Our access to capital depends, in part, on:

- general business conditions;
- financial market conditions;
- the market s perception of our business prospects and growth potential;
- the market price of our Class A common shares;
- our current debt levels; and
- our current and expected earnings, cash flow and distributions.

We cannot assure you that we will be able to obtain debt or equity financing on terms favorable or acceptable to us or at all. If we are unable to do so, we may have to curtail our investment activities, which could limit our growth prospects, and we may be forced to dispose of assets at inopportune times in order to maintain our REIT qualification. Our pace of acquisitions may also depend on the level of funds available for investment. In addition, if we are unable to obtain debt financing, we may have to rely more heavily on additional equity issuances, which may be dilutive to our shareholders, or on less efficient forms of debt financing that require a larger portion of our cash flow from operations, thereby reducing funds available for our operations, future business opportunities, cash distributions to our shareholders and other purposes.

We may also be limited in the amounts we may borrow under our senior secured revolving credit facility with Wells Fargo. The amount that may be borrowed under our credit facility is generally based on the lower of 50% of the value of our qualifying leased and un-leased properties and certain other measures based in part on the net income generated by our qualifying leased and un-leased properties, which we refer to as the borrowing base. Because the borrowing base is determined in part by the estimated value of, and the net income generated by, our qualifying leased and un-leased properties and the quantity, value and rentability of properties in our portfolio may fluctuate from time to time, we may be limited in the amounts we are able to borrow under our credit facility.

Our revenue and expenses are not directly correlated, and because a large percentage of our costs and expenses are fixed, we may not be able to adapt our cost structure to offset declines in our revenue.

Most of the expenses associated with our business, such as acquisition costs, renovation and maintenance costs, real estate taxes, HOA fees, personal and ad valorem taxes, insurance, utilities, employee wages and benefits and other general corporate expenses, are relatively inflexible and will not necessarily decrease with a reduction in revenue from

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our business. Our assets also are prone to depreciation and will require a significant amount of ongoing capital expenditures. Our expenses and ongoing capital expenditures also will be affected by inflationary increases, and certain of our cost increases may exceed the rate of inflation in any given period. By contrast, our rental income is affected by many factors beyond our control such as the availability of alternative rental housing and economic conditions in our target markets. In addition, state and local regulations may require us to maintain properties that we own, even if the cost of maintenance is greater than the value of the property or any potential benefit from renting the property. As a result, we may not be able to fully offset rising costs and capital spending by higher rental rates, which could have a material adverse effect on our results of operations and cash available for distribution.

Our success depends, in part, upon our ability to hire and retain highly skilled managerial, investment, financial and operational personnel, and the past performance of our senior management may not be indicative of future results.

The implementation of our business plan may require that we employ additional qualified personnel. Competition for highly skilled managerial, investment, financial and operational personnel is intense. As additional, large real estate investors have entered the single-family rental business, we have faced increased challenges in hiring and retaining personnel, and we cannot assure our shareholders that we will be successful in attracting and retaining such skilled personnel. If we are unable to hire and retain qualified personnel as required, our growth and operating results could be adversely affected.

You should not rely upon the past performance of our senior management, as their past performance at Public Storage, which was in the self-storage business, or their other prior professional endeavors may not be indicative of our future results. Other than their experience with our company and AH LLC, which was organized in June 2011, our executive team has no experience in the business of acquiring and renting single-family residences.

We are dependent on our executive officers and dedicated personnel, and the departure of any of our key personnel could materially and adversely affect us.

We rely on a small number of persons to carry out our business and investment strategies. Any of our senior management may cease to provide services to us at any time. The loss of the services of any of our key management personnel, or our inability to recruit and retain qualified personnel in the future, could have an adverse effect on our business and financial results. As we expand, we will continue to need to attract and retain qualified additional senior management but may not be able to do so on acceptable terms or at all.

Our investments are and will continue to be concentrated in our target markets and in the single-family properties sector of the real estate industry, which exposes us to downturns in our target markets or in the single-family properties sector.

Our investments in real estate assets are and will continue to be concentrated in target markets and in the single-family properties sector of the real estate industry. A downturn or slowdown in the rental demand for single-family housing caused by adverse economic, regulatory or environmental conditions, or other events, in our target markets may have a greater impact on the value of our properties or our operating results than if we had more fully diversified our investments. While we have limited experience in this sector, we believe that there may be some seasonal fluctuations in rental demand with demand higher in the spring and summer than in the fall and winter. Such seasonal fluctuations may impact our operating results.

In addition to general, regional, national and international economic conditions, our operating performance will be impacted by the economic conditions in our target markets. We acquire, renovate and rent single-family properties in our target markets, which currently include MSAs within 22 states. As of July 31, 2013, approximately 56% of our properties were concentrated in only five states Texas, Florida, North Carolina, Indiana and Ohio. We base a substantial part of our business plan on our belief that property values and operating fundamentals for single-family properties in these markets will improve significantly over the next several years.

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However, each of these markets experienced substantial economic downturns in recent years and could experience similar or worse economic downturns in the future. We can provide no assurance as to the extent property values and operating fundamentals in these markets will improve, if at all. If the recent economic downturn in these markets persists or if we fail to accurately predict the timing of economic improvement in these markets, the value of our properties could decline and our ability to execute our business plan may be adversely affected, which could adversely affect our financial condition, operating results and ability to make distributions to our shareholders and cause the value of your investment to decline.

We rely on local, third-party providers for services that may become limited or unavailable and may harm our brand and reputation and operation results.

We rely on local, third-party vendors and service providers, including third-party house improvement professionals, leasing agents and property management companies in situations when it is cost-effective to do so or our internal staff is unable to perform these functions. We do not have exclusive or long-term contractual relationships with any of these third-party providers, and we can provide no assurance that we will have uninterrupted or unlimited access to their services. Furthermore, selecting, managing and supervising these third-party providers require significant management resources and expertise. If we do not select, manage and supervise appropriate third parties for these services, our brand and reputation and operating results may suffer. Moreover, we may not successfully detect and prevent fraud, incompetence or theft by our third-party providers, which could subject us to material liability or responsibility for damages, fines and/or penalties associated with such fraud, incompetence or theft.

In addition, any removal or termination of third-party providers would require us to seek new vendors or providers, which would create delays and adversely affect our operations. If we do not select appropriate third-party providers, or if the third-party providers we do select fail to deliver quality services, our brand and reputation, operating results and cash flows from our properties may be adversely affected, including entities in which we and our affiliates have an interest.

AH LLC may not be able to effectively control the timing and costs relating to the renovation of properties, which may adversely affect our operating results and our ability to make distributions to our shareholders.

Nearly all of our properties require some level of renovation immediately upon their acquisition or in the future following expiration of a lease or otherwise. We may acquire properties that we plan to extensively renovate. We also may acquire properties that we expect to be in good condition only to discover unforeseen defects and problems that require extensive renovation and capital expenditures. To the extent properties are leased to existing tenants, renovations may be postponed until the tenant vacates the premises, and we will pay the costs of renovating. In addition, in order to reposition properties in the rental market, we will be required to make ongoing capital improvements and replacements and may need to perform significant renovations and repairs from time to time that tenant deposits and insurance may not cover.

Our properties have infrastructure and appliances of varying ages and conditions. Consequently, AH LLC routinely retains independent contractors and trade professionals to perform physical repair work, and we are exposed to all of the risks inherent in property renovation, including potential cost overruns, increases in labor and materials costs, delays by contractors in completing work, delays in the timing of receiving necessary work permits, certificates of occupancy and poor workmanship. If our assumptions regarding the costs or timing of renovation across our properties prove to be materially inaccurate, our operating results and ability to make distributions to our shareholders may be adversely affected.

We face significant competition for acquisitions of our target properties, which may limit our strategic opportunities and increase the cost to acquire those properties.

We face significant competition for attractive acquisition opportunities in our target markets from other large real estate investors, some of which have greater financial resources and a lower cost of capital than we do.

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Several REITs and other funds have recently deployed, and others are expected to deploy in the near future, significant amounts of capital to purchase single-family homes and may have investment objectives that overlap and compete with ours, including in our target markets. This activity has adversely impacted our level of purchases in certain of our target markets. If our business model or a similar model proves to be successful, we can expect competition to intensify significantly. As a result, the purchase price of potential acquisition properties may be significantly elevated, or we may be unable to acquire properties on desirable terms or at all.

We face significant competition in the leasing market for quality tenants, which may limit our ability to rent our single-family homes on favorable terms or at all.

We face competition for tenants from other lessors of single-family properties, apartment buildings and condominium units, and the continuing development of apartment buildings and condominium units in many of our target markets increases the supply of housing and exacerbates competition for tenants. Many of these competitors may successfully attract tenants with better incentives and amenities, which could adversely affect our ability to obtain quality tenants and lease our single-family properties on favorable terms or at all. Additionally, some competing housing options may qualify for government subsidies that may make such options more affordable and therefore more attractive than our properties. At July 31, 2013, we owned 19,825 single-family properties, 11,753, or 59%, of which were leased. Our operating results and ability to make distributions to our shareholders would be adversely affected if we are not able to lease our properties on favorable terms or at all.

The large supply of single-family homes becoming available for purchase as a result of the heavy volume of foreclosures, combined with historically low residential mortgage rates, may cause some potential renters to seek to purchase residences rather than lease them and, as a result, cause a decline in the number and quality of potential tenants.

The large supply of foreclosed homes, along with low residential mortgage interest rates currently available and government sponsored programs to promote home ownership, has made home ownership more affordable and more accessible for potential renters who have strong credit. These factors may encourage potential renters to purchase residences rather than lease them, thereby causing a decline in the number and quality of potential tenants available to us.

Our evaluation of properties involves a number of assumptions that may prove inaccurate, which could result in us paying too much for properties we acquire or overvaluing our properties or our properties failing to perform as we expect.

In determining whether a particular property meets our investment criteria, we make a number of assumptions, including assumptions related to estimated time of possession and estimated renovation costs and time frames, annual operating costs, market rental rates and potential rent amounts, time from purchase to leasing and tenant default rates. These assumptions may prove inaccurate. As a result, we may pay too much for properties we acquire or overvalue our properties, or our properties may fail to perform as we expect. Adjustments to the assumptions we make in evaluating potential purchases may result in fewer properties qualifying under our investment criteria, including assumptions related to our ability to lease properties we have purchased. Reductions in the supply of properties that meet our investment criteria may adversely affect our ability to implement our investment strategy and operating results.

Furthermore, the properties that we acquire vary materially in terms of time to possession, renovation, quality and type of construction, location and hazards. Our success depends on our ability to acquire properties that can be quickly possessed, renovated, repaired, upgraded and rented with minimal expense and maintained in rentable condition. AH LLC s ability to identify and acquire such properties is fundamental to our success. In addition, the recent market and regulatory environments relating to single-family residential properties have been changing rapidly, making future trends difficult to forecast. For example, an increasing number of homeowners

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now wait for an eviction notice or eviction proceedings to commence before vacating foreclosed premises, which significantly increases the time period between the acquisition and leasing of a property. Such changes affect the accuracy of our assumptions and, in turn, may adversely affect our operating results.

Purchasing single-family properties through the foreclosure auction process will subject us to significant risks that could adversely affect our operating results, cash flows and ability to make distributions to our shareholders.

Our business plan involves acquiring single-family properties through the foreclosure auction process simultaneously in a number of markets, which involves monthly foreclosure auctions on the same day of the month in certain markets. As a result, we are only able to visually inspect properties from the street and must purchase these properties without a contingency period and in as is condition with the risk that unknown defects in the property may exist. We also may encounter unexpected legal challenges and expenses in the foreclosure process. Upon acquiring a new property, we may have to evict residents who are in unlawful possession before we can secure possession and control of the property. The holdover occupants may be the former owners or tenants of a property, or they may be squatters or others who are illegally in possession. Securing control and possession from these occupants can be both costly and time-consuming.

Further, when acquiring properties on an as is basis, title commitments are often not available prior to purchase, and title reports or title information may not reflect all senior liens, which may increase the possibility of acquiring houses outside predetermined acquisition and price parameters, purchasing residences with title defects and deed restrictions, HOA restrictions on leasing or underwriting or purchasing the wrong residence. The policies, procedures and practices we implement to assess the state of title and leasing restrictions prior to purchase may not be effective, which could lead to a material if not complete loss on our investment in such properties. For properties we acquire through the foreclosure auction process, we do not obtain title commitments prior to purchase, and we are not able to perform the type of title review that is customary in acquisitions of real property. As a result, our knowledge of potential title issues will be limited, and no title insurance protection will be in place. This lack of title knowledge and insurance protection may result in third parties having claims against our title to such properties that may materially and adversely affect the values of the properties or call into question the validity of our title to such properties. Without title insurance, we are fully exposed to, and would have to defend ourselves against, such claims. Further, if any such claims are superior to our title to the property we acquired, we risk loss of the property purchased. Any of these risks could adversely affect our operating results, cash flows and ability to make distributions to our shareholders.

Claims of deficiencies in the foreclosure process may result in rescission of our purchases at auction or reduce the supply of foreclosed properties available to us.

Allegations of deficiencies in foreclosure practices could result in claims challenging the validity of some foreclosures that have occurred to date, potentially placing our claim of ownership to the properties at risk. Since we do not have title insurance policies for properties we acquire through the foreclosure auction process, such instances or such proceedings may result in a complete loss without compensation.

Each state has its own laws governing the procedures to foreclose on mortgages and deeds of trust, and state laws generally require strict compliance with these laws in both judicial and non-judicial foreclosures. Recently, courts and administrative agencies have been more actively involved in enforcing state laws governing foreclosures, and in some circumstances have imposed new rules and requirements regarding foreclosures. Some courts have delayed or prohibited foreclosures based on alleged failures to comply with proper transfers of title, notice, identification of parties in interest, documentation and other legal requirements. Further, foreclosed owners and their representatives, including some prominent and well-financed legal firms, have brought litigation questioning the validity and finality of foreclosures that have already occurred. These developments may slow or reduce the supply of foreclosed houses available to us for purchase and may call into question the validity of our title to houses acquired at foreclosure, or result in rescission rights or other borrower remedies, which could result in a loss of a property purchased by us, an increase in litigation costs incurred with respect to properties obtained through foreclosure, or delays in stabilizing and leasing such properties promptly after acquisition.

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Properties acquired through bulk sales may subject us to the risk of acquiring properties that do not fit our target investment criteria and may be costly or time consuming to divest, which may adversely affect our operating results.

We have acquired and expect to continue to acquire properties purchased as portfolios in bulk from other owners of single-family homes. To the extent the management and leasing of such properties has not been consistent with our property management and leasing standards, we may be subject to a variety of risks, including risks relating to the condition of the properties, the credit quality and employment stability of the tenants and compliance with applicable laws, among others. In addition, financial and other information provided to us regarding such portfolios during our due diligence may be inaccurate, and we may not discover such inaccuracies until it is too late to seek remedies against such sellers. To the extent we timely pursue such remedies, we may not be able to successfully prevail against the seller in an action seeking damages for such inaccuracies. If we conclude that certain properties purchased in bulk portfolios do not fit our target investment criteria, we may decide to sell, rather than renovate and rent, these properties, which could take an extended period of time and may not result in a sale at an attractive price.

Single-family properties that are being sold through short sales or foreclosure sales are subject to risks of theft, mold, infestation, vandalism, deterioration or other damage that could require extensive renovation prior to renting and adversely impact operating results.

When a single-family property is put into foreclosure due to a default by the homeowner on its mortgage obligations or the value of the property is substantially below the outstanding principal balance on the mortgage and the homeowner decides to seek a short sale, the homeowner may abandon the property or cease to maintain the property as rigorously as the homeowner normally would. Neglected and vacant properties are subject to increased risks of theft, mold, infestation, vandalism, general deterioration and other maintenance problems that may persist without appropriate attention and remediation. If we begin to purchase a large volume of properties in bulk sales and are not able to inspect them immediately before closing on the purchase, we may purchase properties that may be subject to these problems, which may result in maintenance and renovation costs and time frames that far exceed our estimates. These circumstances could substantially impair our ability to quickly renovate and lease such properties in a cost efficient manner or at all, which would adversely impact our operating results.

If occupancy levels and rental rates in our target markets do not increase sufficiently to keep pace with rising costs of operations, our income and distributable cash will decline.

The success of our business model depends, in part, on conditions in the single-family rental market in our target markets. Our asset acquisitions are premised on assumptions about occupancy levels and rental rates, and if those assumptions prove to be inaccurate, our cash flows and profitability will be reduced. Occupancy levels and rental rates have benefited in recent periods from macro trends affecting the U.S. economy and residential real estate markets in particular, including:

- a tightening of credit that has made it more difficult to finance a home purchase, combined with efforts by consumers generally to reduce their exposure to credit;

- weak economic and employment conditions that have increased foreclosure rates and made it more difficult for families to remain in their homes that were purchased prior to the housing market downturn;

- declining real estate values that have challenged the traditional notion that homeownership is a stable investment; and

- the unprecedented level of vacant housing comprising the real estate owned, or REO, inventory held for sale by banks, government-sponsored entities and other mortgage lenders or guarantors.

We do not expect these favorable trends in the residential rental market to continue indefinitely. Eventually, a strengthening of the U.S. economy and job growth, coupled with government programs designed to keep home owners in their homes and/or other factors may contribute to a stabilization or reversal of the current trend that

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favors renting rather than homeownership. In addition, we expect that as investors like us increasingly seek to capitalize on opportunities to purchase housing assets at below replacement costs and convert them to productive uses, the supply of single-family rental properties will decrease and the competition for tenants may intensify. A softening of the rental market in our target areas would reduce our rental income and profitability.

Eminent domain could lead to material losses on our investments in our properties.

Governmental authorities may exercise eminent domain to acquire land on which our properties are built in order to build roads and other infrastructure. Any such exercise of eminent domain would allow us to recover only the fair value of the affected properties. Our investment strategy is premised on the concept that this fair value will be substantially less than the real value of the property for a number of years, and we could effectively have no profit potential from properties acquired by the government through eminent domain. Several cities also are exploring proposals to use eminent domain to acquire mortgages to assist homeowners to remain in their homes, potentially reducing the supply of single-family properties in our target markets.

We depend on our tenants and their willingness to renew their leases for substantially all of our revenues. Poor tenant selection and defaults and nonrenewals by our tenants may adversely affect our reputation, financial performance and ability to make distributions to our shareholders.

We depend on tenants for substantially all of our revenues. As a result, our success depends in large part upon our ability to attract and retain qualified tenants for our properties. Our reputation, financial performance and ability to make distributions to our shareholders would be adversely affected if a significant number of our tenants fail to meet their lease obligations or fail to renew their leases. For example, tenants may default on rent payments, make unreasonable and repeated demands for service or improvements, make unsupported or unjustified complaints to regulatory or political authorities, use our properties for illegal purposes, damage or make unauthorized structural changes to our properties that are not covered by security deposits, refuse to leave the property upon termination of the lease, engage in domestic violence or similar disturbances, disturb nearby residents with noise, trash, odors or eyesores, fail to comply with HOA regulations, sublet to less desirable individuals in violation of our lease or permit unauthorized persons to live with them. Damage to our properties may delay re-leasing after eviction, necessitate expensive repairs or impair the rental income or value of the property resulting in a lower than expected rate of return. Widespread unemployment and other adverse changes in the economic conditions in our target markets could result in substantial tenant defaults. In the event of a tenant default or bankruptcy, we may experience delays in enforcing our rights as landlord at that property and will incur costs in protecting our investment and re-leasing the property.

Short-term leases of residential property may expose us to the effects of declining market rents, which may adversely affect our operating results and our ability to make distributions to our shareholders.

Substantially all of our leases are of a duration of less than two years and will be one year in the majority of cases. As these leases permit tenants to leave at the end of the lease term without penalty, we anticipate our rental revenues may be affected by declines in market rents more quickly than if our leases were for longer terms. Short-term leases may result in high turnover, which involves costs such as restoring the properties, marketing costs and lower occupancy levels. Because we have a limited track record, we cannot accurately predict our turnover rate or the associated costs we will incur. Moreover, we cannot assure you that our leases will be renewed on equal or better terms or at all. If our tenants do not renew their leases or the rental rates for our properties decrease, our operating results and ability to make distributions to our shareholders could be adversely affected.

Declining real estate values and impairment charges could adversely affect our financial condition and operating results.

We intend to review the carrying value of our properties when circumstances, such as adverse market conditions, indicate potential impairment may exist. If our evaluation indicates that we may be unable to recover the carrying value

of a material portion of our real estate investments, an impairment charge will be recorded to the extent that the carrying value exceeds the estimated fair value of the properties. These losses would directly impact our financial condition and operating results. The evaluation of anticipated cash flows is highly subjective and is based in part on assumptions regarding future occupancy, rental rates and capital requirements that could differ materially from actual results in future periods. A declining real estate market may cause us to reevaluate the assumptions used in our impairment analysis. Impairment charges would adversely affect our financial condition and operating results.

Our net income and FFO may decrease in the near term as a result of the Management Internalization.

Our net income and funds from operations, or FFO, may decrease as a result of the Management Internalization. Now that we are self-managed, our expenses include the compensation and benefits of our officers, dedicated personnel and consultants, as well as overhead previously paid by AH LLC and its affiliates. Furthermore, these dedicated personnel provide us services that were provided by AH LLC and its affiliates. We can provide no assurance that we will be able to continue to provide those services at the same level or for the same costs as provided by subsidiaries of AH LLC under the advisory management agreement and the property management agreement, and there may be unforeseen costs, expenses and difficulties associated with continuing to provide those services on a self-managed basis. If the expenses we assumed as a result of the Management Internalization are higher than any corresponding increase in revenues or decrease in other expenses, our net income and FFO may be lower as a result of the Management Internalization than they otherwise would have been.

We are self-insured against many potential losses, and uninsured or underinsured losses relating to properties may adversely affect our financial condition, operating results, cash flows and ability to make distributions on our Class A common shares.

We will attempt to ensure that all of the properties we acquire are adequately insured to cover casualty losses. However, many of the policies covering casualty losses may be subject to substantial deductibles and carveouts, and we will be self-insured up to the amount of the deductibles and carveouts. Since some claims against us will not exceed the deductibles under our insurance policies, we will be effectively self-insured for some claims. There are also some losses, including losses from floods, fires, earthquakes, acts of war, acts of terrorism or riots, that may not always be insured against or that are not generally fully insured against because it is not deemed economically feasible or prudent to do so. In addition, changes in the cost or availability of insurance could expose us to uninsured casualty losses.

In the event that any of the properties we acquire incur a casualty loss that is not fully covered by insurance, the value of our assets will be reduced by the amount of any such uninsured loss, and we could experience a significant loss of capital invested and potential revenues in these properties and could potentially remain obligated under any recourse debt associated with the property. Inflation, changes in building codes and ordinances, environmental considerations and other factors might also keep us from using insurance proceeds to replace or renovate a property after it has been damaged or destroyed. Under those circumstances, the insurance proceeds we receive might be inadequate to restore our economic position on the damaged or destroyed property. Any such losses could adversely affect our financial condition, operating results, cash flows and ability to make distributions on our Class A common shares. In addition, we may have no source of funding to repair or reconstruct the damaged property, and we cannot assure you that any such sources of funding will be available to us for such purposes in the future.

Contingent or unknown liabilities could adversely affect our financial condition, cash flows and operating results.

We may acquire properties that are subject to contingent or unknown liabilities, including liabilities for or with respect to liens attached to properties, unpaid real estate tax, utilities or HOA charges for which a subsequent owner remains liable, clean-up or remediation of environmental conditions or code violations, claims of customers, vendors or other persons dealing with the acquired entities and tax liabilities, among other things. Purchases of single-family properties acquired at auction, in short sales, from lenders or in bulk purchases typically involve few

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or no representations or warranties with respect to the properties. In each case, our acquisition may be without any, or with only limited, recourse against the sellers with respect to unknown liabilities or conditions. As a result, if any such liability were to arise relating to our properties, or if any adverse condition exists with respect to our properties that is in excess of our insurance coverage, we might have to pay substantial amounts to settle or cure it, which could adversely affect our financial condition, cash flows and operating results.

In addition, the properties we acquire may be subject to covenants, conditions or restrictions that restrict the use or ownership of such properties, including prohibitions on leasing or requirements to obtain the approval of HOAs prior to leasing. We may not discover such restrictions during the acquisition process, and such restrictions may adversely affect our ability to utilize such properties as we intend.

Security breaches and other disruptions could compromise our information and expose us to liability, which would cause our business and reputation to suffer.

In the ordinary course of our business we acquire and store sensitive data, including intellectual property, our proprietary business information and personally identifiable information of our prospective and current tenants, our employees and third-party service providers in our branch offices and on our networks and website. The secure processing and maintenance of this information is critical to our operations and business strategy. Despite our security measures, our information technology and infrastructure may be vulnerable to attacks by hackers or breached due to employee error, malfeasance or other disruptions. Any such breach could compromise our networks and the information stored there could be accessed, publicly disclosed, lost or stolen. Any such access, disclosure or other loss of information could result in legal claims or proceedings, liability under laws that protect the privacy of personal information, regulatory penalties, disruption to our operations and the services we provide to customers or damage our reputation, which could adversely affect our results of operations and competitive position.

A significant number of our properties are part of HOAs, and we and our tenants are subject to the rules and regulations of such HOAs, which may be arbitrary or restrictive, and violations of such rules may subject us to additional fees and penalties and litigation with such HOAs that would be costly.

A significant number of our properties are part of HOAs, which are private entities that regulate the activities of and levy assessments on properties in a residential subdivision. HOAs in which we own properties may have or enact onerous or arbitrary rules that restrict our ability to renovate, market or lease our properties or require us to renovate or maintain such properties at standards or costs that are in excess of our planned operating budgets. Such rules may include requirements for landscaping, limitations on signage promoting a property for lease or sale, or the use of specific construction materials in renovations. Some HOAs also impose limits on the number of property owners who may rent their homes, which if met or exceeded, would cause us to incur additional costs to resell the property and opportunity costs of lost rental income. Furthermore, many HOAs impose restrictions on the conduct of occupants of homes and the use of common areas and we may have tenants who violate HOA rules and for which we may be liable as the property owner. Additionally, the boards of directors of the HOAs in which we own property may not make important disclosures about the properties or may block our access to HOA records, initiate litigation, restrict our ability to sell our properties, impose assessments or arbitrarily change the HOA rules. We may be unaware of or unable to review or comply with HOA rules before purchasing the property and any such excessively restrictive or arbitrary regulations may cause us to sell such property at a loss, prevent us from renting such property or otherwise reduce our cash flow from such property, which would have an adverse effect on our returns on these properties.

Joint venture investments that we make may limit our ability to invest in certain markets and could be adversely affected by our lack of sole decision-making authority, our reliance on joint venture partners financial condition and disputes between us and our joint venture partners.

We may co-invest in the future with third parties through partnerships, joint ventures or other entities, acquiring non-controlling interests in or sharing responsibility for managing the affairs of a property, partnership,

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joint venture or other entity. In such event, we may be subject to restrictions that prohibit us from making investments in certain markets until all of the funds in such partnership, joint venture or other entity are invested or committed, and we would not be in a position to exercise sole decision-making authority regarding the property, partnership, joint venture or other entity which could, among other things, impact our ability to satisfy the REIT requirements. 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 joint venture partners might become bankrupt or fail to fund their share of required capital contributions. Joint venture partners 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 policies or objectives. Such investments also may have the potential risk of impasses on decisions, such as a sale, because neither we nor the partners would have full control over the partnership or joint venture. Disputes between us and our partners may result in litigation or arbitration that would increase our expenses and prevent our officers and/or trustees from focusing their time and effort on our business. Consequently, actions by, or disputes with, partners might result in subjecting properties owned by the partnership or joint venture to additional risk. In addition, we may in certain circumstances be liable for the actions of our third-party partners or co-venturers.

Our AMIP joint venture may subject us to new risks associated with acquiring and resolving distressed mortgage assets.

AMIP currently holds no residential mortgage assets, and we are collaborating with JCRI, our joint venture partner, to develop and implement a business model and growth strategy for this joint venture. AMIP may be unable to quickly identify and acquire distressed mortgage assets that satisfy our return objectives or, once acquired, that will perform as intended or expected. As the economy recovers, new participants enter the marketplace for distressed mortgage assets and tighter credit and underwriting standards reduce the number of new mortgages that enter non-performing status, the supply of distressed mortgage assets available for AMIP to acquire at attractive prices may decline. In addition, though AMIP expects to pay less than the amount owed on any distressed residential mortgage loans to acquire them, if actual results are different from their assumptions in determining the price for such loans, we may incur significant losses. If the loans go into default, AMIP s inability to promptly foreclose on defaulted residential mortgage loans could increase our costs and/or diminish our expected return on these investments.

We anticipate involvement in a variety of litigation.

We anticipate involvement in a range of legal actions in the ordinary course of business. These actions may include eviction proceedings and other landlord-tenant disputes, challenges to title and ownership rights (including actions brought by prior owners alleging wrongful foreclosure by their lender or servicer), and issues with local housing officials arising from the condition or maintenance of the property. These actions can be time consuming and expensive. While we intend to vigorously defend any non-meritorious action or challenge, we cannot assure you that we will not be subject to expenses and losses that may adversely affect our operating results.

We may be adversely affected by lawsuits alleging trademark infringement as such lawsuits could materially harm our brand name, reputation and results of operations.

Several other companies in the United States, including companies in the real estate industry, may use words, phrases or logos similar to those we develop as part of our brand. As a result, we may face potential claims that the use of our brand infringes on their existing trademarks. For example, on or about November 1, 2012, we received notice of a claim that our American Homes 4 Rent brand name may infringe on an existing trademark of a participant in the real estate rental services and rental property management industries. While we intend to vigorously defend against this claim, the defense of any trademark infringement claim can be both costly and disruptive of the time and resources of our management, even if the claim against us is without merit. If we are unable to successfully defend against such a claim, we may be required to pay substantial damages or settlement costs to resolve the claim. In addition, we may be required to re-brand or incur substantial marketing

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costs to revise our brand to avoid future disputes. Any such trademark infringement claims and potential remedial measures could materially harm our brand name, reputation and results of operations.

Complying with REIT requirements may limit our ability to hedge risk effectively.

The REIT provisions of the Code may limit our ability to hedge the risks inherent to our operations. As mentioned below, from time to time, we may enter into hedging transactions with respect to one or more of our assets or liabilities. Any income or gain derived by us from transactions that hedge certain risks, such as the risk of changes in interest rates, will not be treated as gross income for purposes of either the 75% or the 95% gross income test, as defined below in Material U.S. Federal Income Tax Considerations, unless specific requirements are met. Such requirements include that the hedging transaction be properly identified within prescribed time periods and that the transaction either (i) hedges risks associated with indebtedness issued by us that is incurred to acquire or carry real estate assets or (ii) manages the risks of currency fluctuations with respect to income or gain that qualifies under the 75% or 95% gross income test (or assets that generate such income). To the extent that we do not properly identify such transactions as hedges, hedge other types of indebtedness or enter into hedges with respect to our assets, the income from those transactions is not likely to be treated as qualifying income for purposes of the 75% and 95% gross income tests. As a result of these rules, we may have to limit the use of hedging techniques that might otherwise be advantageous, which could result in greater risks associated with interest rate or other changes than we would otherwise incur.

Our board of trustees has approved a very broad investment policy, subject to management oversight, and does not review or approve each acquisition decision made by AH LLC.

AH LLC is authorized to follow a very broad investment policy established by our board of trustees and subject to oversight by our management. Our board of trustees periodically reviews and updates the investment policy and also reviews our portfolio of residential real estate, but it does not review or approve AH LLC s specific property acquisitions. In addition, in conducting periodic reviews, our board of trustees may rely primarily on information provided to them by AH LLC and our management. Furthermore, acquisitions may be costly, difficult or impossible to unwind by the time they are reviewed by our board of trustees. AH LLC has great latitude within the broad parameters of the investment policy set by our board of trustees in determining our acquisition strategies, which could result in net returns that are substantially below expectations or that result in material losses, which would adversely affect our business and operating results, or may otherwise not be in the best interests of our shareholders.

As a result of becoming a public company, we will be required to complete an analysis of our internal controls over financial reporting. If we are unable to do so in a timely manner, or if our internal controls are determined to be ineffective, investor confidence in our company may be adversely affected and, as a result, the value of our Class A common shares may decline.

We will be required, pursuant to Section 404 of the Sarbanes-Oxley Act, to furnish a report by management on, among other things, the effectiveness of our internal controls over financial reporting for the first fiscal year beginning after the completion of our initial public offering. This assessment will need to include disclosure of any material weaknesses identified by our management in our internal control over financial reporting, as well as a statement that our independent registered public accounting firm has issued an opinion on our internal control over financial reporting.

We are in the very early stages of the costly and challenging process of compiling the system and processing documentation necessary to perform the evaluation needed to comply with Section 404. We may not be able to complete our evaluation, testing and any required remediation in a timely fashion. During the evaluation and testing process, if we identify one or more material weaknesses in our internal control over financial reporting, we will be unable to assert that our internal controls are effective.

If we are unable to assert that our internal control over financial reporting is effective, or if our independent registered public accounting firm is unable to express an opinion on the effectiveness of our internal controls, investors could lose confidence in the accuracy and completeness of our financial reports, which could cause the price of our Class A common shares to decline, and we may become subject to investigation or sanctions by the SEC. We will be required to disclose changes made in our internal control and procedures on a quarterly basis. However, our independent registered public accounting firm will not be required to formally attest to the effectiveness of our internal control over financial reporting pursuant to Section 404 until the later of the year following our first annual report required to be filed with the SEC or the date we are no longer an emerging growth company, as defined in the JOBS Act if we take advantage of the exemptions contained in the JOBS Act. We will remain an emerging growth company for up to five years, although we could lose that status if our revenues exceed $1 billion, if we issue more than $1 billion in non-convertible debt in a three-year period or if the market value of our Class A common shares that are held by non-affiliates exceeds $700 million as of any June 30 before that time, we would cease to be an emerging growth company as of the following December 31. At such time, our independent registered public accounting firm may issue a report that is adverse in the event it is not satisfied with the level at which our controls are documented, designed or operating. Our remediation efforts may not enable us to avoid a material weakness in the future. In addition, to comply with the requirements of being a public company, we may need to undertake various actions, such as implementing new internal controls and procedures and hiring accounting or internal audit staff.

Future debt service obligations could adversely affect our operating results, may require us to sell properties and could adversely affect our ability to make distributions to our shareholders.

Our financing strategy contemplates the use of secured or unsecured debt to finance long-term growth. While we intend to limit the sum of the outstanding principal amount of our consolidated indebtedness to up to 50% of our total assets, our governing documents contain no limitations on the amount of debt that we may incur, and our board of trustees may change our financing strategy at any time without shareholder approval. As a result, we may be able to incur substantial additional debt in the future.

Incurring debt could subject us to many risks, including the risks that:

- our cash flows from operations will be insufficient to make required payments of principal and interest;
- our debt may increase our vulnerability to adverse economic and industry conditions;
- we may be required to dedicate a substantial portion of our cash flows from operations to payments on our debt, thereby reducing cash available for distribution to our shareholders, funds available for operations and capital expenditures, future business opportunities or other purposes;
- we violate restrictive covenants in the documents that govern our indebtedness, which would entitle our lenders to accelerate our debt obligations;
- refinancing of the debt may not be available on favorable terms or at all; and
- the use of leverage could adversely affect our ability to make distributions to our shareholders and the market price of our Class A common shares.

If we incur debt in the future and do not have sufficient funds to repay our debt at maturity, it may be necessary to refinance the debt through additional debt or equity financings. If, at the time of any refinancing, prevailing interest rates or other factors result in higher interest rates on refinancings, increases in interest expense could adversely affect our operating results and cash flows and, consequently, cash available for distribution to our shareholders. If we are unable to refinance our debt on acceptable terms, we may be forced to dispose of substantial numbers of properties on disadvantageous terms, potentially resulting in losses. To the extent we cannot meet any future debt service obligations, we will risk losing some or all of our properties that may be pledged to secure our obligations to foreclosure. Any unsecured debt agreements we enter into may contain specific cross-default provisions with respect to specified other indebtedness, giving the unsecured

lenders the right to declare a default if we are in default under other loans in some circumstances. Defaults under our debt agreements could materially and adversely affect our financial condition and results of operations.

Our credit facility contains financial and operating covenants that could restrict our business and investment activities. Failure to satisfy these covenants could result in a default under our credit facility that could accelerate the maturity of our debt obligations, which would have a material adverse effect on our business, liquidity, results of operations and financial condition and our ability to make distributions to our shareholders.

Our credit facility contains financial and operating covenants, such as debt ratios, minimum liquidity and adjusted tangible net worth tests and other limitations that may restrict our ability to make distributions or other payments to our shareholders and may restrict our investment activities. Among others, our credit facility requires that we maintain financial covenants relating to the following matters: (i) cash, cash equivalents and borrowing capacity under any credit facilities in an aggregate amount of at least $15,000,000, of which at least $7,500,000 must be in cash and cash equivalents; (ii) a maximum leverage ratio of 1.0 to 1.0; and (iii) adjusted tangible net worth being not less than 85% of our adjusted tangible net worth as of September 30, 2013, plus 85% of the net proceeds of any additional equity capital raises completed on or after September 30, 2013. These covenants may restrict our ability to engage in transactions that we believe would otherwise be in the best interests of our shareholders. Further, such restrictions could make it difficult for us to satisfy the requirements necessary to maintain our qualification as a REIT for U.S. federal income tax purposes. Failure to meet our financial covenants could result from, among other things, changes in our results of operations, the incurrence of additional debt, substantial impairments in the value of our properties or changes in general economic conditions. If we violate covenants in our credit facility or future agreements, we could be required to repay all or a portion of our indebtedness before maturity at a time when we might be unable to arrange financing for such repayment on attractive terms, or at all.

Our credit facility permits us to incur significant indebtedness, which could require that we generate significant cash flow to satisfy the payment and other obligations under our credit facility.

We may incur significant indebtedness in connection with draws under our credit facility. This indebtedness may exceed our cash on hand and/or our cash flows from operating activities. Our ability to meet the payment and other obligations under our credit facility depends on our ability to generate sufficient cash flow in the future. Our ability to generate cash flow, to some extent, is subject to general economic, financial, competitive, legislative and regulatory factors, as well as other factors that are beyond our control. It is possible that our business will not generate cash flow from operations, or that future borrowings will be available to us, in amounts sufficient to enable us to meet our payment obligations under our credit facility. If we are not able to generate sufficient cash flow to service our credit facility and other debt obligations, as well as satisfy the REIT distribution requirement, we may need to refinance or restructure our debt, reduce or delay capital investments, or seek to raise additional capital. If we are unable to implement one or more of these alternatives, we may not be able to meet our payment obligations under our credit facility, which could materially and adversely affect our liquidity.

Disruptions in the financial markets may materially and adversely affect our ability to secure additional financing.

The credit markets continue to experience significant price volatility, dislocations and liquidity disruptions, the concern of which has led many lenders and institutional investors to reduce, and in some cases cease, to provide credit to businesses and has caused spreads on prospective debt financings to widen considerably. Continued uncertainty in these markets may affect our ability to obtain additional debt financing at all or on terms favorable or acceptable to us. These events also may make it more difficult or costly for us to raise capital through the issuance of our equity securities. Our inability to secure additional financing may impede our ability

acquire new properties. Disruptions in the financial markets could have a material adverse effect on us, including our business, results of operations and our financial condition.

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Interest expense on our debt may limit our cash available to fund our growth strategies and shareholder distributions.

Higher interest rates could increase debt service requirements on floating rate debt, to the extent we have any, and could reduce funds available for operations, distributions to our shareholders, future business opportunities or other purposes. If we need to repay existing debt during periods of rising interest rates, we could be required to liquidate one or more of our investments in properties at times which may not permit realization of the maximum return on such investments and could result in significant losses.

Failure to hedge effectively against interest rate changes may adversely affect our results of operations and our ability to make shareholder distributions.

Subject to complying with the requirements for REIT qualification, we may obtain in the future one or more forms of interest rate protection in the form of swap agreements, interest rate cap contracts or similar agreements to hedge against the possible negative effects of interest rate fluctuations. However, we cannot assure you that any hedging will adequately relieve the adverse effects of interest rate increases or that counterparties under these agreements will honor their obligations thereunder. In addition, we may be subject to risks of default by hedging counterparties. Adverse economic conditions could also cause the terms on which we borrow to be unfavorable. We could be required to liquidate one or more of our investments at times which may not permit us to receive an attractive return on our investments in order to meet our debt service obligations.

Risks Related to the Real Estate Industry

Our performance and the value of our properties are subject to general economic conditions and risks associated with our real estate assets.

If the properties we acquire do not generate income sufficient to meet operating expenses, including debt service and capital expenditures, our ability to make distributions to our shareholders could be adversely affected. There are significant expenditures associated with an investment in real estate (such as debt service, real estate taxes, insurance and maintenance costs) that generally do not decline when circumstances reduce the income from the property. Income from and the value of the properties we acquire may be adversely affected by the following factors:

- downturns in international, national, regional and local economic conditions (particularly increases in unemployment);
- the attractiveness of the properties we acquire to potential tenants and competition from other properties;
- increases in the supply of or decreases in the demand for similar or competing properties in our target markets;
- bankruptcies, financial difficulties or lease defaults by our tenants;
- changes in interest rates, availability and terms of debt financing;
- changes in operating costs and expenses and our ability to control rents;
- changes in, or increased costs of compliance with, governmental laws, rules, regulations and fiscal policies, including changes in tax, real estate, environmental and zoning laws, and our potential liability thereunder;
- our ability to provide adequate maintenance;

changes in the cost or availability of insurance, including coverage for mold or asbestos;

environmental conditions or retained liabilities for such conditions;

tenant turnover;

the illiquidity of real estate investments generally;

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- residents perceptions of the safety, convenience and attractiveness of our properties and the neighborhoods where they are acquired;
- the ongoing need for capital improvements, particularly in older properties;
- the ability or unwillingness of residents to pay rent increases;
- civil unrest, acts of God, including earthquakes, floods and other natural disasters, which may result in uninsured losses, and acts of war or terrorism;
- rent control or rent stabilization or other housing laws, which could prevent us from raising rents; and
- increases in property-level maintenance and operating expenses.

For these and other reasons, we cannot assure you that we will be profitable or that we will realize growth in the value of our real estate properties.

Environmentally hazardous conditions may adversely affect our financial condition, cash flows and operating results.

Under various federal, state and local environmental laws, a current or previous owner or operator of real property may be liable for the cost of removing or remediating hazardous or toxic substances on such property. Such laws often impose liability whether or not the owner or operator knew of, or was responsible for, the presence of such hazardous or toxic substances. Even if more than one person may have been responsible for the contamination, each person covered by applicable environmental laws may be held responsible for all of the clean-up costs incurred. In addition, third parties may sue the owner or operator of a site for damages based on personal injury, natural resources or property damage or other costs, including investigation and clean-up costs, resulting from the environmental contamination. The presence of hazardous or toxic substances on one of our properties, or the failure to properly remediate a contaminated property, could give rise to a lien in favor of the government for costs it may incur to address the contamination, or otherwise adversely affect our ability to sell or lease the property or borrow using the property as collateral. Environmental laws also may impose restrictions on the manner in which property may be used or businesses may be operated. A property owner who violates environmental laws may be subject to sanctions which may be enforced by governmental agencies or, in certain circumstances, private parties. In connection with the acquisition and ownership of our properties, we may be exposed to such costs. The cost of defending against environmental claims, of compliance with environmental regulatory requirements or of remediating any contaminated property could materially adversely affect our business, financial condition, results of operations and, consequently, amounts available for distribution to our shareholders.

Compliance with new or more stringent environmental laws or regulations or stricter interpretation of existing laws may require material expenditures by us. We may be subject to environmental laws or regulations relating to our properties, such as those concerning lead-based paint, mold, asbestos, proximity to power lines or other issues. We cannot assure you that future laws, ordinances or regulations will not impose any material environmental liability, or that the current environmental condition of our properties will not be affected by the operations of residents, existing conditions of the land, operations in the vicinity of the properties or the activities of unrelated third parties. In addition, we may be required to comply with various local, state and federal fire, health, life-safety and similar regulations. Failure to comply with applicable laws and regulations could result in fines and/or damages, suspension of personnel, civil liability and/or other sanctions.

Tenant relief laws and rent control laws may negatively impact our rental income and profitability.

As landlord of numerous properties, we will be involved regularly in evicting tenants who are not paying their rent or are otherwise in material violation of the terms of their lease. Eviction activities will impose legal and managerial expenses that will raise our costs. The eviction process is typically subject to legal barriers, mandatory cure policies and other sources of expense and delay, each of which may delay our ability to gain possession and

stabilize the property. Additionally, state and local landlord tenant laws may impose legal duties to assist tenants in relocating to new housing, or restrict the landlord s ability to recover certain costs or charge tenants for damage tenants cause to the landlord s premises. Because such laws vary by state and locality, we and any regional and local property managers we hire will need to be familiar with and take all appropriate steps to comply with all applicable landlord tenant laws, and we will need to incur supervisory and legal expenses to ensure such compliance. To the extent that we do not comply with state or local laws, we may be subjected to civil litigation filed by individuals, in class actions or by state or local law enforcement. We may be required to pay our adversaries litigation fees and expenses if judgment is entered against us in such litigation, or if we settle such litigation.

Furthermore, rent control laws may affect our rental income. Especially in times of recession and economic slowdown, rent control initiatives can acquire significant political support. If rent controls unexpectedly became applicable to certain of our properties, our revenue from and the value of such properties could be adversely affected.

Class action, tenant rights and consumer demands and litigation could directly limit and constrain our operations and may impose on us significant litigation expenses.

Numerous tenants rights and consumers rights organizations exist throughout the country and operate in our target markets, and as we grow in scale, we may attract attention from some of these organizations and become a target of legal demands or litigation. Many such consumer organizations have become more active and better funded in connection with mortgage foreclosure-related issues, and with the large settlements identified below and the increased market for single-family rentals arising from displaced homeownership, some of these organizations may shift their litigation, lobbying, fundraising and grass roots organizing activities to focus on landlord tenant issues. While we intend to conduct our business lawfully and in compliance with applicable landlord-tenant and consumer laws, such organizations might work in conjunction with trial and pro bono lawyers in one state or multiple states to attempt to bring claims against us on a class action basis for damages or injunctive relief. We cannot anticipate what form such legal actions might take, or what remedies they may seek. Additionally, these organizations may lobby local county and municipal attorneys or state attorneys general to pursue enforcement or litigation against us, or may lobby state and local legislatures to pass new laws and regulations to constrain our business operations. If they are successful in any such endeavors, they could directly limit and constrain our operations and may impose on us significant litigation expenses, including settlements to avoid continued litigation or judgments for damages or injunctions.

Acquiring properties during periods when the single-family home sector is experiencing substantial inflows of capital and intense competition may result in inflated purchase prices and increase the likelihood that our properties will not appreciate in value and may, instead, decrease in value.

The allocation of substantial amounts of capital for investment in the single-family home sector and significant competition for income producing real estate may inflate the purchase prices for such assets. To the extent we purchased, or in the future purchase, real estate in such an environment, it is possible that the value of our properties may not appreciate and may, instead, decrease in value, perhaps significantly, below the amount we paid for such properties. In addition to macroeconomic and local economic factors, technical factors, such as a decrease in the amount of capital allocated to the single-family home sector and the number of investors participating in the sector, could cause the value of our properties to decline.

Mortgage loan modification programs and future legislative action may adversely affect the number of available properties that meet our investment criteria.

The U.S. government, through the Federal Reserve, the Federal Housing Administration and the Federal Deposit Insurance Corporation, or FDIC, has implemented a number of programs designed to provide homeowners with assistance in avoiding residential mortgage loan foreclosures, including the Home Affordable Modification Program, which seeks to provide relief to homeowners whose mortgages are in or may be subject to foreclosure, and the Home Affordable Refinance Program, which allows certain borrowers who are underwater

on their mortgage but current on their mortgage payments to refinance their loans. Several states, including states in which our current target markets are located, have adopted or are considering similar legislation. These programs and other loss mitigation programs may involve, among other things, modifying or refinancing mortgage loans or providing homeowners with additional relief from loan foreclosures. Such loan modifications and other measures are intended and designed to lead to fewer foreclosures, which will decrease the supply of properties that meet our investment criteria.

The pace of residential foreclosures is subject to numerous factors. Recently, there has been a backlog of foreclosures due to a combination of volume constraints and legal actions, including those brought by the U.S. Department of Justice, or DOJ, the Department of Housing and Urban Development, or HUD, and State Attorneys General against mortgage servicers alleging wrongful foreclosure practices. Financial institutions also have been subjected to regulatory restrictions and limitations on foreclosure activity by the FDIC. Legal claims brought or threatened by DOJ, HUD and 49 State Attorneys General against the five largest residential mortgage servicers in the country were settled in 2012. As part of this approximately $25 billion settlement, a portion of the settlement funds will be directed to homeowners seeking to avoid foreclosure through mortgage modifications, and servicers are required to adopt specified measures to reduce mortgage obligations in certain situations. It is expected that the settlement will help many homeowners to avoid foreclosures that would otherwise have occurred in the near term, and with lower monthly payments and mortgage debts, for years to come. It is also foreseeable that other residential mortgage servicing companies that were not among the five included in the initial $25 billion settlement will agree to similar settlements that will further reduce the supply of houses in the process of foreclosure.

In addition, numerous federal and state legislatures have considered, proposed or adopted legislation to constrain foreclosures, or may do so in the future. The Dodd-Frank Wall Street Reform and Consumer Protection Act, or Dodd-Frank Act, also created the Consumer Financial Protection Bureau, which supervises and enforces federal consumer protection laws as they apply to banks, credit unions, and other financial companies, including mortgage servicers. It remains uncertain as to whether any of these measures will have a significant impact on foreclosure volumes or what the timing of that impact would be. If foreclosure volumes were to decline significantly, we would expect real estate owned inventory levels to decline or to grow at a slower pace, which would make it more difficult to find target assets at attractive prices and might constrain our growth or reduce our long-term profitability. Also, the number of families seeking rental housing might be reduced by such legislation, reducing rental housing demand in our target markets.

In addition, allegations of deficiencies in foreclosure practices could result in claims challenging the validity of some foreclosures that have occurred to date, potentially placing our claim of ownership to the properties at risk. We cannot be assured that such proceedings would not result in a complete dispossession of property from us without compensation.

Each state has its own laws governing the procedures to foreclose on mortgages and deeds of trust, and state laws generally require strict compliance with these laws in both judicial and non-judicial foreclosures. Recently, courts and administrative agencies have been more actively involved in enforcing state laws governing foreclosures, and in some circumstances have imposed new rules and requirements regarding foreclosures. Some courts have delayed or prohibited foreclosures based on alleged failures to comply with proper transfers of title, notice, identification of parties in interest, documentation and other legal requirements. The increase in the number of foreclosures since 2007 has led legislatures in many states to consider modifications to foreclosure laws to restrict and reduce foreclosures. For example, in 2012, California enacted a law imposing new limitations on foreclosures while a request for a loan modification is pending. Further, foreclosed owners and their legal representatives, including some prominent and well-financed law firms, have brought litigation questioning the validity and finality of foreclosures that have already occurred. These developments may slow or reduce the supply of foreclosed houses available to us for purchase and may call into question the validity of our title to houses acquired at foreclosure, or result in rescission rights or other borrower remedies, which could result in a loss of a property purchased by us, an increase in litigation and property maintenance costs incurred with respect to properties obtained through foreclosure, or delays in stabilizing and leasing such properties promptly after acquisition.

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We may have difficulty selling our real estate investments, and our ability to distribute all or a portion of the net proceeds from such sale to our shareholders may be limited.

Real estate investments are relatively illiquid and, as a result, we may have a limited ability to sell our properties. When we sell any of our properties, we may recognize a loss on such sale. We may elect not to distribute any proceeds from the sale of properties to our shareholders. Instead, we may use such proceeds for other purposes, including:

- purchasing additional properties;
- repaying debt, if any;
- buying out interests of any co-venturers or other partners in any joint venture in which we are a party;
- creating working capital reserves; or
- making repairs, maintenance or other capital improvements or expenditures to our remaining properties.

Our ability to sell our properties may also be limited by our need to avoid the 100% prohibited transactions tax that is imposed on gain recognized by a REIT from the sale of property characterized as dealer property. In order to ensure that we avoid such characterization, we may be required to hold our properties for a minimum period of time and comply with certain other requirements in the Code or dispose of our properties through a taxable REIT subsidiary or TRS. For more information on taxable REIT subsidiaries see Material U.S. Federal Income Tax Considerations Requirements for Qualification as a REIT Effect of Subsidiary Entities Ownership of Interests in Taxable REIT Subsidiaries.

Risks Related to our Relationship with AH LLC and Conflicts of Interest

As long as AH LLC continues to perform acquisition and renovations services for us, we will depend on AH LLC for our external growth.

Until December 10, 2014, AH LLC will continue to provide us acquisition and renovation services for a fee equal to 5% of the sum of the purchase price and initial renovation costs of each property that we acquire in consideration for its services in identifying, evaluating, acquiring and overseeing the renovation of its residences. Accordingly, through at least that date, we will depend on AH LLC for our external growth and we could be adversely affected if, for any reason, AH LLC is unable to perform its obligations under its agreement with us.

AH LLC may engage in other activities diverting their attention from our business, which could adversely affect the execution of our business and our results of operations.

We are subject to conflicts of interest arising out of our relationship with AH LLC. AH LLC and its affiliates, officers, directors, employees or personnel may engage in any business (other than acquiring, renovating, leasing and operating single-family homes as rental properties without the approval of the board of trustees). As a result, their time and effort may be diverted from our business.

Completion of the Management Internalization has exposed us to new and additional responsibilities, costs and risks.

Completion of the Management Internalization has exposed us to new and additional responsibilities, costs and risks. For example, while we no longer bear the external costs of the advisory management fee paid to our former manager, our direct overhead will increase, as we are now responsible for compensation and benefits of our officers and other personnel that were previously paid by our former manager. If our properties do not perform as anticipated or if we fail to raise additional financing, we may not be able to cover such additional overhead. We also now are subject to those potential liabilities that are commonly faced by employers, such as workers disability and

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compensation claims, potential labor disputes and other employee-related liabilities and grievances. Accordingly, the Management Internalization could adversely affect our financial condition and operating results.

Our fiduciary duties as the general partner of our operating partnership could create conflicts of interest, which may impede business decisions that could benefit our shareholders.

As the sole general partner of our operating partnership, we have a fiduciary duty to the other limited partners in the operating partnership, the discharge of which may conflict with the interests of our shareholders. AH LLC is the limited partner of our operating partnership. AH LLC, as the limited partner of our operating partnership, has agreed that, in the event of a conflict in the fiduciary duties owed by us to our shareholders and in our capacity as the general partner of our operating partnership, to such limited partner, we are under no obligation to give priority to the interests of such limited partner.

In addition, AH LLC, as well as any other limited partners, has the right to vote on certain amendments to the operating partnership agreement and to approve certain amendments that would adversely affect their rights. These voting rights may be exercised in a manner that conflicts with the interests of our shareholders.

The contribution agreement and other agreements we entered into in connection with the Management Internalization were negotiated between a special committee of our board of trustees and AH LLC. Therefore, the terms of such agreements may not have been as favorable to us as if they had been negotiated with unaffiliated third parties.

AH LLC is owned, directly or indirectly, by family members or trusts for family members or heirs of B. Wayne Hughes, our non-executive Chairman, David P. Singelyn, our Chief Executive Officer and a trustee, Jack Corrigan, our Chief Operating Officer and a trustee, David Goldberg, our Executive Vice President, and other parties. HF Investments 2010, LLC, which is comprised of trusts established by Mr. Hughes for certain of his heirs, owns an approximately 88.66% membership interest in AH LLC. Additionally, membership interests of AH LLC are owned by family members or trusts for family members of Mr. Singelyn (4.93% membership interest), Mr. Corrigan (4.93% membership interest) and Mr. Goldberg (1% membership interest). Accordingly, such trustees and executive officers received substantial economic benefits as a result of the Management Internalization. As a result of the foregoing, the interests of certain of our trustees and executive officers may differ from, and be in conflict with, the interests of our shareholders. The contribution agreement and other agreements we entered into in connection with the Management Internalization were negotiated between a special committee comprised of all of our independent trustees and AH LLC, and their terms, including the consideration payable to AH LLC, may not be as favorable to us as if they had been negotiated with unaffiliated third parties. In addition, we did not obtain a third-party appraisal of our former manager or our former property manager.

If we determine that AH LLC breached any of the representations, warranties or covenants made by it in the contribution agreement related to the Management Internalization, we may choose not to enforce, or to enforce less vigorously, our rights because of our desire to maintain our ongoing relationship with AH LLC. Moreover, the representations, warranties, covenants and indemnities in the contribution agreement are subject to limits and qualifiers, which may also limit our ability to enforce any remedy under the agreement.

Messrs. Hughes, Singelyn, Corrigan and Goldberg are subject to certain conflicts of interest with regard to enforcing the indemnification provisions contained in the contribution agreement for the Management Internalization and enforcing some of the ancillary agreements to be entered into by us in connection with the Management Internalization.

Messrs. Hughes, Singelyn, Corrigan and Goldberg received beneficial economic interests in our operating partnership s Series D units and Series E units through their direct or indirect interests in AH LLC, which received 4,375,000 Series D units and 4,375,000 Series E units as a result of the Management Internalization. Certain provisions of the contribution agreement and the ancillary agreements executed in connection with the

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Management Internalization may have significant financial impacts on AH LLC. In particular, Messrs. Hughes, Singelyn, Corrigan and Goldberg are subject to conflicts of interest in connection with the enforcement against AH LLC of indemnification obligations under the contribution agreement and other transaction documents that could directly impact their or their family s economic interests.

Because the acquisition and renovation functions will not be internalized earlier than December 10, 2014, we expect to continue to pay AH LLC significant fees, and certain of our executive officers and trustees will have a conflict of interest in connection with decisions regarding internalization of those functions.

We will continue to pay AH LLC a fee equal to 5% of the sum of the purchase price and initial renovation costs of each property that we acquire in consideration for its services in identifying, evaluating, acquiring and overseeing the renovation of its residences. If, for example, we invest $1.5 billion in acquisitions after the closing of the Management Internalization and before December 10, 2014, we will pay AH LLC acquisition and renovation fees of $75 million. AH LLC would continue to bear all of the costs of investigating properties that we do not acquire. After September 10, 2014, we will have the right to offer employment that would commence on December 10, 2014 to all of AH LLC s acquisition and renovation personnel necessary for our operations, and AH LLC will be required to cooperate to transition any employees who choose to accept our offer. If we elect not to transition employees from AH LLC, we could engage AH LLC or a third party on mutually acceptable terms to continue to provide acquisition and renovation services. Because we may still be paying significant fees to AH LLC, Messrs. Hughes, Singelyn, Corrigan and Goldberg, as a result of their personal or family financial interests in AH LLC, will be subject to conflicts of interest in connection with decisions regarding whether to pursue internalization of the acquisition and renovation functions after December 10, 2014 or to enter into a new agreement with AH LLC for these services.

Risks Related to Our Organization and Structure

Provisions of our declaration of trust may limit the ability of a third party to acquire control of us by authorizing our board of trustees to issue additional securities.

Our board of trustees may, without shareholder approval, amend our declaration of trust to increase or decrease the aggregate number of our shares or the number of shares of any class or series that we have the authority to issue and to classify or reclassify any unissued common or preferred shares, and set the preferences, rights and other terms of the classified or reclassified shares. As a result, our board of trustees may authorize the issuance of additional shares or establish a series of common or preferred shares that may delay or prevent a change in control of our company, including transactions at a premium over the market price of our shares, even if shareholders believe that a change in control is in their interest. These provisions, along with the restrictions on ownership and transfer contained in our declaration of trust and certain provisions of Maryland law described below, could discourage unsolicited acquisition proposals or make it more difficult for a third party to gain control of us, which could adversely affect the market price of our securities. See Material Provisions of Maryland Law and of Our Declaration of Trust and Bylaws.

Provisions of Maryland law may limit the ability of a third party to acquire control of us by requiring our board of trustees or shareholders to approve proposals to acquire our company or effect a change in control.

Certain provisions of the Maryland General Corporation Law, or the MGCL, applicable to Maryland real estate investment trusts may have the effect of inhibiting a third party from making a proposal to acquire us or of impeding a change in control under circumstances that otherwise could provide our shareholders with the opportunity to realize a premium over the then-prevailing market price of their shares, including:

- business combination provisions that, subject to limitations, prohibit certain business combinations between us and an interested shareholder (defined generally as any person who beneficially owns 10% or more of the voting power of our outstanding voting shares or an affiliate or associate of ours

who, at any time within the two-year period immediately prior to the date in question, was the beneficial owner of 10% or more of the voting power of our then outstanding shares) or an affiliate of any interested shareholder for five years after the most recent date on which the shareholder becomes an interested shareholder, and thereafter imposes two super-majority shareholder voting requirements on these combinations, unless, among other conditions, our common shareholders receive a minimum price, as defined in the MGCL, for their shares and the consideration is received in cash or in the same form as previously paid by the interested shareholder for its shares; and

control share provisions that provide that our control shares (defined as voting shares which, when aggregated with all other shares controlled by the shareholder, entitle the shareholder to exercise one of three increasing ranges of voting power in electing trustees) acquired in a control share acquisition (defined as the direct or indirect acquisition of ownership or control of issued and outstanding control shares) have no voting rights except to the extent approved by our shareholders by the affirmative vote of at least two-thirds of all the votes entitled to be cast on the matter, excluding shares owned by the acquirer, by our officers or by our employees who are also trustees of our company.

By resolution of our board of trustees, we have opted out of the business combination provisions of the MGCL and provided that any business combination between us and any other person is exempt from the business combination provisions of the MGCL, provided that the business combination is first approved by our board of trustees (including a majority of trustees who are not affiliates or associates of such persons). In addition, pursuant to a provision in our bylaws, we have opted out of the control share provisions of the MGCL. However, our board of trustees may by resolution elect to opt in to the business combination provisions of the MGCL and we may, by amending our bylaws, opt in to the control share provisions of the MGCL in the future.

In addition, the unsolicited takeover provisions of Title 3, Subtitle 8 of the MGCL permits our board of trustees, without shareholder approval and regardless of what is currently provided in our declaration of trust or bylaws, to implement certain takeover defenses, including adopting a classified board or increasing the vote required to remove a trustee. Such takeover defenses may have the effect of inhibiting a third party from making an acquisition proposal for us or of delaying, deferring or preventing a change in control of us under the circumstances that otherwise could provide our common shareholders with the opportunity to realize a premium over the then-current market price. In July 2013, our board of trustees and our shareholders approved an amendment to our declaration of trust under which we will elect not to be subject to these provisions.

Our rights and the rights of our shareholders to take action against our trustees and officers are limited, which could limit your recourse in the event of actions not in your best interests.

Under Maryland law, generally, a trustee will not be liable if he or she performs his or her duties in good faith, in a manner he or she reasonably believes to be 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 declaration of trust limits the liability of our trustees and officers to us and our shareholders for money damages, except for liability resulting from:

actual receipt of an improper benefit or profit in money, property or services; or

active and deliberate dishonesty by the trustee or officer that was established by a final judgment as being material to the cause of action adjudicated.

Our declaration of trust authorizes us to indemnify our trustees and officers for actions taken by them in those capacities to the maximum extent permitted by Maryland law. Our bylaws require us to indemnify each trustee and officer, to the maximum extent permitted by Maryland law, in the defense of any proceeding to which he or she is made, or threatened to be made, a party by reason of his or her service to us. In addition, we may be obligated to advance the defense costs incurred by our trustees and officers. As a result, we and our shareholders may have more limited rights against our trustees and officers than might otherwise exist absent the current provisions in our declaration of trust and bylaws or that might exist with other companies. See Material

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Provisions of Maryland Law and of Our Declaration of Trust and Bylaws Limitation of Trustees and Officers Liability and Indemnification.

Our board of trustees may change our strategy or investment policies, financing strategy or leverage policies without shareholder consent.

Our board of trustees may change any of our strategies, policies or procedures with respect to property acquisitions and divestitures, asset allocation, growth, operations, indebtedness, financing and distributions at any time without the consent of shareholders, which could result in the acquisition of properties that are different from, and possibly riskier than, the types of single-family residential real estate investments described in this prospectus. These changes could adversely affect our financial condition, risk profile, results of operations, the market price of our Class A common shares and our ability to make distributions to shareholders.

The ability of our board of trustees to revoke our REIT election without shareholder approval may cause adverse consequences to our shareholders.

Our declaration of trust provides that our board of trustees may revoke or otherwise terminate our REIT election, without the approval of our shareholders, if it determines that it is no longer in our best interest to continue to qualify as a REIT. If we cease to be 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 shareholders, which may have adverse consequences on the total return to our shareholders.

Risks Related to This Offering and Ownership of Our Class A Common Shares

A trading market for our Class A common shares was initiated only recently following our initial public offering and the price of our Class A common shares may be volatile and could decline substantially.

Prior to our initial public offering, there was no public market for our Class A common shares. An active trading market for our Class A common shares was initiated only recently and may not be sustainable, which may affect your ability to sell your Class A common shares and could depress their market price.

Our Class A common shares are listed on the NYSE. The stock markets, including the NYSE, have experienced significant price and volume fluctuations. As a result, the market price of our Class A common shares is likely to be similarly volatile, and investors in our Class A common shares may experience a decrease in the value of their shares, including decreases unrelated to our operating performance or prospects. The price of our common shares could be subject to wide fluctuations in response to a number of factors, including those listed in this Risk Factors section of this prospectus, our financial performance, government regulatory action or inaction, tax laws, interest rates and general market conditions and others such as:

- actual or anticipated variations in our quarterly operating results, financial condition, liquidity or changes in business strategy or prospects;
- equity issuances by us or resales by our shareholders, or the perception that such issuances or resales may occur;
- increases in market interest rates that may lead investors to demand a higher dividend yield or seek alternative investments paying higher rates;
- publication of research reports about us or the real estate industry;
- changes in market valuations of similar companies;
- adverse market reaction to any increased indebtedness we incur in the future;

additions or departures of key personnel;

actions by shareholders;

- speculation in the press or investment community;
- general market, economic and political conditions, including an economic slowdown or dislocation in the global credit or capital markets;
- our operating performance and the performance of other similar companies;
- failure to maintain our REIT qualification;
- changes in accounting principles or actual or anticipated accounting problems; and
- passage of legislation or other regulatory developments that adversely affect us or our industry.

The NYSE or another nationally recognized exchange may not continue to list our securities, which could limit investors ability to make transactions in our securities and subject us to additional trading restrictions.

Our Class A common shares are listed on the NYSE under the symbol AMH. In order to remain listed, we will be required to meet the continued listing requirements of the NYSE or, in the alternative, any other nationally recognized exchange to which we may apply. We may be unable to satisfy these listing requirements, and there is no guarantee that our Class A common shares will remain listed on a nationally recognized exchange. If our Class A common shares are delisted from the NYSE or any other nationally recognized exchange, we could face significant material adverse consequences, including:

- a limited availability of market quotations for our Class A common shares;
- reduced liquidity with respect to the market for our Class A common shares;
- a determination that our Class A common shares are penny shares, which will require brokers trading in our Class A common shares to adhere to more stringent rules, possibly resulting in a reduced level of trading activity in the secondary trading market for our Class A common shares;
- a limited amount of news and analyst coverage; and
- a decreased ability to issue additional Class A common shares or obtain additional financing in the future.

We are an emerging growth company, and we cannot be certain if the reduced disclosure requirements applicable to emerging growth companies will make our Class A common shares less attractive to investors.

We currently qualify as an emerging growth company as defined in the JOBS Act and may take advantage of certain exemptions from various reporting and disclosure requirements that are applicable to other public companies that are not emerging growth companies, including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved. We cannot predict if investors will find our Class A common shares less attractive because we may rely on these exemptions. If some investors find our Class A common shares less attractive as a result, there may be a less active trading market for our Class A common shares, and our share

price may be more volatile.

The availability and timing of cash distributions is uncertain.

Our board of trustees determines the amount and timing of distributions. In making this determination, our trustees will consider all relevant factors, including the amount of cash available for distribution, capital expenditures, applicable laws and general operational requirements. We intend over time to make regular quarterly distributions to holders of our Class A common shares. However, we bear all expenses incurred by our operations, and the funds generated by our operations, after deducting these expenses, may not be sufficient to cover desired levels of distributions to our shareholders. In addition, our board of trustees, in its discretion, may

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retain any portion of such cash in excess of the amount required to satisfy the REIT distribution requirements for working capital. We cannot assure you how long it may take to generate sufficient available cash flow to fund distributions nor can we assure you that sufficient cash will be available to make distributions to you. With no prior operations, we cannot predict the amount of distributions you may receive, and we may be unable to pay, maintain or increase distributions over time.

There are many factors that can affect the availability and timing of cash distributions to shareholders. Because we may receive income from interest or rents at various times during our fiscal year, distributions paid may not reflect our income earned in that particular distribution period. The amount of cash available for distributions will be affected by many factors, including without limitation, the amount of income we earn from our investments, the levels of our operating expense and many other variables. Actual cash available for distribution may vary substantially from estimates.

While we intend to fund the payment of quarterly distributions to our shareholders entirely from distributable cash flows, we may fund our quarterly distributions to our shareholders from a combination of available net cash flows, equity capital and proceeds from borrowings. In the event we are unable to consistently fund future quarterly distributions to our shareholders entirely from distributable cash flows, the value of our shares may be negatively impacted.

Holders of OP units that acquire our Class B common shares will have a significant vote in matters submitted to a vote of our shareholders.

In connection with contributions of assets by AH LLC in December 2012, AH LLC has an option to elect to receive one share of our Class B common shares instead of one OP unit for every 50 OP units it would otherwise receive in the contribution. Each outstanding Class B common share entitles the holder thereof to 50 votes on all matters on which Class A common shareholders are entitled to vote, including the election of trustees. Notwithstanding the foregoing, holders of our Class B common shares will not be entitled to vote on any matter requiring Partnership Approval, including as described in Operating Partnership and Partnership Agreement Partnership Approval for Transfers, Mergers, Sales of Assets. In addition, in no event may holders of shares beneficially owned by Mr. Hughes or HF Investments 2010, LLC, as determined in accordance with Rule 13d-3 under the Exchange Act, vote more than 30% of the total votes entitled to be cast on any particular matter nor more than 18% of the total votes of the Class A common shares. Holders of the Class B common shares will be entitled to share equally, on a per share basis, in all distributions payable with respect to our Class A common shares. Holders of the Class B common shares may have interests that differ from those holders of our Class A common shares, including by reason of their interest in our operating partnership, and may accordingly vote as a shareholder in ways that may not be consistent with the interests of holders of our Class A common shares. This significant voting influence over certain matters may have the effect of delaying, preventing or deterring a change of control of our company, or could deprive holders of our Class A common shares of an opportunity to receive a premium for their Class A common shares as part of a sale of our company.

Members of our executive team, our board of trustees, AH LLC and APFC collectively own a significant amount of our Class A common shares or OP units exchangeable for our Class A common shares, and future sales by these holders of our Class A common shares, or the perception that such sales could occur in the future, could have a material adverse effect on the market price of our Class A common shares.

Members of our executive team, our board of trustees and AH LLC beneficially own, an aggregate of approximately 25.6% of our outstanding Class A common shares, assuming that all of AH LLC s OP units are redeemed for Class A common shares. Also, APFC beneficially owns an aggregate of 18.2% of our outstanding Class A common shares assuming that all of AH LLC s OP units are redeemed for Class A common shares. Future sales by these holders of our Class A common shares, or the perception that such sales could occur in the future, could have a material adverse effect on the market price of our Class A common shares.

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In connection with our initial private placement and our follow-on private placement, we entered into registration rights agreements requiring us to use commercially reasonable efforts to file with the SEC, no later than November 21, 2013, shelf registration statements with respect to the shares sold in those private placements and to use commercially reasonable efforts to cause the shelf registration statements to become effective under the Securities Act as soon as practicable after filing, and in any event, subject to certain exceptions, no later than 180 days after the initial filing of the shelf registration statement. In addition, all holders of the Class A common shares sold in our initial private placement may elect to participate in this offering as selling shareholders, but no holders have made such an election. Once we register the shares, they can be freely sold in the public market, subject to any applicable lock-up agreements. See Shares Eligible for Future Sale.

In connection with the Management Internalization, we entered into a registration rights agreement with AH LLC providing for registration rights exercisable after December 10, 2015. After June 10, 2015, if we are eligible to file a shelf registration statement under the Securities Act, AH LLC has a right to request that we file and maintain a shelf registration statement to register for resale the Class A common shares and securities convertible into Class A common shares that are held by AH LLC. In addition, AH LLC has the right to request that we cooperate with AH LLC in up to three underwritten offerings of our Class A common shares under the shelf registration statement, provided such right may be invoked not more often than once every six months (subject to suspension rights in favor of the Company) and each such underwritten offering generally must yield gross proceeds to AH LLC of not less than $100 million per offering. After December 10, 2015, AH LLC has unlimited piggyback registration rights to include the Class A common shares and securities convertible into Class A common shares that AH LLC owns in other registration statements that we may initiate, subject to certain conditions and limitations (including cut-back rights in favor of the Company). See Description of Equity Shares Registration Rights for more discussion on the registration rights of our continuing investors and AH LLC.

Further, in connection with the Alaska Joint Venture Acquisition, APFC received 43,609,394 Class A common shares subject to a 180 day lock-up period following our initial public offering. In connection with the Alaska Joint Venture Acquisition, we entered into a registration rights agreement with APFC. Under the terms of such agreement, after we become eligible to file a shelf registration statement, APFC has a right to request that we file and maintain a shelf registration statement to register for resale the Class A common shares acquired by APFC in connection with the Alaska Joint Venture Acquisition and the right to request that we cooperate with APFC in up to three underwritten offerings of our Class A common shares under the shelf registration statement. Beginning 180 days after the date of this prospectus, APFC has unlimited piggyback registration rights to include the Class A common shares that APFC acquired through the Alaska Joint Venture Acquisition in other registration statements that we may initiate, subject to certain conditions and limitations.

Future sales of our Class A common shares or other securities convertible into our Class A common shares could cause the market value of our Class A common shares to decline and could result in dilution of your shares.

Our board of trustees is authorized, without shareholder approval, to cause us to issue additional common shares or to raise capital through the issuance of preferred shares (including equity or debt securities convertible into Class A common shares), options, warrants and other rights, on terms and for consideration as our board of trustees in its sole discretion may determine. Sales of substantial amounts of our Class A common shares or the issuance of preferred shares, options, warrants and other rights could cause the market price of our Class A common shares to decrease significantly. We cannot predict the effect, if any, of future sales of our Class A common shares, the issuance of preferred shares, options, warrants and other rights or the availability of our Class A common shares for future sales on the value of our Class A common shares.

We are registering for resale 81,894,741 Class A common shares which may be sold by the selling shareholders, as described in this prospectus. Sales of substantial amounts of our Class A common shares, or the perception that such sales could occur, may adversely affect the market price of our Class A common shares. Immediately prior to this offering, we had 184,856,219 Class A common shares issued and outstanding.

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Distributions on the Series C units will initially be higher than distributions on the Class A units.

Holders of the Series C units will be entitled to distributions equal to the actual net cash flow of the properties in the AH LLC Portfolio up to a maximum of 3.9% per unit per year based on a price per unit of $15.50 but will not be entitled to any distributions of income generated by any other properties or operations of our company or any liquidating distributions. Holders of Class A units, including our company and AH LLC, will be entitled to any net cash flow from the AH LLC Portfolio above the maximum yield on the Series C units, as well as distributions of all other cash available for distribution from our operating partnership. Initially, per unit distributions to the holders of Series C units will be more than per unit distributions to holders of Class A units. If holders of the Series C units have not exercised their right to convert the Series C units into Class A units by the earlier of (i) the third anniversary of the original issuance of the Series C units or (ii) the date of commencement of the dissolution, liquidation or winding up of our operating partnership, then the Series C units will automatically convert into Class A units.

Future issuances of our or our operating partnership s debt and equity securities that rank senior to our Class A common shares may adversely affect the market price of our Class A common shares.

We and our operating partnership are permitted, without shareholder approval, to issue debt or equity securities that have priority over our Class A common shares. Upon bankruptcy or liquidation, holders of our or our operating partnership s debt securities and preferred shares or units and lenders with respect to other borrowings will receive a distribution of our available assets prior to the holders of our Class A common shares. These securities have, and our preferred shares, if issued, could have, a preference on liquidating distributions or a preference on dividend payments or both that limit our ability to pay a dividend or other distribution to the holders of our Class A common shares. Our decision to issue securities in the future will depend on market conditions and other factors beyond our control. As a result, we cannot predict or estimate the amount, timing or nature of our future issuances, and purchasers of our Class A common shares in this offering bear the risk of our future issuances reducing the market price of our Class A common shares and diluting their ownership interest in our company.

An increase in market interest rates may have an adverse effect on the market price of our Class A common shares and our ability to pay distributions to our shareholders.

One of the factors that investors may consider in deciding whether to buy or sell our Class A common shares is our dividend rate as a percentage of our share price, relative to market interest rates. If market interest rates increase, prospective investors may demand a higher dividend rate on our Class A common shares or seek alternative investments paying higher dividends or interest. As a result, interest rate fluctuations and capital market conditions can affect the market price of our Class A common shares. For instance, if interest rates rise without an increase in our dividend rate, the market price of our Class A common shares could decrease because potential investors may require a higher dividend yield on our Class A common shares as market rates on our interest-bearing instruments such as bonds rise. In addition, to the extent we have variable rate debt, rising interest rates would result in increased interest expense on our variable rate debt, thereby adversely affecting our cash flow and our ability to service our indebtedness and pay distributions to our shareholders.

Risks Related to Qualification and Operation as a REIT

Qualifying as a REIT involves highly technical and complex provisions of the Code.

Qualification as a REIT involves the application of highly technical and complex Code provisions for which only limited judicial and administrative authorities exist. Even a technical or inadvertent violation could jeopardize our REIT qualification. Our qualification as a REIT depends upon our satisfaction of certain asset, income, organizational, distribution, shareholder ownership and other requirements on a continuing basis. New legislation, court decisions or administrative guidance, in each case possibly with retroactive effect, may make it more difficult or impossible for us to qualify as a REIT. Certain rules applicable to REITs are particularly

difficult to interpret or to apply in the case of REITs investing in real estate mortgage loans that are acquired at a discount, subject to work-outs or modifications, or reasonably expected to be in default at the time of acquisition. In addition, our ability to satisfy the requirements to qualify as a REIT depends in part on the actions of third parties over which we have no control or only limited influence, including in cases where we own an equity interest in an entity that is classified as a partnership for U.S. federal income tax purposes.

Complying with REIT requirements may limit our ability to hedge effectively and may cause us to incur tax liabilities.

The REIT provisions of the Code may limit our ability to hedge our assets and operations. Under these provisions, any income that we generate from transactions intended to hedge our interest rate risk will be excluded from gross income for purposes of the REIT 75% and 95% gross income tests if the instrument hedges interest rate risk on liabilities used to carry or acquire real estate assets or manages the risk of certain currency fluctuations, and such instrument is properly identified under applicable Treasury Regulations. Income from hedging transactions that do not meet these requirements will generally constitute non-qualifying income for purposes of both the REIT 75% and 95% gross income tests. See Material U.S. Federal Income Tax Considerations Requirements for Qualification as a REIT Gross Income Tests Income from Hedging Transactions. As a result of these rules, we may have to limit our use of hedging techniques that might otherwise be advantageous or implement those hedges through a TRS. This could increase the cost of our hedging activities because our TRS would be subject to tax on gains or expose us to greater risks associated with changes in interest rates than we would otherwise want to bear. In addition, losses in our TRS will generally not provide any tax benefit, except for being carried back or forward against past or future taxable income in the TRS.

Complying with the REIT requirements may cause us to forgo and/or liquidate otherwise attractive investments.

To qualify as a REIT, we must continually satisfy tests concerning, among other things, the sources of our income, the nature and diversification of our assets, the amounts that we distribute to our shareholders and the ownership of our shares. To meet these tests, we may be required to take or forgo taking actions that we would otherwise consider advantageous. For instance, in order to satisfy the gross income or asset tests applicable to REITs under the Code, we may be required to forgo investments that we otherwise would make. Furthermore, we may be required to liquidate from our portfolio otherwise attractive investments. In addition, we may be required to make distributions to shareholders at disadvantageous times or when we do not have funds readily available for distribution. These actions could reduce our income and amounts available for distribution to our shareholders. Thus, compliance with the REIT requirements may hinder our investment performance.

Failure to qualify as a REIT, or failure to remain qualified as a REIT, would cause us to be taxed as a regular corporation, which would substantially reduce funds available for distributions to our shareholders.

We believe that we have been organized and have operated in conformity with the requirements for qualification and taxation as a REIT and that our current organization and proposed method of operation will enable us to continue to qualify as a REIT. However, we have not requested and do not intend to request a ruling from the Internal Revenue Service, or the IRS, that we qualify as a REIT. As a result, we cannot assure you that we qualify or that we will remain qualified as a REIT.

If we fail to qualify as a REIT in any taxable year, and we do not qualify for certain statutory relief provisions, we will face serious tax consequences that will substantially reduce the funds available for distributions to our shareholders because:

- we would not be allowed a deduction for dividends paid to shareholders in computing our taxable income and would be subject to federal income tax at regular corporate rates;

- we could be subject to the federal alternative minimum tax and possibly increased state and local taxes; and

- unless we are entitled to relief under certain U.S. federal income tax laws, we could not re-elect REIT status until the fifth calendar year after the year in which we failed to qualify as a REIT.

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In addition, if we fail to qualify as a REIT, we will no longer be required to make distributions. 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 it would adversely affect the value of our common shares. See Material U.S. Federal Income Tax Considerations for a discussion of material U.S. federal income tax consequences relating to us and our common shares.

Even if we qualify as a REIT, we may face other tax liabilities that reduce our cash flow.

Even if we qualify for taxation as a REIT, we may be subject to certain U.S. federal, state and local taxes on our income and assets, including taxes on any undistributed income, tax on income from some activities conducted as a result of a foreclosure, and state or local income, property and transfer taxes. In addition, we could, in certain circumstances, be required to pay an excise or penalty tax (which could be significant in amount) in order to utilize one or more relief provisions under the Code to maintain our qualification as a REIT. See Material U.S. Federal Income Tax Considerations Taxation of the Company as a REIT. Any of these taxes would decrease cash available for distribution to our shareholders. In addition, in order to meet the REIT qualification requirements, or to avert the imposition of a 100% tax that applies to certain gains derived by a REIT from dealer property or inventory, we hold some of our assets through a TRS or other subsidiary corporations that are subject to corporate-level income tax at regular rates. Our TRS may have tax liability with respect to phantom income if it is treated as a dealer for U.S. federal income tax purposes which would require the TRS to mark to market its assets at the end of each taxable year. In addition, our TRS is subject to federal, state and local corporate taxes. Any of these taxes would decrease cash available for distribution to our shareholders. For more information on taxable REIT subsidiaries see Material U.S. Federal Income Tax Considerations Requirements for Qualification as a REIT Effect of Subsidiary Entities Ownership of Interests in Taxable REIT Subsidiaries.

Failure to make required distributions would subject us to U.S. federal corporate income tax.

We believe that we have operated and we intend to continue to operate in a manner so as to qualify as a REIT for U.S. federal income tax purposes. In order to qualify as a REIT, we generally are required to distribute at least 90% of our REIT taxable income, determined without regard to the dividends paid deduction and excluding any net capital gain, each year to our shareholders. To the extent that we satisfy this distribution requirement, but distribute less than 100% of our REIT taxable income, we will be subject to U.S. federal corporate income tax on our undistributed net taxable income. In addition, we will be subject to a 4% nondeductible excise tax if the actual amount that we pay out to our shareholders in a calendar year is less than a minimum amount specified under the Code. We intend to make distributions to our shareholders to comply with the REIT requirements of the Code.

Dividends payable by REITs do not qualify for the reduced tax rates available for some dividends, which could adversely affect the value of our Class A common shares if they are perceived as less attractive investments.

The maximum rate applicable to qualified dividend income paid by regular C corporations to U.S. shareholders that are individuals, trusts and estates generally is 20%. Dividends payable by REITs, however, generally are not eligible for the current reduced rate, except to the extent that certain holding requirements have been met and a REIT s dividends are attributable to dividends received by a REIT from taxable corporations (such as a REIT s taxable REIT subsidiaries), to income that was subject to tax at the REIT/corporate level, or to dividends properly designated by the REIT as capital gains dividends. Although the reduced rates applicable to dividend income from regular C corporations do not adversely affect the taxation of REITs or dividends payable by REITs, it could cause investors who are non-corporate taxpayers to perceive investments in REITs to be relatively less attractive than investments in the shares of regular C corporations that pay dividends, which could adversely affect the value of the shares of REITs, including our Class A common shares.

The prohibited transactions tax may limit our ability to engage in transactions.

A REIT s net income from prohibited transactions is subject to a 100% tax. In general, prohibited transactions are sales or other dispositions of property other than foreclosure property, held primarily for sale to

customers in the ordinary course of business. We may be subject to the prohibited transactions tax equal to 100% of net gain upon a disposition of real property or debt instruments that we hold. Although a safe harbor to the characterization of the sale of property by a REIT as a prohibited transaction is available, we cannot assure you that we can comply with the safe harbor or that we will avoid owning property that may be characterized as held primarily for sale to customers in the ordinary course of business. Consequently, we may choose not to engage in certain sales of our properties or debt instruments or we may conduct such sales through our TRS, which would be subject to U.S. federal and state income taxation. In addition, we may have to sell numerous properties to a single or a few purchasers, which could cause us to be less profitable than would be the case if we sold properties on a property-by-property basis. For example, if we decide to acquire properties or debt instruments opportunistically to renovate in anticipation of immediate resale, we will need to conduct that activity through our TRS to avoid the 100% prohibited transactions tax.

The 100% tax described above may limit our ability to enter into transactions that would otherwise be beneficial to us. For example, if circumstances make it profitable or otherwise uneconomical for us to remain in certain states or geographical markets, the 100% tax could delay our ability to exit those states or markets by selling our assets in those states or markets other than through a TRS, which could harm our operating profits and the trading price of our Class A common shares.

We may pay taxable dividends in our Class A common shares and cash, in which case shareholders may be required to pay income taxes in excess of the cash dividends they receive.

The IRS has issued private letter rulings to other REITs treating certain distributions that are paid partly in cash and partly in shares as taxable dividends that would satisfy the REIT annual distribution requirement and qualify for the dividends paid deduction for U.S. federal income tax purposes. Those rulings may be relied upon only by taxpayers to whom they were issued, but we could request a similar ruling from the IRS. In addition, the IRS previously issued a revenue procedure authorizing publicly traded REITs to make elective cash/share dividends, but that revenue procedure does not apply to our 2013 and future taxable years. Various aspects of such a taxable cash/share dividend are uncertain and have not yet been addressed by the IRS. No assurance can be given that the IRS will not impose additional requirements in the future with respect to taxable cash/share dividends, including on a retroactive basis, or assert that the requirements for such taxable cash/share dividends have not been met. Accordingly, it is unclear whether and to what extent we will be able to make taxable dividends payable in cash and Class A common shares.

If we made a taxable dividend payable in cash and Class A common shares, taxable shareholders receiving such dividends will be required to include the full amount of the dividend as ordinary income to the extent of our current and accumulated earnings and profits, as determined for U.S. federal income tax purposes. As a result, shareholders may be required to pay income tax with respect to such dividends in excess of the cash dividends received.

If the operating partnership fails to qualify as a partnership for federal income tax purposes, we could fail to qualify as a REIT and suffer other adverse consequences.

We believe that our operating partnership is organized and will be operated in a manner so as to be treated as a partnership and not an association or a publicly traded partnership taxable as a corporation, for U.S. federal income tax purposes. As a partnership, our operating partnership will not be subject to U.S. federal income tax on its income. Instead, each of the partners will be allocated its share of our operating partnership s income. No assurance can be provided, however, that the IRS will not challenge our operating partnership s status as a partnership for U.S. federal income tax purposes, or that a court would not sustain such a challenge. If the IRS were successful in treating our operating partnership as an association or publicly traded partnership taxable as a corporation for U.S. federal income tax purposes, we would fail to meet the gross income tests and certain of the asset tests applicable to REITs and, accordingly, would cease to qualify as a REIT. Also, the failure of the operating partnership to qualify as a partnership would cause it to become subject to U.S. federal corporate income tax, which would reduce significantly the amount of its cash available for distribution to its partners, including us.

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The ability of our board of trustees to revoke our REIT qualification without shareholder approval may cause adverse consequences to our shareholders.

Our declaration of trust provides that our board of trustees may revoke or otherwise terminate our REIT election, without shareholder approval, if it determines that it is no longer in our best interest to continue to qualify as a REIT. If we cease to qualify as a REIT, we would become subject to U.S. federal income tax on our net taxable income and would no longer be required to distribute most of our taxable income to our shareholders, which may have adverse consequences on our total return to our shareholders.

Our ownership of our TRS subsidiaries will be subject to limitations and our transactions with our TRS subsidiaries will cause us to be subject to a 100% penalty tax on certain income or deductions if those transactions are not conducted on arm s-length terms.

The Code provides that no more than 25% of the value of a REIT s assets may consist of shares or securities of one or more TRSs. This requirement limits the extent to which we can conduct activities through TRSs. In addition, the Code limits the deductibility of interest paid or accrued by a TRS to its parent REIT to assure that the TRS is subject to an appropriate level of corporate taxation. The Code also imposes a 100% excise tax on certain transactions between a TRS and its parent REIT that are not conducted on an arm s-length basis. We monitor the value of our respective investments in our TRS for the purpose of ensuring compliance with TRS ownership limitations and we intend to structure our transactions with our TRS on terms that we believe are arm s-length to avoid incurring the 100% excise tax described above. There can be no assurance, however, that we will be able to comply with the 25% taxable REIT subsidiaries limitation or to avoid application of the 100% excise tax. For more information on taxable REIT subsidiaries see Material U.S. Federal Income Tax Considerations Requirements for Qualification as a REIT Effect of Subsidiary Entities Ownership of Interests in Taxable REIT Subsidiaries.

You may be restricted from acquiring or transferring certain amounts of our common shares.

The share ownership restrictions of the Code for REITs and the 8.0% common share ownership limit that applies to all shareholders, other than the Hughes family which is subject to the excepted holder limit (as defined in the declaration of trust) and designated investment entities (as defined in the declaration of trust) which are subject to a 9.9% common share ownership limit, all as provided in our declaration of trust may inhibit market activity in our equity shares and restrict our business combination opportunities. See Description of Equity Shares Restrictions on Ownership and Transfer.

In order to qualify as a REIT for each taxable year beginning with our taxable year ending December 31, 2013, five or fewer individuals, as defined in the Code, may not own, beneficially or constructively, more than 50% in value of our issued and outstanding equity shares at any time during the last half of a taxable year. Attribution rules in the Code determine if any individual or entity beneficially or constructively owns our equity shares under this requirement. Additionally, at least 100 persons must beneficially own our equity shares during at least 335 days of a taxable year for each taxable year after 2012. To help insure that we meet these tests, our declaration of trust restricts the acquisition and ownership of our equity shares.

Our declaration of trust, with certain exceptions, authorizes our trustees to take such actions as are necessary and desirable to preserve our qualification as a REIT. Unless exempted by our board of trustees, our declaration of trust prohibits any person, other than the Hughes family which is subject to the excepted holder limit (as defined in the declaration of trust) and designated investment entities (as defined in the declaration of trust), from beneficially or constructively owning more than 8.0% in value or number of shares, whichever is more restrictive, of our outstanding common shares. Our board of trustees may not grant an exemption from these restrictions to any proposed transferee whose ownership in excess of 8.0% of the value of our outstanding common shares would result in our failing to qualify as a REIT. These restrictions on ownership and transfer will not apply, however, if our board of trustees determines that it is no longer in our best interest to continue to qualify as a REIT.

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We may be subject to adverse legislative or regulatory tax changes that could reduce the market price of our common shares.

At any time, the U.S. federal income tax laws governing REITs or the administrative interpretations of those laws may be amended, possibly with retroactive effect. We cannot predict when or if any new U.S. federal income tax law, regulation or administrative interpretation, or any amendment to any existing U.S. federal income tax law, regulation or administrative interpretation, will be adopted, promulgated or become effective and whether any such law, regulation, or interpretation may take effect retroactively. We and our shareholders could be adversely affected by any such change in or any new U.S. federal income tax law, regulation or administrative interpretation.

We may be required to report taxable income for certain investments in excess of the economic income that we ultimately realize from them.

Our TRS may invest in mortgages, including NPLs, for less than their face amount. The amount of such discount is generally be treated as market discount for U.S. federal income tax purposes. Accrued market discount is reported as income when, and to the extent that, any payment of principal of the debt instrument is made, unless we elect to include accrued market discount in income as it accrues. Principal payments on certain loans are made monthly, and consequently accrued market discount may have to be included in income each month as if the debt instrument were assured of ultimately being collected in full. If we collect less on the debt instrument than our purchase price plus the market discount we had previously reported as income, we may not be able to benefit from any offsetting loss deductions.

In the event that any debt instruments acquired by us are delinquent as to mandatory principal and interest payments, or in the event payments with respect to a particular debt instrument are not made when due, we may nonetheless be required to continue to recognize the unpaid interest as taxable income as it accrues, despite doubt as to its ultimate collectability. While we would in general ultimately have an offsetting loss deduction available to us when such interest was determined to be uncollectible, the utility of that deduction could depend on our having taxable income in that later year or thereafter.

Finally, we or our TRS may recognize taxable phantom income as a result of modifications, pursuant to agreements with borrowers, of debt instruments that we acquire if the amendments to the outstanding debt are significant modifications under the applicable Treasury regulations. In addition, our TRS may be treated as a dealer for U.S. federal income tax purposes, in which case the TRS would be required to mark to market its assets at the end of each taxable year and recognize taxable gain or loss on those assets even though there has been no actual sale of those assets.

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FORWARD-LOOKING STATEMENTS

Various statements contained in this prospectus, including those that express a belief, expectation or intention, as well as those that are not statements of historical fact, are forward-looking statements. These forward-looking statements may include projections and estimates concerning the timing and success of specific projects and our future production, revenues, income and capital spending. Our forward-looking statements are generally accompanied by words such as estimate, project, predict, believe, expect, intend, anticipate, potential, pla other words that convey the uncertainty of future events or outcomes. We have based these forward-looking statements on our current expectations and assumptions about future events. While our management considers these expectations and assumptions to be reasonable, they are inherently subject to significant business, economic, competitive, regulatory and other risks, contingencies and uncertainties, most of which are difficult to predict and many of which are beyond our control. These and other important factors, including those discussed under Risk Factors , Management s Discussion and Analysis of Financial Condition and Results of Operations and elsewhere in this prospectus may cause our actual results, performance or achievements to differ materially from any future results, performance or achievements expressed or implied by these forward-looking statements. These risks, contingencies and uncertainties include, but are not limited to, the following:

- We are employing a new and untested business model with no proven track record, which may make our business difficult to evaluate.

- We are a recently organized REIT with a limited operating history, and we may not be able to successfully operate our business or generate sufficient operating cash flows to make or sustain distributions to our shareholders.

- We may not be able to effectively manage our growth, and any failure to do so may have an adverse effect on our business and operating results.

- We intend to continue to rapidly expand our scale of operations and make acquisitions even if the rental and housing markets are not as favorable as they have been in recent months, which could adversely impact anticipated yields.

- Our future growth depends, in part, on the availability of additional debt or equity financing. If we cannot obtain additional financing on terms favorable or acceptable to us, our growth may be limited.

- Our credit facility contains financial and operating covenants that could restrict our business and investment activities. Failure to satisfy these covenants could result in a default under our credit facility that could accelerate the maturity of our debt obligations, which would have a material adverse effect on our business, liquidity, results of operations and financial condition and our ability to make distributions to our shareholders.

- Our success depends, in part, upon our ability to hire and retain highly skilled managerial, investment, financial and operational personnel, and the past performance of our senior management may not be indicative of future results.

- Our investments are and will continue to be concentrated in our target markets and the single-family properties sector of the real estate industry, which exposes us to downturns in our target markets or in the single-family properties sector.

- We face significant competition for acquisitions of our target properties, which may limit our strategic opportunities and increase the cost to acquire those properties.

We face significant competition in the leasing market for quality tenants, which may limit our ability to rent our single-family homes on favorable terms or at all.

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The large supply of single-family homes becoming available for purchase as a result of the heavy volume of foreclosures, combined with historically low residential mortgage rates, may cause some potential renters to seek to purchase residences rather than lease them and, as a result, cause a decline in the number and quality of potential tenants.

Our evaluation of properties involves a number of assumptions that may prove inaccurate, which could result in us paying too much for properties we acquire or overvaluing our properties or our properties failing to perform as we expect.

Single-family properties that are being sold through short sales or foreclosure sales are subject to risks of theft, mold, infestation, vandalism, deterioration or other damage that could require extensive renovation prior to renting and adversely impact our operating results.

If occupancy levels and rental rates in our target markets do not increase sufficiently to keep pace with rising costs of operations, our income and distributable cash will decline.

We depend on our tenants and their willingness to renew their leases for substantially all of our revenues. Poor tenant selection and defaults and nonrenewals by our tenants may adversely affect our reputation, financial performance and ability to make distributions to our shareholders.

Declining real estate values and impairment charges could adversely affect our earnings and financial condition.

We are self-insured against many potential losses, and uninsured or underinsured losses relating to properties may adversely affect our financial condition, operating results, cash flows and ability to make distributions on our Class A common shares.

Mortgage loan modification programs and future legislative action may adversely affect the number of available properties that meet our investment criteria.

Completion of the Management Internalization has exposed us to new and additional responsibilities, costs and risks.

The contribution agreement we entered into in connection with the Management Internalization was negotiated between a special committee of our board of trustees and AH LLC. Therefore, the terms of the agreement may not have been as favorable to us as if it had been negotiated with unaffiliated third parties.

Our board of trustees has approved a very broad investment policy and does not review or approve each acquisition decision made by AH LLC.

We may be adversely affected by lawsuits alleging trademark infringement as such lawsuits could materially harm our brand name, reputation and results of operations.

Our fiduciary duties as the general partner of our operating partnership could create conflicts of interest, which may impede business decisions that could benefit our shareholders.

As long as AH LLC continues to perform acquisition and renovation services for us, we will continue todepend on AH LLC for our external growth.

A trading market for our Class A common shares was initiated only recently following our initial public offering and the price of our Class A common shares may be volatile and could decline substantially.

The availability and timing of cash distributions is uncertain.

Members of our executive team, our board of trustees, AH LLC and APFC collectively own a significant amount of our Class A common shares or OP units exchangeable for our Class A common shares, and future sales by these holders of our Class A common shares, or the perception that such sales could occur in the future, could have a material adverse effect on the market price of our Class A common shares.

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- Failure to qualify as a REIT, or failure to remain qualified as a REIT, would cause us to be taxed as a regular corporation, which would substantially reduce funds available for distribution to our shareholders.

While forward-looking statements reflect our good faith beliefs, assumptions and expectations, they are not guarantees of future performance, and you should not unduly rely on them. The forward-looking statements in this prospectus speak only as of the date of this prospectus. We are not obligated to update or revise these statements as a result of new information, future events or otherwise, unless required by applicable law.

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USE OF PROCEEDS

We will not receive any proceeds from the sale of our Class A common shares in this offering by the selling shareholders from time to time pursuant to this prospectus. However, we have agreed to pay certain expenses relating to the registration of these shares.

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DISTRIBUTION POLICY

To qualify as a REIT, we must distribute annually to our shareholders an amount at least equal to 90% of our REIT taxable income, determined without regard to the deduction for dividends paid and excluding any net capital gain. We will be subject to income tax on our taxable income that is not distributed and to an excise tax to the extent that certain percentages of our taxable income are not distributed by specified dates. See Material U.S. Federal Income Tax Considerations. Income as computed for purposes of the foregoing tax rules will not necessarily correspond to our income as determined for financial reporting purposes.

The amount, timing and frequency of distributions authorized by our board of trustees will be based upon a variety of factors, including:

- actual results of operations;
- our level of retained cash flows;
- restrictions under Maryland law;
- any debt service requirements and compliance with covenants under our credit facility;
- our taxable income;
- the annual distribution requirements under the REIT provisions of the Code;
- distributions to senior equity security holders; and
- other factors that our board of trustees may deem relevant.

Our ability to make distributions to our shareholders will depend upon the ability of our management team to invest in our target assets in accordance with our business strategy and the performance of our properties. Distributions will be made in cash to the extent that cash is available for distribution. We may not be able to generate sufficient net interest income to pay distributions to our shareholders. In addition, our board of trustees may change our distribution policy in the future. See Risk Factors.

Our declaration of trust allows us to issue preferred shares that could have a preference on distributions. If we do issue preferred shares, the distribution preference on the preferred shares could limit our ability to make distributions to the holders of our common shares. Our board of trustees will set the level of distributions. We intend to distribute our taxable income to our shareholders and retain the balance of our cash available for distribution for reinvestment in properties. However, our cash available for distribution may be less than the amount required to meet the distribution requirements for REITs under the Code, and we may be required to borrow money, sell assets or make taxable distributions of our equity shares or debt securities to satisfy the distribution requirements. Additionally, we may pay future distributions from the proceeds of securities offerings and thus all or a portion of such distributions may constitute a return of capital for federal income tax purposes. We also may elect to pay all or a portion of any distribution in the form of a taxable distribution of our shares or debt securities.

The timing and frequency of distributions authorized by our board of trustees in its sole discretion and declared by us will be based upon a variety of factors deemed relevant by our board of trustees, which may include among others: our actual and projected results of operations; our liquidity, cash flows and financial condition; revenue from our properties; our operating expenses; economic conditions; debt service requirements; limitations under our financing arrangements; applicable law; capital requirements and the REIT requirements of the Code. Our actual results of operations will be affected by a number of factors, including the revenue we receive from our assets, our operating expenses, interest expenses and unanticipated expenditures. For more information regarding risk factors that could materially adversely affect our actual

results of operations, please see Risk Factors.

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We cannot guarantee whether or when we will be able to make distributions or that any distributions will be sustained over time. Distributions to our shareholders generally will be taxable to our shareholders as ordinary income, although a portion of such distributions may be designated by us as capital gain dividends or qualified dividend income, or may constitute a return of capital. We will furnish annually to each of our shareholders a statement setting forth distributions paid during the preceding year and their federal income tax treatment. For a discussion of the federal income tax treatment of our distributions, see Material U.S. Federal Income Tax Considerations.

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MARKET PRICE OF COMMON SHARES AND DIVIDENDS

Our Class A common shares have been listed on the NYSE since August 1, 2013 and are traded under the symbol AMH. The following table sets forth, for the period indicated, the high, low and last sale prices in dollars on the NYSE for our Class A common shares and the distributions we declared with respect to the period indicated.

	High	Low	Last	Distributions
Third quarter 2013(1)	$ 16.99	$ 15.29	$ 16.40	$ 0

(1) Information is provided only for the period from August 1, 2013 to September 27, 2013, as our Class A common shares did not begin trading publicly on the NYSE until August 1, 2013.

On September 27, 2013, the closing sale price of our Class A common shares, as reported on the NYSE, was $16.40, and there were 216 holders of record of our Class A common shares. This figure does not reflect the beneficial ownership of shares held in nominee name.

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SELECTED CONSOLIDATED FINANCIAL DATA

The following table presents selected historical consolidated financial information and selected portfolio data as of June 30, 2013 (unaudited) and December 31, 2012 and 2011 and for the six months ended June 30, 2013 and 2012 (unaudited), for the year ended December 31, 2012 and for the period from June 23, 2011 to December 31, 2011. The selected consolidated financial information presented below under the captions Consolidated Statements of Operations Data and Consolidated Balance Sheets Data have been derived from our consolidated financial statements. Under the provisions of ASC 805, *Business Combinations,* we have reflected transactions between businesses under common control retroactively based on the date AH LLC commenced acquiring properties, June 23, 2011. As such, the statements of operations reflect activity prior to our date of formation, and the properties contributed to us by AH LLC are reflected retroactively on the balance sheets based on AH LLC s net book value. Therefore, our selected consolidated financial data may not be indicative of our past or future results and does not reflect our financial position or results of operations had it been presented as if we had been operating independently during the period presented. Because the information presented below is only a summary and does not provide all of the information contained in our historical consolidated financial statements, including the related notes, you should read it in conjunction with Management s Discussion and Analysis of Financial Condition and Results of Operations and our consolidated financial statements, including the related notes, included elsewhere in this prospectus.

Consolidated Statements of Operations Data

(Amounts in thousands, except share information)

	For the Six Months Ended June 30,		Year Ended December 31,	Period from June 23, 2011 to December 31,
	2013	2012	2012	2011
Revenues:				
Rents from single-family properties	$ 24,144	$ 280	$ 4,540	$ 65
Other	535			
Total revenues	24,679	280	4,540	65
Expenses:				
Property operating expenses				
Leased single-family properties	9,362	133	1,744	27
Vacant single-family properties	6,120	118	1,846	12
General and administrative expense	2,436	1,657	7,199	47
Advisory fees	6,352		937	
Interest expense	370			
Noncash share-based compensation expense	453		70	
Acquisition fees and costs expensed	3,489		869	
Depreciation and amortization	13,784	102	2,111	21
Total expenses	42,366	2,010	14,776	107
Gain on remeasurement of equity method investment	10,945			
Income / (loss) from continuing operations	(6,742)	(1,730)	(10,236)	(42)
Discontinued operations				
Gain on disposition of assets	904			
Income from discontinued operations	104			
Total income from discontinued operations	1,008			

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	For the Six Months Ended June 30, 2013	For the Six Months Ended June 30, 2012	Year Ended December 31, 2012	Period from June 23, 2011 to December 31, 2011
Net income / (loss)	(5,734)	(1,730)	(10,236)	(42)
Noncontrolling interest	5,559			
Conversion of preferred units	10,456			
Net loss attributable to common shareholders	$ (21,749)	$ (1,730)	$ (10,236)	$ (42)
Weighted average shares outstanding basic and diluted	72,234,717	3,301,667	7,225,512	3,301,667
Net loss per share basic and diluted:				
Loss from continuing operations	$ (0.31)	$ (0.52)	$ (1.42)	$ (0.01)
Discontinued operations	0.01			
Net loss attributable to common shareholders per share basic and diluted	$ (0.30)	$ (0.52)	$ (1.42)	$ (0.01)

Consolidated Balance Sheets Data

	As of June 30, 2013 (unaudited) (in thousands)	As of December 31, 2012 (in thousands)	As of December 31, 2011 (in thousands)
Single-family properties, net	$ 3,039,504	$ 505,713	$ 3,495
Cash and cash equivalents	251,406	397,198	
Rent and other receivables	7,644	6,586	11
Restricted cash for resident security deposits	13,572		
Escrow deposits, prepaid expenses and other assets	27,936	11,961	17
Deferred costs and other intangibles	21,978		
Goodwill	120,655		
Total assets	$ 3,482,695	$ 921,458	$ 3,523
Total liabilities	$ 831,359	$ 16,294	$ 49
Total equity	2,651,336	905,164	3,474
Total liabilities and equity	$ 3,482,695	$ 921,458	$ 3,523

Selected Other Portfolio Data

	As of June 30, 2013 (unaudited)	As of December 31, 2012	As of December 31, 2011
Leased single-family properties	10,245	1,164	19
Vacant single-family properties available for lease	2,007	623	2

Single-family properties being renovated	6,074	1,857	12
Total single-family properties owned	18,326	3,644	33

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MANAGEMENT S DISCUSSION AND ANALYSIS OF

FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion of our financial condition and results of operations should be read together with the Selected Consolidated Financial Data, Our Business and Properties, and the consolidated financial statements and related notes that are included elsewhere in this prospectus. The following discussion includes information derived from our June 30, 2013 and 2012 condensed consolidated financial statements and December 31, 2012 and 2011 consolidated financial statements located elsewhere in this prospectus. This discussion contains forward-looking statements based upon our current expectations that involve risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth under Risk Factors, Forward-Looking Statements or in other parts of this prospectus.

Overview

We are a Maryland REIT focused on acquiring, renovating, leasing and operating single-family homes as rental properties. We commenced operations in November 2012 to continue the investment activities of AH LLC, which we refer to as our sponsor, which was founded by our chairman, B. Wayne Hughes, in 2011 to take advantage of the dislocation in the single-family home market. Mr. Hughes has over 40 years of experience in the real estate business and a successful track record as co-founder and former chairman and chief executive officer of Public Storage, a REIT listed on the NYSE.

As of June 30, 2013, we owned 18,326 single-family properties representing an estimated total investment of $3.2 billion, which includes our actual purchase price (including closing costs) and estimated renovation costs plus a 5% acquisition and renovation fee, if applicable. We also had an additional 1,152 properties in escrow that we expected to acquire, subject to customary closing conditions, for an estimated total investment of $191 million. As of June 30, 2013, we owned properties in selected sub-markets of metropolitan statistical areas, or MSAs, in 21 states, and we continually evaluate potential new target markets that fit our underwriting criteria and are located where we believe we can achieve sufficient scale for internalized property management.

From our formation through June 10, 2013, we were externally managed and advised by our former manager and the leasing, managing and advertising of our properties was overseen and directed by our former property manager, both of which were subsidiaries of the sponsor. On June 10, 2013, we effected the Management Internalization and acquired our former manager and our former property manager from the sponsor in exchange for 4,375,000 Series D units and 4,375,000 Series E units in our operating partnership. We now have an integrated operating platform that consists of approximately 270 personnel dedicated to property management, marketing, leasing, financial and administrative functions. Our acquisition and renovation functions continue to be performed by the sponsor until December 10, 2014. On September 10, 2014, we have the right to offer employment, which would commence on December 10, 2014, to all of the sponsor s acquisition and renovation personnel necessary for our operations. No additional consideration will be paid to the sponsor in connection with exercising our employment offer right. Until such time as we have completed our hiring of the sponsor s acquisition and renovation personnel, we will continue paying the sponsor a 5% acquisition and renovation fee and, separately, the sponsor will pay us a monthly fee of $100,000 for maintenance and use of certain intellectual property transferred to us in the Management Internalization.

Prior to the Management Internalization, the sponsor exercised control over us through the contractual rights provided to our former manager through an advisory management agreement. Accordingly, our consolidated financial statements retroactively reflect two transactions between us and the sponsor as transactions between entities under common control. In December 2012, the sponsor contributed 367 properties to us with an agreed-upon value of $49,444,000 and made a cash investment of $556,000, in exchange for 3,300,000 Class A common shares, 667 Class B common shares, and 32,667 Class A units of our operating partnership. In February 2013, the sponsor contributed a portfolio of 2,770 single-family properties to us with an agreed-upon value of $491,666,000, in exchange for 31,085,974 Series C units of our operating partnership and 634,408 of our Class B

common shares. As noted in our consolidated financial statements, the accounts relating to the properties acquired in those transactions have been reflected retroactively at the sponsor s net book value. The sponsor commenced acquiring these properties on June 23, 2011, and, accordingly, the statements of operations reflect activity prior to our date of formation. Our consolidated financial statements are not indicative of our past or future results and do not reflect our financial position, results of operations, changes in equity and cash flows had they been presented as if we had been operated independently during the period presented. Accordingly, this discussion of our financial statements encompasses certain aspects of the historical operations of the sponsor.

Recent Transactions

Management Internalization

Pursuant to a contribution agreement among the sponsor, us and our operating partnership, we acquired our former manager and our former property manager from the sponsor in exchange for 4,375,000 Series D units and 4,375,000 Series E units. Under terms of the Management Internalization, all administrative, financial, property management, marketing and leasing personnel, including executive management, became fully dedicated to us. Acquisition and renovation personnel will continue to remain employees of the sponsor or its affiliates until December 10, 2014. On September 10, 2014, we have the right to offer employment, which would commence on December 10, 2014, to all of the sponsor s acquisition and renovation personnel necessary for our operations. Until such time as we have completed our hiring of the sponsor s acquisition and renovation personnel, we will continue paying the sponsor a 5% acquisition and renovation fee and, separately, the sponsor will pay us a monthly fee of $100,000 for maintenance and use of certain intellectual property transferred to us in the Management Internalization.

Our results will be significantly impacted by the Management Internalization. We no longer pay the advisory management fee that it had been paying to our former manager and no longer pays property management or leasing fees to our former property manager. In addition, by December 10, 2014, we will no longer be obligated to pay to the sponsor an acquisition or renovation fee. We believe that elimination of these fees will be offset to some extent by an increase in expenses as we have assumed direct responsibility for managing our properties. However, we believe that, over time, the increases in expenses will be significantly less than the reduction in the fees associated with the Management Internalization.

Alaska Joint Venture Acquisition

On June 11, 2013, we completed a transaction with APFC and the sponsor to acquire a portfolio of 4,778 single-family properties for a total purchase price of $904,487,000, consisting of the issuance of 43,609,394 Class A common shares of the Company to APFC and 12,395,965 Class A units of our operating partnership to the sponsor.

RJ Joint Venture Transaction

On June 14, 2013, we acquired the sponsor s remaining ownership interests in RJ1 and RJ2 in exchange for the early conversion of 653,492 3.5% convertible perpetual preferred units held by the sponsor into 653,492 Class A units and the issuance of an additional 705,167 Class A units. Upon acquiring the sponsor s remaining ownership interests, we gained control over RJ1 and RJ2 and, accordingly, began consolidating the operations of the 377 single-family properties owned by RJ1 and RJ2.

Factors That Affect Our Results of Operations and Financial Condition

Our results of operations and financial condition are affected by numerous factors, many of which are beyond our control. Key factors that impact our results of operations and financial condition include our ability to

identify and acquire properties, our pace of property acquisitions, the time and cost required to remove any existing occupants and then to renovate and lease a newly acquired property at acceptable rental rates, occupancy levels, rates of tenant turnover, the length of vacancy in properties between tenant leases, our expense ratios, our ability to raise capital and our capital structure.

Property Acquisitions

We have rapidly but systematically grown our portfolio of single-family homes and intend to continue to do so. Our ability to identify and acquire single-family homes that meet our investment criteria is impacted by home prices in our target markets, the inventory of properties available for sale through our acquisition channels and competition for our target assets. Our pace of acquisitions has recently slowed, which is the result of our effort to match our capital investments with our capital-raising activities. We expect that our level of acquisition activity will fluctuate based on the number of suitable investments and on the level of funds available for investment.

The sponsor s acquisition and renovation platform, together with the breadth and depth of our executive team has provided processes and systems to accumulate and regularly evaluate relevant data on a real-time basis to track and manage key aspects of our business, such as acquisition costs, renovation costs and the amount of time required to convert an acquired single-family home to a rental property.

Property Operations

The acquisition of properties involves expenditures in addition to payment of the purchase price, including payments for acquisition fees, property inspections, closing costs, title insurance, transfer taxes, recording fees, broker commissions, property taxes and HOA fees (when applicable). In addition, we typically incur costs between $5,000 and $20,000 to renovate a home to prepare it for rental. Renovation work varies, but may include paint, flooring, carpeting, cabinetry, appliances, plumbing hardware and other items required to prepare the home for rental. The time and cost involved in accessing our homes and preparing them for rental can significantly impact our financial performance. The time to renovate a newly acquired property can vary significantly among properties for several reasons, including the property s acquisition channel, the age and condition of the property and whether the property was vacant when acquired. Our operating results also are impacted by the amount of time it takes to market and lease a property, as well as the length of stay by our tenants. The period of time to market and lease a property can vary greatly and is impacted by local demand, our marketing techniques and the size of our available inventory. We actively monitor these measures and trends.

Revenue

Our revenue is derived primarily from rents collected under lease agreements related to our single-family properties. These include short-term leases that we enter into directly with our tenants, which typically have a term of one year. Our rental revenue was approximately $17,585,000 and $184,000 for the three months ended June 30, 2013 and 2012, respectively, and $24,144,000 and $280,000 for the six months ended June 30, 2013 and 2012, respectively. Our revenue was approximately $4,540,000 and $65,000 for the year ended December 31, 2012 and the period from June 23, 2011 (inception) through December 31, 2011, respectively. The increases in revenue are primarily attributable to the overall growth in the number of leased properties during the periods presented. Other important drivers of revenue are rental rates and occupancy levels. Our rental rates and occupancy levels are affected by macroeconomic factors and local and property-level factors, including market conditions, seasonality and tenant defaults, and the amount of time it takes to renovate and re-lease properties when tenants vacate. We generally do not offer free rent or other concessions in connection with leasing our properties.

The growth of our portfolio has been significant in recent months, as we have increased the rate at which we acquire properties. To fuel our acquisition pipeline, we have continued to broaden our target markets and are now currently active in 44 markets in 22 states.

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We expect that the occupancy of our portfolio will increase as the proportion of recently acquired properties declines relative to the size of our entire portfolio. Nevertheless, in the near term, our ability to drive revenue growth will depend in large part on our ability to efficiently renovate and lease newly acquired properties, maintain occupancy in the rest of our portfolio and acquire additional properties, both leased and vacant.

We believe that our platform will allow us to achieve strong tenant retention and lease renewal rates at our properties. Based on our experience with 471 leases that matured before June 30, 2013 (including 190 in Phoenix, Arizona and 186 in Las Vegas, Nevada), 65% of the tenants renewed their leases at an average increase in rental rate of 2.4%. This performance may not be indicative of future renewals in those markets or of renewals in other markets. Further, we have limited experience in evaluating tenant retention since most of our properties were acquired in the last 12 months and our leases are generally for a one-year term.

Expenses

We monitor the following categories of expenses that we believe most significantly affect our results of operations.

Property Expenses

Once a property is available for lease, which we refer to as rent-ready, we incur ongoing property-related expenses, primarily marketing expenses, HOA fees (when applicable), property taxes, insurance, repairs and maintenance and tenant turnover costs, which may not be subject to our control.

Property Management

Prior to the Management Internalization on June 10, 2013, our former property manager provided all property management functions for our properties. These functions included overseeing and directing the leasing, management and advertising of our single-family properties, including collecting rents and interacting with our tenants. We paid our former property manager a fee equal to 6% of collected rents and a leasing fee equal to one-half of the monthly rent for a twelve-month term (prorated for the actual term of the lease) upon execution of each lease and renewal. In addition to these fees, we also were responsible for all direct property expenses. Upon completion of the Management Internalization, we now incur costs such as salary expenses for property management personnel, lease expenses for property management offices and technology expenses for maintaining the property management platform. Property management and leasing fees that were previously paid to our former manager and former property manager have been discontinued.

Advisory Fees and General and Administrative Expenses

Advisory fees payable to our former manager have been reflected as an expense in our condensed consolidated statements of operations. General and administrative expenses includes costs directly incurred by us during the periods presented and primarily consists of audit and tax fees, trustees fees and trustee and officers insurance costs. It also includes allocated general and administrative expenses incurred by the sponsor that were either clearly applicable to or have been reasonably allocated to the operations of the properties contributed by the sponsor in connection with our initial private offering of Class A common shares in November 2012, or the 2012 Offering, and the contribution of the AH LLC Portfolio, which we refer to as the 2,770 Property Contribution.

Since the Management Internalization on June 10, 2013, we now directly incur expenses related to our internal management platform related to the management of our properties and for services previously performed by our former manager. In addition, following our IPO, we have incurred and will incur certain additional costs related to operating as a public company due to increased legal, insurance, accounting, investor relations and other expenses related to corporate governance, SEC reporting and other compliance matters. Over time as our portfolio grows, we expect these costs to decline as a percentage of revenue.

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Results of Operations

Property Operations

Three and six months ended June 30, 2013 and 2012

As of June 30, 2013 and 2012, we owned 18,326 and 1,053 single-family properties (including contributed properties), respectively, 56% and 9% of which were leased, respectively. As of June 30, 2013 and 2012, 33% and 78% of our properties were in the process of being renovated, respectively, and 11% and 13% of our properties had been renovated and were rent-ready, respectively. The following is a summary of property operations by category:

	Three Months Ended June 30, 2013			Six Months Ended June 30, 2013		
	Leased Properties	Vacant Properties (Renovated and Not Leased	Total	Leased Properties	Vacant Properties (Renovated and Not Leased	Total
	(in thousands, except for number of properties)					
Property revenues	$ 17,585	$	$ 17,585	$ 24,144	$	$ 24,144
Property operating expense	(6,859)	(4,391)	(11,250)	(9,362)	(6,120)	(15,482)
Net operating income / (loss)[(1)]	$ 10,726	$ (4,391)	$ 6,335	$ 14,782	$ (6,120)	$ 8,662
Number of properties at June 30, 2013	10,245	2,007	12,252	10,245	2,007	12,252

	Three Months Ended June 30, 2012			Six Months Ended June 30, 2012		
	Leased Properties	Vacant Properties (Renovated and Not Leased	Total	Leased Properties	Vacant Properties (Renovated and Not Leased	Total
	(in thousands, except for number of properties)					
Property revenues	$ 184	$	$ 184	$ 280	$	$ 280
Property operating expense	(90)	(96)	(186)	(133)	(118)	(251)
Net operating income / (loss)[(1)]	$ 94	$ (96)	$ (2)	$ 147	$ (118)	$ 29
Number of properties at June 30, 2013	100	135	235	100	135	235

(1) Net operating income, or NOI, is a supplemental non-GAAP financial measure. We define NOI from leased properties as rents from single-family properties, less property operating expenses for leased single-family properties. We define NOI from vacant properties as property operating expenses for vacant single-family properties. A reconciliation of NOI to net income / (loss) as determined in accordance with GAAP is located under the caption Reconciliation of Net Operating Income to Net Income (Loss).

Property management fees incurred to our former property manager prior to the Management Internalization on June 10, 2013, which have been included in the property operating expenses in the condensed consolidated statements of operations, were $1,061,000 and $1,264,000 for the three and six months ended June 30, 2013, respectively. Following the completion of the Management Internalization, we no longer pay property management fees and now incur costs such as salary expenses for property management personnel, lease expenses for property management offices and technology expenses for maintaining the property management platform.

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Year ended December 31, 2012 and Period from June 23, 2011 to December 31, 2011

As of December 31, 2012 and 2011, we owned 3,644 and 33 single-family properties (including contributed properties), respectively, 32% and 58% of which were leased, respectively, generating rental revenue of approximately $4,540,000 and $65,000, respectively. As of December 31, 2012 and 2011, 51% and 36% of our properties were in the process of being renovated, respectively, 17% and 6% of which had been renovated and were available for lease, respectively. The following is a summary of property operations by category:

	Year Ended December 31, 2012		
	Vacant Properties (Renovated and Not Leased)	Leased Properties	Total
		(in thousands, except for number of properties)	
Property revenues	$	$ 4,540	$ 4,540
Property operating expense	1,846	1,744	3,590
Net property operating income (loss)[1]	$ (1,846)	$ 2,796	$ 950
Number of properties at December 31, 2012	623	1,164	1,787

	Period From June 23, 2011 to December 31, 2011		
	Vacant Properties (Renovated and Not Leased)	Leased Properties	Total
		(in thousands, except for number of properties)	
Property revenues	$	$ 65	$ 65
Property operating expense	12	27	39
Net property operating income (loss)[1]	$ (12)	$ 38	$ 26
Number of properties at December 31, 2011	2	19	21

(1) Net operating income, or NOI, is a supplemental non-GAAP financial measure. We define NOI from leased properties as rents from single-family properties, less property operating expenses for leased single-family properties. We define NOI from vacant properties as property operating expenses for vacant single-family properties. A reconciliation of NOI to net income / (loss) as determined in accordance with GAAP is located under the caption Reconciliation of Net Operating Income to Net Income (Loss).

In 2012, our former property manager earned an aggregate property management fee of $12,000 and an additional $55,000 in leasing fees. Property management fees are recognized in property operating expenses in the consolidated statements of operations and leasing fees are included in other assets and are amortized over the terms of the respective lease agreements. Since the Management Internalization, the property management fees are no longer paid and now incur costs such as salary expenses for property management personnel, lease expenses for property management offices and technology expenses for maintaining the property management platform.

General and Administrative Expense and Advisory Fees

General and administrative expense consists of trustees and officers insurance expenses, audit fees, trustee fees and other expenses associated with our operations. General and administrative expense was $811,000 and $2,436,000 for the three and six months ended June 30, 2013, respectively, and $1,487,000 and $1,657,000 for the three and six months ended June 30, 2012, respectively. General and administrative expense was $7,199,000

and $47,000 for the year ended December 31, 2012 and for the period from June 23, 2011 (inception) to December 31, 2011, respectively. General and administrative expense includes allocated general and administrative expenses incurred by the sponsor that were either clearly applicable to or reasonably allocated to the operations of the properties contributed by the sponsor in connection with the 2012 Offering and the 2,770 Property Contribution. Allocated general and administrative expenses were zero and $993,000 for the three and six months ended June 30, 2013, respectively, and $1,483,000 and $1,653,000 for the three and six months ended June 30, 2012, respectively. Allocated general and administrative expense was $6,949,000 and $47,000 for the year ended December 31, 2012 and for the period from June 23, 2011 (inception) to December 31, 2011, respectively. Allocated general and administrative expenses include salaries, rent, consulting services, travel expenses, temporary services and accounting and legal services.

Advisory fees represent fees that were paid to our former manager prior to the Management Internalization. Under the terms of an advisory management agreement with our former manager, our former manager was responsible for designing and implementing our business strategy and administrating our business activities and day-to-day operations, subject to oversight by our board of trustees. Our former manager was also responsible for conducting our acquisition activities and performing all of our ongoing administrative functions. The advisory fee was calculated as 1.75% per year of a defined shareholders equity calculated and paid quarterly in arrears. Concurrently with the 2,770 Property Contribution on February 28, 2013, our former manager agreed to a permanent reduction in the advisory fee of $9,800,000 per year. Advisory fees incurred to our former manager prior to the Management Internalization were $3,610,000 and $6,352,000 for the three and six months ended June 30, 2013, respectively. Advisory fees paid for the year ended December 31, 2012 and for the period from June 23, 2011 (inception) to December 31, 2011 were $937,000 and zero, respectively. Upon completion of the Management Internalization, our former manager became a wholly-owned subsidiary of our operating partnership, so future advisory management fees have been eliminated. Since the Management Internalization on June 10, 2013, we now directly incur expenses related to our internal management platform related to the management of our properties and for services previously performed by our former manager. These costs primarily consist of personnel costs and totaled approximately $267,000 from the date of the Management Internalization through June 30, 2013 and have been included within general and administrative expense in the accompanying condensed consolidated financial statements.

Noncash Share-Based Compensation Expense

Noncash share-based compensation expense was $279,000 and $453,000 for the three and six months ended June 30, 2013, respectively. For the year ended December 31, 2012 and the period from June 23, 2011 (inception) to December 31, 2011, noncash share-based compensation expense was $70,000 and zero, respectively. This expense relates to options to purchase Class A common shares issued to our trustees and certain officers and directors and Class A common shares issued to our trustees.

Acquisition Fees and Costs Expensed

Acquisition fees and costs expensed are incurred in connection with the acquisition of properties with existing leases (including the sponsor s acquisition and renovation fee equal to 5% of the actual purchase price and renovation costs of a property). For properties that are leased at the time of acquisition, these costs are expensed, rather than capitalized as a component of the acquisition cost. For the three and six months ended June 30, 2013, acquisition fees and costs expensed include $1,325,000 and $2,320,000, respectively, of acquisition fees associated with single-family properties acquired with in-place leases and $774,000 and $1,169,000, respectively, of transaction costs incurred in connection with recent business combinations. No acquisition fees or costs were expensed during the three or six months ended June 30, 2012. Acquisition fees and costs expensed were $869,000 and zero for the year ended December 31, 2012 and the period from June 23, 2011 (inception) to December 31, 2011, respectively. Following the completion of the Management Internalization, we will continue to pay the sponsor s acquisition and renovation fee until December 10, 2014. Additionally, after September 10, 2014, we will have the right to offer employment to all of the sponsor s acquisition and renovation personnel that will commence on December 10, 2014.

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Depreciation and Amortization

Depreciation and amortization expense consists primarily of depreciation of buildings. Depreciation of our assets is calculated over their useful lives, which is calculated on a straight-line basis over 5 to 30 years. Our intangible assets are amortized on a straight-line basis over the asset s estimated economic useful life.

Cash Flows

Our cash flows from (or used in) operating activities primarily depends on numerous factors, including the occupancy level of our properties, the rental rates achieved on our leases, the collection of rent from our tenants and the level of property operating expenses, management company operating expenses and general and administrative expenses. Net cash provided by operating activities was $2,039,000 for the six months ended June 30, 2013 and net cash used in operating activities was $1,628,000 for the six months ended June 30, 2012. Net cash used in operating activities was $6,549,000 and $21,000 for the year ended December 31, 2012 and the period from June 23, 2011 (inception) to December 31, 2011, respectively. Before any property we own begins generating revenue, we take possession of, renovate, market and lease the property, a process that typically takes approximately four months.

Our net cash used in investing activities primarily consists of the acquisition cost of properties and the costs of renovating our properties. Net cash used in investing activities was $1,503,447,000 for the six months ended June 30, 2013 and includes $236,849,000 of renovation costs to prepare the properties for rental. These costs typically include paint, flooring, appliances, blinds and landscaping. Net cash used in investing activities were $97,470,000 and zero for the year ended December 31, 2012 and the period from June 23, 2011 (inception) to December 31, 2011, respectively.

Net cash provided by financing activities was $1,355,616,000 and $1,628,000 for the six months ended June 30, 2013 and 2012, respectively. Our net cash provided by financing activities for the six months ended June 30, 2013 primarily consists of $703,497,000 from the issuance of our Class A common shares sold in our follow-on private offering in March 2013, or the 2013 Offering, and $670,000,000 in borrowings under the credit facility. Net cash provided by financing activities for the year ended December 31, 2012 was $501,217,000 and primarily consists of $494,839,000 in proceeds from the issuance of Class A common shares sold in the 2012 offering.

Critical Accounting Policies and Estimates

Our discussion and analysis of our historical financial condition and results of operations is based upon our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America, or GAAP. The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could ultimately differ from those estimates. For a discussion of recently-issued and adopted accounting standards, see Notes to Unaudited Condensed Consolidated Financial Statements, Note 2 Significant accounting policies.

Investment in Real Estate

Transactions in which single-family properties are purchased that are not subject to an existing lease are treated as asset acquisitions, and as such are recorded at their purchase price, including acquisition fees, which is allocated to land and building based upon their relative fair values at the date of acquisition. Single-family properties that are acquired either subject to an existing lease or as part of a portfolio level transaction are treated as a business combination under ASC 805, *Business Combinations*, and as such are recorded at fair value, allocated to land, building and the existing lease, if applicable, based upon their relative fair values at the date of acquisition, with acquisition fees and other costs expensed as incurred. Fair value is determined based on ASC 820, *Fair Value Measurements and Disclosures*, primarily based on unobservable data inputs. In making estimates of fair values for purposes of allocating the purchase price of individually acquired properties subject to an existing lease, we utilize

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our own market knowledge and published market data. In this regard, we also utilize information obtained from county tax assessment records to assist in the determination of the fair value of the land and building. We engage a third party valuation specialist to assist in the determination of fair value for purposes of allocating the purchase price of properties acquired as part of portfolio level transactions. Single-family properties contributed by the sponsor are deemed to be transactions under common control. Accordingly, the assets and liabilities (if any) of the properties we have acquired from the sponsor are recorded by us at the sponsor s net book value.

The value of acquired lease related intangibles is estimated based upon the costs we would have incurred to lease the property under similar terms. Such costs are capitalized and amortized over the remaining life of the lease. Acquired leases are generally short-term in nature (six months to two years).

The nature of our business requires that in certain circumstances we acquire single-family properties subject to existing liens. Liens that we expect to be extinguished in cash are estimated and accrued on the date of acquisition and recorded as a cost of the property.

We incur costs to prepare our acquired properties to be rented. These costs, along with related holding costs, including interest expense, during the period of renovation, are capitalized to the cost of the building. Total interest expense capitalized during the three and six months ended June 30, 2013 was $2,028,000. Upon completion of the renovation of our properties, all costs of operations, including repairs and maintenance, are expensed as incurred.

Goodwill

Goodwill represents the fair value in excess of the tangible and separately identifiable intangible assets that were acquired as part of the Management Internalization. Goodwill has an indefinite life and is therefore not amortized. We will analyze goodwill for impairment on an annual basis, or if certain events or circumstances occur, pursuant to ASC 350, Intangibles Goodwill and Other. No impairments have been recorded as of June 30, 2013.

Impairment of Long-Lived Assets

We evaluate our long-lived assets for impairment periodically or whenever events or circumstances indicate that their carrying amount may not be recoverable. Significant indicators of impairment may include, but are not limited to, declines in home values, rental rates and occupancy percentages and significant changes in the economy. If an impairment indicator exists, we compare the expected future undiscounted cash flows against its net carrying amount. If the sum of the estimated undiscounted cash flows is less than the net carrying amount, we would record an impairment loss for the difference between the estimated fair value of the individual property and the carrying amount of the property at that date. No impairments have been recorded since our inception on June 23, 2011 through June 30, 2013.

Leasing Costs

Direct and incremental costs that we incur to lease our properties are capitalized and amortized over the term of the leases, which generally have a term of six months to two years. Prior to the Management Internalization, we paid our former property manager a leasing fee equal to one-half of each lease s monthly rent for a twelve month term (prorated for the actual term of the lease).

Depreciation and Amortization

Depreciation is computed on a straight-line basis over the estimated useful lives of the buildings and improvements; buildings are depreciated on a straight-line basis over 30 years, and improvements are generally depreciated over five years. We consider the value of in-place leases in the allocation of the purchase price, and the amortization period reflects the remaining terms of the leases. The unamortized portion of in-place leases is included in deferred leasing costs and other intangibles, net. Our intangible assets are amortized on a straight-line basis over the asset s estimated economic useful life.

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Cash and Cash Equivalents

We consider all demand deposits, cashier s checks, money market accounts and certificates of deposit with a maturity of three months or less to be cash equivalents. We maintain our cash and cash equivalents and escrow deposits at financial institutions. The combined account balances typically exceed the FDIC insurance coverage, and, as a result, there is a concentration of credit risk related to amounts on deposit. We believe that the risk is not significant.

Allowance for Doubtful Accounts

We maintain an allowance for doubtful accounts for estimated losses that may result from the inability of tenants or borrowers to make required rent or other payments. This allowance is estimated based on payment history and current credit status. As of June 30, 2013 and December 31, 2012, we had recorded no allowance for doubtful accounts.

Rescinded Properties

In certain jurisdictions, our purchases of single-family properties at foreclosure and judicial auctions are subject to the right of rescission. When we are notified of a rescission, the amount of the purchase price is reclassified as a receivable. As of June 30, 2013 and December 31, 2012, rescission receivables totaled $501,000 and $1,612,000, respectively.

Revenue and Expense Recognition

We lease single-family properties that we own directly to tenants who occupy the properties under operating leases, generally, with a term of one year. Rental revenue, net of any concessions, is recognized on a straight-line basis over the term of the lease, which is not materially different than if it were recorded when due from tenants and recognized monthly as it is earned. We estimate losses that may result from the inability of our tenants to make rental payments required under the terms of the lease. As of June 30, 2013 and December 31, 2012, we had no allowances for such losses.

We accrue for property taxes and HOA assessments based on amounts billed, and, in some circumstances, estimates and historical trends when bills or assessments are not available. If these estimates are not correct, the timing and amount of expenses recorded could be incorrect.

Accrued and Other Liabilities

Accrued and other liabilities consist primarily of trade payables, HOA fees and property tax accruals as of the end of the respective period presented. It also consists of contingent loss accruals, if any. Such losses are accrued when they are probable and estimable. When it is reasonably possible that a significant contingent loss has occurred, we disclose the nature of the potential loss and, if estimable, a range of exposure.

Income Taxes

We have elected to be taxed as a REIT under Sections 856 to 860 of the Internal Revenue Code of 1986 (the Code), commencing with our taxable year ended December 31, 2012. We believe that we have operated in such a manner as to satisfy the requirements for qualification as a REIT. Accordingly, we will not be subject to federal income tax, provided that we qualify as a REIT and our distributions to our shareholders equal or exceed our REIT taxable income.

However, qualification and taxation as a REIT depend upon our ability to meet the various qualification tests imposed under the Code related to the percentage of income that we earn from specified sources, the

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percentage of our earnings that we distribute. Accordingly, no assurance can be given that we will be organized or be able to operate in a manner so as to qualify or remain qualified as a REIT. If we fail to qualify as a REIT in any taxable year, we will be subject to federal and state income tax (including any applicable alternative minimum tax) on our taxable income at regular corporate tax rates, and we may be ineligible to qualify as a REIT for four subsequent tax years. Even if we qualify as a REIT, we may be subject to certain state or local income taxes, and our taxable REIT subsidiary will be subject to federal, state and local taxes on its income.

Share-based Compensation

Our 2012 Incentive Plan is accounted for under the provisions of ASC 718, *Compensation Stock Compensation*, and ASC 505-50, *Equity-Based Payments to Non-Employees*. Noncash share-based compensation expense related to options to purchase our Class A common shares issued to trustees is based on the fair value of the options on the grant date and amortized over the service period. Noncash share-based compensation expense related to options granted to employees of the sponsor who were considered non-employees was based on the estimated fair value of the options and was re-measured each period. As certain of these former employees of the sponsor became our employees in connection with the Management Internalization on June 10, 2013, stock options for 485,000 Class A common shares were reclassified as grants to employees and re-measured as of the date of the Management Internalization. These options are recognized in expense over the service period.

Fair Value of Financial Instruments

The fair value of a financial instrument is the amount at which the instrument could be exchanged in an orderly transaction between two willing parties. The carrying amount of rents and other receivables, restricted cash for resident security deposits, escrow deposits, prepaid expenses, accounts payable and accrued expenses and amounts payable to affiliates approximate fair value because of the short maturity of these amounts. As our credit facility bears variable interest at 30 day LIBOR plus 2.75% and was recently entered into on March 7, 2013, management believes the carrying value of the credit facility as of June 30, 2013 reasonably approximates fair value, which has been estimated by discounting future cash flows at market rates.

Emerging Growth Company Status

We are an emerging growth company, as defined in the JOBS Act, and we are eligible to take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies. These exemptions provide that, so long as a company qualifies as an emerging growth company, it will, among other things:

- be exempt from the say on pay provisions (requiring a non-binding shareholder vote to approve compensation of certain executive officers) and the say on golden parachute provisions (requiring a non-binding shareholder vote to approve golden parachute arrangements for certain executive officers in connection with mergers and certain other business combinations) of the Dodd-Frank Act and certain disclosure requirements of the Dodd-Frank Act relating to compensation of its chief executive officer;

- be permitted to omit the detailed compensation discussion and analysis from proxy statements and reports filed under the Exchange Act and instead provide a reduced level of disclosure concerning executive compensation; and

- be exempt from any rules that may be adopted by the Public Company Accounting Oversight Board requiring mandatory audit firm rotation or a supplement to the auditor s report on the financial statements.

Although we continue to evaluate the JOBS Act, we currently may take advantage of some or all of the reduced regulatory and reporting requirements that will be available to us so long as we qualify as an emerging growth company, except that we have irrevocably elected not to take advantage of the extension of time to comply with new or revised financial accounting standards available under Section 102(b) of the JOBS Act.

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We could remain as an emerging growth company for up to five years, or until the earliest of:

- the last day of the first fiscal year in which our annual gross revenues exceed $1.0 billion;

- the date that we become a large accelerated filer as defined in Rule 12b-2 under the Exchange Act, which would occur if the market value of our Class A common shares that are held by non-affiliates exceeds $700 million as of the last business day of our most recently completed second fiscal quarter (which is likely to occur in 2014); or

- the date on which we have issued more than $1.0 billion in non-convertible debt during the preceding three-year period.

Liquidity and Capital Resources

Our liquidity and capital resources as of June 30, 2013 included cash and cash equivalents of $251,406,000. Additionally, as of June 30, 2013, we had access to a credit facility (see Credit Facility below).

Liquidity is a measure of our ability to meet potential cash requirements, maintain our assets, fund our operations, make distributions to our shareholders and meet other general requirements of our business. Our liquidity, to a certain extent, is subject to general economic, financial, competitive and other factors beyond our control. Our near-term liquidity requirements consist primarily of acquiring properties in our target markets, renovating newly-acquired rental properties, and funding our operations. Our long-term liquidity requirements consist primarily of funds necessary to pay for the acquisition, restoration and maintenance of our properties, HOA fees (as applicable), real estate taxes, non-recurring capital expenditures, interest and principal payments on our indebtedness, payment of distributions to our shareholders and general and administrative expenses.

The nature of our business, our growth plans and the requirement that we distribute at least 90% of our REIT taxable income may cause us to have substantial liquidity needs over the long term, although we have not had any taxable income to date. We will seek to satisfy our long-term liquidity needs through cash provided by operations, long-term secured and unsecured borrowings, the issuance of debt and equity securities (including OP units), property dispositions and joint venture transactions. We have financed our operations and acquisitions to date through the issuance of equity securities and borrowings under our credit facility. Going forward, we expect to meet our operating liquidity requirements generally through cash on hand and cash provided by operations. We believe our rental income net of operating expenses will generally provide cash flow sufficient to fund our operations and dividend distributions. However, for the six months ended June 30, 2013, our net cash provided by operating activities was slightly more than $2.0 million, and a significant number of our properties are not fully stabilized. In addition, our real estate assets are illiquid in nature. A timely liquidation of assets might not be a viable source of short-term liquidity should a cash flow shortfall arise. In the event that our cash flows from operations are insufficient to fund our liquidity requirements, we may need to source liquidity from other financing alternatives.

To date, we have not declared any dividends. To qualify as a REIT, we are required to distribute annually at least 90% of our REIT taxable income, without regard to the deduction for dividends paid and excluding net capital gains, and to pay tax at regular corporate rates to the extent that we annually distribute less than 100% of our net taxable income. We intend to pay quarterly dividends to our preferred and common shareholders, which in the aggregate approximately equal our net taxable income in the relevant year. The commencement and amount of future dividends cannot be determined at this time.

Credit Facility

On March 7, 2013, we entered into a $500 million senior secured revolving credit facility with Wells Fargo Bank, National Association. In June 2013, we entered into a temporary increase to our credit facility that allowed

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us to borrow up to $1 billion through December 2013. On August 6, 2013, the loan had an outstanding balance of $840 million, and was paid down by $716 million from the proceeds of our IPO. Upon the occurrence of this paydown, maximum borrowings under this loan were reduced to $500 million. On September 30, 2013, we amended our credit facility to add J.P. Morgan Chase Bank as a lender, expand our borrowing capacity under the credit facility to $800 million and extend the repayment period to September 30, 2018. The amount that may be borrowed under our credit facility is generally based on the borrowing base. Borrowings under our credit facility are available until March 2015, which period may be extended for an additional year, subject to the satisfaction of certain financial covenant tests. Our credit facility bears interest at 30-day LIBOR plus 2.75% until March 2017, and thereafter at 30-day LIBOR plus 3.125%. Our credit facility contains financial and operating covenants, such as debt ratios, minimum liquidity and adjusted tangible net worth tests and other limitations that may restrict our ability to make distributions or other payments to our shareholders and may restrict our investment activities. Among others, our credit facility requires that we maintain financial covenants relating to the following matters: (i) minimum liquidity of cash, cash equivalents and borrowing capacity under any credit facilities in an aggregate amount of at least $15,000,000, of which at least $7,500,000 must be in cash and cash equivalents; (ii) a maximum leverage ratio of 1.0 to 1.0; (iii) debt service coverage ratio of 2.0 to 1.0; and (iv) adjusted tangible net worth of not less than 85% of our adjusted tangible net worth as of September 30, 2013, plus 85% of the net proceeds of any additional equity capital raises completed on or after September 30, 2013. At June 30, 2013, we had $670 million of borrowings outstanding under our credit facility. On August 31, 2013, we had $94 million in borrowings under our credit facility. As of the date of this prospectus, we are currently in discussions with lending institutions and rating agencies regarding other potential financing and securitization transactions. The discussions are preliminary in nature, and we cannot assure you that we will enter into any of these potential transactions.

Other Transactions with the Sponsor and its Affiliates

Contribution in connection with the 2012 Offering

In connection with the 2012 Offering, on December 31, 2012, the sponsor contributed 367 single-family properties with an agreed-upon value of approximately $49.4 million and made a cash investment of approximately $0.6 million. In connection with this acquisition, the sponsor received 3,300,000 of our Class A common shares, 667 of our Class B common shares and 32,667 Class A units. The agreed-upon value of this contribution was $50.0 million, with the value of the single-family properties contributed based on their purchase price together with renovation costs, holding costs and transfer costs incurred by the sponsor, and a 5% acquisition fee to the sponsor. Because the transaction has been deemed to be between entities under common control under the provisions of ASC 805, *Business Combinations*, the single-family properties acquired have been recorded at the sponsor s net carrying cost of approximately $46.7 million as of the date of the acquisition, without consideration of the acquisition fees which were expensed.

2,770 Property Contribution

On February 28, 2013, pursuant to a contribution agreement with the sponsor, we acquired a portfolio of 2,770 single-family properties with an agreed-upon value of approximately $491.7 million in exchange for 31,085,974 Series C units and 634,408 Class B common shares, in each case based on a price per unit or share of $15.50. Because the transaction is also considered to be between entities under common control, the accounts relating to the properties acquired have been reflected retroactively in our consolidated financial statements based on the results of operations and net book value recorded by the sponsor. Holders of the Series C units are entitled to distributions equal to actual net cash flow of the portfolio of 2,770 properties that we purchased from the sponsor on February 28, 2013, up to a maximum of 3.9% per unit per annum based on a price per unit of $15.50. Pursuant to the contribution agreement, the sponsor is responsible for all costs to transfer the properties and for paying costs associated with the completion of initial renovation of the properties after we acquire them. Concurrently with this transaction, our former manager agreed to a permanent reduction in the advisory management fee of $9,800,000 per year in connection with the increased shareholder s equity.

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Holders of the Series C units have a one-time right to convert all such units into Class A units. If on the date of conversion, the contributed properties are not initially leased for at least 98% of the scheduled rents (determined scheduled rents (determined on an aggregate basis) will convert into Class A units on a one for one basis, and the Series C units associated with the remaining single-family properties will convert into a number of Class A units determined by dividing the sponsor s aggregate cost of the properties (including the acquisition fees) by $15.50, with proportionate reductions in Class B shares.

Subsequent events

Subsequent acquisitions

From July 1, 2013 through July 31, 2013, we acquired 1,499 properties with an aggregate purchase price of $208,762,000. In August 2013, our pace of acquisitions is expected to decline further. The slowing in our pace of acquisitions is the result of our effort to match our capital investments with our capital raising activities. We expect that our level of acquisition activity will fluctuate based on the number of suitable investments and on the level of funds available for investment.

Initial Public Offering and Concurrent Private Placements

On August 6, 2013, we raised $705,882,000 before aggregate underwriting discounts and offering costs of $36,952,000 in an IPO. Concurrently with the IPO, we raised an additional $75,000,000 in the concurrent private placements at the IPO price of $16.00 per share and without payment of any underwriting discount or placement fee. On August 21, 2013, we raised $105,882,000 before aggregate underwriting discounts of $5,029,000 by issuing an additional 6,617,647 Class A common shares in connection with the IPO underwriters exercise in full of their option to purchase additional shares.

Borrowings on Credit Facility

From July 1, 2013 through August 6, 2013, we borrowed an additional $170,000,000 under the credit facility. On August 6, 2013, the loan had an outstanding balance of $840,000,000, and was paid down by $716,000,000 from the proceeds of our IPO. Upon the occurrence of this paydown, maximum borrowings under this loan were reduced to $500,000,000. As of August 26, 2013, we had $81 million in borrowings under our credit facility. We are currently in discussions regarding the potential entry into a new credit agreement that could consist of a revolving facility and one or more term loans in amounts that are yet to be determined. In addition, we are also in discussions with bankers and rating agencies regarding a potential securitization transaction. The discussions are preliminary in nature and we cannot assure you that we will enter into a new credit agreement or any other loan.

Off-Balance Sheet Arrangements

We have no obligations, assets or liabilities that would be considered off-balance sheet arrangements. We have not participated in transactions that create relationships with unconsolidated entities or financial partnerships, often referred to as variable interest entities, which would have been established for the purpose of facilitating off-balance sheet arrangements.

Contractual Obligations

In connection with the renovation of single-family properties after they are purchased, we enter into contracts for necessary improvements. As of June 30, 2013 and December 31, 2012, we had aggregate outstanding commitments of $9,382,000 and $1,694,000, respectively, in connection with these contracts. As of June 30, 2013 and December 31, 2012, we had commitments to acquire 1,152 and 462 single-family properties, respectively, with an aggregate purchase price of approximately $167,318,000 and $70,082,000, respectively. It is likely that some of these properties will not be acquired for various reasons.

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Quantitative and Qualitative Disclosures about Market Risk

Our future income, cash flows and fair values relevant to financial instruments are dependent upon prevalent market interest rates. Market risk refers to the risk of loss from adverse changes in market prices and interest rates. We may in the future use derivative financial instruments to manage, or hedge, interest rate risks related to any borrowings we may have. We expect to enter into such contracts only with major financial institutions based on their credit ratings and other factors. We do not currently have any market risk sensitive instruments.

Reconciliation of Net Operating Income to Net Income (Loss)

Net operating income, or NOI, is a supplemental non-GAAP financial measure. We define NOI from leased properties as rents from single-family properties, less property operating expenses for leased single-family properties. We define NOI from vacant properties as property operating expenses for vacant single-family properties.

We consider NOI to be a meaningful financial measure because we believe it is helpful to investors in understanding the operating performance of our single-family properties. It should be considered only as a supplement to net income (loss) as a measure of our performance. NOI should not be used as a measure of our liquidity, nor is it indicative of funds available to fund our cash needs, including our ability to pay dividends or make distributions. NOI also should not be used as a supplement to or substitute for net income (loss) or net cash flows from operating activities (as computed in accordance with GAAP).

The following is a reconciliation of NOI to net income (loss) as determined in accordance with GAAP:

	Three Months Ended June 30, 2013			Six Months Ended June 30, 2013		
	Leased Properties	Vacant Properties (Renovated and Not Leased	Total	Leased Properties	Vacant Properties (Renovated and Not Leased	Total
	(in thousands, except for number of properties)					
Net income / (loss)	$ 1,123	$ 1,123	$ 1,123	$ (5,734)	$ (5,734)	$ (5,734)
Income from discontinued operations	(986)	(986)	(986)	(1,008)	(1,008)	(1,008)
Gain on remeasurement of equity method investment	(10,945)	(10,945)	(10,945)	(10,945)	(10,945)	(10,945)
Depreciation and amortization	10,879	10,879	10,879	13,784	13,784	13,784
Acquisitions fees and costs expensed	2,099	2,099	2,099	3,489	3,489	3,489
Noncash share-based compensation expense	279	279	279	453	453	453
Interest expense				370	370	370
Advisory fees	3,610	3,610	3,610	6,352	6,352	6,352
General and administrative expense	811	811	811	2,436	2,436	2,436
Property operating expenses for vacant single-family properties	4,391			6,120		
Property operating expenses for leased single-family properties		6,859			9,362	
Rents from single-family properties		(17,585)			(24,144)	
Other revenues	(535)	(585)	(535)	(535)	(535)	(535)
Net operating income / (loss)	$ 10,726	$ (4,391)	$ 6,335	$ 14,782	$ (6,120)	$ 8,662

	Three Months Ended June 30, 2012			Six Months Ended June 30, 2012		
	Leased Properties	Vacant Properties (Renovated and Not Leased	Total	Leased Properties	Vacant Properties (Renovated and Not Leased	Total
	(in thousands, except for number of properties)					
Net income / (loss)	$ (1,566)	$ (1,566)	$ (1,566)	$ (1,730)	$ (1,730)	$ (1,730)
Income from discontinued operations						
Gain on remeasurement of equity method investment						
Depreciation and amortization	77	77	77	102	102	102
Acquisitions fees and costs expensed						
Noncash share-based compensation expense						
Interest expense						
Advisory fees						
General and administrative expense	1,487	1,487	1,487	1,657	1,657	1,657
Property operating expenses for vacant single-family properties	96			118		
Property operating expenses for leased single-family properties		90			133	
Rents from single-family properties		(184)			(280)	
Other revenues						
Net operating income / (loss)	$ 94	$ (96)	$ (2)	$ 147	$ (118)	$ 29

	Year Ended December 31, 2012			Period from June 23, 2011 to December 31, 2011		
	Leased Properties	Vacant Properties (Renovated and Not Leased)	Total	Leased Properties	Vacant Properties (Renovated and Not Leased)	Total
	(in thousands, except for number of properties)					
Net income / (loss)	$ (10,236)	$ (10,236)	$ (10,236)	$ (42)	$ (42)	$ (42)
Depreciation and amortization	2,111	2,111	2,111	21	21	21
Acquisition fees and costs expensed	869	869	869			
Noncash share-based compensation expense	70	70	70			
Advisory fees	937	937	937			
General and administrative expense	7,199	7,199	7,199	47	47	47
Property operating expenses for vacant single-family properties	1,846			12		
Property operating expenses for leased single-family properties		1,744			27	
Rents from single-family properties		(4,540)			(65)	
Net operating income / (loss)	$ 2,796	$ (1,846)	$ 950	$ 38	$ (12)	$ 26

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OUR BUSINESS AND PROPERTIES

Our Company

We are an internally managed Maryland REIT focused on acquiring, renovating, leasing and operating single-family homes as rental properties. We commenced operations in November 2012 to continue the investment activities of AH LLC, which was founded by our chairman, Mr. Hughes, in 2011 to take advantage of the dislocation in the single-family home market. Mr. Hughes has over 40 years of experience in the real estate business and a successful track record as co-founder and former chairman and chief executive officer of Public Storage, a REIT listed on the NYSE. We have an integrated operating platform that consists of approximately 270 personnel dedicated to property management, marketing, leasing, financial and administrative functions. Our acquisition and renovation functions are performed by AH LLC, to whom we will continue to pay an acquisition and renovation fee through December 2014.

As of July 31, 2013, we owned 19,825 single-family properties for an estimated total investment of $3.4 billion and had an additional 458 properties in escrow that we expected to acquire, subject to customary closing conditions, for an estimated total investment of $76.3 million. As of July 31, 2013, we owned properties in selected sub-markets of MSAs in 22 states, and we continually evaluate potential new target markets that fit our underwriting criteria and are located where we believe we can achieve sufficient scale for internalized property management.

We intend to become a leader in the single-family home rental industry by aggregating a geographically diversified portfolio of high quality single-family homes and developing American Homes 4 Rent into a nationally recognized brand that is well-known for quality, value and tenant satisfaction and is well respected in our communities. Our objective is to generate attractive, risk-adjusted returns for our shareholders through dividends and capital appreciation. In addition to single-family properties, we also may seek to invest in condominium units, townhouses and real estate-related debt investments. Our investments may be made directly or through investment vehicles with third-party investors. In addition to individual property purchases, we may pursue bulk acquisitions from financial institutions, government agencies and competitors.

We have been organized and operated in conformity with the requirements for qualification and taxation as a REIT under U.S. federal income tax laws, commencing with our taxable year ended December 31, 2012, and we expect to satisfy the requirements for qualification and taxation as a REIT under the U.S. federal income tax laws for our taxable year ending December 31, 2013, and subsequent taxable years.

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Our Properties

The table below summarizes certain information with respect to our properties as of July 31, 2013.

Our Properties[1]

	Properties		Estimated Total Investment[2][3]		Estimated Total Book Value[3][4]		Average per Property	
	Units	% of Total	$ millions	Avg. per Property	$ millions	Avg. per Property	Square Footage	Property Age (years)
Indianapolis, IN	1,718	8.7%	$ 252.1	$ 146,731	$ 246.1	$ 143,234	1,870	11.6
Dallas-Fort Worth, TX	1,660	8.4%	269.9	162,603	262.2	157,927	2,209	10.2
Greater Chicago area, IL and IN	1,361	6.9%	218.0	160,165	206.7	151,845	1,855	12.4
Atlanta, GA	1,216	6.1%	214.2	176,147	195.3	160,584	2,168	13.2
Houston, TX	1,027	5.2%	179.2	174,472	179.2	174,472	2,295	9.6
Cincinnati, OH	1,005	5.1%	173.7	172,834	169.4	168,545	1,848	11.9
Phoenix, AZ	960	4.8%	149.6	155,883	139.4	145,196	1,812	11.3
Jacksonville, FL	892	4.5%	135.6	151,974	131.7	147,635	1,924	9.8
Charlotte, NC	877	4.4%	152.0	173,271	146.8	167,376	1,948	10.6
Nashville, TN	869	4.4%	181.4	208,743	173.9	200,155	2,193	9.5
All Other[5]	8,240	41.6%	1,474.7	178,973	1,435.1	174,166	1,913	10.9
Total / Average	**19,825**	**100.0%**	**$ 3,400.4**	**$ 171,519**	**$ 3,285.7**	**$ 165,733**	**1,972**	**11.0**

(1) Includes 377 properties owned by the RJ joint ventures in which we hold an approximate one-third interest.

(2) For properties that we acquired directly, Estimated Total Investment represents our actual purchase price (including closing costs) and estimated renovation costs plus a 5% acquisition and renovation fee, if applicable. Estimated renovation costs represent the total costs we have incurred or expect to incur to renovate a property to prepare it for rental. These costs typically include paint, flooring, appliances, blinds and landscaping. Estimated Total Investment differs from Estimated Total Book Value only with respect to the properties contributed by AH LLC. For properties contributed by AH LLC, Estimated Total Book Value is an estimate of the properties GAAP book value, which includes estimates for renovation costs we expect to incur. These properties were recorded at the net book value of AH LLC as of the date of contribution. See note 3 below.

(3) Estimated Total Investment and Estimated Total Book Value each include estimated renovation costs in the aggregate of approximately $204 million, approximately $168 million of which represents actual renovation costs incurred through July 31, 2013 and approximately $36 million of which represents estimated remaining costs we expect to incur as of that date to prepare these properties for rental. Estimated renovation costs typically include paint, flooring, appliances, blinds and landscaping.

(4) Estimated Total Book Value represents the estimated book value on a GAAP basis of all properties. In the case of AH LLC s contribution of properties to us, for GAAP purposes these transactions are considered to be transactions between entities under common control under the provisions of the Accounting Standards Codification, or ASC, 805, *Business Combinations*. As a result, these properties have been reflected at the net carrying cost of AH LLC. For the properties acquired from the Alaska Joint Venture, the $904.5 million purchase price has been allocated among the properties in accordance with GAAP. For all other properties, Estimated Total Book Value represents the actual purchase price (including closing costs) and estimated renovation costs plus a 5% acquisition and renovation fee, if any.

(5) Represents 34 markets in 18 states.

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The table below summarizes certain information with respect to properties in escrow as of July 31, 2013.

Properties in Escrow[1]

	Properties in Escrow				Estimated Total Investment[2]	
Market	**Units**	**% of Total**	**Avg. Sq.Ft.**	**Avg. Age (years)**	**$ millions**	**Avg. per Property**
Cincinnati, OH	55	12.0%	1,882	12.1	$ 8.5	$ 154,842
Columbus, OH	50	10.9%	1,839	12.3	$ 6.9	138,878
Raleigh, NC	32	7.0%	1,955	9.1	$ 4.8	149,401
Charlotte, NC	28	6.1%	2,038	11.1	$ 4.3	153,718
Houston, TX	24	5.2%	2,698	9.9	$ 4.9	204,433
Chicago Area, IL and IN	23	5.0%	1,933	13.9	$ 4.0	175,339
Indianapolis, IN	21	4.6%	2,014	11.8	$ 3.2	153,743
Nashville, TN	17	3.7%	2,202	7.2	$ 3.3	195,829
Dallas-Fort Worth, TX	17	3.7%	2,136	12.2	$ 2.9	167,735
Columbia, SC	15	3.3%	1,983	4.9	$ 2.2	146,847
All Other[3]	176	38.4%	1,892	9.7	$ 31.2	177,404
Total / Average	458	100.0%	1,971	10.5	$ 76.3	$ 166,636

(1) Includes properties in escrow subject to customary closing conditions. Does not include properties in escrow subject to lender approval. Properties in escrow are typically not occupied at the closing date.
(2) Estimated Total Investment represents our actual purchase price (including closing costs) and estimated renovation costs plus a 5% acquisition and renovation fee. Estimated renovation costs represent the total costs we expect to incur to renovate a property to prepare it for rental. These costs typically include paint, flooring, appliances, blinds and landscaping.
(3) Represents 24 markets in 14 states.

Between July 31, 2013 and August 31, 2013 (the latest practicable date before the commencement of this offering), we acquired approximately 857 properties with an estimated total investment of $126.1 million (including properties in escrow as of July 31, 2013). Approximately 62% of these properties acquired between July 31, 2013 and August 31, 2013 were purchased in foreclosure auctions and the balance through other acquisition channels. At August 31, 2013, we had approximately 410 properties in escrow with an estimated total investment of $65.9 million.

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Property and Management Footprint (As of July 31, 2013)[1]