Campus Crest Communities, Inc.
Form S-11/A
June 21, 2010

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As filed with the Securities and Exchange Commission on June 21, 2010

Registration Statement No. 333-166834

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Amendment No. 1
to
Form S-11
FOR REGISTRATION
UNDER
THE SECURITIES ACT OF 1933
OF SECURITIES OF CERTAIN REAL ESTATE COMPANIES

CAMPUS CREST COMMUNITIES, INC.
(Exact Name of Registrant as Specified in Governing Instruments)

2100 Rexford Road, Suite 414
Charlotte, NC 28211
(704) 496-2500
(Address, Including Zip Code and Telephone Number, Including Area Code, of Registrant s Principal Executive Offices)

Ted W. Rollins
Chief Executive Officer
2100 Rexford Road, Suite 414
Charlotte, NC 28211
(704) 496-2500
(Name, Address, Including Zip Code and Telephone Number, Including Area Code, of Agent for Service)

Copies to:

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Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date of this Registration Statement.

If any of the Securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act, check the following box. o

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If delivery of the prospectus is expected to be made pursuant to Rule 434, check the following box. o

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

Large accelerated filer o	Accelerated filer o	Non-accelerated filer þ (Do not check if a smaller reporting company)	Smaller reporting company o

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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The information in this preliminary prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject to Completion
Preliminary Prospectus dated June 21, 2010

PROSPECTUS

Shares

Campus Crest Communities, Inc.

Common Stock

Campus Crest Communities, Inc. is a self-managed, self-administered, vertically-integrated developer, builder, owner and manager of high-quality, purpose-built student housing. Prior to this offering, our business was conducted through Campus Crest Group, LLC, which is wholly-owned and controlled by Ted W. Rollins, our co-chairman and chief executive officer, and Michael S. Hartnett, our co-chairman and chief investment officer, and certain members of their families. Upon completion of this offering and our formation transactions, we will own interests in 27 student housing properties containing approximately 13,580 beds.

This is our initial public offering. We are offering shares of our common stock, $0.01 par value per share. We expect the initial public offering price of our common stock to be between $ and $ per share. Currently, no public market exists for our common stock. We expect to apply to have our common stock listed on The New York Stock Exchange under the symbol CCG.

We are organized as a Maryland corporation and intend to elect and qualify to be taxed as a real estate investment trust for U.S. federal income tax purposes commencing with our taxable year ending December 31, 2010. Subject to certain exceptions described in this prospectus, upon completion of this offering, our charter will provide that no person may own, or be deemed to own, more than 9.8% by vote or value, whichever is more restrictive, of either our outstanding common stock or our outstanding capital stock in the aggregate.

Investing in our common stock involves significant risks. You should read the section entitled Risk Factors beginning on page 23 of this prospectus for a discussion of the risks that you should consider before investing in our common stock.

	Per Share	Total
Public offering price	$	$
Underwriting discount(1)	$	$
Proceeds, before expenses, to us	$	$

(1) Excludes a structuring fee payable to Raymond James & Associates, Inc. of 0.35% of the total public offering price of our common stock sold in this offering. See Underwriting.

The underwriters may purchase up to an additional shares of our common stock at the initial public offering price less the underwriting discount, within 30 days from the date of this prospectus to cover overallotments, if any.

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.

The underwriters expect to deliver the common stock on or about , 2010.

RAYMOND JAMES

The date of this prospectus is , 2010

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You should rely only on the information contained in this prospectus or in any free writing prospectus prepared by us. We have not, and the underwriters have not, authorized anyone to provide you with any additional or different information. If anyone provides you with additional or different information, you should not rely on it. We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus is accurate only as of the date on the front cover of this prospectus or such other date as specified herein. Our business, financial condition, liquidity, funds from operations, or FFO, results of operations and prospects may have changed since such dates.

Unless the context otherwise requires, references to company, we, us and our refer to (i) Campus Crest Communiti Inc., a Maryland corporation, and its consolidated subsidiaries, including Campus Crest Communities Operating Partnership, LP, a Delaware limited partnership, through which we will conduct substantially all of our business, which we refer to as our operating partnership, except where it is clear from the context that the term means only the

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issuer of the common stock, Campus Crest Communities, Inc., and (ii) with respect to the period prior to the completion of this offering, the business of our predecessor entities through which Campus Crest Group, LLC, a North Carolina limited liability company, or Campus Crest Group, carried out the development, construction, ownership and management of the properties that we will own interests in upon completion of this offering and our formation transactions; references to predecessor entities refer to one or more of the joint venture arrangements that owned our properties and the entities through which Campus Crest Group carried out our business; references to MXT Capital refer to MXT Capital, LLC, a Delaware limited liability company, which is wholly-owned and controlled by Ted W. Rollins, our co-chairman and chief executive officer, and Michael S. Hartnett, our co-chairman and chief investment officer, and certain members of their families, and is the sole owner of Campus Crest Group; references to the Ricker Group refer to Carl H. Ricker, Jr. and the vehicles through which Mr. Ricker or an affiliated party held interests in our predecessor entities; references to HSRE refer to Harrison Street Real Estate Capital and its affiliates that held interests in our predecessor entities; references to common stock refer to shares of common stock, $0.01 par value per share, in Campus Crest Communities, Inc.; and references to OP units refer to limited partnership units in our operating partnership that are exchangeable, subsequent to the one-year anniversary of the completion of this offering, for cash or, at our option, common stock on a one-for-one basis. Unless otherwise indicated, the information contained in this prospectus assumes that (a) the common stock to be sold in this offering is sold at $ per share, the mid-point of the price range set forth on the cover page of this prospectus, and (b) the underwriters overallotment option is not exercised.

Industry and Market Data

We use market data, industry forecasts and projections throughout this prospectus. We have obtained portions of this information from a market study prepared for us by Michael Gallis & Associates (MGA), a North Carolina-based strategic planning and design firm, in connection with this offering. The forecasts and projections are based on MGA s experience and data published by the U.S. Department of Education and other sources, and there is no assurance that any of the projections will be accurate. We believe that the study is reliable, but we have not independently verified the information in the study nor have we ascertained any underlying assumptions relied upon therein. While we are not aware of any misstatements regarding the industry data presented herein, estimates involve risks and uncertainties and are subject to change based on various factors, including those discussed under the heading Risk Factors.

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PROSPECTUS SUMMARY

This summary highlights selected information appearing elsewhere in this prospectus. This prospectus includes information regarding our business and detailed financial data, as well as information about the common stock we are offering. You should read this prospectus in its entirety, including Risk Factors and the financial statements and related notes appearing elsewhere in this prospectus, before deciding to purchase our common stock.

Our Company

Campus Crest Communities, Inc. is a self-managed, self-administered, vertically-integrated developer, builder, owner and manager of high-quality, purpose-built student housing. Prior to this offering, our business was conducted through Campus Crest Group, which is wholly-owned and controlled by Ted W. Rollins, our co-chairman and chief executive officer, and Michael S. Hartnett, our co-chairman and chief investment officer, and certain members of their families. We intend to elect and qualify to be taxed as a real estate investment trust, or REIT, for U.S. federal income tax purposes commencing with our taxable year ending December 31, 2010.

We believe that we are one of the largest vertically-integrated developers, builders, owners and managers of high-quality, purpose-built student housing properties in the United States based on beds owned and under management. Upon completion of this offering and our formation transactions, we will own interests in 27 student housing properties containing approximately 5,048 units and 13,580 beds. All of our properties are recently built, with an average age of approximately 2.0 years as of May 31, 2010. Twenty-one of our properties will be wholly-owned and six will be owned through a joint venture with HSRE, in which we will have a 49.9% interest. Three of our joint venture properties are currently under construction, with completion and occupancy expected for the 2010-2011 academic year.

Our 21 wholly-owned properties contain approximately:

- 3,920 apartment units; and
- 10,528 beds.

Our six joint venture properties contain approximately:

- 1,128 apartment units; and
- 3,052 beds.

As of May 31, 2010, our 24 operating properties had:

- average occupancy of approximately 87%; and
- average monthly rental income per occupied bed of approximately $457.

We were formed to continue and expand the student housing business of Campus Crest Group, which has been engaged in this business since 2004. Our properties are located in 11 states, primarily in medium-sized college and university markets, which we define as markets located outside of major U.S. cities that have nearby schools with overall enrollment of approximately 8,000 to 20,000 students. We believe such markets are underserved and are generally experiencing enrollment growth. All of our properties have been developed, built and managed by Campus Crest Group, generally based upon a common prototypical building design. We believe that our use of this prototypical building design, which we have built approximately 410 times at our 27 student housing properties (approximately 15 of such residential buildings comprise one student housing property), allows us to efficiently deliver a uniform and proven student housing product in multiple markets. All of our properties operate under *The Grove®*

brand, and we believe that our brand and associated lifestyle are effective differentiators that create higher visibility and appeal for our properties within their markets.

In addition to our existing properties, we actively seek new development opportunities. We expect that, subject to completion of this offering, we will acquire land and commence building properties for our own account on five identified sites that we have under contract, with completion targeted for the 2011-2012 academic year. For each of these five sites, we have conducted significant pre-development activities and are in the process of obtaining the necessary zoning and site plan approvals. In total, we have identified over 200 markets and approximately 80 specific sites within these markets as potential future development opportunities, and our current business plan contemplates the development of approximately five to seven new student housing properties per year. No assurance can be given that we will not adjust our business plan as it relates to development, or that any particular development opportunity will be undertaken or completed in accordance with our current expectations.

Our company is led by our co-founders Ted W. Rollins and Michael S. Hartnett, each of whom has over 25 years of real estate investment and operating experience, including the development and management of over 13,000 student housing beds. They are supported by over 400 full and part time employees who carry out our development, construction, property management and asset management activities.

Our principal executive offices are located at 2100 Rexford Road, Suite 414, Charlotte, NC 28211. Our telephone number is (704) 496-2500. Our website is located at www.gogrove.com. The information on our website is not part of this prospectus. We have included our website address only as an inactive textual reference and do not intend this to be an active link to our website.

Market Opportunity

We believe that attractive investment opportunities exist in the student housing market due to various factors impacting the supply, demand and profit potential of this market in the United States. These factors include:

Significant and Sustainable Growth in College Enrollments. Based on information from the National Center for Education Statistics and the U.S. Census Bureau, college enrollments are projected to grow at a faster rate than the overall population through 2017. This growth is expected to be driven primarily by: (i) the significant growth of the college-aged population in the U.S. fueled by the Echo Boom generation (*i.e.*, the children of the Baby Boomers), (ii) an increase in the percentage of graduating high school students choosing to enroll in college and (iii) a trend toward longer college enrollments.

Outsourcing Pressure Due to Institutional Budgetary Constraints. We believe that budget shortfalls and funding constraints at colleges and universities have reduced the availability of capital to build new student housing supply commensurate with enrollment increases. Thus, colleges and universities are increasingly relying on private developers to offer on-campus and off-campus student housing options to support enrollment growth.

Obsolescence of Existing Dormitory-Style Student Housing. Increasingly, on-campus, dormitory-style student housing facilities are becoming obsolete and are in need of significant renovation or replacement. Traditional dormitory-style housing typically consists of shared rooms, communal bathroom facilities and limited (if any) amenities and parking. We believe that such facilities do not meet the needs and preferences of modern-day college students, who generally have a higher standard of living and an increased focus on privacy, amenities and other lifestyle considerations than previous generations of students.

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Highly Fragmented Ownership with Diminishing Competition and Costs. The student housing industry is highly fragmented, which provides opportunities for consolidation. Moreover, the recent economic environment has reduced the availability of construction financing, which has restricted the number of new competitors entering the industry and created opportunities for well-capitalized firms specializing in student housing. Meanwhile, as competition has become constrained, excess capacity in the residential and commercial construction markets has lowered material and labor costs for firms able to access capital for new projects.

Availability of Attractive, Long-Term Financing through Freddie Mac and Fannie Mae. Despite tightening credit markets, stabilized student housing properties continue generally to have access to long-term debt financing through Federal Home Loan Mortgage Corporation, or Freddie Mac, and Federal National Mortgage Association, or Fannie Mae.

Our Competitive Strengths

We believe that we distinguish ourselves from other developers, builders, owners and managers of student housing properties through the following competitive strengths:

Experienced Management Team with Demonstrated Track Record. Our management team is led by Messrs. Rollins and Hartnett, each of whom has over 25 years of real estate investment, advisory and management experience. Our management team has overseen the financing, development, construction and management of all of our student housing properties with an aggregate cost of approximately $500 million.

Modern, Well-Located Portfolio. The average age of our student housing properties is approximately 2.0 years as of May 31, 2010, and all of our properties are located in close proximity to the campuses of the schools from which they draw student-tenants, with an average distance to campus of approximately 0.6 miles.

Attractive, Branded Properties. All of our properties operate under *The Grove*® brand, and all of our properties feature private bedrooms with en suite bathrooms, full furnishings, state-of-the-art technology, ample parking, and a broad array of other on-site amenities, such as resort-style swimming pools, basketball and volleyball courts, and community clubhouses with regularly planned social activities. We strive to offer not just an apartment but an entire lifestyle and community experience designed to appeal to the modern-day college student.

Proven and Scalable Business Model. We believe that our vertically-integrated business model enables us to deliver properties economically while maintaining consistency in our building design, construction quality and amenity offerings. We continue to refine our processes and systems in an effort to reduce costs and improve quality, having overseen the construction of the same prototypical residential building approximately 410 times during the last six years.

Focus on Underserved College Markets. We generally focus on medium-sized college and university markets. While total enrollments in these markets are generally lower than enrollments in larger educational markets, the overall market dynamics are often more favorable (*e.g.,* higher enrollment growth rates and fewer purpose-built student housing competitors).

Conservative Capitalization. Upon the completion of this offering and the application of the net proceeds therefrom, our debt to total market capitalization ratio will be approximately %, which should provide us with ample financing capacity to fund identified future growth opportunities. In addition, upon completion of this offering, we expect to obtain a -year, $ million senior secured revolving credit facility that may be used for general corporate purposes and to finance, among other things, identified future growth

opportunities, including the five properties that we expect to commence building upon completion of this offering.

Our Business and Growth Strategies

Our objective is to maximize total returns to our stockholders through the pursuit of the following business and growth strategies:

Utilize Our Vertically-Integrated Platform. Our vertically-integrated platform performs each key function in the student housing value chain: project development, project construction, property management and asset management. We believe that the ongoing feedback and accountability facilitated by our vertically-integrated platform will allow us to continuously improve efficiency, reduce costs, control project timing and enhance the overall quality of our properties.

Target Attractive Markets. We utilize a proprietary underwriting model with over 60 inputs to evaluate the relative attractiveness of each potential development market. We focus on markets that exceed certain student enrollment thresholds and exhibit favorable student housing supply-demand dynamics. Our due diligence process is designed to identify markets in which we can operate successfully and profitably.

Optimize Our Properties and Brand Value. We employ a consistent set of operating principles across our properties in order to optimize the student lifestyle experience and enhance the value and recognition of our brand. We believe that our focus on enhancing student lifestyle and promoting a sense of community at our properties drives improved occupancy and allows us to charge premium rents.

Development Growth. We believe that our vertically-integrated platform will generally allow us to generate more favorable returns by developing new properties versus acquiring existing properties from third parties, and we therefore anticipate that in-house development will remain the primary driver of our growth. Our current business plan contemplates the development of approximately five to seven new student housing properties per year from our identified pipeline of opportunities, including five properties with completion targeted for the 2011-2012 academic year.

Acquisition Growth. We may also seek to grow by selectively acquiring student housing properties from third parties. Generally, we anticipate that any properties acquired from third parties would meet our investment criteria for development properties and fit into our overall strategy in terms of property quality, proximity to campus, bed-bath parity, availability of amenities and return on investment.

Summary Risk Factors

An investment in our common stock involves various risks. You should carefully consider the matters discussed in Risk Factors beginning on page 22 of this prospectus before making a decision to invest in our common stock. Some of the risks include the following:

- Developing properties will expose us to additional risks beyond those associated with owning and operating student housing properties, and could materially and adversely affect us.

- We rely on our relationships with the colleges and universities from which our properties draw student-tenants and the policies and reputations of these schools; any deterioration in our relationships with such schools or changes in the schools admissions or residency policies or reputations could materially and adversely affect us.

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Our results of operations are subject to risks inherent in the student housing industry, such as an annual leasing cycle and limited leasing period, which could materially and adversely affect us.

Competition from other student housing properties, including on-campus housing and traditional multi-family housing located in close proximity to the colleges and universities from which we draw student-tenants, may reduce the demand for our properties, which could materially and adversely affect us.

Our success depends on key personnel whose continued service is not guaranteed, and their departure could materially and adversely affect us.

Adverse economic conditions and dislocation in the credit markets have had a material and adverse effect on us and may continue to materially and adversely affect us.

The current economic environment could reduce enrollment and limit the demand for our properties, which could materially and adversely affect us.

In the past we have experienced significant losses and negative cash flows from operations; if these trends continue, we could be materially and adversely affected.

If we are unable to acquire properties on favorable terms, our future growth could be materially and adversely affected.

Our strategy of investing in properties located in medium-sized college and university markets may not be successful, which could materially and adversely affect us.

Our indebtedness exposes us to a risk of default and will reduce our free cash flow, which could materially and adversely affect us.

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

Our management team has not previously operated a REIT, and this inexperience could materially and adversely affect us.

Our performance and the value of our properties are subject to risks associated with real estate and with the real estate industry, which could materially and adversely affect us.

Provisions of our charter allow our board of directors to authorize the issuance of additional securities, which may limit the ability of a third party to acquire control of us through a transaction that our stockholders believe to be in their best interest.

Provisions of Maryland law may limit the ability of a third party to acquire control of us, which, in turn, may negatively affect our stockholders ability to realize a premium over the market price of our common stock.

The ownership limitations in our charter may restrict or prevent you from engaging in certain transfers of our common stock, which may delay or prevent a change in control of us that our stockholders believe to be in their best interest.

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We may not be able to make our initial distributions or maintain our initial, or any subsequent, distribution rate.

A public market for our common stock may never develop and your ability to sell your shares of our common stock may be limited.

Common stock eligible for future sale may adversely affect the market price of our common stock.

Future offerings of debt or equity securities ranking senior to our common stock may limit our operating and financial flexibility and may adversely affect the market price of our common stock.

We have not obtained appraisals of our properties in connection with this offering and the price we pay to our existing investors for their interests in our predecessor entities may exceed our properties market value.

Our failure to qualify or remain qualified as a REIT could have a material and adverse effect on us and the market price of our common stock.

To qualify and remain qualified as a REIT, we will likely rely on the availability of equity and debt capital to fund our business.

Complying with REIT requirements may cause us to forgo otherwise attractive investment opportunities, which could materially and adversely affect us.

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Our Properties

The following table presents certain summary information about the 21 properties that we will own 100% interests in and the six joint venture properties that we will own 49.9% interests in upon completion of this offering and our formation transactions. All properties were developed and built by us.

	City	State	Year Opened	Primary University Served	Fall 2009 Overall Enrollment	Distance to Campus (miles)	Number of Units	Number of Beds	Occupancy as of May 31, 2010	Average Rental Revenue Per Occupied Bed
	Wholly-Owned Properties									
1	Asheville	NC	2005	University of NC - Asheville	3,695	0.1	154	448	94%	$ 464
2	Carrollton	GA	2006	University of West Georgia	11,500	0.1	168	492	98%	$ 424
3	Las Cruces	NM	2006	New Mexico State University	18,497	0.4	168	492	82%	$ 442
4	Milledgeville	GA	2006	Georgia College & State University	6,633	0.1	168	492	97%	$ 500
5	Abilene	TX	2007	Abilene Christian University	4,838	0.5	192	504	79%	$ 449
6	Ellensburg	WA	2007	Central Washington University	10,187	0.5	192	504	99%	$ 458
7	Greeley	CO	2007	University of Northern Colorado	12,711	1.0	192	504	74%	$ 448
8	Jacksonville	AL	2007	Jacksonville State University	9,351	0.2	192	504	80%	$ 418
9	Mobile Phase I[1]	AL	2007	University of South Alabama	14,522	On-Campus	192	504	95%	$ 453
10	Mobile Phase II[1]	AL								