

American Homes 4 Rent
Form S-11/A
September 30, 2013
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As filed with the Securities and Exchange Commission on September 30, 2013

Registration No. 333-191173

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

AMENDMENT NO. 1

TO

FORM S-11

FOR REGISTRATION UNDER

THE SECURITIES ACT OF 1933 OF SECURITIES

OF CERTAIN REAL ESTATE COMPANIES

AMERICAN HOMES 4 RENT

(Exact name of registrant as specified in governing instruments)

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30601 Agoura Road, Suite 200

Agoura Hills, California 91301

(805) 413-5300

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

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American Homes 4 Rent

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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.

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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:

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.

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.

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.

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

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

Non-accelerated filer (do not check if a smaller reporting company)

Accelerated filer

Smaller reporting company

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, as amended, or until this registration statement shall become effective on such date as the Commission, acting pursuant to Section 8(a), may determine.

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The information in this 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 prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Subject to Completion, dated September 30, 2013

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 , 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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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	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+	90+	Average Annual Scheduled Rent Per Property
	Not Rent Ready	Leased ⁽²⁾	Available for Rent 30+ Days ⁽³⁾	Available for Rent 90+ Days ⁽⁴⁾	Days Occupancy % ⁽⁵⁾	Days Occupancy % ⁽⁶⁾	
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

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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.

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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

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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.

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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.

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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.

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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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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, 2011
	2013	2012	2012	
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,		Year Ended December 31,	Period from June 23, 2011 to December 31, 2011
	2013	2012	2012	
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
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
Vacant single-family properties available for lease	2,007	623	2

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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.

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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

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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.

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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

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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;

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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

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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

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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)

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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