

LAND and BUILDINGS

Land & Buildings Sends Letter to Apartment Income REIT Board of Directors

AIRC Board Offers a Continuation of Underperformance and Poor Governance at Predecessor AIV Attempt to Close Gap to NAV Through Taxable Spin Has Been an Abject Failure – Underscoring Long History of Missteps Under Watch of AIRC Directors

Calls on AIRC to Refresh Majority of Board with Independent Directors and Form Special Committee to Evaluate Strategic Alternatives, Including Westdale Offer

STAMFORD, Conn.—(January 20, 2021) —Today Land & Buildings Investment Management LLC (together with its affiliates, “Land & Buildings” or “L&B”), a significant shareholder of Apartment Income REIT (“AIRC” or the “Company”) (NYSE: AIRC), sent a letter to the Company’s Board of Directors (the “Board”).

The full text of the letter follows:

Dear Apartment Income REIT Board of Directors:

It is our view that your actions, previously as directors of Apartment Investment and Management Company (“AIV” or “Aimco”) (NYSE: AIV) and now as directors of AIRC, have destroyed value and disenfranchised shareholders for decades. Your stated objective to close the gap to NAV through a taxable spin of 90% of Aimco’s best apartment properties into what is now AIRC has been an abject failure, as over a month after the taxable spin the shares of AIRC trade at a substantial discount to your own stated NAV.

Recent events and actions surrounding the taxable spin only serve to underscore the long history of bad behavior that has occurred under your watch. Consider the following:

- You chose not to call a special meeting of shareholders of AIV to advise on the taxable spin, despite, in a timely manner, Land & Buildings receiving approximately 50% support for such a meeting – including a substantial majority of active shareholders;
- You engaged in numerous disenfranchisement and delay tactics to stymie L&B’s special meeting request, including:
 - Setting a record date for our special meeting request more than 5 weeks after we filed our preliminary solicitation
 - Declaring a large taxable special dividend with the same record date as our special meeting request, in a blatant attempt to drive taxable shareholders out of the stock prior to having their voices heard
 - Delaying the certification of written consents by a week following delivery
 - Requesting L&B pay an exorbitant cost to hold the special meeting while simultaneously acknowledging there were no plans to hold a special meeting prior to the consummation of the spin.
- You insured a staggered Board would be in place at the Company for the 2021 annual meeting to avoid shareholder accountability once again;
- You failed to seriously engage with parties interested in purchasing Aimco, and mischaracterized private operator Westdale’s offer as “grossly inadequate” despite our understanding that it was at a substantial premium.

Shares of AIRC trade at \$39, a substantial discount to your own disclosed NAV of \$50 per share. Perhaps this outcome is predictable given the multitude of issues L&B and other shareholders highlighted with the spin, as well the complete disregard for shareholders demonstrated during the separation process. Under your and CEO Considine’s leadership, discounted valuations and underperformance are the rule, not exception.

The Board has a fiduciary responsibility to shareholders to maximize value and must take action to do so immediately. Specifically:

- Refresh a majority of the Board with true independent directors, replacing the directors who oversaw decades of underperformance at Aimco and now offer the same at AIRC;
- Establish a special committee of the Board with true independent directors to evaluate strategic alternatives, starting with Westdale's offer. The proposal was at a substantial premium and close to Aimco's stated NAV as we understand it. Given the high demand by private institutional investors for quality apartments, many bidders would likely emerge.

We look forward to your timely reply.

Sincerely,



Jonathan Litt

Founder & CIO
Land & Buildings Investment Management, LLC

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