

Cottonwood Communities Completes Mergers with Final Two Affiliated REITs

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Cottonwood Communities Inc., a publicly registered non-traded real estate investment trust, has closed its previously announced mergers with Cottonwood Multifamily REIT I Inc. and Cottonwood Multifamily REIT II Inc., both Regulation A+ REITs.

Cottonwood Multifamily REIT I commenced its \$50 million private offering in May 2016 and had sold all 5 million shares of its common stock by April 2017, while Cottonwood Multifamily REIT II fully subscribed its \$50 million offering in August 2018.

The mergers were approved by the REITs' respective stockholders at special meetings held on July 14, 2021.

In May, Cottonwood Communities completed the [first of three affiliated mergers](#) when it merged with Cottonwood



Residential II Inc. and its operating partnership, Cottonwood Residential O.P.

The fully combined company, Cottonwood Communities, is comprised of \$1.6 billion in multifamily real estate investments on a consolidated basis. The weighted average occupancy of the portfolio is 95.4 percent, and the average net effective rents of the portfolio is approximately \$1,370 as of March 31, 2021.

Under the terms of the merger, each share of Cottonwood Multifamily REIT I will be converted into the right to receive 1.175 shares of Class A common stock of Cottonwood Communities.

Each share of Cottonwood Multifamily REIT II will be converted into the right to receive 1.072 shares of Class A common stock of Cottonwood Communities.

“The completion of these mergers represents a critical milestone in Cottonwood’s strategy to increase scale, diversification and access to capital to pursue accretive transactions,” said Daniel Shaeffer, chief executive officer of Cottonwood Communities. “We appreciate the trust and confidence our shareholders have placed in us over the years and feel optimistic about the combined platform going forward.”

Cottonwood Communities recently announced a net asset value per share/unit of its common stock and operating partnership units of \$11.79 as of June 30, 2021. The company said that the impacts of these final two mergers will be included in the updated net asset value that will be published in August, and as of July 31, 2021.

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