



Second Quarter 2026 Earnings Call
July 31, 2026 – 10:00 AM CT

Kim Callahan – Camden Property Trust

Good morning and welcome to Camden Property Trust's Second Quarter 2026 Earnings Conference Call. I'm Kim Callahan, Senior Vice President of Investor Relations. Joining me today for our prepared remarks are: Ric Campo, Camden's Executive Chairman; Alex Jessett, Chief Executive Officer; Laurie Baker, President and Chief Operating Officer; and Ben Fraker, Chief Financial Officer. Keith Oden, our Executive Vice Chairman, and Stanley Jones, Senior Vice President of Real Estate Investments, will also be available for the Q&A portion of our call. Today's event is being webcast through the Investors Section of our website at Camdenliving.com, and a replay will be available shortly after the call ends. And please note, this event is being recorded.

Before we begin our prepared remarks, I would like to advise everyone that we will be making forward-looking statements based on our current expectations and beliefs. These statements are not guarantees of future performance and involve risks and uncertainties that could cause actual results to differ materially from expectations. Further information about these risks can be found in our filings with the SEC, and we encourage you to review them. Any forward-looking statements made on today's call represent management's current opinions, and the Company assumes no obligation to update or supplement these statements because of subsequent events.

As a reminder, Camden's complete Second Quarter 2026 Earnings Release is available in the Investors section of our Website at camdenliving.com, and it includes reconciliations to non-GAAP financial measures which will be discussed on this call. We would like to respect everyone's time and complete our call within one hour, so please limit your initial question to one, then re-join the queue if you have a follow-up question or additional items to discuss. If we are unable to speak with everyone in the queue today, we'd be happy to respond to additional questions by phone or email after the call concludes.

At this time, I'll turn the call over to Ric Campo.

Ric Campo – Camden Property Trust

Good morning. Our on-hold music today featured a song about each of the 5 Camden markets which recently hosted World Cup soccer games - Houston, Dallas, Miami, Atlanta, and Los Angeles. Now that the World Cup has been completed the host cities are celebrating the success and the economic benefits that the games produced. The last time the US hosted the World Cup was 32 years ago in 1994, the year after Camden joined the NYSE. That year nine cities hosted games and only two Sunbelt cities were included - Dallas and Orlando. This year 11 cities hosted games and the Sunbelt representation doubled.

Camden has significant presence in all four Sunbelt host cities. Sunbelt cities have led the nation in population growth, employment growth, and in domestic in-migration over the last three decades. During this time, the Sunbelt has gained stature and recognition as confirmed by its prominence in this year's World Cup. We believe these trends will continue to make the Sunbelt an attractive place in which Camden's residents can live, work and play.

As you know, we made the decision this year to improve our market concentration in the Sunbelt markets through the sale of our California properties and the reallocation of the proceeds to our Sunbelt markets. The plan was straight forward - sell the California properties for \$1.625 billion, acquire \$1 billion of newer properties in our existing markets, and spend the remainder to buy back Camden shares. Sounds simple. Execute \$3.25 billion in transactions in six months or so, and at the same time continue to operate our California properties at a high-level, ensuring the sale's success. Easier said than done, trust me. As it turns out, the execution has been nearly flawless with only \$200 million of acquisition properties left to identify.

This is a direct result of our amazing team at Camden including our West Coast Property Operations 100-member team led by Carter Powell; our National Operations and Asset Management teams led by Laurie Baker, Travis Oden, and Mike Zimmerman; our Real Estate Investment team led by Stanley Jones with Lanham Bass leading the California sales effort; our Legal team led by Josh Lebar; our HR team led by Allison Dunavant; our IT and Marketing teams led by Kristy Simmonette; our Construction team led by Steve Hefner; our Investor Relations team led by Kim Callahan; and our Finance, Treasury, Tax, Risk and Accounting teams led by Ben Fraker and Kevin Necas. Truly a great team effort. Job well done Camden. We operated in California for 28 years. Saying goodbye is truly bittersweet. I want to thank Team

Camden California for a job well done and all the best in the future. I hope our paths cross again soon. Up next is Alex Jessett.

Alex Jessett – 2Q26 Script

Thanks, Ric, and good morning. As just mentioned, our time in California came to a close this week. As we've often said, Camden exists to improve people's lives. Over the years, we improved the lives of our Camden team in California by providing a great workplace where they could do their best work and have fun. We improved the lives of our residents by providing quality homes which were expertly maintained and managed by some of our industry's finest professionals. And finally, we are and we will continue to improve our investors' lives through the reinvestment of the California proceeds into both faster growing, newer Sunbelt communities and Camden's stock.

The biggest negative of the sale was having to part ways with approximately 100 Camden team members, many who have been with Camden for 10+ years. I want to acknowledge the loyalty and professionalism they exhibited throughout our years together which continued through Wednesday's closing. Thank you for all that you did to make our years in California fun, meaningful, and rewarding.

The California sales proceeds were in line with our expectations, and I would like to thank the buyers for their professionalism throughout the process. The \$1.625 billion of consideration for this 19-year-old portfolio represents for Camden a trailing 12-month FFO yield of 5.6%, and an AFFO yield of 5.2%. The prop 13 adjustment for the buyer should represent an approximate 30 basis point reduction from these numbers. In addition to the \$694 million of Camden shares we repurchased at an FFO yield of 6.4% and an AFFO yield of 5.5%, we closed on \$645 million of acquisitions with an average age of 5 years and an FFO yield just under 5%, and two land sites for a total of \$45 million. Additionally, we have been awarded two other acquisitions and an additional land site for a total of \$195 million. We are actively underwriting several other acquisition opportunities and remain confident we can effectively deploy the remaining 1031 proceeds from the California sale.

As mentioned previously, this strategic market rebalancing is FFO neutral in year one and anticipated to be accretive in short order as the newer Sunbelt communities we acquire should grow faster than the older California assets we disposed of. In addition, we will no longer be subject to high levels of regulatory and advocacy spend in California. This spend, which we book to property management

expense, would have reduced our California portfolio's annual NOI by approximately 80 basis points. Camden already has the youngest portfolio in the multifamily REIT sector and the sale of our California assets combined with our 2026 new acquisitions further reduces our average age by one year. In addition, we expect our future recurring capex spend per unit to decline by 5%, and our bad debt to be reduced by 10 basis points after the sale.

At the beginning of the year, we gave Core FFO guidance of \$6.75 per share at the midpoint of our guidance range. Last night, despite all of the moving parts this year, we reaffirmed that midpoint of \$6.75 per share. Our initial guidance for same store growth contemplated 50 basis points for revenues and negative 90 basis points for NOI when excluding the California portfolio. We are maintaining that full-year same store revenue guidance and increasing our full-year same store NOI guidance on better expense control.

I know we are all looking for green shoots, and they are becoming plentiful. Sequentially, signed blended lease rates improved 160 basis points in the second quarter as compared to a 70 basis point sequential increase this time last year. In July, almost 50% of our communities had positive signed new leases, up from only 20% in March. Looking across our markets, the majority of our communities in Atlanta, Charlotte, Dallas, Raleigh, and Southeast Florida achieved positive signed new lease growth in July, and approximately half of our communities in Houston, Orlando, and Washington DC did as well. Additionally, signed renewal gains have increased by 170 basis points from March to July. And finally, on an effective basis, 50% of our communities had positive blends in the 2nd quarter, increasing to 65% in July. On a blended signed basis, 55% of our communities were positive in the quarter, increasing to 75% in July. The trend is our friend.

And finally, one of the questions I've been asked the most over the past couple of years is when Camden will start registering positive new lease growth. As you know, we have dynamic pricing which changes daily, and I am happy to report that system-wide average signed new leases have been positive a handful of days this month, including at least two days this week. And that is a very green shoot.

Camden has been extremely busy this year and I echo Ric's shoutout and thanks to our fantastic team members who have worked tirelessly to make all this happen.

I will now turn the call over to Laurie Baker, our President and Chief Operating Officer.

Laurie Baker – Camden Property Trust

Thank you, Alex, and good morning, everyone. Operating conditions across our portfolio are playing out as anticipated with steady improvement seen across our 13 current markets. Rental rates for the second quarter (now excluding CA) had effective new leases down 3.3% and renewals up 2.8% for blended rate growth of negative 0.2%. This was in line with our expectations and reflected a 220-basis point improvement from negative 5.5% new lease rate growth in the first quarter of 2026. We also saw a 140-basis point improvement in blended rate growth from negative 1.6% in the first quarter 2026 to negative 0.2% for the second quarter 2026, and our blended rate growth turned positive in both June and July.

Our renewal rates were fairly steady for the first half of 2026 but began to improve during our summer leasing season. The effective growth rate for renewals in both the first and second quarter was slightly below 3%; however, our signed renewal increase was 3.4% in June and over 4% in July, which positions us well for those leases becoming effective during the third quarter. Renewal offers for residents with August and September expirations were sent out with an average increase of 4.2%.

Occupancy has also shown improvement and has been trending slightly ahead of budget, with second quarter averaging 95.7% versus 95.1% in the first quarter of 2026. July occupancy was 95.8%, and we expect occupancy rates to remain relatively stable through the third quarter before moderating slightly with normal seasonal trends toward year-end.

Turnover rates across our portfolio remain very low with second quarter 2026 annualized net turnover consistent with second quarter 2025 at 39%, a testament to our strong resident retention and satisfaction. And move-outs for home purchases also remain low at 10.4% for the second quarter.

So, while we are not declaring victory, we are encouraged by what we are seeing. Our operating story in the second quarter is one of improvements, strong renewal execution, and broad-based pricing recovery across the portfolio. The green shoots are becoming more visible, and our teams are doing exactly what Camden teams do best - executing locally, staying disciplined, and positioning the portfolio to capture upside as market conditions continue to improve.

With that, I'll turn the call over to Ben.

Ben Fraker – Camden Property Trust

Thank you, Laurie, and good morning, everyone. I will cover our second quarter results, the California disposition and related capital allocation activity, our balance sheet, and our updated third quarter and full-year outlook.

Camden reported second quarter Core FFO of \$1.68 per share, \$0.01 above the midpoint of our guidance range of \$1.67 per share. The outperformance was driven primarily by stronger-than-anticipated occupancy across our stabilized operating communities. We were encouraged by continued improvement in leasing trends. New supply is past peak levels in most of our markets, concessions are beginning to moderate, and underlying demand remains healthy. As a result, revenues and NOI exceeded our expectations for the quarter. Next, I will discuss capital allocation and balance sheet activity.

On July 29th, we completed the sale of our 11 California operating communities for a combined \$1.625 billion. The transaction was a major strategic step that allowed us to redeploy capital into higher-growth markets and Camden shares while maximizing tax efficiency. Our capital allocation priorities were clear: maximize long-term shareholder value and shift capital toward our existing Sunbelt markets with stronger population growth, employment growth, migration, household formation, and long-term multifamily demand.

First, we repurchased \$694 million of Camden common shares during the second half of 2025 and the first half of 2026 at an average price of \$105.17 per share. That was well below our estimated consensus NAV of around \$130 per share and represented a 6.4% FFO yield.

Second, we designated \$1 billion of the California sales proceeds for 1031 exchange transactions in order to maximize tax efficiencies, and as Alex mentioned, we are making great progress on that front.

Completed investments include seven operating community acquisitions in Atlanta, Orlando, Nashville, Dallas, Phoenix, Tampa, and Charlotte, as well as two development land sites in the suburbs of Raleigh and Tampa. Approximately \$900 million of the California proceeds were used to repay all outstanding balances under our line of credit and commercial paper program. \$195 million will be used to purchase

awarded real estate including two communities and one land site in the third quarter. Approximately \$200 million is anticipated to be used for future 1031 acquisitions to occur by late 4th quarter, and the remaining \$330 million will be used for general corporate purposes.

The repayment of our line of credit and commercial paper further strengthened Camden's balance sheet, resulting in a pro-forma net debt to EBITDA at a strong 4.5 times at the end of July, and preserving substantial liquidity to fund acquisitions, development opportunities, and other capital allocation priorities. Subsequent to quarter-end we closed and funded a new 1-year, \$350 million unsecured term loan. As this term loan is not revolving, we are leaving the balances outstanding to further enhance liquidity as we continue to opportunistically recycle capital.

Turning to guidance. For the third quarter, we are providing Core FFO guidance of \$1.69 per share at the midpoint, up \$0.01 from our second quarter Core FFO of \$1.68 per share. The sequential increase is driven by the following items:

- First, we expect a \$0.03 benefit from improved same-store operations, reflecting higher revenues during peak leasing season, lower insurance expense following our favorable renewal, and lower property taxes from incrementally higher third quarter tax refunds.
- Second, we expect \$0.02 of incremental interest income from cash balances currently held for future acquisitions and general purposes.
- Third, we expect \$0.02 from lower corporate expenses, primarily due to the timing of public company fees, lower disposition related costs, and the elimination of regional overhead costs previously supporting our California operations.
- Finally, we expect a \$0.01 benefit from lower interest expense due to lower debt balances.

Together, these items add to a positive \$0.08, partially offset by \$0.07 from lower NOI following the California sale, net of NOI contributions from acquisitions completed in the second quarter and completed or expected in the third quarter. The result is our projected \$0.01 sequential increase in Core FFO per share. For the full year, we are maintaining our Core FFO guidance midpoint of \$6.75 per share, unchanged from our prior annual guidance.

Operating performance has exceeded our expectations, and we now expect a \$0.03 per share full-year benefit from better-than-expected same-store NOI performance, driven primarily by lower operating expenses. That benefit is primarily offset by the timing of real estate transactions throughout 2026. On same-store guidance, I want to provide additional perspective on the California disposition. At the beginning of the year, our same-store midpoint outlook, including California, was revenue growth of 0.75%, expense growth of 3.0%, and an NOI decline of 0.5%

Because California is no longer in the same-store pool, the more relevant comparison is our original outlook excluding California. On that basis, the original midpoint implied revenue growth of 0.5%, expense growth of 3.0%, and an NOI decline of 0.9%. Our updated outlook excluding California shows revenue tracking in line with that original expectation and materially better expense performance. On an apples-to-apples basis excluding California, revenue is in line with our initial outlook, expenses are 50 basis points better, and expected same-store NOI has improved by 30 basis points, from a 0.9% decline to a 0.6% decline.

Our revised same-store midpoint outlook, excluding California, is now revenue growth of 0.5%, expense growth of 2.5%, and an NOI decline of 0.6%. The expense improvement is primarily driven by better utility performance, including lower water consumption, improved trash contract pricing, favorable insurance subrogation recoveries, and insurance renewal pricing that came in better than originally anticipated.

In summary, we are pleased with our second quarter results and the continued improvement in occupancy and operating fundamentals across the portfolio. The California disposition was a significant strategic milestone. We used the proceeds to repurchase shares at an attractive discount to NAV, reinvest tax-efficiently through 1031 exchanges, and increase exposure to attractive Sunbelt growth markets. With improving operating fundamentals, a flexible balance sheet, and a younger, more growth-oriented portfolio, Camden remains well positioned for the future.

Thank you, and we will now open the call to questions.

Eric Wolfe - Citi

For the 50 basis points same-store revenue guidance, can you talk about how you're going to get there from an occupancy rate, bad debt and other income perspective? And then obviously, you threw out a lot of statistics there in terms of what you're seeing in July and August thus far but maybe help us understand what you're seeing in terms of blends and how that plays into the guidance.

Alex Jessett – Camden Property Trust

Absolutely. Thanks, Eric. Obviously we did throw out a lot of stats there, and I hope the overriding view is that we're seeing a lot of green shoots. We're not going to get into our total July numbers. But what I will tell you is when we look at the effective July rates that we have both on new leases, renewals, and on a blended basis, it's looking pretty good. And when we look at the signed, that has really given us a lot of comfort at the way the rest of this year can roll forward. If you think about it on the signed basis, if you look at a new lease, we sign about 25 days before people move in. And then if you look at it on the renewal side, we're about 60 days before they move in. So, we've got pretty good visibility right now to the way the rest of the third quarter is going to look. And it is really a sharp acceleration versus what we saw this time last year. And then when you look at the occupancy side, we're really comfortable with where our occupancy is right now. We are anticipating a slight uptick in the third quarter, which is normal. And then we are anticipating a slight downtick in the fourth quarter. Now if you compare that to what we saw in the fourth quarter last year, in the fourth quarter last year we saw a pretty significant dropoff in occupancy. I think it got down to about 95.1%. We're absolutely not anticipating that's what's going to occur this year. And once again, we've got pretty good visibility going out about 3 months, and things are looking really strong for us right now.

Conor Peaks – Wells Fargo

Congratulations on such a well-managed portfolio sale. Can you clarify whether the \$1.625 billion sales price is stated before or after transaction costs and fees? And if before, approximately how much of transaction-related fees should investors assume?

Alex Jessett – Camden Property Trust

Yes, absolutely. And thanks, Conor, for the congratulations. It absolutely goes to our teams in the field. They did a wonderful job in getting this transaction across the finish line. When you look at the \$1.625 billion, that is before transaction costs and transaction costs for us are in the neighborhood of \$15

million. I will point out that over half of that is mansion tax on one transaction that we had in the city of Los Angeles. So, you see some of the additional costs that are associated with operating in that marketplace. But yes, it's about \$15 million.

Haendel St. Juste - Mizuho

I wanted to go back to the subject of stock buybacks. Earlier, you mentioned that you hit your target from the portfolio redeployment and you still have some acquisitions that you're targeting. So, I'm curious, given where the stock is broadly, are stock buybacks off the table? And would they require any incremental dispositions, just broadly your thoughts on capital deployment with the range of options in front of you today.

Ric Campo – Camden Property Trust

So Haendel, let me talk about how we think about capital allocation first. When you think about capital allocation, there are lots of things you can do. You can buy assets, you can develop, you can improve your portfolio through enhancements that we are doing through our rehab and redevelopment programs, and you buy stock. We clearly have bought a lot of stock. If you take a look at the last 2 years, just to put it in perspective, we sold \$2.1 billion of older assets. We bought \$1.1 billion roughly so far. We have \$200 million left on this 1031 exchange program to try to minimize the special dividend that we might have to have. We decided that rather than doing a special dividend, if we're going to send capital back to shareholders, we'd rather do it in a buyback than a special dividend. And we do some development. The development that we're doing is definitely lower than we normally do, primarily because it's hard to make numbers work and all that.

So, I would say that just generally, if you look at the best investment we can make today, it's buying our stock even at this level today. We are in the real estate business long term. So, we don't want to shut down our operations of being able to buy, sell and develop. But on the other hand, we're going to definitely lean towards the capital allocation that creates the most value for shareholders. And today, when you look at the existing market, and you look at our NAV, the consensus NAV is somewhere in that \$130 range. If you look at our stock at \$111 today, that's a big gap. We've always said that we will lean into buying stock if it's at a significant discount and it's persistent over a reasonable period of time so we can actually execute. We aren't going to lever up long-term to buy stock. So, we would have to sell additional assets. But I wouldn't say that we're done buying stock back. I would just say that if the

market continues and we're able to thread the needle between the tax efficiency and the ability to create some cash flow out of asset sales without having to pay special dividends, we could lean into buying the stock again, too. Alex, you might want to augment that.

Alex Jessett – Camden Property Trust

Absolutely. That's exactly right. And the way we look at it right now is we have maximized the tax efficiency aspects, and that's why we are buying assets entirely for that reason. But repurchasing shares is a great use of our capital. As I told most of you guys when we met at NAREIT or at other conferences, Camden is a screaming buy, and we believe that, too. That's why we're out there buying.

Brad Heffern - RBC

Alex, you gave that commentary around system-wide signed new leases having been positive a few days in July. I just want to make sure I understand that right. Should we assume that means new leases should be close to flat in July and August? Or does that just bounce around a lot day-to-day and you have some more negative days and it just blends to something lower?

Alex Jessett – Camden Property Trust

Yes. It absolutely does bounce around quite a bit, but we are getting pretty close to the point where it's going to be flat. Now it's not going to be flat for the full quarter. And whenever anybody asked me about this, I always said third quarter, but not for the entire third quarter. I said it might be a day, it might be a couple of days. And that's exactly what we've hit. I think you have to remember that if you think about the way the peak leasing season works, you really peak out towards the latter part of August. And then in September it starts the decline of typical seasonality. I wouldn't expect to see it for the full quarter, but absolutely love the direction that we're going, love these green shoots. And this is the first time in several years that we can sit here and tell you we've seen system-wide some positive new leases. It's an absolutely wonderful green shoot for us.

Steve Sakwa – Evercore ISI

Maybe sticking on that theme, Alex. I think at NAREIT you maybe talked about a further improvement in new lease pricing into the fourth quarter. And I'm just wondering, based on all the green shoots you're seeing, is that still your expectation for new leases? And if you could give us a sense for what your expected blended rent growth is for the back half, that would be great.

Alex Jessett – Camden Property Trust

Yes, absolutely. If you look at the third quarter and the fourth quarter, I think on the new lease side, they're going to look fairly similar. And a lot of it is that the fourth quarter becomes an easier comp for us. If you look at it on a blended basis, what we're anticipating is both the third quarter and the fourth quarter to be positive on the blend in the 1% or just over 1% range. That's what we're expecting. And once again, what's different this year in our math than what you would typically see is that the fourth quarter last year was decidedly weaker, and that does help us with the comparison.

Jana Galan – BofA

Following up on the term loan, what's the plan for the debt maturities in the back half of the year?

Ben Fraker – Camden Property Trust

The reason we put the term loan in place was to enhance our liquidity as we were waiting to sell our California portfolio. And we have that for one year, which is going to give us continued flexibility and full availability under our line of credit and commercial paper program as we approach that maturity. We're going to continue to watch the markets. If it makes sense, we will issue another long-term bond to refinance that in November, but the term loan does allow us to have that additional liquidity and financial flexibility under our line and commercial paper.

Rich Anderson – Cantor Fitzgerald

So, Alex, when we were at NAREIT, we talked about this hockey stick concept of future growth. And you implied that in the third quarter, you expect -- and I don't want to put words in your mouth, so don't let me do that, but that there would be some sort of real visible hockey stick type of event in the third quarter, and that was what was behind your guidance. I understand you're laying out all these green shoots, but it doesn't still feel like hockey stick to me. So, I'm wondering if you're pulling back on that third quarter thesis a little bit or if it's still very much intact as you look into the coming quarter?

Alex Jessett – Camden Property Trust

Absolutely. Not pulling back whatsoever. And maybe that's just because I'm in Texas, and I don't really know what a hockey stick looks like. Here's what I'd tell you guys. The third quarter is looking really strong. We have tons of green shoots. And because of that, we feel really good that the third quarter in terms of new leases, renewals, and blends is going to be an outlier as compared to what we saw in the

third quarter last year and what we saw in the second quarter this year. So, I feel really good about that. And that's going to give us the pricing power that we need as you move into the typical weaker fourth quarter. And so I feel very good and am not pulling back on our thought process whatsoever.

Ric Campo – Camden Property Trust

I think the interesting part of this equation is that a lot of folks have the recency effect which is that in 2024, 2025 and 2026, revenue grew cumulatively through that period at 2.1%. If you go back into 2023, because you started having the slowdown because of the supply then, you've had 41 months so far where we've had rents that have basically been flat or down in most markets. And so, the market has this recency effect to just take the graph out into 2026, 2027, 2028, and that's what's going to happen. If you look at post-financial crisis, our revenue went down roughly 5.1% in 2009 and 2010. From 2011 through 2019, the highest growth rate was 6.5%. The lowest growth rate was 2.9%. And through that 8-year period, it averaged somewhere around 4%. And so, we're going to go back to a more normalized economy. We had an unprecedented situation where you had a 50-year high in supply. That's clearly something that we had to work through, and we'll continue to work through. And once we do get to this point where you have a balance in supply and demand, we still have high demand in our markets, and we know that supply is going down. And so, when you hit that pivot point, it's going to be more like a hockey stick than a slow slog growth, in my opinion, just because of the history of where we operate and the history of how these markets work when you have demand higher than supply, which is getting ready to happen probably next year.

Wes Golladay - Baird

A quick question on concessions. I know you don't typically like to use them, but I believe you were using them last year. Have you pulled back on that?

Laurie Baker – Camden Property Trust

Yes. We're continuing to see our concessions in the markets level off. And where we're seeing them the most is where there are developments in these high-supply areas. As a practice, we do not use concessions, but we have on a handful of our communities where we've had acquisitions or new developments that we are also leasing up. That is something we usually put into our pro forma. We always assume at least a month of concessions for development, and then we have to manage throughout the lease-up what makes the most sense with sometimes specials for early move-ins. And so,

we are seeing that moderate throughout all of our markets. And where we're seeing it moderate is where we're also seeing the opportunity for us to pick up on both occupancy and our new leases and renewals. So let me give you an example. Austin, obviously, is one of the highest concessionary markets, one of the most challenged with supply and quickly changing, and we're continuing to work through that supply. But we also continue to see strong demand and absorption with more than 11,000 units just in the last 12 months. If you look at the beginning of last year in 2025, we've seen occupancy improve 6 quarters straight. Quarter-over-quarter, we're continuing to see occupancy improve. Second quarter 2025 occupancy was at 94.7%. And this quarter, we just delivered 96.1%. So, you have 140 basis points better. And then we're currently in July, I'll just share, don't smack me, Alex, but our occupancy is sitting at 96.6%. So again, as occupancy firms up, concessions burn off, and we have the ability to improve our pricing. You're just starting to see that play out as you heard from Ric and Alex talking about the change, and who would have thought that we'd be sitting at 96.6% occupancy in Austin, Texas today? We're managing around the concessions. We're continuing to sell the value and making price decisions based on what makes the most sense to balance occupancy in our portfolio.

John Kim - BMO

Just listening to this call and the other calls in the sector so far, there hasn't been a lot of talk about AI, technology advancements, data analytics, or Airbnb. I was wondering if there's anything else that you're doing on this front that would meaningfully drive same-store revenue? Or has most of this already been accomplished?

Alex Jessett – Camden Property Trust

We are incredibly bullish about what AI can do for every single line item on an income statement. Let me tell you what we're doing. The approach that we're taking at Camden is we're dividing into 3 words. We call it leadership, crowd and then lab. Leadership is a concept that all of us in a leadership position are encouraging AI, encouraging our teams to work with AI, encouraging our teams to come up with solutions that are AI-driven. The next thing is we look at the crowd. And our belief is that the best solutions always come from those that are closest to the problem. We are empowering all of our team members to play around, see what they can use AI for in order to create efficiencies. And then once they come up with solutions that work or that they believe work, we have put together a lab. And my belief is we are one of the few companies really in the country that have put together this lab concept where it's

almost like a sandbox where they can play with whatever they're rolling out and make sure that number one it's safe and number two it works.

If you look at an income statement, and you start at the very top, if we can use AI to increase our renewal percentages, that is one of the most dramatic changes that can absolutely flow through to the bottom line. If you look at the expense categories, we can use AI to make sure that we minimize our property insurance expense. Remember that property insurance for us is about 7% of our total expenses. We can proactively get on top of where the claims occur and make sure that we do what we need to do to minimize those. If you think about workers' compensation claims, if we can use AI to analyze where those occur. That will 100% help us in that category. And if we can use AI to help understand our utility spend, that will absolutely be helpful.

We believe that AI is here to help Camden, to help our team members be more efficient, and we are very, very bullish about it. Every Senior Vice President in this company meets once a month to discuss the AI initiatives coming out of each of their departments. This is something that we are at the front lines of. And I firmly believe that at this point in time next year, we will be talking about real benefits to the bottom line for Camden. So, we're incredibly excited about it. There's a lot out there, and we are at the forefront of it.

Ami Probandt - UBS

I know you just sold out of California, but are there any other non-core markets in the portfolio that you could target for sales in the future, maybe the D.C. portfolio and become a pure-play Sunbelt REIT or anything else that you guys might be looking to do with the portfolio moving forward?

Alex Jessett – Camden Property Trust

The rest of our markets? They're like our children. We love them all equally. Sometimes we get annoyed with some of them, but we love them all equally. So, we're not going to sell out. We have no intention to sell out of any of our existing markets. Now as I've mentioned before, we will reduce our exposure to our two largest markets, and that's D.C. Metro and Houston. And that's just for portfolio allocation purposes. So, expect us to reduce our exposure there slightly. But no, the rest of our markets, we intend to stay in for the long time.

Adam Kramer – Morgan Stanley

Maybe I'll sneak in a 2-parter here, if that's okay. First is on the market level. If you think about your expectations going into 2Q, which markets had the strongest improvements relative to expectations and which markets may have disappointed relative to those expectations? And then second part, I think it was asked earlier and apologies if I missed the answer, but thinking about your same-store revenue guidance midpoint now, what would be the rough contribution from occupancy, rent growth and then ancillary revenue?

Ben Fraker – Camden Property Trust

I'll take the second one first. As far as the same-store revenue guidance goes, yes, it's made up of all components. We've seen better occupancy in the second quarter. And as Alex said earlier, we are planning on seeing an uptick in the third quarter with a slight downtick in the fourth quarter. Our bad debt is normalized as expected. We think it's going to come in for the new same-store portfolio at around 40 basis points. That compares to our prior 50 basis points guidance, and that 10 basis points is primarily driven by California being gone. Our other income, we expect to grow somewhere around 3%. And as Alex touched on earlier, our back half blends will be somewhere 1% or north of that, and we feel very comfortable with our guidance the way it is laid out and based on the green shoots we have seen, the occupancy strength we've seen, and the renewals that we've begun to sign.

Alex Jessett – Camden Property Trust

I'll hit the first part. If you think about our expectations for the second quarter, there's not any one market that was really an outlier from what we expected. As I mentioned in my prepared remarks, we clearly had a lot of our markets that were showing green shoots. Good news is that's what we expected. And when you look at the markets that are a little bit behind, obviously the markets that jump out for being a little bit behind would be Austin, Denver, Phoenix, and Nashville. When I look at those markets, though, I know what the issues are. For Austin and Nashville, that's a supply issue.

Austin is an interesting market to me because we always talk about the second derivative. If you actually look, Austin is showing the highest improved momentum amongst all major U.S. markets. This is not a Camden number. This is across all operators in Austin. There's been 360 basis points of less decline in rents market-wide March to June. But let me tell you what it is for us. If you look at March, signed new leases in Austin were down 11%. If you look at July, they're down 3%. That still is a negative, but that is

800 basis points better than what we saw in March. So even the markets that had been softer for us are starting to show some fairly meaningful green shoots. And then you look at Phoenix, I'm always amazed that anybody rents when it's 120 degrees. Phoenix is reverse seasonality. That's what happens. And Phoenix is really a story of two markets. It's East versus West, and the East side of Phoenix is absolutely outperforming the West. Thankfully, we are 100% on the East side. So, no one market is doing better or worse than we expected. They're all doing in line with our expectations, but we continue to see some things that really are giving us comfort as we look at the way the rest of this year can shake out.

Laurie Baker – Camden Property Trust

Alex mentioned Denver. Denver has been one that there's been a lot of talk about, but we're seeing some of the biggest gains on our effective new leases from the second quarter to where we're sitting today and moving from a negative 7.7% on effective new leases in second quarter to now negative 4.3%. Again, you're seeing improvements across the board even in those that have been a little more challenged, whether it is a supply story or just some of the market dynamics, and that leads us to believe that we're definitely trending in the right direction and directionally should position us for steady improvements as those leases become effective in our third and fourth quarter.

Austin Wurschmidt - KeyBanc

I realize things can change quickly, as you just alluded to with the examples in Austin, Phoenix, and Denver, but what percentage of leases today are at a gain to lease? And what's the magnitude of that gain to lease?

Alex Jessett – Camden Property Trust

Here's the way I would look at it. In my prepared remarks, I talked about 50% of our communities in July had positive signed new leases. So that's definitely the direction you want to be in. And you compare that to where we were in March, where it was only 20%. And if you're not looking at new lease and renewals, but if the question is about gain or loss to lease on the financial side, in July we actually rolled into a loss-to-lease situation and we haven't been in a loss-to-lease situation this year. I feel really good that's the direction in which we're going. Where are the gain to leases? The gain to leases are exactly where you would expect them to be. We've got a slight gain to lease in Austin and we've got a little bit of a gain to lease in Nashville. But the rest of them are operating at a loss to lease.

Alex Goldfarb – Piper Sandler

I just wanted to follow up on Ami's question. I understand that you're going to reduce your top two markets, reduce that exposure. But as you conducted this process, I know originally years ago you were in Kansas City. Certainly, the landscape has changed, especially as you think about where supply gluts are. Are any of the Midwestern markets at all attractive to you from a pro-growth, low supply market that you'd want to enter? Or as you undertook this California repositioning exercise, you looked at the Midwest and determined that your best investment remains in the Sunbelt?

Alex Jessett – Camden Property Trust

What we do is we look at where the population growth is and where the employment growth is. And if you look at the markets in which we operate right now, those markets lead the nation in both of those categories. It is interesting, and we are paying attention to the fact that some of the Midwest markets are starting to get population growth, a little bit more outsized than they typically do. I think that's an affordability issue. What we have yet to see is whether or not that is a long-term trend. If you think about what we do, obviously, we are a very capital-intensive business. We're in a slow-moving business when it comes to investments. And so, you want to make sure that you're not jumping on a trend that may not last, right? We continually evaluate all of the markets out there, and I will tell you that if any one market jumps out and shows that it has a long-term trend of high population growth, high employment growth, then we will absolutely look at that market. But right now, we think we're in the right markets. I will tell you that we probably do a deep dive on 2-3 markets each year to see if it's somewhere we want to enter. The last one that we did a deep dive on that screened was Nashville. Every one that we've deep dived since then hasn't screened. But we continue to look. And if we believe that on a long-term basis that we can go into a market and create shareholder value, then we'll do that.

Rich Hightower - Barclays

Just a small one for me. I know it's a relatively minor line item in the OpEx stack, but I did notice that your marketing and leasing expense, which I know is separate from the concession question earlier, has gone up double digits year-to-date, well above any other cost category. Does that signal anything about the strength or weakness of the market beyond the revenue commentary?

Laurie Baker – Camden Property Trust

I'll answer that. Our customer acquisition costs have increased year-over-year, meaning that guest cards are just more expensive. But the marketing spend for us really ramped up as we entered into the peak leasing season where demand is typically high. We wanted to make sure that we went into this last summer season capturing as much of the demand as possible. Remember, we were coming off a 95.1% occupancy in the first quarter, not where we wanted it to be. We didn't hold back in our marketing spend in case we had a shorter leasing season like we did last year. Fortunately, we didn't and so far have not experienced that. But that was a little bit of the reason, and we didn't want to be sorry at the end of the season that we didn't push a little bit where we thought we could actually make a difference. And the good news is lead volume has been up. We've been able to drive more qualified traffic as evidenced by an increase of our guest card to visit ratios, which was up about a little over 7% year-over-year.

Peter Abramowitz – Deutsche Bank

Just wondering if you could give us an update on migration in your markets so far this year. Curious how it's been relative to historical levels and your expectations coming into the year? And in which markets has it been stronger or weaker than your expectations?

Alex Jessett – Camden Property Trust

The good news is that domestic in-migration into our markets is continuing. I saw a headline from John Burns, who's a pretty good researcher out there, and his title was "domestic migration is normalizing, not disappearing." And I will tell you, Ric made a comment earlier where he said it's been a 30-year trend into the Sunbelt markets. I'm going to tell you it's been a 50-year trend into the Sunbelt markets. And sure, that trend did accelerate during the COVID times, but it is back to the long term and the long-term trend for us is very good for people moving into our markets. And one of the things that we look at is what percentage of our new renters are coming from outside the Sunbelt. And when you look at that, in the second quarter, 16% of our new renters were move-ins from non-Sunbelt locations. And if I track that backwards, a year ago it was 15.5%. Before that it was 14%. It's not a matter of us seeing any drop-off on the domestic in-migration. And the reason is simple. You can come to our markets. Our markets have plentiful jobs. Our markets are where young people want to be. Although people don't like it when it's the middle of the summer, our markets have fantastic weather. Remember, you never have to shovel the heat off your car. A lot of these drivers are what are causing people to continue to move to our markets, and we're continuing to see it in our data.

Julien Blouin – Goldman Sachs

I just wanted to go back to the blend expectation for the back half. It sounds like it's a little over 1%, which I think would imply around 200 basis points of improvement versus the first half. Just wondering, your main Sunbelt peer is assuming just 30 basis points of improvement in the back half versus the first half. I was wondering if you had any thoughts on why the ramp for your portfolio would be so much stronger over the coming months. Do you think the variance is maybe driven by market exposures? Is it age of assets? Do you feel like you have a more fundamentally bullish view of the coming months?

Ben Fraker – Camden Property Trust

I think it really comes down to what we've seen so far on the occupancy momentum that we picked up as well as the renewal momentum we've started to see in signed renewals that Alex and Laurie have talked about, on top of the green shoots that we've begun to recognize across various markets on the new lease side as concessions begin to roll off with competing lease-ups. So that's really what it is. It's based on our current performance and what we're seeing so far.

Alex Jessett – Camden Property Trust

I'll add to that. All of our peers are great operators. Their experience is perhaps different than our experience. I do know that sometimes people take different approaches when it comes to whether you get occupancy up first. And then when you get occupancy up, that gives you pricing power. That's the approach that we're taking. I'm sure whatever they're doing is right for their portfolio.

John Pawlowki – Green Street

My question is on the pricing on the seven acquisitions you did in the quarter. There could be a meaningfully different going-in yield versus a year-1 or year-2 stabilized yield based off of what you assume for concession burn-off. So, Alex, could you share the spot going in cash NOI yield and then how you guys underwrote the year-2 yield on these acquisitions?

Alex Jessett – Camden Property Trust

I'm going to let Stanley Jones, our head of Real Estate Investments, take that one.

Stanley Jones – Camden Property Trust

John, when we look at the year-1 yield, as Alex mentioned in his prepared remarks, on that book of business we are in the high 4%s. And that is based on current effective rents. Six of these acquisitions are offering some concession, ranging from no concessions up to just over 1.5 months. What I would caution against is painting those concessions across these deals with a broad brush. It's not always on every floor plan or lease term. Oftentimes, it's on vacant units. So just a word of caution there. And then as you look at supply in the submarket, which these have been very competitive submarkets and have dealt with a lot of supply, the story for each of these acquisitions is really good with just a few units left to absorb and very little new construction on the horizon. As we look through the balance of 2026, I think our underwriting is conservative, and we're assuming no real effective rent growth until we get into 2027 and 2028 when we start to gradually remove those concessions. And once all the concessions are removed from the underwriting over the next 1.0-1.5 years, you could see a path to getting to a yield in the mid-5%s.

Alex Jessett – Camden Property Trust

I'm just going to add to that because, obviously, we've talked about a lot of transactions this year. And the fact that we are able to trade out of a 19-year-old portfolio in California with all of the complications associated with California into a 5-year-old portfolio and blending that with share repurchases and able to do that in a year-1 FFO neutral, year-2 FFO accretive basis, I think, is just a remarkable accomplishment and a fantastic capital allocation.

Alex Kim - Zelman

I wanted to ask about development lease-up velocity. Just curious how that's going in the two projects that you guys have in lease-up. And how are rents and concessions tracking relative to underwriting? And then just potentially what are the expected stabilization yields?

Alex Jessett – Camden Property Trust

Yes, absolutely. If you go back to original pro formas, obviously, with a lot of these deals when we were underwriting them, we didn't have the expectation that we would be dealing with a 50-year high in terms of new supply. But I will tell you that they're all doing really well. If you look at where we are right now, we're talking about one deal in lease-up, which is our Village District deal. It's getting towards the end of lease-up, which always makes it a little bit slower because you start to deal with the back door,

but we feel pretty good about where that one is. I think that one is going to shake out to a stabilized yield at just under 6%.

When you look at the deals that are under construction, we're talking about South Charlotte and Blakeney first. For those two deals, the real story is that construction costs are coming in pretty dramatically as compared to what we originally anticipated. And the great news about that is you can get to a good number by having the numerator or the denominator move in your favor, and the denominator is very much moving in our favor on both of those. Nations is a little bit early in the process, so we haven't started leasing that one yet, but we feel really good about the direction and where we're going. And we think that we're going to hit stabilized yields for these assets in the high 5% or right around 6% range.

Eric Wolfe - Citibank

You mentioned July renewals were over 4% and you were sending out renewals at the 4.2% level. What would you expect to achieve on that 4.2%? I think historically you've said maybe 50 basis points lower, but didn't know if the movement on new leases maybe meant that it could come in a little bit tighter than historical. So just curious what you think you can achieve on those renewals.

Laurie Baker – Camden Property Trust

As you said, we'll continue to see where our renewals go out and by the time they're signed, the effective is somewhere within that 50 basis points window. With August and September renewals going out at an average of 4.2%, without giving you the exact numbers because they're moving day by day, I can tell you the September numbers are even stronger than the August numbers. So, I feel good about that continued trend. And as long as it's going directionally to levels closer to the high 4%, we feel good about the third quarter and going into the fourth.

Eric Wolfe - Citibank

That's helpful. Last one. You gave the occupancy number. You gave the renewal number, I think, for July. What's the hesitancy to provide the new lease number for July? You gave pieces of it, right? I think you have different pieces. Why not just provide that number? Do you think it misleads people to provide that number because it changes around so much? Just curious on the philosophy there.

Alex Jessett – Camden Property Trust

It's always funny because at one point in time, the way we kept giving all this information out there, you basically started giving monthly new lease and renewals. And that really does put you on a treadmill where I think people focus far too much on little pieces of data rather than looking at the whole picture. Now that being said, we sort of laughed about it because it seems like whenever anybody has got some good numbers, then they want to talk about it. And we really do have good numbers, and we're like, we really want to talk about it. I think we gave you enough color that you can gather that our numbers, both on the new lease renewal and occupancy side are pretty good for July. But at this point in time, we're going to try very hard to stay away from giving monthly numbers.

Ric Campo – Camden Property Trust

When I think about this real time, give me the exact lease rates that you signed today. I think about the way the Street reacts to second derivatives. We've made the statement today, and it's clear that the second derivative for Camden's portfolio and for the multifamily industry is very positive and on a steep trajectory up. Now what has that done to the investor expectations? Nothing. On the other hand, if the second derivative was down, the stocks would crater. It's a really interesting issue. This idea of giving real-time information of what the lease was today and what it was tomorrow, there's just too much data out there and the market reacts to that. To me, you need longer-term data. You need more data that shows the trend going on for better than a day or a week or a month. That's why I think the industry is trying to go that direction, even though like Alex said, we'd love to show you our really good numbers that happen in one week, but then people get stressed out about a bad number for a week, too. That's kind of the theory anyway.

Alex Jessett – Camden Property Trust

Thank you for joining us today, and we look forward to visiting with many of you as the upcoming conference season begins in September. Take care.

Edited for readability