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COMPANY CONFORMED NAME: POST PROPERTIES INC

CENTRAL INDEX KEY: 0000903127

STANDARD INDUSTRIAL CLASSIFICATION: REAL ESTATE INVESTMENT TRUSTS [6798]

IRS NUMBER: 581550675

STATE OF INCORPORATION: GA

FISCAL YEAR END: 1231

FILING VALUES:

FORM TYPE: 424B2

SEC ACT: 1933 Act

SEC FILE NUMBER: 333-03555

FILM NUMBER: 96636346

BUSINESS ADDRESS:

STREET 1: 3350 CUMBERLAND CIRCLE

STREET 2: SUITE 2200

CITY: ATLANTA

STATE: GA

ZIP: 30339

BUSINESS PHONE: 7708504400

MAIL ADDRESS:

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STREET 2: SUITE 2200

CITY: ATLANTA

STATE: GA

ZIP: 30339

FILER:

COMPANY DATA:

COMPANY CONFORMED NAME: POST APARTMENT HOMES LP
CENTRAL INDEX KEY: 0001012271
STANDARD INDUSTRIAL CLASSIFICATION: OPERATORS OF APARTMENT BUILDINGS [6513]
IRS NUMBER: 582053632
STATE OF INCORPORATION: GA
FISCAL YEAR END: 1231

FILING VALUES:

FORM TYPE: 424B2
SEC ACT: 1933 Act
SEC FILE NUMBER: 333-03555-01
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424B2

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POST PROPERTIES: 424B2

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Filed Pursuant To Rule 424(b) (2)
Registration No. 333-03555
333-03555-01

PROSPECTUS SUPPLEMENT

(TO PROSPECTUS DATED AUGUST 9, 1996)

1,000,000 SHARES
(LOGO)POST PROPERTIES, INC.
8 1/2% SERIES A CUMULATIVE REDEEMABLE PREFERRED SHARES
(PAR VALUE \$0.01 PER SHARE)
(LIQUIDATION PREFERENCE EQUIVALENT TO \$50.00 PER SHARE)

Dividends on the 8 1/2% Series A Cumulative Redeemable Preferred Shares, \$.01 par value per share (the "Preferred Shares"), of Post Properties, Inc. (the "Company") will be cumulative from the date of original issue and will be payable quarterly on or about the last day of March, June, September and December of each year, commencing December 31, 1996, at the rate of 8 1/2% of the liquidation preference per annum (equivalent to \$4.25 per annum per share).

The Preferred Shares are not redeemable prior to October 1, 2026. On or after October 1, 2026, the Preferred Shares may be redeemed for cash at the option of the Company in whole or in part, at a redemption price of \$50.00 per share, plus accrued and unpaid dividends, if any, thereon. The redemption price (other than the portion thereof consisting of accrued and unpaid dividends) is payable solely out of the sale proceeds of other capital stock of the Company, which may include other series of preferred shares. The Preferred Shares have no stated maturity and will not be subject to any sinking fund or mandatory redemption and will not be convertible into any other securities of the Company. See "Description of Preferred Shares -- Redemption." In order to maintain its qualification as a real estate investment trust for federal income tax purposes, the Company's Amended and Restated Articles of Incorporation impose limitations on the number of shares of capital stock, including Preferred Shares, that may be owned by any single person or affiliated groups. See "Description of Preferred Shares -- Restrictions on Transfer."

Application will be made to list the Preferred Shares on the New York Stock Exchange ("NYSE"). If such application is approved, trading of the Preferred Shares on the NYSE is expected to commence within a 30-day period after the date of initial delivery of the Preferred Shares. While the Underwriter has advised the Company that it intends to make a market in the Preferred Shares prior to commencement of trading on the NYSE, it is under no obligation to do so and no assurance can be given that a market for the Preferred Shares will exist prior to commencement of trading. See "Underwriting."

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS SUPPLEMENT OR THE PROSPECTUS TO WHICH IT RELATES. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THE ATTORNEY GENERAL OF THE STATE OF NEW YORK HAS NOT PASSED ON OR ENDORSED THE MERITS OF THIS OFFERING. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

----- UNDERWRITING PROCEEDS TO PRICE TO PUBLIC (1) DISCOUNT (2) COMPANY (1) (3) -----			

	----- Per		
Share.....	-----		
\$50.00	\$1.25	\$48.75	-----

Total (4).....	-----		
\$50,000,000	\$1,250,000	\$48,750,000	-----

- (1) Plus accrued dividends, if any, from the date of original issue.
- (2) The Company has agreed to indemnify the Underwriter against certain liabilities, including liabilities under the Securities Act of 1933. See "Underwriting."
- (3) Before deducting expenses payable by the Company estimated at \$50,000.
- (4) The Company has granted the Underwriter an option to purchase up to an additional 150,000 shares to cover over-allotments. If all such shares are purchased, the total Price to Public, Underwriting Discount and Proceeds to Company will be \$57,500,000, \$1,437,500, and \$56,062,500, respectively. See "Underwriting."

The Preferred Shares are being offered by the Underwriter, subject to prior sale, when, as and if delivered to and accepted by it, subject to approval of certain legal matters by counsel for the Underwriter and certain other conditions. The Underwriter reserves the right to withdraw, cancel or modify such offer and to reject orders in whole or in part. It is expected that delivery of the Preferred Shares will be made in New York, New York on or about October 1, 1996.

MERRILL LYNCH & CO.

The date of this Prospectus Supplement is September 26, 1996.

POST PROPERTIES, INC.

[The graphic material to be included is (i) a map of the southeastern part of the United States identifying the primary markets in which the Company (as defined) owns or operates communities and (ii) a map of the Atlanta Metropolitan Area identifying the location of the communities owned or operated by the Company in that market.]

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE

PROSPECTUS SUPPLEMENT SUMMARY

The following summary is qualified in its entirety by, and should be read in conjunction with, the more detailed information appearing elsewhere in this Prospectus Supplement and the accompanying Prospectus or incorporated herein and therein by reference. Unless indicated otherwise, the information contained in this Prospectus assumes that the Underwriter's over-allotment option is not exercised. The offering of 1,000,000 shares of 8 1/2% Series A Cumulative Redeemable Preferred Stock, par value \$0.01 per share (the "Preferred Shares"), pursuant to this Prospectus is referred to herein as the "Offering." As used herein, the term "Company" includes Post Properties, Inc., Post Apartment Homes, L.P. and their predecessors and subsidiaries, unless the context indicates otherwise.

THE COMPANY

The Company is one of the largest developers and operators of upscale multifamily apartment communities in the Southeastern United States. As of September 1, 1996, the Company owned 46 stabilized communities (the "Communities") containing 17,144 apartment units located primarily in metropolitan Atlanta, Georgia and Tampa, Florida. In addition, as of September 1, 1996 the Company had under construction or in initial lease-up nine new communities in the Atlanta, Tampa and Charlotte metropolitan areas that will contain an aggregate of 3,280 apartment units when completed. For the six months ended June 30, 1996, the average economic occupancy rate of the 41 Communities and the first phase of an additional Community stabilized for the entire period was 95.6%. The average monthly rental rate per apartment unit at these Communities for the same period was \$745. The Company also manages through affiliates one community under the Post(R) brand name for a third party and approximately 9,700 additional apartment units owned by third parties. The Company is a fully-integrated organization with multifamily development, acquisition, operation and asset management expertise and has approximately 1,100 employees, none of whom is a party to a collective bargaining agreement.

All of the Company's operations are conducted through, and the Company's interests in the Communities are held by, Post Apartment Homes, L.P. (together with its subsidiaries, the "Operating Partnership"). The Company controls the Operating Partnership as the sole general partner and holder, as of June 30, 1996, of 81.1% of the outstanding partnership interests in the Operating Partnership.

THE COMMUNITIES

As of September 1, 1996, the Communities consisted of 46 stabilized Post(R) multifamily apartment communities located in the following metropolitan areas:

NUMBER OF UNITS	PERCENT OF TOTAL	METROPOLITAN AREA	COMMUNITIES	OF TOTAL

-- Atlanta,				
GA.....	33	12,352	72.0%	Tampa,
FL.....	7	2,262	13.2	Orlando,
FL.....	1,248	7.3		Fairfax,
VA.....	700	4.1		Pompano Beach,
FL.....	1	416		Nashville,
TN.....	166	1.0		

46 17,144 100.0% == =====				
=====				

The Company developed and currently manages all of the Communities. Thirty-two of the Communities have in excess of 300 apartment units, with the largest Community having a total of 810 apartment units. As of September 1, 1996, the average age of the Communities was seven years and 41 of the 46 Communities, comprising approximately 90.9% of the total number of the Communities' apartment units, were completed after January 1, 1986.

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THE OFFERING

Securities Offered..... 1,000,000 shares of 8 1/2% Series A Cumulative Redeemable Preferred Shares.

Use of Proceeds..... The net proceeds to the Company from the Offering (approximately \$48.7 million) will be used to pay down existing indebtedness and for general corporate purposes.

Ranking..... With respect to the payment of dividends and amounts upon liquidation, the Preferred Shares offered hereby will rank pari passu with any other preferred shares which are not by their terms subordinated to the Preferred Shares and will rank senior to the Common Stock and any other shares of the Company which by their terms

rank junior to the Preferred Shares. See "Description of Preferred Stock -- Rank" in the accompanying Prospectus.

- Dividends..... Dividends on the Preferred Shares offered hereby are cumulative from the date of issue and are payable quarterly on or about the last day of March, June, September and December of each year, commencing on December 31, 1996, at the rate of 8 1/2% of the liquidation preference per annum (equivalent to \$4.25 per annum per share). Dividends on the Preferred Shares will accrue whether or not the Company has earnings, whether or not there are funds legally available for the payment of such dividends and whether or not such dividends are declared.
- Liquidation Rights..... The Preferred Shares will have a liquidation preference of \$50.00 per share, plus an amount equal to accrued and unpaid dividends. See "Description of Preferred Shares -- Liquidation Preference."
- Redemption..... The Preferred Shares are not redeemable prior to October 1, 2026. On and after October 1, 2026, the Preferred Shares will be redeemable for cash at the option of the Company, in whole or in part, at \$50.00 per share, plus accrued and unpaid dividends, if any, thereon. The redemption price (other than the portion thereof consisting of accrued and unpaid dividends) is payable solely out of the sale proceeds of other capital stock of the Company which may include other series of preferred shares, and from no other source. See "Description of Preferred Shares -- Redemption."
- Voting Rights..... If dividends on the Preferred Shares are in arrears for six or more quarterly periods, whether or not such quarterly periods are consecutive, holders of the Preferred Shares (voting separately as a class with all other series of preferred shares upon which like voting rights have been conferred and are exercisable) will be entitled to vote for the election of two additional Directors to serve on the Board of Directors of the Company until all distribution arrearages have been paid. See "Description of Preferred Shares -- Voting Rights."

Conversion..... The Preferred Shares are not convertible or exchangeable for any other property or securities of the Company.

Ownership Limits..... The Preferred Shares will be subject to certain restrictions on transfer intended to preserve the Company's status as a REIT for federal income tax purposes. In general, under such restrictions, a holder may not acquire or own Preferred Shares to the extent that such ownership

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causes an individual (as specially defined under the Internal Revenue Code of 1986, as amended (the "Code") to include certain charitable organizations) to own more than 6% of the value of the outstanding series of Preferred Shares, taking into account applicable constructive ownership rules of the Code. Under these rules, Preferred Shares held by entities such as corporations, mutual funds, insurance companies and pension trusts would be treated as owned by their ultimate individual beneficial owners for purposes of applying the 6% ownership limit. See "Description of Preferred Shares -- Restrictions on Transfer."

Trading..... Application will be made to list the Preferred Shares on the New York Stock Exchange ("NYSE"). If such application is approved, trading of the Preferred Shares on the NYSE is expected to commence within a 30-day period after the date of initial delivery of the Preferred Shares. While the Underwriter has advised the Company that it intends to make a market in the Preferred Shares prior to commencement of trading on the NYSE, it is under no obligation to do so and no assurance can be given that a market for the Preferred Shares will exist prior to commencement of trading. See "Underwriting."

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BUSINESS AND COMMUNITIES

The Company is a self-administered and self-managed equity REIT that was founded in 1971 and since inception has focused on the development, management,

and ownership of upscale multifamily apartment communities, primarily in metropolitan Atlanta, Georgia. During the last nine years, the Company has expanded its focus to include metropolitan Tampa, Florida, other Florida markets, Nashville, Tennessee, Charlotte, North Carolina and Fairfax County, Virginia. The Company and its affiliates have developed a total of 71 Post(R) upscale garden and mid-rise apartment communities containing approximately 22,726 apartment units. Of these communities, 46 comprising 17,144 apartment units are owned by the Company in fee simple or pursuant to a long-term ground lease, and are operated by the Company. The Company and affiliates have sold 26 communities between 1972 and 1996 to parties not affiliated with the Company, one of which the Company continues to manage under the Post(R) brand name. Three contiguous Atlanta apartment communities containing a total of 810 units which the Company developed in the early 1980s and sold in 1986 have been reacquired and are currently operated as one community, Post Creek(TM). The Company's executive offices are located at 3350 Cumberland Circle, Atlanta, Georgia 30339 and its telephone number is (770) 850-4400.

The Company has benefitted, and expects to continue to benefit, from the following competitive advantages:

- Implementing distinctive core business strategies: investment building, promotion of the Post(R) brand name and a service orientation.
- Demonstrating a consistent record of operating performance.
- Promoting growth through maintenance of a disciplined development philosophy in superior primary markets.
- Maintaining a flexible and conservative capital structure to provide continued access to capital markets on favorable terms.
- Investing in upscale multifamily communities of a quality level synonymous with the Post(R) brand name reputation.

DISTINCTIVE CORE BUSINESS STRATEGIES. The Company benefits from the pursuit of three distinctive core business strategies that, for almost 25 years, have remained substantially unchanged:

Investment Building. Investment building means taking a long-term view of the assets the Company creates. The Company develops communities with the intention of owning and operating them for periods that are relatively long by the standard of the apartment industry.

- The Company's approach to development activities has been characterized by a solid record of building apartment communities on time, and with a uniformly high quality.
- Since 1988, the Company has focused its strategy on a limited number of markets that have shown and are forecasted to continue to show employment, population and household formation growth that generally

exceed national averages. Within these limited markets, the Company has focused on building in infill, mature locations, where land for competing uses is scarce.

- The Company uses a disciplined team approach to development decisions. Both the development division and the management division are involved in the process by which a potential development site is evaluated, the market is analyzed, the product is designed, and both construction and operating feasibility are assessed.
- The Company conducts an annual asset maintenance program, which involves an annual review of each apartment community. In addition, the Company conducts a regular periodic program of preventative maintenance in each apartment unit pursuant to which appliances, heating and cooling systems and apartment interiors are inspected, cleaned and serviced or repaired, as appropriate, at least two times per year. The Company believes that these programs lower

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operating costs over the life of the Communities, increase the long-term value of the Communities and contribute to maintaining the upscale market position of the Communities.

Promotion of the Post(R) Brand Name. The Post(R) brand name strategy is widely known and admired within the Company's primary markets and, to the knowledge of the Company, has not been successfully duplicated within the multifamily real estate industry in any major U.S. market. For such a strategy to be effective, a company must develop and implement systems to achieve uniformity, outstanding quality and value through its operations.

- The Company exclusively owns the federally registered Post(R) service and trade marks, which it uses extensively in the marketing of its Communities.
- The Post(R) brand name is synonymous with quality upscale apartment communities which are situated in desirable locations and provide superior resident service. This has been achieved in part by the Company's strategy of developing a superior product in established infill locations.
- The Company believes that a comprehensive program for continuing training of all employees and a commitment to "promoting from within" enhance the performance of the Company's personnel and reduce employee turnover. Bonuses and other financial incentives, motivational seminars and Company-wide recognition programs also promote employee performance. The Company has created professional, long-term career paths for its employees, especially for its field personnel (such as construction managers, leasing consultants and landscape field

employees). The Company believes that time spent at its Communities by "main office" employees provides valuable information and experience for employees throughout its organization.

- The Company coordinates its advertising programs to increase brand name recognition in its primary markets and to attract a more desirable resident profile.

A Service Orientation. The Company's mission statement is: "To provide the superior apartment living experience for our residents." A superior product delivered with superior service is the surest way to achieve the Company's long-term goals. The Post(R) brand name has great value because of the Company's dedication to and success in carrying out its mission statement.

CONSISTENT OPERATING PERFORMANCE. The successful implementation of the Company's distinctive core business strategies accounts for the Company's consistent operating performance. Focus on the operations of the existing portfolio, adherence to a disciplined development philosophy and a continuing focus on quality and service are necessary to realize consistent, sustained earnings growth. The Company's operating performance demonstrates the successful implementation of its operating approach:

- Average economic occupancy of communities stabilized for both the current and prior respective periods was 96.0%, 96.4% and 94.7% for the years ended December 31, 1995, 1994 and 1993, respectively, and 95.5% and 96.0% for the six months ended June 30, 1996 and 1995, respectively.
- Rental revenues have steadily increased from \$104.5 million in 1993 to \$115.3 million in 1994 and \$133.8 million in 1995, increases of 10.3% and 16.0%, respectively. Rental revenues continued to increase during the first half of 1996, increasing from \$63.9 million for the six months ended June 30, 1995 to \$75.6 million for the six months ended June 30, 1996, an increase of 18.3%.
- Direct property operating expenses as a percentage of rental revenues have steadily decreased from 39.4% in 1993 to 37.6% in 1994 and 37.3% in 1995, decreases of 4.6% and 0.8%, respectively, and continued to decrease in the first half of 1996 from 37.9% at June 30, 1995 to 36.0% at June 30, 1996, a decrease of 5.0%.
- Funds from Operations ("FFO") increased 12.1%, on a per share basis, from the year ended December 31, 1994 to the year ended December 31, 1995 and 13.7%, on a per share basis, from the six months ended June 30, 1995 to the six months ended June 30, 1996. FFO for any period means the consolidated net income of the Company and its subsidiaries for such period excluding gains or losses from debt restructuring and sales of property, plus depreciation of real estate assets, and after

adjustment for unconsolidated partnerships and joint ventures, all determined on a consistent basis in accordance with generally accepted accounting principles.

- The Company's payout ratio, based on FFO, has decreased from 83.7% to 81.3% for the years ended December 31, 1994 and 1995, respectively, and from 83.8% to 81.2% for the six months ended June 30, 1995 and 1996, respectively.

DEVELOPMENT PHILOSOPHY. The Company uses a team approach to development decisions. Both the development division and the management division are involved in the process by which a potential development site is evaluated, the market is analyzed, the product is designed, and both construction and operating feasibility are assessed.

The Company believes that multifamily properties in its primary markets have the potential over the long term to provide investment returns that exceed national averages. According to recent market surveys, employment, population and household formation growth in the Company's primary markets have shown and are forecasted to continue to show growth that generally exceeds national averages.

EMPLOYMENT (1990-1995)	POPULATION (1990-1995)	HOUSEHOLD (1990-1995)	GROWTH -	GROWTH -	GROWTH -	MARKETS -
Atlanta.....	18.6%	15.2%	16.4%			
Nashville.....	18.9	10.6	11.7			
Charlotte.....	13.7	10.3	12.0	Tampa		
Bay.....	5.0	6.0	Northern	13.1		
Virginia.....	10.5	Top 50 Metropolitan Areas.....	7.1	9.2	9.6	9.3 9.0

FORECASTED HOUSEHOLD GROWTH (1995-2005)	FORECASTED GROWTH (1995-2005)	FORECASTED GROWTH (1995-2005)	EMPLOYMENT MARKETS (1995-2005)	POPULATION (1995-2005)
Atlanta.....	29.1%	25.2%	28.1%	
Nashville.....	31.3	21.9	25.0	
Charlotte.....				

	27.7	23.4	23.7	Tampa	
Bay.....					28.1
	16.0	18.6	Northern		
Virginia.....					16.2
	18.8	22.2	Top 50 Metropolitan Statistical		
Areas.....	13.1	9.4	10.7		

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Source: For the historical data -- the U.S. Census Bureau (Population Growth and Household Growth) and the U.S. Bureau of Labor Statistics (Employment Growth). For the forecasted data -- Siegel & Associates (Northern Virginia) and Dr. Donald Ratajczak of Georgia State University (Atlanta, Nashville, Charlotte, Tampa Bay and Top 50 Metropolitan Statistical Areas).

In addition, the Company expects that the multifamily housing market in its primary markets will be positively affected by the following trends: (i) lifestyle changes that are resulting in an older, more affluent and more demanding renter; and (ii) a decline in home price appreciation in recent years, which changes the economic advantages of home ownership. The Company believes that these trends will offset to some extent the general trend of a decline in the growth rate of the adult population in the prime rental population of 20-35 year olds and the current low interest rates for home mortgages.

Within these primary markets, the Company has concentrated on building in infill, mature locations where land for competing uses is scarce. The Company believes this strategy reduces the amount of potential competition faced by the Company's apartment communities and believes that these locations are more desirable places to live, which enables the Company to charge rents that result in higher returns on costs. The Company also believes that these sites have a higher land appreciation over time.

FLEXIBLE AND CONSERVATIVE CAPITAL STRUCTURE. The Company has and plans to continue to maintain a flexible and conservative capital structure that enhances its access to the capital markets on favorable terms and promotes future earnings growth.

Since formation in July 1993, the Company has concentrated on enhancing its financial flexibility by improving its capital structure. The \$180 million unsecured revolving line of credit (the "Revolver") with a bank syndicate, the issuance of \$50 million of unsecured senior notes to the Northwestern Mutual Life Insurance Company (the "NML Notes"), the agreement with the Federal National Mortgage Association ("FNMA") to provide credit enhancement for the Company's outstanding tax-exempt bonds (including reissuance at maturity) and certain of its economically defeased bonds until June 2025, the issuance of \$50 million of unsecured senior notes to Wachovia Bank of Georgia, N.A. (the

"Wachovia Notes") and the \$20 million unsecured revolving line of credit with Wachovia Bank of Georgia, N.A. (the "Cash Management Line") all demonstrate the Company's successful efforts to maintain a flexible and conservative capital structure. The Company's policy is that it will not borrow funds; provided that the foregoing shall not be construed to limit the Company's ability to incur liabilities for short-term trade payables, employee compensation payables, dividends payable or similar payables that will be paid in the ordinary course of the Company's business. Indebtedness will be incurred by the Operating Partnership to the extent necessary to fund the business activities conducted by the Operating Partnership and its subsidiaries.

The Company's financial position reflects its conservative financial strategy:

- As of June 30, 1996, the Company had 33 Communities unencumbered by mortgage debt with over \$700 million of undepreciated book value supporting the Company's unsecured debt. Net operating income from these unencumbered Communities as a percentage of total net operating income for all Communities increased from 42.7% at June 30, 1995 to 63.9% at June 30, 1996.
- Since January 1, 1995, the Company has greatly extended and staggered debt maturities. FNMA has provided replacement credit enhancement through 2025 for seven bond issues which were reissued, and has agreed, subject to certain conditions, to provide credit enhancement through June 1, 2025 with respect to eight other bond issues which mature and may be refunded in 1997 and 1998. As of December 31, 1994, the weighted average maturity of the Company's debt was 2.0 years. At June 30, 1996, the weighted average maturity of the Company's debt had increased to 12.4 years. After giving effect to the Debt Offering (as defined below), the Cash Management Line and the reissuance of the Post Canyon(R) and Post Corners(R) bonds which matured and were refunded on July 1, 1996 and August 1, 1996, respectively, the Company's weighted average maturity would have been 13.8 years.
- Total debt to total market capitalization ratio of 30.7% at June 30, 1996.
- Total debt as a percentage of undepreciated real estate assets of 40.7% at June 30, 1996.
- Interest coverage for the six month period ending June 30, 1996 was 4.4x.

MANAGEMENT EXPERIENCE IN DEVELOPING AND OPERATING UPSCALE MULTIFAMILY APARTMENT COMMUNITIES. Since 1971, the Company has developed a total of 71 upscale garden and mid-rise apartment communities containing approximately 22,726 apartment units. The Company believes that its unique business strategy and disciplined development philosophy have produced the highest quality multifamily communities in its primary markets. Uniform systems in construction, landscaping, and on-site management; superior locations; superior asset quality;

superior resident amenities and services; luxurious landscaping; and a responsive 48-hour maintenance program are all examples of the upscale nature of the Company's multifamily communities. See "The Communities." The 17 members of the Company's senior management team have an average tenure with the Company of 14 years. As of September 1, 1996, the executive officers and directors of the Company owned approximately 20.0% of the Common Stock of the Company assuming the exercise of all vested options held by executive officers and directors and an exchange for Common Stock of all Operating Partnership units.

THE COMMUNITIES

The Company developed and currently manages all of the Communities. Thirty-two of the Communities have in excess of 300 apartment units, with the largest Community having a total of 810 apartment units. As of September 1, 1996, the average age of the Communities was seven years and 41 of the 46 Communities, comprising approximately 90.9% of the total number of the Communities' apartment units, were completed after January 1, 1986.

The average economic occupancy rate for Communities stabilized for the six months ended June 30, 1996 was 95.6% and the average monthly rental rate per apartment unit at these Communities for the same period was \$745. A Community is considered by the Company to have achieved stabilized occupancy on the earlier to occur of (i) attainment of 95% physical occupancy on the first day of any month or (ii) one year after completion of construction.

COMMUNITY INFORMATION

AVERAGE ECONOMIC OCCUPANCY
 FOR THE YEAR AVERAGE JUNE
 1996 SIX MONTHS COMPLETED/
 UNIT SIZE NUMBER AVERAGE
 RENTAL ENDED COMMUNITY
 LOCATION(1) ACQUIRED
 (SQUARE FEET) OF UNITS RATE
 PER UNIT JUNE 30, 1996(2) -

 - -----

-- GEORGIA Post			
Ashford(R)		
Atlanta	1987 872 222	\$ 745	
	97.5% Post		
Bridge(R)		
Atlanta	1986 847 354	646	
	95.9 Post		
Brook(R)		

Atlanta 1984 916 130 749
99.0 Post
Brookhaven(R).....
Atlanta 1990-92 (3) 991 735
934 96.9 Post
Canyon(R).....
Atlanta 1986 899 494 690
93.5 Post
Chase(R).....
Atlanta 1987 938 410 687
95.3 Post
Chastain(R).....
Atlanta 1990 965 558 959
96.7 Post
Corners(R).....
Atlanta 1986 860 460 662
95.3 Post
Court(R).....
Atlanta 1988 838 446 667
96.1 Post
Creek(TM) (4).....
Atlanta 1996 1,180 810 867
N/A Post
Crossing(R).....
Atlanta 1995 1,067 354
1,034 95.1 Post
Dunwoody(R) (5).....
Atlanta 1989 941 530 837
92.8 Post
Lane(R).....
Atlanta 1988 840 166 701
97.5 Post Lenox
Park(TM).....
Atlanta 1995 1,030 206
1,034 97.6 Post
Mill(R).....
Atlanta 1985 952 398 695
98.1 Post
Oak(TM).....
Atlanta 1993 1,003 182 923
98.8 Post
Oglethorpe(R).....
Atlanta 1994 1,205 250
1,204 96.7 Post
Park(R).....
Atlanta 1988-90 (3) 904 770
781 94.0 Post
Parkwood(TM).....
Atlanta 1995 1,071 125 908
99.3 Post Peachtree

Hills (R) Atlanta
1992-94 (3) 982 300 952
99.3 Post

Pointe (R)
Atlanta 1988 835 360 647
94.5 Post

Renaissance (R) (6)
Atlanta 1992-94 (3) 890 342
877 99.4 Post

River (R)
Atlanta 1991 983 125 1,132
93.9 Post

Summit (R)
Atlanta 1990 957 148 810
97.1 Post

Valley (R)
Atlanta 1988 854 496 644
97.2 Post

Village (R)
Atlanta 906 704 94.4 The
Arbors
1983 1,063 301 The
Fountains
1987 850 352 The
Gardens
1986 891 494 The
Hills
1984 953 241 The
Meadows
1988 817 350 Post

Vinings (R)
Atlanta 1989-91 (3) 964 403
778 94.7 Post

Walk (R)
Atlanta 1987 932 346 785
97.0 Post

Woods (R)
Atlanta 1977-83 (3) 1,057
494 810 98.7 -----
----- Subtotal --
Atlanta 942 12,352 799
96.1 -----
- FLORIDA Post

Bay (R)
Tampa 1988 782 312 650 96.8
Post

Court (R)
Tampa 1991 1,018 228 737
92.9 Post

Crossing (R) (7)

Pompano 1989 847 416 763
 93.8 Post
 Fountains(TM).....
 Orlando 1988 835 508 574
 92.7 Post Hyde
 Park(R).....
 Tampa 1996 1,009 270 897
 N/A Post
 Lake(R).....
 Orlando 1988 850 740 604
 95.0 Post Rocky
 Point(R)..... Tampa
 1996 1,018 452 845 N/A Post
 Village(R).....
 Tampa 941 706 92.7 The
 Arbors.....
 1991 967 304 The
 Lakes.....
 1989 895 360 The
 Oaks.....
 1991 968 336 ----- --
 ---- ---- Subtotal --
 Florida..... 921 3,926 702
 93.9(8) -----

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AVERAGE ECONOMIC OCCUPANCY FOR
 THE YEAR AVERAGE JUNE 1996 SIX
 MONTHS COMPLETED/ UNIT SIZE
 NUMBER AVERAGE RENTAL ENDED
 COMMUNITY LOCATION(1) ACQUIRED
 (SQUARE FEET) OF UNITS RATE
 PER UNIT JUNE 30, 1996(2) - --

 - ----- ---- VIRGINIA Post
 Corners(R) at Trinity
 Centre.....
 Fairfax 1996 1,030 336 919 N/A
 Post
 Forest(R).....
 Fairfax 1990 889 364 872 92.0

 Subtotal -- Virginia.... 960
 700 894 92.0 -----
 - ---- TENNESSEE Post Green

Hills (R)
Nashville 1996 1,056 166 1,078
N/A -----
Total..... 970
17,144 \$ 824 95.6%(8) =====
=====

-
- (1) Refers to greater metropolitan areas of cities indicated.
 - (2) Average economic occupancy is defined as gross potential rent less vacancy losses, model expenses and bad debt divided by gross potential rent for the period, expressed as a percentage. Includes only communities which were stabilized for the entire period.
 - (3) These dates represent the respective completion dates for multiple phases of a Community.
 - (4) On May 7, 1996, the Company reacquired three contiguous Atlanta apartment communities containing a total of 810 units which the Company developed in the early 1980's and managed under the Post(R) brand name through mid-1993. The Company's capital investment, including expenditures to add perimeter fencing and steel entry gates and construction of a new centralized leasing office, will be approximately \$48 million. The community was previously operated as Dunwoody Crossing and, following the Company's purchase, has been operated as Post Creek(TM). Average economic occupancy for Post Creek(TM) from May 7, 1996 through June 30, 1996 was 88.0%.
 - (5) Average economic occupancy rate for the first phase of the Community.
 - (6) The Company has a leasehold interest in the land underlying Post Renaissance(R) pursuant to a ground lease that expires on January 1, 2040. The Company owns the remaining Communities in fee simple.
 - (7) Currently listed for sale.
 - (8) Includes Post Gardens(R) which was sold on July 19, 1996. The average economic occupancy for the six months ended June 30, 1996 for Post Gardens was 96.1%.

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RECENT DEVELOPMENTS

DEVELOPMENT ACTIVITY

As of September 1, 1996, the Company had under construction or in initial lease-up nine new communities that will contain an aggregate of 3,280 units. The Company's communities under development or in initial lease-up are summarized in the following chart:

ESTIMATED ACTUAL OR
QUARTER UNITS LEASED
NUMBER QUARTER OF

ESTIMATED QUARTER OF AS OF
 OF CONSTRUCTION FIRST
 UNITS STABILIZED SEPTEMBER
 7, METROPOLITAN AREA UNITS
 COMMENCEMENT AVAILABLE
 OCCUPANCY 1996 -----

ATLANTA, GA Post				
Terrace(R).....				
296	2Q'95	1Q'96	4Q'96	296
	Post			
Crest(R).....				
410	1Q'95	1Q'96	1Q'97	340
	Post Collier			
Hills(TM).....	396	4Q'95		
	4Q'96	4Q'97	N/A	Post
Glen(R).....				
312	1Q'96	1Q'97	1Q'98	N/A
	Post			
Gardens(R).....				
397	3Q'96	3Q'97	3Q'98	N/A
	Post			
Lindbergh(TM).....				
396	3Q'96	3Q'97	3Q'98	N/A
	Riverside Village by			
Post(TM).....				
537	3Q'96	4Q'97	1Q'99	N/A
-----	-----	2,744	636	-----
---- TAMPA, FL Post Walk				
at Hyde				
Park(TM).....				
134	1Q'96	4Q'96	3Q'97	N/A
-----	---- CHARLOTTE, NC			
Post Park at Phillips				
Place(TM).....				
402	4Q'95	4Q'96	4Q'97	N/A
-----	-----	3,280	636	=====
	=====			

The Company has also acquired two parcels, one in Tampa and one in Atlanta, on which it plans to build new communities. Construction is expected to begin on the Tampa parcel in the fourth quarter of 1996. The Home Depot, Inc. is constructing its corporate headquarters campus and extensive infrastructure improvements are being made by the county adjacent to the Atlanta parcel. The Company will review its development plan for this parcel closer to completion of these improvements. The Company is also currently conducting feasibility and other pre-development studies for possible new Post(R) communities in its

primary market areas. In addition, the Company continually reviews acquisition opportunities in its primary market areas.

ACQUISITION ACTIVITY

On May 7, 1996, the Company reacquired three contiguous Atlanta apartment communities containing a total of 810 units which the Company developed in the early 1980's and managed under the Post(R) brand name through mid-1993. The Company's capital investment, including planned expenditures to add perimeter fencing and steel entry gates and construction of a new centralized leasing office, will be approximately \$48 million. At the time of acquisition the community was operated as Dunwoody Crossing and is now operated by the Company as Post Creek(TM).

On August 26, 1996, the Company acquired a 3.2 acre tract of land in Nashville, Tennessee, with two existing apartment buildings containing 101 units (the "Vanderbilt Washington Apartments") and a 1.1 acre tract of land in Nashville, Tennessee, with one existing apartment building containing 80 units. The Company also has two tracts of land adjacent to the Vanderbilt Washington Apartments under contract and expects to close on the purchase of those two tracts early in November. In early 1997, the Vanderbilt Washington Apartments will be completely renovated and additional apartment buildings will be built on the two tracts under contract, with the entire development being operated as one apartment community.

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DISPOSITION ACTIVITY

In April 1996 the Company listed two communities in Florida, containing a total of 596 units, for sale. On July 19, 1996, one of the communities, containing 180 units, was sold. Post Crossing remains listed for sale. These dispositions are consistent with the Company's strategy of selling communities when the market demographics for a community are no longer consistent with the Company's existing ownership strategy.

FINANCING ACTIVITY

Pursuant to the agreement with FNMA to provide credit enhancement for certain tax-exempt bonds, on July 1, 1996 and August 1, 1996, the Company refunded two bonds with issues having a maturity of June 1, 2025 and an interest rate of SunTrust Non-AMT "AAA" tax free rate plus a credit enhancement fee of .575%.

On July 26, 1996, the Company closed the \$20 million Cash Management Line with Wachovia Bank of Georgia, N.A. See "Management's Discussion and Analysis of Financial Condition and Results of Operations -- Liquidity and Capital Resources."

On September 25, 1996, the Operating Partnership offered in an underwritten offering \$100,000,000 7 1/4% Notes due October 1, 2003 and \$25,000,000 7 1/2% Notes due October 1, 2006 (collectively, the "Debt Offering"). The Debt Offering is expected to be consummated on September 30, 1996. Interest on the Notes is payable semi-annually on April 1 and October 1 of each year, commencing April 1, 1997. The Notes are redeemable at any time at the option of the Operating Partnership, in whole or in part, at a redemption price equal to the sum of (i) the principal of the Notes being redeemed plus accrued interest to the redemption date and (ii) a make-whole amount, if any. The Notes are unsecured obligations of the Operating Partnership and will rank pari passu with each other and all other unsecured and unsubordinated indebtedness of the Operating Partnership.

USE OF PROCEEDS

The net cash proceeds to the Company from the sale of the Preferred Shares offered hereby are expected to be approximately \$48.7 million. The Company intends to contribute or otherwise transfer the net proceeds of the sale of the Preferred Shares to the Operating Partnership in exchange for 8 1/2% Series A Preferred Units in the Operating Partnership, the economic terms of which will be substantially identical to the Preferred Shares. The Operating Partnership will be required to make all required distributions on the Series A Preferred Units (which will mirror the payments of distributions, including accrued and unpaid distributions upon redemption, and of the liquidation preference amount on the Preferred Shares) prior to any distribution of cash or assets to the holders of Units or to the holders of any other interests in the Operating Partnership, except for any other series or preference units ranking on a parity with the Series A Preferred Units as to distributions and/or liquidation rights and except for distributions required to enable the Company to maintain its qualification as a REIT. The Company expects to use the net proceeds to pay down existing indebtedness currently outstanding on the Company's Revolver and Cash Management Line and for general corporate purposes. The Revolver terminates on May 1, 1999 and borrowings thereunder bear interest, at the option of the Company, at LIBOR plus .80% or prime minus .25%. As of September 1, 1996, interest accrued on borrowings outstanding under the Revolver at a weighted average interest rate of 6.23% per annum. The Cash Management Line terminates on July 25, 1997 and borrowings thereunder bear interest, at the option of the Company, at LIBOR plus .75% or prime minus .25%. As of September 1, 1996, interest accrued on borrowings outstanding under the Cash Management Line at a weighted average interest rate of 6.18% per annum.

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CAPITALIZATION

The following table sets forth the capitalization of the Company as of June 30, 1996 and as adjusted to give effect to the Cash Management Line, the Debt Offering and the Offering and the application of the net proceeds therefrom. The information set forth in the following table should be read in conjunction with

the financial and other information included elsewhere and incorporated by reference in this Prospectus Supplement and the Prospectus.

JUNE 30, 1996	-----	HISTORICAL AS ADJUSTED	-----
	-----	(IN THOUSANDS) DEBT: Notes	
payable.....		\$	
	421,378	\$ 374,200	----- Total
debt.....		\$ 421,378	
\$ 374,200	-----	SHAREHOLDERS' EQUITY: Preferred stock,	
\$.01 par value, 20,000,000 authorized, 8 1/2% Series A Cumulative			
Redeemable Preferred Shares, liquidation preference \$50 per share,			
no shares outstanding (1,000,000 as adjusted).....		\$ --	\$ 10
Common stock, \$.01 par value, 100,000,000 authorized, 21,774,940			
outstanding.....			
	218	218	Additional paid-in
capital.....		344,821	393,511
			Accumulated
earnings.....		--	--
	-----	Total shareholders'	
equity.....		345,039	393,739
	-----	Total	
capitalization.....		\$ 766,417	
	\$ 767,939	=====	=====

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SELECTED FINANCIAL INFORMATION
(DOLLARS IN THOUSANDS)

The following table sets forth certain financial and operating information for (i) the Company and its subsidiaries, for periods after the initial public offering (completed on July 22, 1993) of the Company (the "Initial Offering") and (ii) the portfolio of 40 Post(R) multifamily apartment communities (the "Initial Properties") and other assets transferred to the Company and its subsidiaries in connection with the business combination effected at the time of the Initial Offering (the "Formation Transactions"), for periods prior to the Initial Offering. The financial information of the Company and predecessor for each of the five years in the five year period ended December 31, 1995 have been derived from the Company's financial statements audited by Price Waterhouse LLP, independent accountants. The consolidated financial information of the Company for the six months ended June 30, 1996 and 1995 have been derived from the consolidated quarterly unaudited financial statements of the Company. In the opinion of management, the operating data for the six months ended June 30, 1996 and 1995 include all adjustments (consisting only of normal recurring adjustments) necessary to present fairly the information set forth therein. The results of operations for the six months ended June 30, 1996 are not necessarily indicative of results that may be expected for the full year. The following should be read in conjunction with Management's Discussion and Analysis of

Financial Condition and Results of Operations and all of the financial statements and notes thereto included and incorporated by reference in this Prospectus Supplement and the Prospectus.

SIX MONTHS ENDED JUNE 30, YEAR ENDED
 DECEMBER 31, -----

 ----- 1996 1995 1995 1994 1993
 1992 1991 -----

(UNAUDITED) OPERATING DATA: Revenue:					
Rental.....					
\$75,569	\$63,877	\$133,817	\$115,309		
\$104,482	\$ 94,754	\$ 85,688	Property		
			management -- third		
party(1).....					
1,466	1,216	2,764	2,508	3,057	2,793
2,296	Landscape services -- third				
party(1).....					
2,221	2,149	4,647	3,799	3,829	2,240
		1,794			
Other.....					
2,527	1,571	3,477	3,123	2,879	2,750
2,581	-----	-----	-----	-----	-----
			Total		
revenues.....		81,783	68,813		
144,705	124,739	114,247	102,537		
92,359	Property operating and				
	maintenance expense (exclusive of				
	depreciation and				
	amortization).....				
27,169	24,212	49,912	43,376	41,209	
39,080	35,626	Depreciation (real			
	estate assets)....	10,796	10,128		
20,127	19,967	19,427	19,085	19,172	
	Depreciation (non-real estate				
	assets).....				
513	221	692	241	303	195
	235	Property			
	management -- third				
party(1).....					
1,050	1,033	2,166	2,229	2,453	2,057
1,518	Landscape services -- third				
party(1).....					
1,863	1,754	3,950	3,098	3,151	1,998
		1,544			
Interest.....					
10,768	10,836	22,698	19,231	34,309	
41,548	43,074	Amortization of			
	deferred loan costs, interest rate				
	protection agreement and swap gain,				

net.....	732	996	1,967	
1,999 969 2,105 2,920 General and administrative.....	4,017	2,760		
6,071 6,269 4,384 5,015 3,987 Formation Transaction expense.....				
-- -- -- -- 2,783 -- -- Minority interest in consolidated property partnership(2).....	--	382	451	
680 692 655 617 -----				

-- Income (loss) before minority interest, gain on sale of real estate assets, net of income taxes, and extraordinary item.....				
24,875 16,491 36,671 27,649 4,567 (9,201) (16,334) Gain on sale of real estate assets, net of income taxes.....	--	--	1,746	
1,494 -- -- -- Minority interest of unitholders in Operating Partnership.....	(4,746)			
(3,765) (8,429) (6,951) (1,935) -- --				

----- Income (loss) before extraordinary item.....				
20,129 12,726 29,988 22,192 2,632 (9,201) (16,334) Extraordinary item, net of minority interest(3).....	-			
- (622) (870) (3,293) (7,855) -- --				

----- Net income (loss).....	\$20,129			
\$12,104 \$ 29,118 \$ 18,899 \$ (5,223) \$ (9,201) \$(16,334) =====				
=====				
=====				

SIX MONTHS ENDED
JUNE 30, YEAR ENDED
DECEMBER 31, -----

---- 1996 1995 1995
1994 1993 1992 1991

- (UNAUDITED) PER
SHARE DATA: Income
before
extraordinary
item... \$0.93 \$0.73
\$1.63 \$1.32 \$ 0.34
N/A N/A Net
income.....
0.93 0.69 1.58 1.12
(0.67) N/A N/A
Dividends
declared..... 1.08
0.98 1.96 1.80
0.77(4) N/A N/A

JUNE 30, DECEMBER 31,

--- 1996 1995 1995
1994 1993 1992 1991 -

(UNAUDITED) BALANCE
SHEET DATA: Real
estate, before
accumulated
depreciation.....
\$ 1,034,809 \$ 895,807
\$ 937,924 \$ 828,585 \$
722,266 \$616,289
\$588,416 Real estate,
net of accumulated
depreciation.....
866,829 742,883
781,100 686,009
599,898 513,651
505,058 Total
assets.....
892,590 780,804

812,984	710,973
627,322	536,961
527,498	Total
debt.....	
421,378	420,781
349,719	362,045
357,809	540,900
519,538	Shareholders'
	and owners' equity
(deficit).....	
345,039	247,619
343,624	240,196
177,864	(25,812)
	(9,050)

SIX MONTHS ENDED JUNE
30, YEAR ENDED

DECEMBER 31, -----

----- 1996
1995 1995 1994 1993
1992 1991 -----

-- (UNAUDITED) OTHER
DATA: Cash flow
provided from (used
in): Operating
activities..... \$
43,408 \$ 33,856 \$
57,362 \$ 43,807 \$
2,412 \$ 11,400 \$
6,373 Investing
activities..... \$
(98,170) \$ (67,606) \$
(114,531) \$ (99,364)
\$ (51,152) \$ (28,696)
\$(43,555) Financing
activities..... \$
47,378 \$ 49,262 \$
60,885 \$ 46,508 \$
49,647 \$ 19,902 \$
31,600 Funds from
operations(5).....
\$ 35,671 \$ 26,619 \$
56,798 \$ 47,616 \$

26,777	\$	9,884	\$
2,838	Consolidated		
	income available for		
	debt		
service(6)		
\$ 47,684	\$	39,054	\$
82,606	\$	69,767	\$
60,267	\$	54,387	\$
49,684	Debt service		
coverage(7)		
4.4x	3.6x	3.6x	3.6x
1.8x	1.3x	1.2x	
	Weighted average		
	common shares		
	outstanding...		
21,700,779		17,504,808	
18,382,299		16,847,999	
7,824,311	N/A	N/A	
	Weighted average		
	common shares and		
	units		
outstanding		
26,818,135		22,684,488	
23,541,639		22,125,890	
13,574,767	N/A	N/A	
	Total stabilized		
	communities (at end		
	of period).....		
47	42	42	41
40	38		
	Total stabilized		
	apartment units (at		
	end of period).....		
16,996	15,051	14,962	
14,845	14,270	14,088	
13,532	Average		
	economic occupancy		
	(stabilized		
	communities) (8).....		
95.5%	96.0%	96.0%	
96.4%	94.7%	93.0%	
92.8%			

- - - - -

(1) Consists of revenues and expenses from property management and landscape services provided to properties owned by third parties (including services provided to third-party owners of properties previously developed and sold by the Company that operate under the Post(R) name).

(2) Relates to the 49.99% interest in Post Woods(R) not owned by the Company. On

September 1, 1995, the Company purchased the 49.99% interest in Post Woods(R). Prior to the purchase, the Company owned a 50.01% interest.

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- (3) The extraordinary items resulted from costs associated with the early extinguishment of indebtedness. The extraordinary item has been reduced by the portion related to the minority interest of the unitholders in the Operating Partnership calculated on the basis of weighted average Operating Partnership units outstanding for the respective period.
- (4) The dividend paid by the Company for the portion of the quarter ended September 30, 1993 after the Initial Offering was \$.320 per share of Common Stock, which is an amount equivalent to a quarterly distribution of \$.415 per share (which, if annualized, would equal \$1.66 per share).
- (5) The Company uses the National Association of Real Estate Investment Trust ("NAREIT") definition of FFO, which was adopted for periods beginning after January 1, 1996. FFO for any period means the consolidated net income of the Company and its subsidiaries for such period excluding gains or losses from debt restructuring and sales of property, plus depreciation of real estate assets, and after adjustment for unconsolidated partnerships and joint ventures, all determined on a consistent basis in accordance with generally accepted accounting principles ("GAAP"). FFO presented herein is not necessarily comparable to FFO presented by other real estate companies due to the fact that not all real estate companies use the same definition. However, the Company's FFO is comparable to the FFO of real estate companies that use the current NAREIT definition. FFO should not be considered as an alternative to net income (determined in accordance with GAAP) as an indicator of the Company's financial performance or to cash flow from operating activities (determined in accordance with GAAP) as a measure of the Company's liquidity, nor is it necessarily indicative of sufficient cash flow to fund all of the Company's needs or ability to service indebtedness or make distributions.
- (6) Consolidated income available for debt service represents earnings before interest, income taxes, depreciation and amortization and extraordinary items. Consolidated income available for debt service is relevant to an understanding of the economics of the Company because it indicates cash flow available from the operations of the Company to service fixed obligations. Consolidated income available for debt service should not be considered as an alternative to net income, as determined in accordance with GAAP, as an indicator of the Company's operating performance, or to cash flows from operating activities, as determined in accordance with GAAP, as a measure of liquidity.
- (7) Debt service coverage is defined as consolidated income available for debt service divided by interest expense.
- (8) Amount represents average economic occupancy for communities stabilized for both the current and prior respective periods. Average economic occupancy is defined as gross potential rent less vacancy losses, model expenses and bad debt divided by gross potential rent for the period, expressed as a percentage. The calculation of average economic occupancy does not include

a deduction for concessions and employee discounts. (Average economic occupancy, including these amounts, would have been 95.0% and 95.5% for the six months ended June 30, 1996 and 1995, respectively, and 95.5% for the year ended December 31, 1995.) For the six months ended June 30, 1996 and 1995 and the year ended December 31, 1995, concessions were \$143, \$141 and \$296, respectively, and employee discounts were \$136, \$122 and \$213, respectively. A community is considered by the Company to have achieved stabilized occupancy on the earlier to occur of (i) attainment of 95% physical occupancy on the first day of any month or (ii) one year after completion of construction.

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MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL
CONDITION AND RESULTS OF OPERATIONS
(DOLLARS IN THOUSANDS, EXCEPT APARTMENT UNIT DATA)

OVERVIEW

The following discussion should be read in conjunction with all of the financial statements appearing elsewhere and incorporated by reference into this Prospectus Supplement. The following discussion is based primarily on the Consolidated Financial Statements of Post Properties, Inc.

As of June 30, 1996, there were 26,859,783 units in the Operating Partnership outstanding, of which 21,774,940, or 81.1%, were owned by the Company and 5,084,843, or 18.9%, were owned by other limited partners (including certain officers and directors of the Company).

The Company's net income is generated primarily from the operation of its apartment communities. For purposes of evaluating comparative operating performance, the Company categorizes its operating communities based on the period each community reaches stabilized occupancy. A community is generally considered by the Company to have achieved stabilized occupancy on the earlier to occur of (i) attainment of 95% physical occupancy on the first day of any month or (ii) one year after completion of construction.

For communities with respect to which construction is completed and the community has become fully operational, all property operating and maintenance expenses are expensed as incurred and those recurring and non-recurring expenditures relating to acquiring new assets, materially enhancing the value of an existing asset, or substantially extending the useful life of an existing asset are capitalized. (See "Capitalization of Fixed Assets and Community Improvements").

The Company has adopted an accounting policy related to communities in the development and lease-up stage whereby substantially all operating expenses (including pre-opening marketing expenses) are expensed as incurred. The Company treats each unit in an apartment community separately for cost accumulation,

capitalization and expense recognition purposes. Prior to the commencement of leasing activities, interest and other construction costs are capitalized and reflected on the balance sheet as construction in progress. Once a unit is placed in service, all operating expenses allocated to that unit, including interest, are expensed as incurred. During the lease-up phase, the sum of interest expense on completed units and other operating expenses (including pre-opening marketing expenses) will typically exceed rental revenues, resulting in a "lease-up deficit," which continues until such time as rental revenues exceed such expenses.

Therefore, in order to evaluate the operating performance of its communities, the Company has presented financial information which summarizes the operating income on a comparative basis for all of its operating communities combined and for communities which have reached stabilization prior to January 1, 1995. The Company has also presented quarterly financial information reflecting the dilutive impact of lease-up deficits incurred for communities in the development and lease-up stage and not yet operating at break-even. In this presentation, only those communities which were dilutive during the period are included and, accordingly, different communities may be included in each period.

RESULTS OF OPERATIONS FOR THE SIX MONTHS ENDED JUNE 30, 1996, AND 1995

The Company recorded net income of \$20,129 for the six months ended June 30, 1996, an increase of \$8,025 over the prior corresponding period primarily as a result of increased rental rates for fully stabilized communities and an increase in apartment units placed in service.

COMMUNITY OPERATIONS

At June 30, 1996, the Company's portfolio of apartment communities consists of thirty-seven communities and the first phase of two additional communities which were completed and stabilized for all of the current and prior year, three communities and the second phase of an existing community which achieved full stabilization during the prior year, four communities and the second phase of an existing community which

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reached stabilization during 1996, one community which was acquired during 1996 and six communities in the development or lease-up stage.

ALL OPERATING COMMUNITIES

The operating performance for all of the Company's apartment communities combined for the three and six months ended June 30, 1996 and 1995 is summarized as follows:

THREE MONTHS ENDED SIX MONTHS
ENDED JUNE 30, JUNE 30, -----

```

-----
----- 1996 1995
%CHANGE 1996 1995 %CHANGE -----
-----
--- ----- Rental and other
revenue: Fully stabilized
communities(1).....
$31,500 $29,880 5.4% $62,569
$59,214 5.7% Communities
stabilized during
1995.....
2,351 1,518 54.9% 4,647 2,279
103.9% Acquired
communities(2)..... 1,115 --
N/A 1,115 -- N/A Development
and lease-up
communities(3).....
4,802 490 N/A 8,179 540 N/A
Sold communities(4).....
-- 1,034 N/A -- 2,083 N/A Other
revenue(5)..... 658
663 (0.8)% 1,347 1,207 11.6% --
-----
40,426 33,585 20.4% 77,857
65,323 19.2% ----- --
----- Property
operating and maintenance
expense (exclusive of
depreciation and amortization):
Fully stabilized communities...
10,782 10,491 2.8% 20,568
19,784 4.0% Communities
stabilized during
1995.....
674 505 33.5% 1,289 902 42.9%
Acquired communities.....
342 -- N/A 342 -- N/A
Development and lease-up
communities.....
1,699 521 N/A 3,203 844 N/A
Sold communities.....
-- 479 N/A -- 894 N/A Other
expenses(6)..... 876
796 10.1% 1,767 1,788 (1.2)% --
-----
14,373 12,792 12.4% 27,169
24,212 12.2% ----- --
----- Revenue in excess
of specified
expense.....

```


\$26,053	\$20,793	25.3%	\$50,688	
\$41,111	23.3%	=====	=====	
		=====	=====	Recurring
				capital expenditures:(7)
Carpet.....				
\$ 236	\$ 241	(2.1)%	\$ 410	\$ 433
		(5.3)%		
Other.....				
690	163	323.3%	982	333 194.9% -

Total..... \$ 926 \$				
404	129.2%	\$ 1,392	\$ 766	81.7%
=====				
Average apartment units in				
service.....				
17,155	15,665	9.5%	16,856	
15,468	9.0%	=====	=====	
		=====	=====	Recurring
				capital expenditures per
apartment unit..... \$				
54	\$ 26	107.7%	\$ 83	\$ 50 66.0%
=====				

-
- (1) Communities which reached stabilization prior to January 1, 1995.
 - (2) On May 7, 1996, the Company reacquired three contiguous Atlanta apartment communities containing a total of 810 units which the Company now operates as a single community.
 - (3) Communities in the "construction", "development" or "lease-up" stage during 1996 and, therefore, not considered fully stabilized for all of the periods presented.
 - (4) Three communities, containing 568 units, which were sold on September 13, 1995.
 - (5) Other revenue includes revenue on furnished apartment rentals above the unfurnished rental rates and any revenue not directly related to property operations.

- (6) Other expenses includes certain indirect central office operating expenses related to management, grounds maintenance, and costs associated with furnished apartment rentals.
- (7) In addition to those expenses which relate to property operations, the Company incurs recurring and nonrecurring expenditures relating to acquiring new assets, materially enhancing the value of an existing asset, or substantially extending the useful life of an existing asset, all of which are capitalized.

For the three and six months ended June 30, 1996, rental and other revenue increased \$6,841, or 20.4% and \$12,534, or 19.2%, respectively, compared to the same period in the prior year, primarily as a result of increased rates for fully stabilized communities, an increase in units placed in service and the acquisition of a community, partially offset by a decrease in rental and other revenue due to the sale of three communities during the third quarter of 1995. For the three and six months ended June 30, 1996, rental and other revenue from communities stabilized prior to January 1, 1995, increased \$1,620, or 5.4%, and \$3,355, or 5.7%, respectively, compared to the same periods in the prior year, primarily as a result of higher rental rates. For the three and six months ended June 30, 1996, rental and other revenue from communities stabilized during 1995, development and lease-up communities and acquired communities increased, in the aggregate, \$6,260 and \$11,122, respectively, compared to the same periods in the prior year, primarily due to additional units placed in service through the development and acquisition of communities. The historical operating results include, for the six months ended June 30, 1995, revenues and expenses related to three communities sold on September 13, 1995, all of which had previously been included in the fully stabilized communities group.

For the six months ended June 30, 1996, property operating and maintenance expenses (exclusive of depreciation and amortization) increased, compared to the same period in the prior year, primarily due to the increase in the units placed in service through the development and acquisition of communities.

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FULLY STABILIZED COMMUNITIES

The Company defines fully stabilized communities as those which have reached stabilization prior to the beginning of the previous calendar year.

The operating performance of the 37 communities and the first phase of two additional communities containing an aggregate of 14,160 units which were fully stabilized as of January 1, 1995, is summarized as follows:

	THREE MONTHS ENDED	SIX MONTHS ENDED	JUNE 30, 1996	JUNE 30, 1995	% CHANGE
Rental and other revenue.....	\$31,500	\$29,880	5.4%	\$62,569	\$59,214
Property operating and maintenance expense (exclusive of depreciation and					

amortization).....					
10,782	10,491	2.8%	20,568		
19,784	4.0%	-----	-----	--	
		-----	-----		
		Revenue in			
		excess of specified			
expense.....					
\$20,718	\$19,389	6.9%	\$42,001		
\$39,430	6.5%	=====	=====		
		=====	=====		
		Recurring			
		capital expenditures:(1)			
Carpet.....					
\$ 231	\$ 229	0.9%	\$ 405	\$ 400	
		1.3%			
Other.....					
651	153	325.5%	938	263	256.7%
-----	-----	-----	-----	-----	-----
- Total.....			\$ 882		
\$ 382	130.9%	\$ 1,343	\$ 663		
102.6%	=====	=====	=====		
		=====	=====		
		Recurring capital			
		expenditures per apartment			
unit(2).....	\$ 62	\$ 27	\$		
95	\$ 47	=====	=====		
		=====	=====		
		Average			
economic occupancy(3)...	95.7%				
96.1%	95.5%	96.0%	=====		
			=====		
		=====	=====		
		Average monthly rental rate			
		per apartment			
unit(4).....	\$ 752	\$			
717	4.9%	\$ 749	\$ 712	5.2%	
		=====	=====	=====	
		=====	=====	=====	
		Apartment units in			
service.....	14,160	14,160			
14,160	14,160	=====	=====		
		=====	=====		

- (1) In addition to those expenses which relate to property operations, the Company incurs recurring and nonrecurring expenditures relating to acquiring new assets, materially enhancing the value of an existing asset, or substantially extending the useful life of an existing asset, all of which are capitalized.
- (2) In addition to such capitalized expenditures, the Company expensed \$160 and \$280 per unit on building maintenance (inclusive of direct salaries) and \$72 and \$115 per unit on landscaping (inclusive of direct salaries) for the three and six months ended June 30, 1996, respectively.
- (3) Average economic occupancy is defined as gross potential rent less vacancy

losses, model expenses and bad debt divided by gross potential rent for the period, expressed as a percentage. The calculation of average economic occupancy does not include a deduction for concessions and employee discounts. (Average economic occupancy, including these amounts, would have been 95.2% and 95.6% and 95.0% and 95.5% for the three and six months ended June 30, 1996 and 1995, respectively.) For the three month period ended June 30, 1996 and 1995, concessions were \$81 and \$79 and employee discounts were \$65 and \$63, respectively. Concessions were \$143 and \$141 and employee discounts were \$136 and \$122, for the six months ended June 30, 1996 and 1995, respectively.

- (4) Average monthly rental rate is defined as the average of the gross actual rental rates for occupied units and the anticipated rental rates for unoccupied units.

For the three and six months ended June 30, 1996, rental and other revenue increased, compared to the same periods in the prior year, due to higher rental rates. For the three and six months ended June 30, 1996, property operating and maintenance expenses (exclusive of depreciation and amortization) increased \$291, or 2.8%, and \$784, or 4.0%, respectively, compared to the same period in the prior year, primarily as a result of an increase in ad valorem real estate taxes.

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The increase in recurring capital expenditures per apartment unit for the three and six months ended June 30, 1996, compared to the same period in the prior year, is primarily due to the refurbishment of leasing offices and other common areas within the communities.

LEASE-UP DEFICITS

As noted in the overview of Community Operations, the Company has adopted an accounting policy related to communities in the development and lease-up stage whereby substantially all operating expenses (including pre-opening marketing expenses) are expensed as incurred. The Company treats each unit in an apartment community separately for cost accumulation, capitalization and expense recognition purposes. Prior to the commencement of leasing activities, interest as well as other construction costs are capitalized and reflected on the balance sheet as construction in progress. Once a unit is placed in service, all expenses allocated to that unit, including interest, are expensed as incurred. During the lease-up phase, the sum of interest expense on completed units and other operating expenses (including pre-opening marketing expenses) will typically exceed rental revenues, resulting in a "lease-up deficit," which continues until rental revenues exceed such expenses.

In this presentation, only those communities which were dilutive for the respective period are included and, accordingly, different communities may be included in different quarters.

For the quarters ended March 31 and June 30, 1996, the "lease-up deficit" charged to and included in results of operations is summarized as follows:

SIX MONTHS ENDED JUNE 30, 1996	-----	QTR 1	QTR 2	----
-	-----	Rental and other		
revenue.....			\$ 574	\$
294 Property operating and maintenance expense (exclusive of depreciation and amortization).....				
469 189	-----	----	Revenue in excess of specified expense.....	105 105
expense.....			Interest expense.....	
338 196	-----	----	Lease-up deficit.....	
\$ (233)	\$ (91)	=====	=====	

THIRD PARTY MANAGEMENT SERVICES

The Company provides asset management, leasing and other consulting services to non-related owners of apartment communities through two of its subsidiaries, RAM Partners, Inc. ("RAM") and Post Asset Management, Inc. ("Post Asset Management").

The operating performance of RAM and Post Asset Management for the three and six months ended June 30, 1996 and 1995 is summarized as follows:

RAM PARTNERS, INC.

THREE MONTHS ENDED JUNE 30, 1996	THREE MONTHS ENDED JUNE 30, 1995	%CHANGE	SIX MONTHS ENDED JUNE 30, 1996	SIX MONTHS ENDED JUNE 30, 1995	%CHANGE
-----	-----		-----	-----	
1996	1995	%CHANGE	1996	1995	%CHANGE
-----	-----		-----	-----	
-----	-----		-----	-----	
Property management and other					
revenue.....					
\$ 649	\$ 531	22.2%	\$1,309	\$1,059	
23.6%	Property management				
expense.....					
297	264	12.5%	653		
582	12.2%	General and administrative expense...	113	104	
8.7%	231	223	3.6%	-----	----
---	-----		Revenue in excess of specified expense.....		
\$ 239	\$ 163	46.6%	\$ 425	\$ 254	67.3%
=====	=====		=====	=====	
=====	=====		Average apartment units managed.....	9,814	
9,440	4.0%	9,829	9,440	4.1%	=====

The increase in property management revenues and expenses from each of the 1995 to 1996 periods is primarily attributable to the increase in the average number and the average gross revenues of units managed.

POST ASSET MANAGEMENT

	THREE MONTHS ENDED	SIX MONTHS			
	ENDED JUNE 30,	JUNE 30,	-----		
	-----	-----	-----		
	1996	1995	% CHANGE	1996	
	1995	% CHANGE	-----	-----	-----
Property management and other revenue.....	\$ 88	\$ 130	(32.3)%	\$ 169	\$ 256
			(34.0)%	Property management	
expense.....	60	85	(29.4)%	142	
	194	(26.8)%	General and		
			administrative		
expense.....	11	14	(21.4)%	25	34
			(26.5)%	-----	-----
			Revenue in		
			excess of specified		
expense.....	\$ 17	\$ 31	(45.2)%	\$ 2	\$ 28
			(92.9)%		
			=====		
			Average apartment units		
managed.....	866	1,256	(31.1)%	866	
1,256	(31.1)%	=====	=====	=====	=====
			=====		

Property management revenues and the related expenses decreased for each of the periods in 1996, compared to the same periods in 1995, primarily due to the reduction in the average number of apartment units managed. This reduction was primarily due to two management contracts which were cancelled effective January 1996. The Company expects income from Post Asset Management to continue to decline as contracts are cancelled and not replaced.

THIRD PARTY LANDSCAPE SERVICES

The Company provides landscape maintenance, design and installation services to non-related parties through a subsidiary, Post Landscape Services, Inc. ("Post Landscape Services").

The operating performance of Post Landscape Services for the three and six months ended June 30, 1996 and 1995 is summarized as follows:

THREE MONTHS ENDED		SIX MONTHS ENDED		JUNE 30, 1996		JUNE 30, 1995		% CHANGE	
1996	1995	% CHANGE	1996	1995	% CHANGE	1996	1995	% CHANGE	% CHANGE
Landscape services and other revenue.....									
\$1,356	\$1,342	1.0%	\$2,268	\$2,156	5.2%				
5.2% Landscape services expense.....									
1,658	1,476	12.3%	991	884	12.1%				
12.3% General and administrative expense.....									
104	182	(42.9)%	205	278	(26.3)%				
Revenue in excess of specified expense.....									
\$ 261	\$ 276	(5.4)%	\$ 405	\$ 402	0.7%				

The increase in landscape services revenue and landscape service expense for each of the periods ended June 30, 1996, compared to the same period in 1995, is primarily due to increases in landscape contracts.

OTHER INCOME AND EXPENSES

General and administrative expense increased for the three and six months ended June 30, 1996, compared to the same period in the prior year, primarily as a result of increased travel expenses and personnel costs.

The extraordinary item of \$502 and \$622 for the three and six months ended June 30, 1995, respectively, net of minority interest, resulted from the costs associated with the early retirement of debt.

RESULTS OF OPERATIONS FOR THE YEARS ENDED DECEMBER 31, 1995, 1994 AND 1993

The Company recorded net income of \$29,118 for the year ended December 31, 1995 primarily as a result of increased rental rates for fully stabilized communities and an increase in units placed in service. This is compared to net income of \$18,899 for the year ended December 31, 1994 and a net loss of (\$5,223) for the year ended December 31, 1993. The increase in net income in 1994 was primarily due to lower interest

expense as a result of the repayment or economic defeasance of debt with contributions from the Company resulting from proceeds of the Initial Offering and the public offering completed by the Company on February 7, 1994 (the "Second Offering").

COMMUNITY OPERATIONS

At December 31, 1995, the Company's portfolio of apartment communities consisted of thirty-four communities and the first phase of two additional communities which were completed and stabilized for all of the current and prior year, three communities which achieved full stabilization during the prior year, three communities and the second phase of an existing community which reached stabilization during the current year and eight communities and a second phase of an existing community in the development or lease-up stage. In addition, during the third quarter of 1995, the Company sold three of its communities which it had previously developed and operated.

ALL OPERATING COMMUNITIES

The operating performance for all of the Company's apartment communities combined for the years ended December 31, 1995, 1994 and 1993 is summarized as follows:

YEAR ENDED 31, DECEMBER	YEAR ENDED DECEMBER 31,	-----	-----	-----
-----	-----	-----	-----	-----
1995	1994	% CHANGE	1994	1993
% CHANGE	% CHANGE	-----	-----	-----
----- Rental and other revenue:				
Fully stabilized				
communities(1).....				
\$112,048	\$106,421	5.3%	\$106,421	\$
99,853	6.6%	Communities		
stabilized less than two				
years(2).....				
8,417				
5,364	56.9%	5,364	1,015	428.5%
Development and lease-up				
communities(3).....				
10,852	133	N/A	133	-- N/A
communities(4).....				
2,926	3,998	(26.8)%	3,998	3,854
	3.7%	Other		
revenue(5).....				
2,074	18.5%	2,074	2,170	(4.4)%
-----	-----	-----	-----	-----
136,701	117,990	15.9%	117,990	
106,892	10.4%	-----	-----	-

----- Property
operating and maintenance expense
(exclusive of depreciation and
amortization): Fully stabilized
communities..... 38,460 36,699
4.8% 36,699 35,724 2.7%
Communities stabilized less than
two years.....
2,306 1,780 29.6% 1,780 544
227.2% Development and lease-up
communities.....
4,450 515 N/A 515 -- N/A Sold
communities.....
1,279 1,722 (25.7)% 1,722 1,788
(3.7)% Other
expenses (6)..... 3,417
2,660 28.5% 2,660 3,153 (15.6)% -

- 49,912 43,376 15.1% 43,376
41,209 5.3% -----
----- Revenue in excess
of specified
expense.....
\$ 86,789 \$ 74,614 16.3% \$ 74,614
\$ 65,683 13.6% =====
===== Recurring
capital expenditures (7):
Carpet.....
\$ 897 \$ 729 23.0% \$ 729 \$ 742
(1.8)%
Other.....
803 1,087 (26.1)% 1,087 979 11.0%

-- Total..... \$
1,700 \$ 1,816 (6.4)% \$ 1,816 \$
1,721 5.5% =====
===== Average
apartment units in
service.....
15,519 14,619 6.2% 14,619 14,179
3.1% =====
=====

-
- (1) Communities which reached stabilization prior to January 1, 1994.
(2) Communities which reached stabilization during the year ended December 31,
1994.

Rental and other				
revenue....	\$112,048			
\$106,421	5.3%	\$106,421	\$	
99,853	6.6%	Property		
operating and maintenance				
expense (exclusive of				
depreciation and				
amortization) (1).....				
38,460	36,699	4.8%	36,699	
35,724	2.7%	-----	-----	
-	-----	-----	Revenue	
in excess of specified				
expense.....	\$ 73,588			
\$ 69,722	5.5%	\$ 69,722	\$	
64,129	8.7%	=====		
=====	=====	=====		
Average economic				
occupancy (2).....				
96.0%	96.5%	96.5%	94.6%	
=====	=====	=====		
=====	Average monthly			
rental rate per apartment				
unit(3).....	\$ 710	\$ 668		
6.3%	\$ 668	\$ 628	6.4%	
=====	=====	=====		
=====	Apartment units in			
service.....				
13,428	13,428	--	13,428	
13,428	--	=====	=====	
=====	=====			

- -----
- (1) In addition to those expenses which relate to property operations, the Company incurs recurring and non-recurring expenditures relating to acquiring new assets, materially enhancing the value of an existing asset, or substantially extending the useful life of an existing asset, all of which are capitalized. For the year ended December 31, 1995 and 1994, recurring expenditures were \$1,601 and \$1,470, or \$119 and \$109 on a per apartment unit basis, respectively.
- (2) Average economic occupancy is defined as gross potential rent less vacancy losses, model expenses and bad debt divided by gross potential rent for the period, expressed as a percentage. The calculation of average economic occupancy does not include a deduction for concessions and employee discounts.

(Average economic occupancy, including these amounts would have been 95.5%, 96.1% and 93.8% for the year ended December 31, 1995, 1994 and 1993, respectively.) For the year ended December 31, 1995, concessions were \$296 and employee discounts were \$213.

- (3) Average monthly rental rate is defined as the average of the gross actual rental rates for leased units and the average of the anticipated rental rates for unoccupied units.

Rental and other revenue increased from 1994 to 1995 due to higher rental rates with occupancy slightly declining. Property operating and maintenance expenses (exclusive of depreciation and amortization) increased \$1,761, or 4.8%. Ad valorem real estate taxes increased from \$9,376 in 1994 to \$10,340 in 1995, an increase of 10.3%. This increase alone accounted for 55% of the overall operating expense increase. The remaining increase was primarily due to modest increases in utilities, advertising and promotion and building repairs and maintenance offset by a modest decrease in landscaping and grounds and maintenance expense.

Rental and other revenue increased from 1993 to 1994 as a result of increased rental rates and occupancy. The modest increase in property and maintenance expense from 1993 to 1994 was primarily due to increases in real estate taxes, insurance and personnel costs which were partially offset by reductions in advertising and promotion expense due to lower vacancies. In addition, utilities expense remained relatively flat despite rising rates due to the effect of installation of cost saving devices and implemented cost controls. Building repairs and maintenance increased from 1993 to 1994 due to various cost reduction programs implemented at the communities and cost savings achieved as grounds matured during the period.

LEASE-UP DEFICITS

As noted in the overview of Community Operations, the Company has adopted an accounting policy related to communities in the development and lease-up stage whereby substantially all operating expenses (including pre-opening marketing expenses) are expensed as incurred. The Company treats each unit in an apartment community separately for cost accumulation, capitalization and expense recognition purposes. Prior to the commencement of leasing activities, interest as well as other construction costs are capitalized and reflected on the balance sheet as construction in progress. Once a unit is placed in service, all expenses allocated to that unit, including interest, are expensed as incurred. During the lease-up phase, the sum of interest expense on completed units and other operating expenses (including pre-opening marketing expenses) will typically exceed rental revenues, resulting in a "lease-up deficit," which continues until rental revenues exceed such expenses.

In this presentation, only those communities which were dilutive during each period are included in that period and, accordingly, different communities may be included in different periods.

For each quarter of the year ended December 31, 1995, the "lease-up

deficit" charged to and included in results of operations are summarized as follows:

YEAR ENDED DECEMBER 31, 1995 -----					
----- QTR 1 QTR 2 QTR 3 QTR 4 ----- --					
--- ----- Rental and other					
revenue.....	\$ 282	\$			
591	\$1,591	\$ 863			
maintenance expense (exclusive of depreciation and amortization).....	450	631			
840 501 -----					
Revenue in excess of specified expense.....					
(168) (40) 751 362 Interest					
expense.....					
175 347 1,002 548 -----					
Lease-up					
deficit.....					
\$(343) \$(387) \$(251) \$(186) =====					
=====					

THIRD PARTY MANAGEMENT SERVICES

The Company provides asset management, leasing and other consulting services to non-related owners of apartment communities through two of its subsidiaries, RAM and Post Asset Management.

The operating performance of RAM and Post Asset Management for the years ended December 31, 1995, 1994 and 1993 are summarized as follows:

RAM PARTNERS, INC.

YEAR ENDED DECEMBER 31, -----					
DECEMBER 31, -----					
-- ----- % %					
1995 1994 CHANGE 1994 1993 CHANGE -					

----- Property management and other					
revenue.....	\$2,331	\$2,184	6.7%	\$2,184	\$2,318
(5.8)%					
Property management					
expense.....	1,213	1,278			
(5.1)% 1,278 1,388 (7.9)%					
General and administrative expense... 467					
433 7.9% 433 492 (12.0)%					

Revenue in excess of specified					

expense.....
 \$ 651 \$ 473 37.6% \$ 473 \$ 438 8.0 %
 =====
 Average
 apartment units in service... 8,798
 8,488 3.7% 8,488 9,488 (10.5)%
 =====

The change in property management revenues and expenses from 1994 to 1995 and 1993 to 1994 is primarily attributable to the change in the average number and the average gross revenues of units managed.

POST ASSET MANAGEMENT

YEAR ENDED	YEAR ENDED	DECEMBER 31,				
DECEMBER 31,	-----					
--	-----	%	%			
1995	1994	CHANGE	1994	1993	CHANGE	-
-----	-----	-----	-----	-----	-----	-----
----- Property management and other						
revenue.....						
\$ 550	\$ 578	(4.8)%	\$ 578	\$1,001		
(42.3)%	Property management					
expense.....						
392	408	(3.9)%				
408 431 (5.3)% General and						
administrative expense... 94 110						
(14.5)%	110	142	(22.5)%	-----	--	
----- Revenue in						
excess of specified						
expense.....						
\$ 64	\$ 60	6.7 %	\$ 60	\$ 428	(86.0)%	
=====	=====	=====	=====	Average		
apartment units in service... 1,061						
1,498	(29.2)%	1,498	2,145	(30.2)%		
=====	=====	=====	=====	=====		

The decreases in property management revenues and the related expenses for 1995 to 1994 were primarily due to the reduction in the average number of apartment units managed during the periods. These reductions were primarily due to cancellation of three management contracts during 1993 and one during 1994 for communities developed by the Company and sold to third-party owners prior to the Initial Offering. Two additional contracts were canceled effective in January 1996. The Company expects income from Post Asset Management to continue to decline as contracts are canceled and not replaced.

THIRD PARTY LANDSCAPE SERVICES

The Company provides landscape maintenance, design and installation services to non-related parties through a subsidiary, Post Landscape.

The operating performance of Post Landscape for the years ended December 31, 1995, 1994 and 1993 are summarized as follows:

YEAR ENDED DECEMBER 31,	YEAR ENDED DECEMBER 31,	DECEMBER 31,	DECEMBER 31,	DECEMBER 31,
1995	1994	1994	1993	1995
CHANGE	CHANGE	CHANGE	CHANGE	CHANGE
Landscape services and other revenue...	\$4,662	\$3,808	22.4%	\$3,808
Landscape services expense.....	\$3,829	(0.5)%	3,255	2,685
General and administrative expense.....	21.2%	2,685	2,703	(0.7)%
Revenue in excess of specified expense.....	68.3%	413	448	(7.8)%
	\$ 712	\$ 710	0.3%	\$ 710
	\$ 678	4.7%		

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The change in landscape services revenue, landscape services expense and general and administrative expense from 1994 to 1995 is primarily due to an increase in landscape contracts. Revenues and expenses for 1993 and 1994 remained consistent.

OTHER INCOME AND EXPENSES

Interest expense increased from 1994 to 1995 due to additional outstanding borrowings until the time of the public offering completed by the Company on October 20, 1995 (the "Third Offering"). The decrease from 1993 to 1994 is primarily due to the repayment or economic defeasance of debt with contributions made by the Company from proceeds of the Initial Offering and Second Offering.

Amortization of deferred loan costs, interest rate protection agreement and swap gain increased from 1993 to 1994 due to lower amortization of swap gain from the extinguishment of debt with contributions made by the Company from proceeds of the Initial Offering and Second Offering.

General and administrative expense remained relatively consistent from 1994 to 1995. The increase from 1993 to 1994 is due to increased costs associated with operating the Company as a public company, write-off of costs (\$282) relating to abandoned development projects and additional incentive based executive compensation.

Formation Transaction expense was incurred during the year ended December 31, 1993 relating to legal, accounting and other costs arising in connection with the business combination completed at the time of the Initial Offering.

Gain on sale of real estate assets during 1995 and 1994 resulted from the sale of three communities and a parcel of land, respectively.

The extraordinary item of \$870, \$3,293 and \$7,855 for the years ended December 31, 1995, 1994 and 1993, net of minority interest portion, resulted from the costs associated with the early retirement of debt.

LIQUIDITY AND CAPITAL RESOURCES

LIQUIDITY

The Company's net cash provided by operating activities increased from \$2,412 in 1993 to \$43,807 in 1994, principally due to decreased interest expense (\$18,603) resulting from retirements of debt due to the effect of proceeds from the Initial and Second Offerings, increased property revenue in excess of specified expenses (\$8,931) and 1993 non-recurring payments for debt prepayment penalties (\$13,803) and REIT formation expenses (\$2,783), and increased from \$43,807 in 1994 to \$57,362 in 1995, principally due to increased property revenue in excess of specified expenses, and increased from \$33,856 in the six months ended June 30, 1995 to \$43,408 in the six months ended June 30, 1996, principally due to increased property revenue in excess of specified expenses. Net cash used in investing activities increased from \$51,152 in 1993 to \$99,364 in 1994, principally due to the increase in spending on new community development, and increased from \$99,364 in 1994 to \$114,531 in 1995, principally due to a \$27,740 increase in spending on new community development and acquisition activity offset by an increase in net proceeds from the sale of real estate assets of \$15,152. Net cash used in investing activities increased from \$67,606 in the six months ended June 30, 1995 to \$98,170 in the six months ended June 30, 1996 principally due to the increase in construction activities relating to new development and acquisition of new communities. The Company's net cash provided by financing activities decreased from \$49,647 in 1993 to \$46,508 in 1994, principally due to the effects of proceeds from the Initial and Second Offerings and the payment of dividends in 1994, and increased from \$46,508 in 1994 to \$60,885 in 1995, primarily due to the effects of proceeds from the Third Offering and dividend reinvestment plan and the Company's additional borrowings and dividends paid, and decreased from \$49,262 in the six months ended June 30, 1995 to \$47,378 in the six months ended June 30, 1996 due to an increase in net borrowing activity to fund development offset by a decrease in cash proceeds from the dividend reinvestment plan and an increase in dividends paid for the six months ended June 30, 1996.

The Company has elected to be taxed as a Real Estate Investment Trust ("REIT") under Sections 856 through 860 of the Internal Revenue Code of 1986, as

amended, commencing with its taxable year ended December 31, 1993. REITs are subject to a number of organizational and operational requirements, including a requirement that they currently distribute 95% of their ordinary taxable income. As a REIT, the Company generally will not be subject to Federal income tax on net income.

At June 30, 1996, the Company had total indebtedness of \$421,378 and cash and cash equivalents of \$1,624. The Company's indebtedness includes approximately \$33,340 in conventional mortgages payable secured by individual communities, tax-exempt bond indebtedness of \$149,038, senior unsecured notes of \$100,000 and borrowings under an unsecured line of credit of approximately \$139,000.

The Company expects to meet its short-term liquidity requirements generally through its net cash provided by operations and borrowings under credit arrangements and expects to meet certain of its long-term liquidity requirements, such as scheduled debt maturities, repayment of financing of construction and development activities and possible property acquisitions, through long-term secured and unsecured borrowings, possible sales of properties and the issuance of debt securities or additional equity securities, or, possibly in connection with acquisitions of land or improved properties, Units of the Operating Partnership. The Company believes that its net cash provided by operations will be adequate and anticipates that it will continue to be adequate to meet both operating requirements and payment of dividends in accordance with REIT requirements in both the short and the long term. The budgeted expenditures for improvements and renovations to certain of the communities are expected to be funded from property operations.

LINES OF CREDIT

On February 1, 1995, the Company closed a 39-month unsecured revolving line of credit (the "Revolver") in the amount of \$180,000 with a bank syndicate to provide funding for future construction, acquisitions and general business obligations. Borrowings under the Revolver initially bore interest at LIBOR plus 1.50% or prime minus .25% and had a maturity date of May 1, 1998. On March 1, 1996 the Revolver was amended to reduce the interest rate to LIBOR plus 0.95% or prime minus .25% and to extend the maturity to May 1, 1999. The amendment also provides for the rate to be adjusted up or down based on changes in the credit ratings on the Company's senior unsecured debt. On June 4, 1996, the rating on the Operating Partnership's senior unsecured debt by Standard & Poor's was raised to BBB+ which further reduced the interest rate on the Revolver to its current rate of LIBOR plus .80% or prime minus .25%. The credit agreement for the Revolver contains customary representations, covenants and events of default, including covenants which restrict the ability of the Operating Partnership to make distributions in excess of stated amounts, which in turn restricts the discretion of the Company to declare and pay dividends. In general, during any fiscal year the Operating Partnership may only distribute up to 100% of the Operating Partnership's consolidated income available for distribution (as defined in the credit agreement) exclusive of distributions of up to \$30,000 of capital gains for such year. The credit agreement contains

exceptions to these limitations to allow the Company to make distributions necessary to allow the Company to maintain its status as a REIT. The Company does not anticipate that this covenant will adversely affect the ability of the Operating Partnership to make distributions or the Company to declare dividends, under the Company's current dividend policy.

On July 26, 1996, the Company closed a \$20,000 unsecured line of credit with Wachovia Bank of Georgia, N.A. (the "Cash Management Line"), which was fully funded and used to pay down the outstanding balance on the Revolver. The Cash Management Line bears interest at LIBOR plus .75% or prime minus .25% and has a maturity date of July 25, 1997. The Company has an automatic daily sweep which applies all available cash to reduce the outstanding balance on the Cash Management Line.

NORTHWESTERN MUTUAL UNSECURED LOANS

On June 7, 1995, the Company issued \$50,000 of unsecured senior notes with The Northwestern Mutual Life Insurance Company (the "NML Notes"). The NML Notes were in two tranches: the first, aggregating \$30,000, carries an interest rate of 8.21% per annum and matures on June 7, 2000; and the second, aggregating

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\$20,000, carries an interest rate of 8.37% per annum and matures on June 7, 2002. Proceeds from the issuance of the NML Notes were used to reduce secured indebtedness and to pay down the Revolver. The note agreements pursuant to which the NML Notes were purchased contain representations, covenants and events of default similar to those contained in the note agreement for the Revolver.

WACHOVIA UNSECURED LOANS

On September 29, 1995, the Company issued \$50,000 of unsecured senior notes with Wachovia Bank of Georgia, N.A. (the "Wachovia Notes"). The Wachovia Notes were in two tranches: the first tranche, aggregating \$25,000, will mature on September 29, 1999; the second tranche, aggregating \$25,000, will mature on September 29, 2001. Both tranches bear interest at 7.15% per annum. Proceeds from the issuance of the Wachovia Notes were used to reduce indebtedness outstanding on the Revolver. The credit agreement for the notes contain representations, covenants and events of default similar to those contained in the note agreement for the Revolver.

TAX EXEMPT BONDS

On June 29, 1995, the Company replaced the bank letters of credit providing credit enhancement for twelve of its outstanding tax-exempt bonds and three of its economically defeased tax-exempt bonds. Under an agreement with the Federal National Mortgage Association ("FNMA"), FNMA now provides, directly or indirectly through other bank letters of credit, credit enhancement with respect to such bonds. Under the terms of such agreement, FNMA has provided replacement

credit enhancement through 2025 for five bond issues, aggregating \$52,675, which were reissued, and has agreed, subject to certain conditions, to provide credit enhancement through June 1, 2025 for up to an additional \$101,853 with respect to ten other bond issues which mature and may be refunded in 1996 through 1998. The agreement with FNMA contains representations, covenants, and events of default customary to such secured loans.

OTHER ACTIVITIES

On May 7, 1996, the Company reacquired three contiguous Atlanta apartment communities containing a total of 810 units which the Company developed in the early 1980's and managed under the Post(R) brand name through mid-1993. The Company's capital investment, including expenditures to add perimeter fencing and steel entry gates and construction of a new centralized leasing office, will be approximately \$48 million. At the time of acquisition the community was operated as Dunwoody Crossing and is now operated by the Company as Post Creek(TM).

In April 1996, the Company listed two communities in Florida, containing a total of 596 units, for sale. On July 19, 1996, one of the communities, containing 180 units, was sold.

DIVIDEND REINVESTMENT PLAN

The Dividend Reinvestment Plan ("DRIP") is available to all shareholders of the Company. Under the DRIP, shareholders may elect for their dividends to be used to acquire additional shares of the Company's Common Stock directly from the Company, for 95% of the market price on the date of purchase.

SCHEDULE OF INDEBTEDNESS

The following table reflects the Company's indebtedness at June 30, 1996:

MATURITY	PRINCIPAL	COMMUNITY	LOCATION
INTEREST RATE	DATE (1)	BALANCE	-

----	-----	TAX EXEMPT	FIXED RATE
		(SECURED)	Post
Canyon.....			
Atlanta, GA	7.4% + .575%(2) (3)		
07/01/96(4) (5)	\$ 16,845	Post	
Corners.....			
Atlanta, GA	7.4% + .575%(2) (3)		
08/01/96(4) (6)	14,760	Post	
Bridge.....			
Atlanta, GA	7.5% + .575%(2) (3)		01/01/97(4)

9,960 Post Village (Atlanta)
 Gardens..... Atlanta, GA 7.5% +
 .575%(2)(3) 01/01/97(4) 14,500 Post
 Chase.....
 Atlanta, GA 7.5% + .575%(2)(3) 07/01/97(4)
 12,000 Post
 Walk.....
 Atlanta, GA 7.5% + .575%(2)(3) 07/01/97(4)
 15,000 Post
 Court.....
 Atlanta, GA 7.5% + .575%(2)(3) 06/01/98(4)
 13,298 ----- 96,363 -----
 CONVENTIONAL FIXED RATE (SECURED) Post
 Village (Atlanta) Arbors.....
 Atlanta, GA 8.16% 02/10/97 7,684 Post
 Summit.....
 Atlanta, GA 7.72% 02/01/98 5,347 Post
 River.....
 Atlanta, GA 7.72% 03/01/98 5,909 -----
 18,940 ----- TAX EXEMPT FLOATING RATE
 (SECURED) Post Ashford Series
 1995..... Atlanta, GA "AAA"
 NON-AMT + .575%(2)(3) 06/01/2025 9,895 Post
 Valley Series 1995.....
 Atlanta, GA "AAA" NON-AMT + .575%(2)(3)
 06/01/2025 18,600 Post Brook Series
 1995..... Atlanta, GA "AAA"
 NON-AMT + .575%(2)(3) 06/01/2025 4,300 Post
 Village (Atlanta) Hills Series 1995...
 Atlanta, GA "AAA" NON-AMT + .575%(2)(3)
 06/01/2025 7,000 Post Mill Series
 1995..... Atlanta, GA
 "AAA" NON-AMT + .575%(2)(3) 06/01/2025
 12,880 ----- 52,675 -----
 CONVENTIONAL FLOATING RATE (SECURED) Post
 Renaissance (Phase I and II).....
 Atlanta, GA LIBOR + .55% 07/01/99 14,400 --
 ----- 14,400 ----- SENIOR NOTES
 (UNSECURED) Wachovia Bank of
 Georgia..... N/A 7.15%
 09/29/99 25,000 Northwestern Mutual
 Life..... N/A 8.21%
 06/07/2000 30,000 Wachovia Bank of
 Georgia..... N/A 7.15%
 09/29/2001 25,000 Northwestern Mutual
 Life..... N/A 8.37%
 06/07/2002 20,000 ----- 100,000 -----
 LINES OF CREDIT (UNSECURED)
 Revolver.....
 N/A LIBOR + .80% or prime minus .25%

05/01/99 139,000 ----- 139,000 -----
 Total.....
 \$ 421,378 =====

-
- (1) All of the mortgages can be prepaid at any time, subject to certain prepayment penalties. All dates listed are final maturity dates assuming the exercise of any available extension option by the Company.
 - (2) Bond financed (interest rate on bonds + credit enhancement fees).
 - (3) These bonds are also secured by Post Fountains at Lee Vista, Post Lake (Orlando) and the Fountains and Meadows of Post Village for which the Company has economically defeased their respective bond indebtedness.
 - (4) Subject to certain conditions at re-issuance, the credit enhancement runs to June 1, 2025.
 - (5) On July 1, 1996, this bond was refunded with an issue having a maturity of June 1, 2025 and an interest rate of SunTrust Non-AMT "AAA" tax free rate plus a credit enhancement fee of .575%.
 - (6) On August 1, 1996, this bond was refunded with an issue having a maturity of June 1, 2025 and an interest rate of SunTrust Non-AMT "AAA" tax free rate plus a credit enhancement fee of .575%.

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REFUNDABLE TAX EXEMPT BONDS

The Company has previously issued tax-exempt bonds, secured by certain communities, totaling \$235,880, of which \$86,842 has been economically defeased, leaving \$149,038 of principal amount of tax-exempt bonds outstanding at June 30, 1996. As of June 30, 1996, \$52,675 of the bonds outstanding have been reissued with a maturity of June 1, 2025. The remaining outstanding bonds, together with the economically defeased bonds, mature and may be reissued, during the years 1996 through 1998. The Company has chosen economic defeasance of the bond obligations rather than a legal defeasance in order to preserve the legal right to refund such obligations on a tax-exempt basis at the stated maturity if the Company then determines that such refunding is beneficial to the Company.

The following table shows the amount of bonds (both defeased and outstanding) at June 30, 1996, which the Company may reissue during the years 1996 through 2025:

	DEFEASED	OUTSTANDING	TOTAL	REISSUE	PORTION	PORTION
	CAPACITY	-----	-----	-----	-----	-----
1996(1).....						
	\$ --	\$ 31,605	\$ 31,605			
1997.....						
	5,490	51,460	56,950			
1998.....						

81,352 13,298 94,650 Thereafter -- 52,675 52,675 ----
 --- ----- \$ 86,842 \$ 149,038 \$ 235,880
 =====

- -----

(1) 1996 amounts include Post Canyon and Post Corners bonds which matured and were refunded on July 1, 1996 and August 1, 1996, respectively.

CAPITALIZATION OF FIXED ASSETS AND COMMUNITY IMPROVEMENTS

The Company has established a policy of capitalizing those expenditures relating to acquiring new assets, materially enhancing the value of an existing asset, or substantially extending the useful life of an existing asset. All expenditures necessary to maintain a community in ordinary operating condition are expensed as incurred. During the first five years of a community (which corresponds to the estimated depreciable life), carpet replacements are expensed as incurred. Thereafter, carpet replacements are capitalized.

Acquisition of assets and community improvement expenditures for the six months ended June 30, 1996 and 1995 are summarized as follows:

SIX MONTHS ENDED JUNE 30, -----	1996	1995	-----	---
---- New community development and acquisition activity.....	\$95,664	\$65,748	Non-recurring capital expenditures: Vehicle access control gates.....	32 323
Other.....	743	362	Recurring capital expenditures: Carpet replacements.....	410
	433		Community additions and improvements.....	982 333
Corporate additions and improvements.....	339	407	-----	-----
	\$98,170	\$67,606	=====	=====

INFLATION

Substantially all of the leases at the communities allow, at the time of renewal, for adjustments in the rent payable thereunder, and thus may enable the Company to seek increases in rents. The substantial majority of these leases are for one year or less and the remaining leases are for up to two years. At the expiration of a lease term, the Company's lease agreements provide that the term will be extended unless either the Company

or the lessee gives at least sixty (60) days written notice of termination; in

addition, the Company's policy permits the earlier termination of a lease by a lessee upon thirty (30) days written notice to the Company and the payment of one month's additional rent as compensation for early termination. The short-term nature of these leases generally serves to reduce the risk to the Company of the adverse effect of inflation.

FUNDS FROM OPERATIONS AND CASH AVAILABLE FOR DISTRIBUTION

Historical Funds from Operations. The Company considers FFO an appropriate measure of performance of an equity REIT. The Company uses the National Association of Real Estate Investment Trust ("NAREIT") definition of FFO, which was adopted for periods beginning after January 1, 1996. FFO for any period means the consolidated net income of the Company and its subsidiaries for such period excluding gains or losses from debt restructuring and sales of property, plus depreciation of real estate assets, and after adjustment for unconsolidated partnerships and joint ventures, all determined on a consistent basis in accordance with generally accepted accounting principles ("GAAP"). FFO presented herein is not necessarily comparable to FFO presented by other real estate companies due to the fact that not all real estate companies use the same definition. However, the Company's FFO is comparable to the FFO of real estate companies that use the current NAREIT definition. FFO should not be considered as an alternative to net income (determined in accordance with GAAP) as an indicator of the Company's financial performance or to cash flow from operating activities (determined in accordance with GAAP) as a measure of the Company's liquidity, nor is it necessarily indicative of sufficient cash flow to fund all of the Company's needs or ability to service indebtedness or make distributions. Cash available for distribution is defined as FFO less capital expenditures funded by operations and loan amortization payments. The Company believes that in order to facilitate a clear understanding of the consolidated historical operating results of the Company, FFO and cash available for distribution should be examined in conjunction with net income as presented in the consolidated financial statements and data included elsewhere and incorporated by reference in this Prospectus Supplement and the Prospectus.

FFO and cash available for distribution for the six months ended June 30, 1996 and 1995, and FFO for the years ended December 31, 1995, 1994 and 1993 presented on a historical basis are summarized in the following tables:

SIX MONTHS ENDED JUNE			
30, YEAR ENDED DECEMBER			
31,	-----		
-----	-----		
	1996	1995	1995 1994
1993	-----	-----	-----
-----	-----	-----	-----
-----	-----	-----	-----
			Net
income.....			\$
	20,129	\$ 12,104	\$
	29,118	\$ 18,899	\$

(5,223) Extraordinary
item..... -- 622 870
3,293 7,855 Minority
interest..... 4,746
3,765 8,429 6,951 1,935
Gain on sale of real
estate assets..... --
-- (1,746) (2,832) --
Income tax related to
gain on sale of real
estate assets..... --
-- -- 1,338 --
Formation Transaction
expense..... --
-- -- -- 2,783 -----

----- Adjusted net
income.....
24,875 16,491 36,671
27,649 7,350
Depreciation (real
estate assets)....
10,796 10,128 20,127
19,967 19,427 -----

----- Funds from
operations.... 35,671
26,619 56,798 47,616
26,777 Recurring
capital
expenditures(1).....
(1,392) (766) (2,967)
(2,599) (2,047) Non-
recurring capital
expenditures(2).....
(775) (685) (1,287)
(1,302) (706) Loan
amortization
payments.....
(105) (103) (199) (184)
(149) -----

Cash available for
distribution.....
\$ 33,399 \$ 25,065 \$
52,345 \$ 43,531 \$
23,875 =====

SIX MONTHS ENDED JUNE
 30, YEAR ENDED DECEMBER
 31, 1996 1995 1995 1994
 1993 -----

----- Cash
 flow provided from
 (used in): Operating
 activities... \$ 43,408
 \$ 33,856 \$ 57,362 \$
 43,807 \$ 2,412
 Investing activities...
 \$ (98,170) \$ (67,606) \$
 (114,531) \$ (99,364) \$
 (51,152) Financing
 activities... \$ 47,378
 \$ 49,262 \$ 60,885 \$
 46,508 \$ 49,647
 Weighted average shares
 outstanding.....
 21,700,779 17,504,808
 18,382,299 16,847,999
 7,824,311 Weighted
 average shares and
 units
 outstanding.....
 26,818,135 22,684,488
 23,541,639 22,125,890
 13,574,767

-
- (1) Recurring capital expenditures consisted primarily of \$410 and \$433 of carpet replacement, \$982 and \$333 of other additions and improvements to existing communities for the six months ended June 30, 1996 and 1995, respectively. Since the Company does not add back the depreciation of non-real estate assets in its calculation of FFO, capital expenditures of \$339 and \$407 are excluded from the calculation of cash available for distribution for the six months ended June 30, 1996 and 1995, respectively.
 - (2) Non-recurring capital expenditures consisted of community additions and improvements of \$743 and \$362 for the six months ended June 30, 1996 and 1995, respectively, and the addition of vehicle access control gates to

communities of \$32 and \$323 for the six months ended June 30, 1996 and 1995, respectively.

DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS

This Prospectus Supplement and the accompanying Prospectus, including documents incorporated by reference herein and therein, contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements are inherently subject to risks and uncertainties, many of which cannot be predicted with accuracy and some of which might not even be anticipated. Future events and actual results, financial and otherwise, may differ materially from the results discussed in the forward-looking statements. Factors that might cause such a difference include, but are not limited to, those discussed in "Management's Discussion and Analysis of Results of Operations and Financial Condition" included and incorporated by reference herein.

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MANAGEMENT

The directors and executive officers of the Company and their positions are as follows:

NAME	POSITION AND OFFICES HELD - -----
John A. Williams.....	Chairman of the Board, Chief Executive Officer and Director
John T. Glover.....	President, Chief Operating Officer, Treasurer and Director
W. Daniel Faulk, Jr.....	President -- Post Apartment Development
Jeffrey A. Harris.....	President -- Post Management Services

Martha J.
Logan.....
President -- Post
Management Division
Terry L.
Chapman.....
Executive Vice
President -- Post
Management Services
Richard A. Denny,
III.... Executive
Vice President --
Post Apartment
Development John D.
Hooks.....
Executive Vice
President -- Post
Management Services
Donald J.
Rutzen.....
Executive Vice
President -- Post
Landscape Services,
Inc. Sherry W.
Cohen.....
Senior Vice
President -- Post
Corporate Services
and Secretary Judy
M. Denman.....
Senior Vice
President -- Post
Corporate Services
R. Gregory
Fox.....
Senior Vice
President -- Post
Corporate Services
Leona J.
McElroy.....
Senior Vice
President -- Post
Corporate Services
John B.
Mears.....
Senior Vice
President -- Post
Apartment
Development Timothy
A. Peterson.....

Senior Vice
President -- Post
Corporate Services
Janie S.
Maddox.....
Vice President --
Post Corporate
Services Arthur M.
Blank.....
Director; President
and Chief Operating
Officer -- The Home
Depot, Inc. Herschel
M. Bloom.....
Director; Partner --
King & Spalding
Virginia C.
Crawford.....
Director; Chairman
of the Executive
Committee and Vice
President --
Crawford & Company
Russell R.
French.....
Director; General
Partner -- Noro-
Moseley Partners,
L.P. William A.
Parker, Jr....
Director; Chairman
of the Board --
Seminole Investment
Company, L.L.C. J.C.
Shaw.....
Director; Chairman
Emeritus of the
Board -- Shaw
Industries, Inc.

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DESCRIPTION OF PREFERRED SHARES

This description of the particular terms of the Preferred Shares offered hereby supplements, and to the extent inconsistent therewith replaces, the description of the general terms and provisions of the Preferred Shares set forth in the accompanying Prospectus, to which description reference is hereby

made.

GENERAL

The Company is authorized to issue up to 20,000,000 shares of preferred stock, \$.01 par value per share, in one or more series, with such designations, powers, preferences and rights of the shares of such series and the qualifications, limitations or restrictions thereon, including, but not limited to, the fixing of the dividend rights, dividend rate or rates, conversion rights, voting rights and terms of redemption (including sinking fund provisions), the redemption price or prices, and the liquidation preferences, in each case, if any, as the Board of Directors of the Company may determine by adoption of an applicable articles of amendment (a "Designating Amendment") to the Company's Amended and Restated Articles of Incorporation (the "Articles of Incorporation"), without any further vote or action by the shareholders. See "Description of Preferred Stock -- Terms" in the accompanying Prospectus.

On September 26, 1996, a form of Designating Amendment was adopted determining the terms of a series of preferred stock consisting of up to 1,150,000 shares, designated 8 1/2% Series A Cumulative Redeemable Preferred Shares. The following summary of the terms and provisions of the Preferred Shares does not purport to be complete and is qualified in its entirety by reference to the pertinent sections of the Articles of Incorporation and the Designating Amendment designating the Preferred Shares, each of which is available from the Company.

The Company intends to contribute or otherwise transfer the net proceeds of the sale of the Preferred Shares to the Operating Partnership in exchange for 8 1/2% Series A Preferred Units in the Operating Partnership, the economic terms of which will be substantially identical to the Preferred Shares. The Operating Partnership will be required to make all required distributions on the Series A Preferred Units (which will mirror the payments of distributions, including accrued and unpaid distributions upon redemption, and of the liquidation preference amount of the Preferred Shares) prior to any distribution of cash or assets to the holders of the Units or to the holders of any other interests in the Operating Partnership, except for any other series of preference units ranking on a parity with the Series A Preferred Units as to distributions and/or liquidation rights and except for distributions required to enable the Company to maintain its qualification as a REIT.

None of the Preferred Shares, the Series A Preferred Units or any of the indebtedness of the Operating Partnership contain any provisions affording holders of the Preferred Shares protection in the event of a highly leveraged or other transaction that might adversely affect holders of Preferred Shares.

The registrar, transfer agent and dividends disbursing agent for the Preferred Shares will be Wachovia Bank of North Carolina, N.A.

DIVIDENDS

Holders of the Preferred Shares shall be entitled to receive, when and as authorized by the Board of Directors, out of funds legally available for the payment of dividends, cumulative cash dividends at the rate of 8 1/2% of the liquidation preference per annum (equivalent to \$4.25 per annum per share). Such dividends shall accrue and be cumulative from the date of original issue and shall be payable quarterly in arrears on or about the last day of each March, June, September and December or, if not a business day, the succeeding business day (each, a "Dividend Payment Date"). The first dividend on the Preferred Shares will be paid on December 31, 1996. Any dividend payable on the Preferred Shares for any partial dividend period will be computed on the basis of a 360-day year consisting of twelve 30-day months. Dividends will be payable to holders of record as they appear in the share records of the Company at the close of business on the applicable record date, which shall be the 15th day of the calendar month in which the applicable Dividend Payment Date falls or such other date designated by the Board of Directors of the Company for the payment of

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dividends that is not more than 30 nor less than 10 days prior to such Dividend Payment Date (each, a "Dividend Record Date").

No dividends on the Preferred Shares shall be authorized by the Board of Directors of the Company or be paid or set apart for payment by the Company at such time as the terms and provisions of any agreement of the Company (or the Operating Partnership, as to the Series A Preferred Units), including any agreement relating to its indebtedness, prohibits such authorization, payment or setting apart for payment or provides that such authorization, payment or setting apart for payment would constitute a breach thereof or a default thereunder, or if such authorization or payment shall be restricted or prohibited by law.

Notwithstanding the foregoing, dividends on the Preferred Shares will accrue whether or not the Company has earnings, whether or not there are funds legally available for the payment of such dividends and whether or not such dividends are authorized. Accrued but unpaid dividends on the Preferred Shares will not bear interest and holders of the Preferred Shares will not be entitled to any dividends in excess of full cumulative dividends as described above. See "Description of Preferred Stock -- Dividends" in the accompanying Prospectus.

The Operating Partnership will be required to make all required distributions to the Company that will mirror the Company's payment of dividends on the Preferred Shares (including accrued and unpaid dividends upon redemption, and of the liquidation preference amount of the Preferred Shares) prior to any distribution of cash or assets to the holders of the Units or to the holders of any other interests in the Operating Partnership, except for distributions required in connection with any other shares of the Company ranking senior to or on a parity with the Preferred Shares as to dividends and/or liquidation rights and except for distributions required to enable the Company to maintain its

qualification as a REIT. The credit agreement for the Revolver includes covenants which restrict the ability of the Operating Partnership to make distributions, in excess of stated amounts, which in turn restricts the discretion of the Company to declare and pay dividends. In general, during any fiscal year the Operating Partnership may only distribute up to 100% of the Operating Partnership's consolidated income available for distribution (as defined in the credit agreement), exclusive of distributions of up to \$30.0 million of capital gains for such year. The credit agreement contains exceptions to these limitations to allow the Operating Partnership to make distributions necessary to allow the Company to maintain its status as a REIT. The Company does not believe that this covenant will adversely affect the ability of the Operating Partnership to make distributions in an amount sufficient to permit the Company to pay dividends with respect to the Preferred Shares.

Any dividend payment made on the Preferred Shares shall first be credited against the earliest accrued but unpaid dividend due with respect to such shares which remains payable.

LIQUIDATION PREFERENCE

In the event of any liquidation, dissolution or winding up of the affairs of the Company, the holders of the Preferred Shares are entitled to be paid out of the assets of the Company legally available for distribution to its shareholders liquidating distributions in cash or property at its fair market value as determined by the Company's Board of Directors in the amount of a liquidation preference of \$50.00 per share, plus an amount equal to any accrued and unpaid dividends to the date of such liquidation, dissolution or winding up, before any distribution of assets is made to holders of Common Stock or any other capital shares that rank junior to the Preferred Shares as to liquidation rights. After payment of the full amount of the liquidating distributions to which they are entitled, the holders of Preferred Shares will have no right or claim to any of the remaining assets of the Company. The consolidation or merger of the Company with or into any other entity or the sale, lease, transfer or conveyance of all or substantially all of the property or business of the Company shall not be deemed to constitute a liquidation, dissolution or winding up of the Company. For further information regarding the rights of the holders of Preferred Shares upon the liquidation, dissolution or winding up of the Company, see "Description of Preferred Stock -- Liquidation Preference" in the accompanying Prospectus.

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REDEMPTION

The Preferred Shares are not redeemable prior to October 1, 2026. On and after October 1, 2026, the Company, at its option upon not less than 30 nor more than 60 days' written notice, may redeem the Preferred Shares, in whole or in part, at any time or from time to time, in cash at a redemption price of \$50.00 per share, plus accrued and unpaid dividends thereon to the date fixed for

redemption (except as provided below), without interest, to the extent the Company will have funds legally available therefor. The redemption price of the Preferred Shares (other than any portion thereof consisting of accrued and unpaid dividends) shall be paid solely from the sale proceeds of other capital stock of the Company and not from any other source. For purposes of the preceding sentence, "capital stock" means any common stock, preferred stock, depository shares, interests, participation, or other ownership interests (however designated) and any rights (other than debt securities convertible into or exchangeable for equity securities) or options to purchase any of the foregoing. Holders of Preferred Shares to be redeemed shall surrender such shares at the place designated in such notice and shall be entitled to the redemption price and any accrued and unpaid dividends payable upon such redemption following such surrender. If notice of redemption of any Preferred Shares has been given and if the funds necessary for such redemption have been set aside by the Company in trust for the benefit of the holders of any Preferred Shares so called for redemption, then from and after the redemption date dividends will cease to accrue on such Preferred Shares, such shares shall no longer be deemed outstanding and all rights of the holders of such shares will terminate, except the right to receive the redemption price. If fewer than all of the outstanding Preferred Shares are to be redeemed, the Preferred Shares to be redeemed shall be selected pro rata (as nearly as may be practicable without creating fractional Preferred Shares) or by any other equitable method determined by the Company. See "Description of Preferred Stock -- Redemption" in the accompanying Prospectus.

Notice of redemption will be given by publication in a newspaper of general circulation in the City of New York, such publication to be made once a week for two successive weeks commencing not less than 30 nor more than 60 days prior to the redemption date. A similar notice furnished by the Company will be mailed by the registrar, postage prepaid, not less than 30 nor more than 60 days prior to the redemption date, addressed to the respective holders of record of the Preferred Shares to be redeemed at their respective addresses as they appear on the share transfer records of the registrar. No failure to give such notice or any defect thereto or in the mailing thereof shall affect the validity of the proceedings for the redemption of any Preferred Shares except as to the holder to whom notice was defective or not given. Each notice shall state: (i) the redemption date; (ii) the redemption price; (iii) the number of Preferred Shares to be redeemed; (iv) the place or places where the Preferred Shares are to be surrendered for payment of the redemption price; and (v) that dividends on the shares to be redeemed will cease to accrue on such redemption date. If fewer than all the Preferred Shares held by any holder are to be redeemed, the notice mailed to such holder shall also specify the number of Preferred Shares to be redeemed from such holder.

The holders of Preferred Shares at the close of business on a Dividend Record Date will be entitled to receive the dividend payable with respect to the Preferred Shares on the corresponding Dividend Payment Date notwithstanding the redemption thereof between such Dividend Record Date and the corresponding Dividend Payment Date or the Company's default in the payment of the dividend due. Except as provided above, the Company will make no payment or allowance for

unpaid dividends, whether or not in arrears, on Preferred Shares to be redeemed.

The Preferred Shares have no stated maturity and will not be subject to any sinking fund or mandatory redemption provisions (except as provided under "-- Restrictions on Transfer" below).

VOTING RIGHTS

Except as indicated below or in the accompanying Prospectus, or except as otherwise from time to time required by applicable law, the holders of Preferred Shares will have no voting rights.

On any matter on which the Preferred Shares are entitled to vote (as expressly provided herein or as may be required by law), including any action by written consent, each Preferred Share shall be entitled to one vote. With respect to each Preferred Share the holder thereof may designate a proxy, with each such proxy having the right to vote on behalf of such holder.

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If dividends on the Preferred Shares are in arrears for six or more quarterly periods, whether or not such quarterly periods are consecutive, holders of the Preferred Shares (voting separately as a class with all other series of preferred shares upon which like voting rights have been conferred and are exercisable) will be entitled to vote for the election of two additional Directors to serve on the Board of Directors of the Company until all dividend arrearages have been paid. For further information regarding the voting rights of the holders of the Preferred Shares, see "Description of Preferred Stock -- Voting Rights" in the accompanying Prospectus.

CONVERSION

The Preferred Shares are not convertible into or exchangeable for any other property or securities of the Company.

RESTRICTIONS ON TRANSFER

Ownership Limits. The Designating Amendment contains certain restrictions on the number of Preferred Shares that a single shareholder may own. For the Company to qualify as a REIT under the Code, no more than 50% in value of its outstanding Preferred Shares and Common Stock may be owned, actually and constructively under the applicable constructive ownership provisions of the Code, by five or fewer individuals (as defined in the Code to include certain entities) during the last half of a taxable year (other than the first year) or during a proportionate part of a shorter taxable year. The Preferred Shares and Common Stock must also be beneficially owned by 100 or more persons during at least 335 days of a taxable year (other than the first year) or during a proportionate part of a shorter taxable year. Because the Company has elected to be treated as a REIT, the Articles of Incorporation and the Designating

Amendment of the Company contain restrictions on the acquisition of Preferred Shares and Common Stock intended to ensure compliance with these requirements.

Subject to certain exceptions specified in the Designating Amendment, no person who is an "individual" within the meaning of Section 542(a)(2) of the Code may own, after taking account the applicable constructive ownership provisions of the Code, more than 6% (the "Ownership Limit") of the outstanding Preferred Shares. Under the constructive ownership rules, Preferred Shares owned by an entity, including a corporation, life insurance company, mutual fund or pension trust, are treated as owned by the ultimate individual beneficial owners of the entity. In addition, a holder is prohibited from acquiring any Preferred Shares if such acquisition would cause five individuals to own (actually and constructively under the applicable constructive ownership of the Code) in the aggregate more than 50% in value of the outstanding Preferred Shares and Common Stock.

If any shareholder purports to transfer shares to a person and either the transfer would result in the Company failing to qualify as a REIT, or the shareholder knows that such transfer would cause the transferee to hold more than the applicable Ownership Limit, the purported transfer will be null and void as to that number of shares the transfer of which would cause a violation of the applicable limit, and the shareholder will be deemed not to have transferred such excess shares. In addition, if any person holds Preferred Shares in excess of the applicable Ownership Limit, such person will be deemed to hold the shares that cause the limit to be exceeded in trust for the Company, and will not receive dividends or distributions with respect to such shares and will not be entitled to exercise any voting rights with respect to such shares. The person will be required to sell such shares to the Company for the lesser of the amount paid for the shares or the average of the last reported sales prices for the ten trading days immediately preceding the redemption or to sell such shares at the direction of the Company, in which case the Company will be reimbursed for its expenses in connection with the sale plus any remaining amount of such proceeds that exceeds the amount such person paid for the shares and such person will be entitled to receive only the Operating Partnership balance of the proceeds. If the Company repurchases such shares, it may elect to pay for the shares with Operating Partnership Units.

All certificates representing Preferred Shares will bear a legend referring to the restrictions described above.

The Designating Amendment provides that each shareholder shall upon demand be required to disclose to the Company in writing such information as the Company may request in good faith in order to determine the Company's status as a REIT.

The following summary of certain federal income tax considerations is based on current law, is for general information only, and is not tax advice. This discussion does not purport to deal with all aspects of taxation that may be relevant to particular shareholders in light of their personal investment or tax circumstances, or to certain types of shareholders (including insurance companies, tax-exempt organizations, financial institutions or broker dealers, foreign corporations and persons who are not citizens or residents of the United States) subject to special treatment under the federal income tax laws. In addition, this section does not discuss foreign, state, or local taxation.

This Prospectus Supplement does not address the taxation of the Company or the impact on the Company of its election to be taxed as a REIT. Such matters are addressed in the accompanying Prospectus under "Federal Income Tax Considerations -- Taxation of the Company." Prospectus investors should consult, and must depend on, their own tax advisors regarding the state, local, foreign and other tax consequences of holding and disposing of Preferred Shares.

Dividends and Other Distributions. For a discussion regarding the taxation of dividends and other distributions, see "Federal Income Tax Considerations -- Taxation of Shareholders" in the accompanying Prospectus. In determining the extent to which a distribution on the Preferred Shares constitutes a dividend for tax purposes, the earnings and profits of the Company will be allocated first to distributions with respect to the Preferred Shares and then to distributions with respect to the Common Stock.

Backup Withholding. For a discussion of backup withholding, see "Federal Income Tax Considerations -- Taxation of Shareholders -- Backup Withholding" in the accompanying Prospectus.

Sale or Exchange of Preferred Shares. Upon the sale or exchange of Preferred Shares to a party other than the Company, a holder of Preferred Shares will realize a capital gain or loss (provided the Preferred Shares are held as a capital asset) measured by the difference between the amount realized on the sale or other disposition and the holder's adjusted tax basis in the Preferred Shares. Such gain or loss will be a long-term capital gain or loss if the holder's holding period with respect to the Preferred Shares is more than one year at the time of the sale or exchange. Further, any loss on a sale of Preferred Shares which were held by the holder for six months or less and with respect to which a capital gain dividend was received will be treated as a long term capital loss, up to the amount of the capital gain dividend received with respect to such shares.

Redemption of Preferred Shares. The treatment to be accorded to any redemption by the Company of Preferred Shares can only be determined on the basis of particular facts as to each holder of Preferred Shares at the time of redemption. In general, a holder of Preferred Shares will recognize capital gain or loss (provided the Preferred Shares are held as a capital asset) measured by the difference between the amount realized by the holder upon the redemption and such holder's adjusted tax basis in the Preferred Shares redeemed if such redemption (i) results in a "complete termination" of the holder's interest in

all classes of shares of the Company under Section 302(b)(3) of the Code, (ii) is "substantially disproportionate" with respect to the holder's interest in the Company under Section 302(b)(2) of the Code (which will not be the case if only Preferred Shares are redeemed, since they generally do not have voting rights) or (iii) is "not essentially equivalent to a dividend" with respect to the holder of Preferred Shares under Section 302(b)(1) of the Code. In determining whether any of these tests have been met, shares considered to be owned by the holder by reason of certain constructive ownership rules set forth in the Code, as well as shares actually owned, generally must be taken into account. Because the determination as to whether any of the alternative tests of Section 302(b) of the Code will be satisfied with respect to any particular holder of Preferred Shares depends upon the facts and circumstances at the time when the determination must be made, prospective investors are advised to consult their own tax advisors to determine such tax treatment.

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UNDERWRITING

Subject to the terms and conditions contained in the terms agreement and related purchase agreement (collectively, the "Underwriting Agreement"), the Company has agreed to sell to Merrill Lynch, Pierce Fenner & Smith Incorporated (the "Underwriter"), and the Underwriter has agreed to purchase, the entire amount of the Preferred Shares offered hereby. The Underwriting Agreement provides that the obligations of the Underwriter are subject to certain conditions precedent, and that the Underwriter will be obligated to purchase all of the Preferred Shares if any are purchased.

The Underwriter has advised the Company that it proposes initially to offer the Preferred Shares to the public at the public offering price set forth on the cover page of this Prospectus Supplement, and to certain dealers at such price less a concession not in excess of \$.75 per share. The Underwriter may allow, and such dealers may reallow, a discount not in excess of \$.50 to certain other dealers. After the initial public offering, the public offering price, concession and discount may be changed.

The Company has granted an option to the Underwriter, exercisable during the 30-day period after the date of this Prospectus Supplement, to purchase up to 150,000 additional Preferred Shares at the price to the public set forth on the cover page of this Prospectus Supplement, less the underwriting discount.

The Company and the Operating Partnership have agreed to indemnify the Underwriter against certain liabilities, including liabilities under the Securities Act of 1933, as amended, or to contribute to payments the Underwriter may be required to make in respect thereof.

Application will be made to list the Preferred Shares on the NYSE. If such application is approved, trading of the Preferred Shares on the NYSE is expected to commence within a 30 day period after the date of initial delivery of the

Preferred Shares. While the Underwriter has advised the Company that it intends to make a market in the Preferred Shares prior to commencement of trading on the NYSE, it is under no obligation to do so and no assurance can be given that a market for the Preferred Shares will exist prior to commencement of trading.

Merrill Lynch has from time to time provided investment banking and financial advisory services to the Company and the Operating Partnership. Merrill Lynch acted as representative of various underwriters in connection with public offerings of the Company's Common Stock in 1993, 1994 and 1995 and the Debt Offering in September 1996.

LEGAL MATTERS

The validity of the Preferred Shares offered pursuant to this Prospectus Supplement and the Prospectus will be passed upon for the Company by King & Spalding, Atlanta, Georgia. Herschel M. Bloom, a member of King & Spalding, is a director of the Company.

Certain legal matters related to the Offering will be passed upon for the Underwriters by Hogan & Hartson L.L.P., Washington, D.C.

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PROSPECTUS

\$600,000,000

[LOGO]POST PROPERTIES, INC.

COMMON STOCK, PREFERRED STOCK AND DEPOSITARY SHARES

POST APARTMENT HOMES, L.P.

DEBT SECURITIES

Post Properties, Inc. (the "Company") may from time to time offer in one or more series or classes (i) shares of its common stock, par value \$0.01 per share (the "Common Stock"), (ii) shares of its preferred stock, par value \$0.01 per share (the "Preferred Stock") and (iii) shares of Preferred Stock represented by Depositary Shares (the "Depositary Shares"), with an aggregate public offering price of up to \$300,000,000 (or its equivalent in another currency based on the exchange rate at the time of sale) in amounts, at prices and on terms to be determined at the time of offering. Post Apartment Homes, L.P. (the "Operating Partnership") may from time to time offer in one or more series unsecured non-convertible debt securities ("Debt Securities"), with an aggregate public offering price of up to \$300,000,000 (or its equivalent in another currency based on the exchange rate at the time of sale) in amounts, at prices and on terms to be determined at the time of offering. The Common Stock, Preferred Stock, Depositary Shares and Debt Securities (collectively, the "Securities") may be offered, separately or together, in separate series in amounts, at prices

and on terms to be set forth in one or more supplements to this Prospectus (each, a "Prospectus Supplement").

The specific terms of the Securities in respect of which this Prospectus is being delivered will be set forth in the applicable Prospectus Supplement and will include, where applicable (i) in the case of Common Stock, any initial public offering price; (ii) in the case of Preferred Stock, the specific title and stated value, any dividend, liquidation, redemption, conversion, voting and other rights, and any initial public offering price; (iii) in the case of Depositary Shares, the fractional share of Preferred Stock represented by each such Depositary Share; and (iv) in the case of Debt Securities, the specific title, aggregate principal amount, currency, form (which may be registered or bearer, or certificated or global), authorized denominations, maturity, rate (or manner of calculation thereof) and time of payment of interest, terms for redemption at the option of the Operating Partnership or repayment at the option of the holder, terms for sinking fund payments, covenants and any initial public offering price. In addition, such specific terms may include limitations on direct or beneficial ownership and restrictions on transfer of the Securities, in each case as may be appropriate to preserve the status of the Company as a real estate investment trust ("REIT") for Federal income tax purposes.

The applicable Prospectus Supplement will also contain information, where applicable, about certain United States Federal income tax considerations relating to, and any listing on a securities exchange of, the Securities covered by such Prospectus Supplement.

The Securities may be offered directly, through agents designated from time to time by the Company or the Operating Partnership, or to or through underwriters or dealers. If any agents or underwriters are involved in the sale of any of the Securities, their names, and any applicable purchase price, fee, commission or discount arrangement between or among them, will be set forth, or will be calculable from the information set forth, in the applicable Prospectus Supplement. See "Plan of Distribution." No Securities may be sold without delivery of the applicable Prospectus Supplement describing the method and terms of the offering of such series of Securities.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THE ATTORNEY GENERAL OF THE STATE OF NEW YORK HAS NOT PASSED ON OR ENDORSED THE MERITS OF THIS OFFERING. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

The date of this Prospectus is August 9, 1996.

AVAILABLE INFORMATION

The Company and the Operating Partnership are subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and in accordance therewith file reports, proxy statements and other information with the Securities and Exchange Commission (the "Commission"). Such reports, proxy statements and other information filed by the Company and the Operating Partnership may be examined without charge at, or copies obtained upon payment of prescribed fees from, the Public Reference Section of the Commission at Judiciary Plaza, 450 Fifth Street, N.W., Washington, D.C. 20549 and are also available for inspection and copying at the regional offices of the Commission located at Seven World Trade Center, New York, New York 10048 and at 500 West Madison Street, Chicago, Illinois 60661-2511. In addition, the Company's Common Stock is listed on the New York Stock Exchange and such material can also be inspected and copied at the offices of the New York Stock Exchange, Inc., 20 Broad Street, New York, New York 10005.

The Company and the Operating Partnership have filed with the Commission, 450 Fifth Street, N.W., Washington, D.C. 20549, a Registration Statement on Form S-3 under the Securities Act of 1933, as amended (the "Securities Act"), and the rules and regulations promulgated thereunder, with respect to the Securities. This Prospectus, which is part of the Registration Statement, does not contain all of the information set forth in the Registration Statement and the exhibits and financial schedules thereto. For further information concerning the Company, the Operating Partnership and the Securities, reference is made to the Registration Statement and the exhibits and schedules filed therewith, which may be examined without charge at, or copies obtained upon payment of prescribed fees from, the Commission and its regional offices at the locations listed above. Any statements contained herein concerning the provisions of any document are not necessarily complete, and, in each instance, reference is made to the copy of such document filed as an exhibit to the Registration Statement or otherwise filed with the Commission. Each such statement is qualified in its entirety by such reference.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The following documents heretofore filed by the Company (File No. 1-12080) and the Operating Partnership (File No. 0-28226) with the Commission are incorporated herein by reference:

(a) the Company's Annual Report on Form 10-K for the year ended December 31, 1995, as amended by Forms 10-K/A for the year ended December 31, 1995 as filed on June 17, 1996 and July 23, 1996;

(b) the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 1996, as amended by Form 10-Q/A for the quarter ended March 31, 1996 as filed on June 17, 1996;

(c) the description of the Common Stock of the Company included in the Company's Registration Statement on Form 8-A, dated July 22, 1993; and

(d) the Operating Partnership's Report on Form 10, dated April 15, 1996, as amended on June 17, 1996 and July 23, 1996.

All documents filed by the Company and/or the Operating Partnership pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act subsequent to the date of this Prospectus and prior to the termination of the Offering shall be deemed to be incorporated by reference in this Prospectus and made a part hereof from the date of the filing of such documents. Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Prospectus to the extent that a statement contained herein or in any other document subsequently filed with the Commission which also is deemed to be incorporated by reference herein modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

The Company and the Operating Partnership will provide without charge to each person, including any beneficial owner, to whom this Prospectus is delivered, upon the written or oral request of such person, a copy of any or all of the documents incorporated by reference herein (not including the exhibits to such documents, unless such exhibits are specifically incorporated by reference in such documents). Request for such copies should be directed to: Post Properties, Inc., 3350 Cumberland Circle, Suite 2200, Atlanta, Georgia 30339, Attention: Secretary, telephone (770) 850-4400.

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THE COMPANY AND THE OPERATING PARTNERSHIP

The Company is a self-administered and self-managed equity real estate investment trust (a "REIT") and is one of the largest developers and operators of upscale multifamily apartment communities in the Southeastern United States. As of June 1, 1996, the Company owned 47 stabilized communities (the "Communities") containing 16,996 apartment units located primarily in metropolitan Atlanta, Georgia and Tampa, Florida. In addition, as of June 1, 1996, the Company had under construction or in initial lease-up six new communities and an addition to an existing community in the Atlanta, Tampa and Charlotte metropolitan areas that will contain an aggregate of 2,274 apartment units when completed. For the year ended December 31, 1995, the average economic occupancy rate of the 37 Communities and the first phase of two additional Communities stabilized for the entire period was 96.0%. The average monthly rental rate per apartment unit at these Communities for the same period was \$710. The Company also manages through affiliates three communities with 866 apartment units under the Post(R) brand name for third parties and approximately 9,900 additional apartment units owned by third parties. The Company is a fully-integrated organization with multifamily development, acquisition,

operation and asset management expertise and has approximately 1,100 employees, none of whom is a party to a collective bargaining agreement.

The Company is the sole general partner of, and controls a majority of the limited partnership interests in, the Operating Partnership. As of March 31, 1996, the Company owned 80.8% of the outstanding partnership interests in the Operating Partnership. The Company conducts all its business through the Operating Partnership and its subsidiaries.

As of March 31, 1996, the Company and the Operating Partnership had outstanding indebtedness of \$354.4 million. Any applicable Prospectus Supplement relating to offered securities will set forth the outstanding indebtedness of the issuer and its subsidiaries as of a recent date.

The Company is a Georgia corporation that was founded in 1971. The Operating Partnership is a Georgia limited partnership that was formed in 1993. The Company's and the Operating Partnership's executive offices are located at 3350 Cumberland Circle, Suite 2200, Atlanta, Georgia 30339 and their telephone number is (770) 850-4400.

USE OF PROCEEDS

The Company is required, by the terms of the partnership agreement of the Operating Partnership, to invest the net proceeds of any sale of Common Stock, Preferred Stock or Depositary Shares in the Operating Partnership in exchange for additional Units. Unless otherwise indicated in the applicable Prospectus Supplement, the Company and the Operating Partnership intend to use such net proceeds and the net proceeds from the sale of Debt Securities for general corporate purposes including, without limitation, the acquisition and development of multi-family communities and the repayment of debt. Pending application of the net proceeds, the Operating Partnership will invest such proceeds in interest-bearing accounts and short-term, interest-bearing securities, which are consistent with the Company's intention to continue to qualify for taxation as a REIT. Such investments may include, for example, obligations of the Government National Mortgage Association, other government and government agency securities, certificates of deposit, interest-bearing bank deposits and mortgage loan participations.

RATIO OF EARNINGS TO FIXED CHARGES

The Company's and the Operating Partnership's ratios of earnings to fixed charges for the three months ended March 31, 1996 were 2.7, for the year ended December 31, 1995 were 2.1, for the year ended December 31, 1994 were 2.1 and for the year ended December 31, 1993 were 1.1. There was no preferred stock outstanding for any of the periods shown above. Accordingly, the ratio of earnings to combined fixed charges and preferred stock dividends is identical to the ratio of earnings to fixed charges.

For purposes of computing these ratios, earnings have been calculated by adding fixed charges, excluding capitalized interest, to pre-tax income from

continuing operations. Fixed charges consist of interest costs, whether expensed or capitalized, the interest component of rental expense and amortization of debt issuance costs.

Prior to the completion of the Company's reorganization in July 1993, the Company maintained a different capital structure. As a result, although the original properties have historically generated positive net cash flow, the financial statements of the Company show net losses for the fiscal years ended December 31, 1992 and 1991. Consequently, the computation of the ratio of earnings to fixed charges for such periods indicate that earnings were inadequate to cover fixed charges by approximately \$10.0 million and \$17.8 million for the fiscal years ended December 31, 1992 and 1991, respectively.

The recapitalization of the Company effected in connection with the reorganization permitted the Company to significantly deleverage, resulting in an improved ratio of earnings to fixed charges for periods subsequent to the reorganization.

DESCRIPTION OF DEBT SECURITIES

The Debt Securities will be issued under an Indenture (the "Indenture"), between the Operating Partnership and a Trustee (the "Trustee") chosen by the Operating Partnership and qualified to act as Trustee under the Trust Indenture Act of 1939, as amended (the "TIA"). The Indenture has been filed as an exhibit to the Registration Statement of which this Prospectus is a part and will be available for inspection at the corporate trust office of the trustee or as described above under "Available Information." The Indenture is subject to, and governed by, the TIA. The statements made hereunder relating to the Indenture and the Debt Securities to be issued thereunder are summaries of all material provisions thereof and do not purport to be complete and are subject to, and are qualified in their entirety by reference to, all provisions of the Indenture and such Debt Securities. All section references appearing herein are to sections of the Indenture.

GENERAL

The Debt Securities will be direct, unsecured obligations of the Operating Partnership and will rank equally with all other unsecured and unsubordinated indebtedness of the Operating Partnership. At December 31, 1995, the total outstanding debt of the Operating Partnership was \$349.7 million, all of which was unsubordinated indebtedness. Of such outstanding debt, \$203.7 million was secured debt. The Debt Securities may be issued without limit as to aggregate principal amount, in one or more series, in each case as established from time to time in or pursuant to authority granted by a resolution of the Board of Directors of the Company as sole general partner of the Operating Partnership or as established in one or more indentures supplemental to the Indenture. All Debt Securities of one series need not be issued at the same time and, unless

otherwise provided, a series may be reopened, without the consent of the holders of the Debt Securities of such series, for issuances of additional Debt Securities of such series (Section 301).

The Indenture provides that there may be more than one Trustee thereunder, each with respect to one or more series of Debt Securities. Any Trustee under the Indenture may resign or be removed with respect to one or more series of Debt Securities, and a successor Trustee may be appointed to act with respect to such series (Section 608). In the event that two or more persons are acting as Trustee with respect to different series of Debt Securities, each such Trustee shall be a trustee of a trust under the Indenture separate and apart from the trust administered by any other Trustee (Section 609), and, except as otherwise indicated herein, any action described herein to be taken by a Trustee may be taken by each such Trustee with respect to, and only with respect to, the one or more series of Debt Securities for which it is Trustee under the Indenture.

Reference is made to the Prospectus Supplement relating to the series of Debt Securities offered thereby for the specific terms thereof, including:

(1) the title of such Debt Securities;

(2) any limit on the aggregate principal amount of such Debt Securities that may be authenticated and delivered under the Indenture;

(3) the percentage of the principal amount at which such Debt Securities will be issued and, if other than the principal amount thereof, the portion of the principal amount thereof payable upon declaration of acceleration of the maturity thereof;

(4) the date or dates, or the method for determining such date or dates, on which the principal of such Debt Securities will be payable;

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(5) the rate or rates, or the method by which such rate or rates shall be determined, at which such Debt Securities will bear interest, if any, the date or dates, or the method for determining such date or dates, from which any interest will accrue, the dates on which any such interest will be payable, the record dates for such interest payment dates, or the method by which any such date shall be determined, and the basis upon which interest shall be calculated if other than that of a 360-day year of twelve 30-day months;

(6) the place or places where the principal of (and premium, if any), interest, if any, and additional amounts, if any, on such Debt Securities will be payable, such Debt Securities may be surrendered for registration of transfer or exchange and notices or demands to or upon the Operating Partnership in respect of such Debt Securities and the Indenture may be served;

(7) the period or periods within which, the price or prices at which, the currency or currencies, currency unit or units or composite currency or currencies in which, and the terms and conditions upon which such Debt Securities may be redeemed, as a whole or in part, at the option of the Operating Partnership, if the Operating Partnership is to have such an option;

(8) the obligation, if any, of the Operating Partnership to redeem, repay or purchase such Debt Securities pursuant to any sinking fund or analogous provision or at the option of a holder thereof, and the period or periods within which, the price or prices at which, the currency or currencies, currency unit or units or composite currency or currencies in which, and the terms and conditions upon which such Debt Securities will be redeemed, repaid or purchased, as a whole or in part, pursuant to such obligation;

(9) if other than denominations of \$1,000 and any integral multiple thereof, the denominations in which any registered Debt Securities ("Registered Securities") shall be issuable and, if other than denominations of \$5,000 and any integral multiple thereof, the denomination or denominations in which any bearer Debt Securities ("Bearer Securities") shall be issuable;

(10) if other than the Trustee, the identity of each security registrar and/or paying agent;

(11) if other than the principal amount thereof, the portion of the principal amount of the Debt Securities that shall be payable upon declaration of acceleration of the maturity thereof or the method by which such portion shall be determined;

(12) if other than U.S. dollars, the currency or currencies in which payment of the principal of (and premium, if any) or interest or additional amounts, if any, on the Debt Securities shall be payable or in which the Debt Securities shall be denominated;

(13) whether the amount of payments of principal of (and premium, if any) or interest, if any, on the Debt Securities may be determined with reference to an index, formula or other method (which index, formula or method may be based, without limitation, on one or more currencies, currency units, composite currencies, commodities, equity indices or other indices), and the manner in which such amounts shall be determined;

(14) whether the principal of (and premium, if any) or interest or additional amounts, if any, on the Debt Securities are to be payable, at the election of the Operating Partnership or a holder (a "Holder") thereof, in a currency or currencies, currency unit or units or composite currency or currencies other than that in which such Debt Securities are denominated or stated to be payable, the period or periods within which, and the terms

and conditions upon which, such election may be made, and the time and manner of, and identity of the exchange rate agent with responsibility for, determining the exchange rate between the currency or currencies, currency unit or units or composite currency or currencies in which such Debt Securities are denominated or stated to be payable and the currency or currencies, currency unit or units or composite currency or currencies in which such Debt Securities are to be so payable;

(15) provisions, if any, granting special rights to the Holders of the Debt Securities upon the occurrence of such events as may be specified;

(16) any deletions from, modifications of or additions to the events of default (the "Events of Default") or covenants of the Operating Partnership with respect to the Debt Securities, whether or not

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such Events of Default or covenants are consistent with the Events of Default or covenants set forth in the Indenture;

(17) whether the Debt Securities are to be issuable as Registered Securities, Bearer Securities (with or without coupons) or both, any restrictions applicable to the offer, sale or delivery of Bearer Securities and the terms upon which Bearer Securities may be exchanged for Registered Securities and vice versa (if permitted by applicable laws and regulations), whether any Debt Securities are to be issuable initially in temporary global form and whether any Debt Securities are to be issuable in permanent global form with or without coupons and, if so, whether beneficial owners of interests in any such permanent global Debt Security may exchange such interests for Debt Securities of such series and of like tenor of any authorized form and denomination and the circumstances under which any such exchanges may occur, and, if Registered Securities are to be issuable as a global Debt Security, the identity of the depository for such series;

(18) the date as of which any Bearer Securities and any temporary global Debt Security representing Outstanding (as hereinafter defined) Debt Securities shall be dated if other than the date of original issuance of the first Debt Security of the series to be issued;

(19) the person to whom any interest on any Registered Security shall be payable, if other than the person in whose name that Debt Security is registered at the close of business on the applicable record date (the "Regular Record Date") for such interest, the manner in which, or the person to whom any interest on any Bearer Security shall be payable, if otherwise than upon presentation and surrender of the coupons appertaining thereto as they severally mature, and the extent to which, or the manner in which, any interest payable on a temporary global Debt Security on an interest payment date (an "Interest Payment Date") will be paid;

(20) if the defeasance and covenant defeasance provisions described herein are to be inapplicable or any modification of such provisions;

(21) if the Debt Securities to be issuable in definitive form (whether upon original issue or upon exchange of a temporary Debt Security) only upon receipt of certain certificates or other documents or satisfaction of other conditions, then the form and/or terms of such certificates, documents or conditions;

(22) whether and under what circumstances the Operating Partnership will pay additional amounts on the Debt Securities to any Holder who is not a United States person (including any modification to the definition of such term) in respect of any tax, assessment or governmental charge and, if so, whether the Operating Partnership will have the option to redeem such Debt Securities rather than pay such additional amounts (and the terms of any such option);

(23) with respect to any Debt Securities that provide for optional redemption or prepayment upon the occurrence of certain events (such as a change of control of the Operating Partnership), (i) the possible effects of such provisions on the market price of the Operating Partnership's or the Company's securities or in deterring certain mergers, tender offers or other takeover attempts, and the intention of the Operating Partnership to comply with the requirements of Rule 14e-1 under the Exchange Act and any other applicable securities laws in connection with such provisions; (ii) whether the occurrence of the specified events may give rise to cross-defaults on other indebtedness such that payment on such Debt Securities may be effectively subordinated; and (iii) the existence of any limitations on the Operating Partnership's financial or legal ability to repurchase such Debt Securities upon the occurrence of such an event (including, if true, the lack of assurance that such a repurchase can be effected) and the impact, if any, under the Indenture of such a failure, including whether and under what circumstances such a failure may constitute an Event of Default; and

(24) any other terms of such Debt Securities not inconsistent with the terms of the Indenture.

The Debt Securities may provide for less than the entire principal amount thereof to be payable upon declaration of acceleration of the maturity thereof ("Original Issue Discount Securities"). If material or applicable, special U.S. Federal income tax, accounting and other considerations applicable to Original Issue Discount Securities will be described in the applicable Prospectus Supplement.

forth in any Prospectus Supplement, the Indenture does not contain any other provisions that would limit the ability of the Operating Partnership to incur indebtedness or that would afford holders of the Debt Securities protection in the event of (i) a highly leveraged or similar transaction involving the Operating Partnership, the management of the Operating Partnership or the Company, or any affiliate of any such party, (ii) a change of control, or (iii) a reorganization, restructuring, merger or similar transaction involving the Operating Partnership that may adversely affect the holders of the Debt Securities. In addition, subject to the limitations set forth under "Merger, Consolidation or Sale," the Operating Partnership may, in the future, enter into certain transactions, such as the sale of all or substantially all of its assets or the merger or consolidation of the Operating Partnership, that would increase the amount of the Operating Partnership's indebtedness or substantially reduce or eliminate the Operating Partnership's assets, which may have an adverse effect on the Operating Partnership's ability to service its indebtedness, including the Debt Securities. In addition, restrictions on ownership and transfers of the Company's Common Stock and Preferred Stock are designed to preserve its status as a REIT and, therefore, may act to prevent or hinder a change of control. See "Description of Common Stock -- Restrictions on Transfer" and "Description of Preferred Stock -- Restrictions on Ownership." Reference is made to the applicable Prospectus Supplement for information with respect to any deletions from, modifications of or additions to the events of default or covenants that are described below, including any addition of a covenant or other provision providing event risk or similar protection.

The applicable Prospectus Supplement will summarize the nature and scope of any event risk provisions contained in any offered Debt Security, including the types of events protected by such provisions and any limitations on the Operating Partnership's ability to satisfy its obligations under such provisions. The applicable Prospectus Supplement will also summarize anti-takeover provisions in other securities of the Operating Partnership or the General Partner, which could have a material effect on the offered Debt Securities. Such summary will contain a detailed and quantifiable definition of any "change in control" provision.

Reference is made to "-- Certain Covenants" below and to the description of any additional covenants with respect to a series of Debt Securities in the applicable Prospectus Supplement. Except as otherwise described in the applicable Prospectus Supplement, compliance with such covenants generally may not be waived with respect to a series of Debt Securities by the Board of Directors of the Company as sole general partner of the Operating Partnership or by the Trustee unless the Holders of at least a majority in principal amount of all outstanding Debt Securities of such series consent to such waiver, except to the extent that the defeasance and covenant defeasance provisions of the Indenture described under "-- Discharge, Defeasance and Covenant Defeasance" below apply to such series of Debt Securities. See "-- Modification of the Indenture."

DENOMINATIONS, INTEREST, REGISTRATION AND TRANSFER

Unless otherwise described in the applicable Prospectus Supplement, the Debt Securities of any series which are Registered Securities, other than Registered Securities issued in global form (which may be of any denomination), shall be issuable in denominations of \$1,000 and any integral multiple thereof and the Debt Securities which are Bearer Securities, other than Bearer Securities issued in global form (which may be of any denomination), shall be issuable in denominations of \$5,000 (Section 302).

Unless otherwise specified in the applicable Prospectus Supplement, the principal of (and premium, if any) and interest on any series of Debt Securities will be payable at the corporate trust office of the Trustee, provided that, at the option of the Operating Partnership, payment of interest may be made by check mailed to the address of the Person entitled thereto as it appears in the applicable Security Register or by wire transfer of funds to such Person at an account maintained within the United States (Sections 301, 307 and 1002).

Any interest not punctually paid or duly provided for on any Interest Payment Date with respect to a Debt Security ("Defaulted Interest") will forthwith cease to be payable to the Holder on the Regular Record Date and may either be paid to the Person in whose name such Debt Security is registered at the close of business on a special record date (the "Special Record Date") for the payment of such Defaulted Interest to

be fixed by the Trustee, notice whereof shall be given to the Holder of such Debt Security not less than 10 days prior to such Special Record Date, or may be paid at any time in any other lawful manner, all as more completely described in the Indenture.

Subject to certain limitations imposed upon Debt Securities issued in book entry form, the Debt Securities of any series will be exchangeable for other Debt Securities of the same series and of a like aggregate principal amount and tenor of different authorized denominations upon surrender of such Debt Securities at the corporate trust office of the Trustee. In addition, subject to certain limitations imposed upon Debt Securities issued in book entry form, the Debt Securities of any series may be surrendered for registration of transfer thereof at the corporate trust office of the Trustee. Every Debt Security surrendered for registration of transfer or exchange shall be duly endorsed or accompanied by a written instrument of transfer. No service charge will be made for any registration of transfer or exchange of any Debt Securities, but the Trustee or the Operating Partnership may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith (Section 305). If the applicable Prospectus Supplement refers to any transfer agent (in addition to the Trustee) initially designated by the Operating Partnership with respect to any series of Debt Securities, the Operating Partnership may at any time rescind the designation of any such transfer agent or approve a change in the location through which any such transfer agent acts, except that the Operating Partnership will be required to maintain a transfer

agent in each place of payment for such series. The Operating Partnership may at any time designate additional transfer agents with respect to any series of Debt Securities (Section 1002).

Neither the Operating Partnership nor the Trustee shall be required (i) to issue, register the transfer of or exchange any Debt Security if such Debt Security may be among those selected for redemption during a period beginning at the opening of business 15 days before selection of the Debt Securities to be redeemed and ending at the close of business on (A) if such Debt Securities are issuable only as Registered Securities, the day of the mailing of the relevant notice of redemption and (B) if such Debt Securities are issuable as Bearer Securities, the day of the first publication of the relevant notice of redemption or, if such Debt Securities are also issuable as Registered Securities and there is no publication, the mailing of the relevant notice of redemption, or (ii) to register the transfer of or exchange any Registered Security so selected for redemption in whole or in part, except, in the case of any Registered Security to be redeemed in part, the portion thereof not to be redeemed, or (iii) to exchange any Bearer Security so selected for redemption except that such a Bearer Security may be exchanged for a Registered Security of that series and like tenor, provided that such Registered Security shall be simultaneously surrendered for redemption, or (iv) to issue, register the transfer of or exchange any Debt Security which has been surrendered for repayment at the option of the Holder, except the portion, if any, of such Debt Security not to be so repaid (Section 305).

MERGER, CONSOLIDATION OR SALE

The Operating Partnership may consolidate with, or sell, lease or convey all or substantially all of its assets to, or merge with or into, any other entity, provided that (a) the Operating Partnership shall be the continuing entity, or the successor entity (if other than the Operating Partnership) formed by or resulting from any such consolidation or merger or which shall have received the transfer of such assets shall expressly assume payment of the principal of (and premium, if any) and interest on all the Debt Securities and the due and punctual performance and observance of all of the covenants and conditions contained in the Indenture; (b) immediately after giving effect to such transaction and treating any indebtedness which becomes an obligation of the Operating Partnership or any subsidiary of the Operating Partnership (a "Subsidiary") as a result thereof as having been incurred by the Operating Partnership or such Subsidiary at the time of such transaction, no Event of Default under the Indenture, and no event which, after notice or the lapse of time, or both, would become such an Event of Default, shall have occurred and be continuing; and (c) an officer's certificate and legal opinion covering such conditions shall be delivered to the Trustee (Sections 801 and 803).

CERTAIN COVENANTS

Existence. Except as permitted under "Merger, Consolidation or Sale," the Operating Partnership is required to do or cause to be done all things necessary to preserve and keep in full force and effect its

existence, rights and franchises; provided, however, that the Operating Partnership shall not be required to preserve any right or franchise if it determines that the preservation thereof is no longer desirable in the conduct of its business and that the loss thereof is not disadvantageous in any material respect to the Holders of the Debt Securities (Section 1006).

Maintenance of Properties. The Operating Partnership is required to cause all of its material properties used or useful in the conduct of its business or the business of any Subsidiary to be maintained and kept in good condition, repair and working order and supplied with all necessary equipment and to cause to be made all necessary repairs, renewals, replacements, betterments and improvements thereof, all as in the judgment of the Operating Partnership may be necessary so that the business carried on in connection therewith may be properly and advantageously conducted at all times; provided, however, that the Operating Partnership and its Subsidiaries shall not be prevented from selling or otherwise disposing for value their respective properties in the ordinary course of business (Section 1007).

Insurance. The Operating Partnership is required to, and is required to cause each of its Subsidiaries to, keep all of its insurable properties insured against loss or damage at least equal to their then full insurable value with financially sound and reputable insurance companies (Section 1008).

Payment of Taxes and Other Claims. The Operating Partnership is required to pay or discharge or cause to be paid or discharged, before the same shall become delinquent, (i) all taxes, assessments and governmental charges levied or imposed upon it or any Subsidiary or upon its income, profits or property or that of any Subsidiary, and (ii) all lawful claims for labor, materials and supplies which, if unpaid, might by law become a lien upon the property of the Operating Partnership or any Subsidiary; provided, however, that the Operating Partnership shall not be required to pay or discharge or cause to be paid or discharged any such tax, assessment, charge or claim whose amount, applicability or validity is being contested in good faith by appropriate proceedings (Section 1009).

Provision of Financial Information. The Holders of Debt Securities will be provided with copies of the annual reports and quarterly reports of the Operating Partnership. Whether or not the Operating Partnership is subject to Section 13 or 15(d) of the Exchange Act and for so long as any Debt Securities are outstanding, the Operating Partnership will, to the extent permitted under the Exchange Act, be required to file with the Commission the annual reports, quarterly reports and other documents which the Operating Partnership would have been required to file with the Commission pursuant to such Section 13 or 15(d) (the "Financial Statements") if the Operating Partnership were so subject, such documents to be filed with the Commission on or prior to the respective dates (the "Required Filing Dates") by which the Operating Partnership would have been

required so to file such documents if the Operating Partnership were so subject. The Operating Partnership will also in any event (x) within 15 days of each Required Filing Date (i) transmit by mail to all Holders of Debt Securities, as their names and addresses appear in the security register for the Debt Securities (the "Security Register"), without cost to such Holders, copies of the annual reports and quarterly reports which the Operating Partnership would have been required to file with the Commission pursuant to Section 13 or 15(d) of the Exchange Act if the Operating Partnership were subject to such Sections and (ii) file with the Trustee copies of the annual reports, quarterly reports and other documents which the Operating Partnership would have been required to file with the Commission pursuant to Section 13 or 15(d) of the Exchange Act if the Operating Partnership were subject to such Sections and (y) if filing such documents by the Operating Partnership with the Commission is not permitted under the Exchange Act, promptly upon written request and payment of the reasonable cost of duplication and delivery, supply copies of such documents to any prospective Holder (Section 1010).

Additional Covenants. Any additional or different covenants of the Operating Partnership with respect to any series of Debt Securities will be set forth in the Prospectus Supplement relating thereto.

EVENTS OF DEFAULT, NOTICE AND WAIVER

The Indenture provides that the following events are "Events of Default" with respect to any series of Debt Securities issued thereunder: (a) default for 30 days in the payment of any installment of interest on any Debt Security of such series; (b) default in the payment of the principal of (or premium, if any, on) any Debt

Security of such series at its maturity; (c) default in making any sinking fund payment as required for any Debt Security of such series; (d) default in the performance of any other covenant of the Operating Partnership contained in the Indenture (other than a covenant added to the Indenture solely for the benefit of a series of Debt Securities issued thereunder other than such series), such default having continued for 60 days after written notice as provided in the Indenture; (e) default in the payment of an aggregate principal amount exceeding \$5,000,000 of any evidence of recourse indebtedness of the Operating Partnership or any mortgage, indenture or other instrument under which such indebtedness is issued or by which such indebtedness is secured, such default having occurred after the expiration of any applicable grace period and having resulted in the acceleration of the maturity of such indebtedness, but only if such indebtedness is not discharged or such acceleration is not rescinded or annulled; (f) certain events of bankruptcy, insolvency or reorganization, or court appointment of a receiver, liquidator or trustee of the Operating Partnership or any Significant Subsidiary or any of their respective property; and (g) any other Event of Default provided with respect to a particular series of Debt Securities. The term "Significant Subsidiary" means each significant subsidiary (as defined in

Regulation S-X promulgated under the Securities Act) of the Operating Partnership.

If an Event of Default under the Indenture with respect to Debt Securities of any series at the time Outstanding occurs and is continuing, then in every such case the Trustee or the Holders of not less than 25% in principal amount of the Outstanding Debt Securities of that series may declare the principal amount (or, if the Debt Securities of that series are Original Issue Discount Securities or Securities, the terms of which provide that the principal amount thereof payable at maturity may be more or less than the principal face amount thereof at original issuance ("Indexed Securities"), such portion of the principal amount as may be specified in the terms thereof) of all of the Debt Securities of that series to be due and payable immediately by written notice thereof to the Operating Partnership (and to the Trustee if given by the Holders). However, at any time after such a declaration of acceleration with respect to Debt Securities of such series (or of all Debt Securities then Outstanding under the Indenture, as the case may be) has been made, but before a judgment or decree for payment of the money due has been obtained by the Trustee, the Holders of not less than a majority in principal amount of Outstanding Debt Securities of such series (or of all Debt Securities then Outstanding under the Indenture, as the case may be) may rescind and annul such declaration and its consequences if (a) the Operating Partnership shall have deposited with the applicable Trustee all required payments of the principal of (and premium, if any) and interest on the Debt Securities of such series (or of all Debt Securities then Outstanding under the Indenture, as the case may be), plus certain fees, expenses, disbursements and advances of the Trustee and (b) all Events of Default, other than the nonpayment of accelerated principal of (or specified portion thereof), or premium (if any) or interest on the Debt Securities of such series (or of all Debt Securities then Outstanding under the Indenture, as the case may be) have been cured or waived as provided in the Indenture (Section 502). The Indenture also provides that the Holders of not less than a majority in principal amount of the Outstanding Debt Securities of any series (or of all Debt Securities then Outstanding under the Indenture, as the case may be) may waive any past default with respect to such series and its consequences, except a default (x) in the payment of the principal of (or premium, if any) or interest on any Debt Security or such series or (y) in respect of a covenant or provision contained in the Indenture that cannot be modified or amended without the consent of the Holder of each Outstanding Debt Security affected thereby (Section 513).

The Trustee will be required to give notice to the Holders of Debt Securities within 90 days of a default under the Indenture unless such default has been cured or waived; provided, however, that the Trustee may withhold notice to the Holders of any series of Debt Securities of any default with respect to such series (except a default in the payment of the principal of (or premium, if any) or interest on any Debt Security of such series or in the payment of any sinking fund installment in respect of any Debt Security of such series) if specified Responsible Officers of the Trustee consider such withholding to be in the interest of such Holders (Section 601).

The Indenture provides that no Holders of Debt Securities of any series may institute any proceedings, judicial or otherwise, with respect to the Indenture or for any remedy thereunder, except in the case of failure of the Trustee, for 60 days, to act after it has received a written request to institute proceedings in respect of an Event of Default from the Holders of not less than 25% in principal amount of the Outstanding Debt

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Securities of such series, as well as an offer of indemnity reasonably satisfactory to it (Section 507). This provision will not prevent, however, any holder of Debt Securities from instituting suit for the enforcement of payment of the principal of (and premium, if any) and interest on such Debt Securities at the respective due dates thereof (Section 508).

Subject to provisions in the Indenture relating to its duties in case of default, the Trustee is under no obligation to exercise any of its rights or powers under the Indenture at the request or direction of any Holders of any series of Debt Securities then Outstanding under the Indenture, unless such Holders shall have offered to the Trustee thereunder reasonable security or indemnity (Section 602). The Holders of not less than a majority in principal amount of the Outstanding Debt securities of any series (or of all Debt Securities then Outstanding under the Indenture, as the case may be) shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or of exercising any trust or power conferred upon the Trustee. However, the Trustee may refuse to follow any direction which is in conflict with any law or the Indenture, which may involve the Trustee in personal liability or which may be unduly prejudicial to the holders of Debt Securities of such series not joining therein (Section 512).

Within 120 days after the close of each fiscal year, the Operating Partnership must deliver to the Trustee a certificate, signed by one of several specified officers of the Company, stating whether or not such officer has knowledge of any default under the Indenture and, if so, specifying each such default and the nature and status thereof.

MODIFICATION OF THE INDENTURE

Modifications and amendments of the Indenture will be permitted to be made only with the consent of the Holders of not less than a majority in principal amount of all Outstanding Debt Securities or series of Outstanding Debt Securities which are affected by such modification or amendment; provided, however, that no such modification or amendment may, without the consent of the Holders of each such Debt Security affected thereby, (a) change the Stated Maturity of the principal of, or premium (if any) or any installment of interest on, any such Debt Security; (b) reduce the principal amount of, or the rate or amount of interest on, or any premium payable on redemption of, any such Debt Security, or reduce the amount of principal of an Original Issue Discount Security that would be due and payable upon declaration of acceleration of the

maturity thereof or would be provable in bankruptcy, or adversely affect any right of repayment of the holder of any such Debt Security; (c) change the place of payment, or the coin or currency, for payment of principal of, premium, if any, or interest on any such Debt Security; (d) impair the right to institute suit for the enforcement of any payment on or with respect to any such Debt Security; (e) reduce the above stated percentage of outstanding Debt Securities of any series necessary to modify or amend the Indenture, to waive compliance with certain provisions thereof or certain defaults and consequences thereunder or to reduce the quorum or voting requirements set forth in the Indenture; or (f) modify any of the foregoing provisions or any of the provisions relating to the waiver of certain past defaults or certain covenants, except to increase the required percentage to effect such action or to provide that certain other provisions may not be modified or waived without the consent of the Holders of such Debt Security (Section 902). A Debt Security shall be deemed outstanding ("Outstanding") if it has been authenticated and delivered under the Indenture unless, among other things, such Debt Security has been cancelled or redeemed.

The Indenture provides that the Holders of not less than a majority in principal amount of a series of Outstanding Debt Securities have the right to waive compliance by the Operating Partnership with certain covenants relating to such series of Debt Securities in the Indenture (Section 1014).

Modifications and amendments of the Indenture will be permitted to be made by the Operating Partnership and the Trustee without the consent of any Holder of Debt Securities for any of the following purposes: (i) to evidence the succession of another Person to the Operating Partnership as obligor under the Indenture; (ii) to add to the covenants of the Operating Partnership for the benefit of the Holders of all or any series of Debt Securities or to surrender any right or power conferred upon the Operating Partnership in the Indenture; (iii) to add Events of Default for the benefit of the Holders of all or any series of Debt Securities; (iv) to add or change any provisions of the Indenture to facilitate the issuance of, or to liberalize certain terms of, Debt Securities in bearer form, or to permit or facilitate the issuance of Debt Securities in uncertificated

form, provided, that such action shall not adversely affect the interests of the Holders of the Debt Securities of any series in any material respect; (v) to change or eliminate any provisions of the Indenture, provided that any such change or elimination shall become effective only when there are no Debt Securities Outstanding of any series created prior thereto which are entitled to the benefit of such provision; (vi) to secure the Debt Securities; (vii) to establish the form or terms of Debt Securities of any series; (viii) to provide for the acceptance of appointment by a successor Trustee or facilitate the administration of the trusts under the Indenture by more than one Trustee; (ix) to cure any ambiguity, defect or inconsistency in the Indenture, provided that such action shall not adversely affect the interests of Holders of Debt Securities of any series in any material respect; or (x) to supplement any of

the provisions of the Indenture to the extent necessary to permit or facilitate defeasance and discharge of any series of such Debt Securities, provided that such action shall not adversely affect the interests of the Holders of the Debt Securities of any series in any material respect (Section 901).

The Indenture provides that in determining whether the Holders of the requisite principal amount of Outstanding Debt Securities of a series have given any request, demand, authorization, direction, notice, consent or waiver thereunder or whether a quorum is present at a meeting of Holders of Debt Securities, (i) the principal amount of an Original Issue Discount Security that shall be deemed to be Outstanding shall be the amount of the principal thereof that would be due and payable as of the date of such determination upon declaration of acceleration of the maturity thereof, (ii) the principal amount of a Debt Security denominated in a foreign currency that shall be deemed Outstanding shall be the U.S. dollar equivalent, determined on the issue date for such Debt Security, of the principal amount (or, in the case of an Original Issue Discount Security, the U.S. dollar equivalent on the issue date of such Debt Security of the amount determined as provided in (i) above), (iii) the principal amount of an Indexed Security that shall be deemed Outstanding shall be the principal face amount of such Indexed Security at original issuance, unless otherwise provided with respect to such Indexed Security pursuant to the Indenture; and (iv) Debt Securities owned by the Operating Partnership or any other obligor upon the Debt Securities or any affiliate of the Operating Partnership or of such other obligor shall be disregarded.

The Indenture contains provisions for convening meetings of the Holders of Debt Securities of a series (Section 1501). A meeting will be permitted to be called at any time by the Trustee, and also, upon request, by the Operating Partnership or the holders of at least 10% in principal amount of the Outstanding Debt Securities of such series, in any such case upon notice given as provided in the Indenture (Section 1502). Except for any consent that must be given by the Holder of each Debt Security affected by certain modifications and amendments of the Indenture, any resolution presented at a meeting or adjourned meeting duly reconvened at which a quorum is present will be permitted to be adopted by the affirmative vote of the Holders of a majority in principal amount of the Outstanding Debt Securities of that series; provided, however, that, except as referred to above, any resolution with respect to any request, demand, authorization, direction, notice, consent, waiver or other action that may be made, given or taken by the Holders of a specified percentage, which is less than a majority, in principal amount of the Outstanding Debt Securities of a series may be adopted at a meeting or adjourned meeting duly reconvened at which a quorum is present by the affirmative vote of the Holders of such specified percentage in principal amount of the Outstanding Debt Securities of that series. Any resolution passed or decision taken at any meeting of Holders of Debt Securities of any series duly held in accordance with the Indenture will be binding on all Holders of Debt Securities of that series. The quorum at any meeting called to adopt a resolution, and at any reconvened meeting, will be Persons holding or representing a majority in principal amount of the Outstanding Debt Securities of a series; provided, however, that if any action is to be taken at such meeting with respect to a consent or waiver which may be

given by the Holders of not less than a specified percentage in principal amount of the Outstanding Debt Securities of a series, the Persons holding or representing such specified percentage in principal amount of the Outstanding Debt Securities of such series will constitute a quorum (Section 1504).

Notwithstanding the foregoing provisions, if any action is to be taken at a meeting of Holders of Debt Securities of any series with respect to any request, demand, authorization, direction, notice, consent, waiver or other action that the Indenture expressly provides may be made, given or taken by the Holders of a specified percentage in principal amount of all Outstanding Debt Securities affected thereby, or of the Holders

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of such series and one or more additional series: (i) there shall be no minimum quorum requirement for such meeting and (ii) the principal amount of the Outstanding Debt Securities of such series that vote in favor of such request, demand, authorization, direction, notice, consent, waiver or other action shall be taken into account in determining whether such request, demand, authorization, direction, notice, consent, waiver or other action has been made, given or taken under the Indenture (Section 1504).

DISCHARGE, DEFEASANCE AND COVENANT DEFEASANCE

The Operating Partnership may discharge certain obligations to Holders of any series of Debt Securities that have not already been delivered to the Trustee for cancellation and that either have become due and payable or will become due and payable within one year (or scheduled for redemption within one year) by irrevocably depositing with the Trustee, in trust, funds in such currency or currencies, currency unit or units or composite currency or currencies in which such Debt Securities are payable in an amount sufficient to pay the entire indebtedness on such Debt Securities in respect of principal (and premium, if any) and interest to the date of such deposit (if such Debt Securities have become due and payable) or to the Stated Maturity or Redemption Date, as the case may be (Sections 1401 and 1404).

The Indenture provides that, if the provisions of Article Fourteen are made applicable to the Debt Securities of or within any series pursuant to Section 301 of the Indenture, the Operating Partnership may elect either (a) to defease and be discharged from any and all obligations with respect to such Debt Securities (except for the obligation to pay additional amounts, if any, upon the occurrence of certain events of tax, assessment or governmental charge with respect to payments on such Debt Securities and the obligations to register the transfer or exchange of such Debt Securities, to replace temporary or mutilated, destroyed, lost or stolen Debt Securities, to maintain an office or agency in respect of such Debt Securities and to hold moneys for payment in trust) ("defeasance") (Section 1402) or (b) to be released from its obligations with respect to such Debt Securities under sections 1004 to 1011, inclusive, of the Indenture (including the restrictions described under "Certain Covenants") and

its obligations with respect to any other covenant, and any omission to comply with such obligations shall not constitute a default or an Event of Default with respect to such Debt Securities ("covenant defeasance") (Section 1403), in either case upon the irrevocable deposit by the Operating Partnership with the Trustee, in trust, of an amount, in such currency or currencies, currency unit or units or composite currency or currencies in which such Debt Securities are payable at the stated maturity date specified thereon ("Stated Maturity"), or Government Obligations (as defined below), or both, applicable to such Debt Securities which through the scheduled payment of principal and interest in accordance with their terms will provide money in an amount sufficient to pay the principal of (and premium, if any) and interest on such Debt Securities, and any mandatory sinking fund or analogous payments thereon, on the scheduled due dates therefor.

Such a trust will only be permitted to be established if, among other things, the Operating Partnership has delivered to the Trustee an Opinion of Counsel (as specified in the Indenture) to the effect that the Holders of such Debt Securities will not recognize income, gain or loss for U.S. Federal income tax purposes as a result of such defeasance or covenant defeasance and will be subject to U.S. Federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such defeasance or covenant defeasance had not occurred, and such Opinion of Counsel, in the case of defeasance, must refer to and be based upon a ruling of the Internal Revenue Service or a change in applicable United States Federal income tax law occurring after the date of the Indenture (Section 1404).

"Government Obligations" means securities which are (i) direct obligations of the United States of America or the government which issued the foreign currency in which the Debt Securities of a particular series are payable, for the payment of which its full faith and credit is pledged or (ii) obligations of a person controlled or supervised by and acting as an agency or instrumentality of the United States of America or such government which issued the foreign currency in which the Debt Securities of such series are payable, the payment of which is unconditionally guaranteed as a full faith and credit obligation by the United States of America or such other government, which, in either case, are not callable or redeemable at the option of the issuer thereof, and shall also include a depository receipt issued by a bank or trust company as custodian with respect to any such Government Obligation or a specific payment of interest on or principal of any such

Government Obligation held by such custodian for the account of the holder of a depository receipt, provided that (except as required by law) such custodian is not authorized to make any deduction from the amount payable to the holder of such depository receipt from any amount received by the custodian in respect of the Government Obligation or the specific payment of interest on or principal of the Government Obligation evidenced by such depository receipt.

Unless otherwise provided in the applicable Prospectus Supplement, if after the Operating Partnership has deposited funds and/or Government Obligations to effect defeasance or covenant defeasance with respect to Debt Securities of any series; (a) the Holder of a Debt Security of such series is entitled to, and does, elect pursuant to the Indenture or the terms of such Debt Security to receive payment in a currency, currency unit or composite currency other than that in which such deposit has been made in respect of such Debt Security, or (b) a Conversion Event (as defined below) occurs in respect of the currency, currency unit or composite currency in which such deposit has been made, the indebtedness represented by such Debt Security shall be deemed to have been, and will be, fully discharged and satisfied through the payment of the principal of (and premium, if any) and interest on such Debt Security as they become due out of the proceeds yielded by converting the amount so deposited in respect of such Debt Security into the currency, currency unit or composite currency in which such Debt Security becomes payable as a result of such election or such Conversion Event based on the applicable market exchange rate. "Conversion Event" means the cessation of use of (i) a currency, currency unit or composite currency both by the government of the country which issued such currency and for the settlement of transactions by a central bank or other public institutions of or within the international banking community, (ii) the ECU both within the European Monetary System and for the settlement of transactions by public institutions of or within the European Community or (iii) any currency unit or composite currency other than the ECU for the purposes for which it was established.

Unless otherwise provided in the applicable Prospectus Supplement, all payments of principal of (and premium, if any) and interest on any Debt Security that is payable in a foreign currency that ceases to be used by its government of issuance shall be made in U.S. dollars.

In the event the Operating Partnership effects covenant defeasance with respect to any Debt Securities and such Debt Securities are declared due and payable because of the occurrence of any Event of Default other than the Event of Default described in clause (d) under "Events of Default, Notice and Waiver" with respect to Sections 1004 to 1011, inclusive, of the Indenture (which sections would no longer be applicable to such Debt Securities) or described in clause (g) under "Events of Default, Notice and Waiver" with respect to any other covenant as to which there has been covenant defeasance, the amount in such currency, currency unit or composite currency in which such Debt securities are payable, and Government Obligations on deposit with the Trustee, will be sufficient to pay amounts due on such Debt Securities at the time of their Stated Maturity but may not be sufficient to pay amounts due on such Debt Securities at the time of the acceleration resulting from such event of Default. However, the Operating Partnership would remain liable to make payment of such amounts due at the time of acceleration.

The applicable Prospectus Supplement may further describe the provisions, if any, permitting such defeasance or covenant defeasance, including any modifications to the provisions described above, with respect to the Debt Securities of or within a particular series.

NO CONVERSION RIGHTS

The Debt Securities will not be convertible into or exchangeable for any capital stock of the Company or equity interest in the Operating Partnership.

GLOBAL SECURITIES

The Debt Securities of a series may be issued in whole or in part in the form of one or more global securities (the "Global Securities") that will be deposited with, or on behalf of, a depository (the "Depository") identified in the applicable Prospectus Supplement relating to such series. Global Securities may be issued in either registered or bearer form and in either temporary or permanent form. The specific

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terms of the depository arrangement with respect to a series of Debt Securities will be described in the applicable Prospectus Supplement relating to such series.

DESCRIPTION OF COMMON STOCK

GENERAL

The authorized common stock of the Company includes 100,000,000 shares of Common Stock \$.01 par value per share. Each outstanding share of Common Stock entitles the holder to one vote on all matters presented to shareholders for a vote. Holders of Common Stock have no preemptive rights. At December 31, 1995, there were 21,577,636 shares of Common Stock outstanding, 5,139,243 shares reserved for issuance upon exchange of outstanding Units and 617,423 shares reserved for issuance upon exercise of outstanding stock options.

Shares of Common Stock currently outstanding are listed for trading on the New York Stock Exchange (the "NYSE") under the symbol "PPS." The Company will apply to the NYSE to list the additional shares of Common Stock to be sold pursuant to any Prospectus Supplement, and the Company anticipates that such shares will be so listed.

All shares of Common Stock issued will be duly authorized, fully paid, and nonassessable. Distributions may be paid to the holders of Common Stock if and when declared by the Board of Directors of the Company out of funds legally available therefor.

Under Georgia law, shareholders are generally not liable for the Company's debts or obligations. If the Company is liquidated, subject to the right of any holders of preferred stock, if any, to receive preferential distributions, each outstanding share of Common Stock will be entitled to participate pro rata in the assets remaining after payment of, or adequate provision for, all known

debts and liabilities of the Company.

PROVISIONS OF COMPANY'S ARTICLES OF INCORPORATION AND BYLAWS

The Articles of Incorporation of the Company provide for the Board of Directors to be divided into three classes of directors, each class to consist as nearly as possible of one-third of the directors. At each annual meeting of shareholders, the class of directors to be elected at such meeting will be elected for a three-year term and the directors in the other two classes will continue in office. The overall effect of the provisions in the Articles of Incorporation with respect to the classified board may be to render more difficult a change of control of the Company or removal of incumbent management. Holders of Common Stock have no right to cumulative voting for the election of directors. Consequently, at each annual meeting of shareholders, the holders of a plurality of the shares of Common Stock are able to elect all of the successors of the class of directors whose term expires at that meeting. Directors may be removed only for cause and only with the affirmative vote of the holders of a majority of the shares of Common Stock entitled to vote in the election of directors.

OTHER MATTERS

The transfer agent and registrar for the Common Stock is Wachovia Bank of North Carolina, N.A., Winston-Salem, North Carolina.

The Company may not engage in any merger, consolidation or other combination with or into another person or sale of all or substantially all of its assets unless such transaction includes the merger of the Operating Partnership or sale of substantially all of the assets of the Operating Partnership, which sale or merger must be approved by the holders of a majority of the Units. If the Company were ever to hold less than a majority of the Units, this voting requirement might limit the possibility for acquisition or change in the control of the Company.

RESTRICTIONS ON TRANSFER

Ownership Limits. The Company's Articles of Incorporation contain certain restrictions on the number of shares of Common Stock that a single shareholder may own. For the Company to qualify as a REIT under the Code, no more than 50% in value of its outstanding shares of Common Stock may be owned, actually and constructively under the applicable attribution provisions of the Code, by five or fewer individuals (as defined in the Code to include certain entities) during the last half of a taxable year (other than the first year) or during a proportionate part of a shorter taxable year. The Common Stock must also be beneficially owned by 100 or more persons during at least 335 days of a taxable year (other than the first year) or during a proportionate part of a shorter taxable year. Because the Company has elected to be treated as a REIT, the

Articles of Incorporation of the Company contain restrictions on the acquisition of Common Stock intended to ensure compliance with these requirements.

Subject to certain exceptions specified in the Articles of Incorporation, no person other than Messrs. Williams and Glover may own, or be deemed to own by virtue of the applicable attribution provisions of the Code, more than 6% (the "Ownership Limit") of the outstanding shares of Common Stock. Messrs. Williams and Glover are subject to a separate limitation (referred to as the "Excluded Holder Limit") pursuant to which they are prohibited from owning (actually and constructively under the applicable attribution provisions of the Code) more than 31%, in the aggregate, of the outstanding shares of Common Stock. In addition, Messrs. Williams and Glover are prohibited from acquiring any shares of Common Stock if such acquisition would cause five individuals to own (actually and constructively under the applicable attribution provisions of the Code) in the aggregate more than 50% in value of the outstanding shares of Common Stock.

If any shareholder purports to transfer shares to a person and either the transfer would result in the Company failing to qualify as a REIT, or the shareholder knows that such transfer would cause the transferee to hold more than the applicable Ownership Limit or Excluded Holder Limit, the purported transfer will be null and void as to that number of shares the transfer of which would cause a violation of the applicable limit, and the shareholder will be deemed not to have transferred such excess shares. In addition, if any person holds shares of Common Stock in excess of the applicable Ownership Limit or Excluded Holder Limit, such person will be deemed to hold the shares that cause the applicable limit to be exceeded in trust for the Company, and will not receive dividends or distributions with respect to such shares and will not be entitled to vote such shares. The person will be required to sell such shares to the Company for the lesser of the amount paid for the shares and the average of the last reported sales prices for the ten trading days immediately preceding the redemption or to sell such shares at the direction of the Company, in which case the Company will be reimbursed for its expenses in connection with the sale plus any remaining amount of such proceeds that exceeds the amount such person paid for the shares and such person will be entitled to receive only the balance of the proceeds. If the Company repurchases such shares, it may elect to pay for the shares with Units.

All certificates representing shares of Common Stock will bear a legend referring to the restrictions described above.

Every owner of more than 5% (or such lower percentage as may be required by the Code or regulations thereunder) of the issued and outstanding shares of Common Stock must file a written notice with the Company containing the information specified in the Articles of Incorporation no later than January 30 of each year. In addition, each shareholder shall upon demand be required to disclose to the Company in writing such information as the Company may request in good faith in order to determine the Company's status as a REIT.

The foregoing ownership limitations may have the effect of precluding

acquisition of control of the Company without the consent of the Board of Directors.

DESCRIPTION OF PREFERRED STOCK

GENERAL

The Company is authorized to issue 20,000,000 share of preferred stock, \$.01 par value per share, of which no Preferred Stock was outstanding at December 31, 1995.

The following description of the Preferred Stock sets forth certain general terms and provisions of the Preferred Stock to which any Prospectus Supplement may relate. The statements below describing the Preferred Stock are in all respects subject to and qualified in their entirety by reference to the applicable provisions of the Company's Articles of Incorporation (the "Articles of Incorporation") and Bylaws and any applicable amendment to the Articles of Incorporation designating terms of a series of Preferred Stock (a "Designating Amendment").

TERMS

Subject to the limitations prescribed by the Articles of Incorporation, the Board of Directors is authorized to fix the number of shares constituting each series of Preferred Stock and the designations and powers, preferences and relative, participating, optional or other special rights and qualifications, limitations or restrictions thereof, including such provisions as may be desired concerning voting, redemption, dividends, dissolution or the distribution of assets, conversion or exchange, and such other subjects or matters as may be fixed by resolution of the Board of Directors. The Preferred Stock will, when issued, be fully paid and nonassessable by the Company (except as described under "-- Shareholder Liability" below) and will have no preemptive rights.

Reference is made to the Prospectus Supplement relating to the Preferred Stock offered thereby for specific terms thereof, including:

- (1) The title and stated value of such Preferred Stock;
- (2) The number of shares of such Preferred Stock offered, the liquidation preference per share and the offering price of such Preferred Stock;
- (3) The dividend rate(s), period(s) and/or payment date(s) or method(s) of calculation thereof applicable to such Preferred Stock;
- (4) The date from which dividends on such Preferred Stock shall accumulate, if applicable;

(5) The procedures for any auction or remarketing, if any, for such Preferred Stock;

(6) The provision for a sinking fund, if any, for such Preferred Stock;

(7) The provision for redemption, if applicable, of such Preferred Stock;

(8) Any listing of such Preferred Stock on any securities exchange;

(9) The terms and conditions, if applicable, upon which such Preferred Stock will be convertible into Common Stock of the Company, including the conversion price (or manner of calculation thereof);

(10) Whether interests in such Preferred Stock will be represented by Depositary Shares;

(11) Any other specific terms, preferences, rights, limitations or restrictions of such Preferred Stock;

(12) A discussion of U.S. Federal income tax considerations applicable to such Preferred Stock;

(13) The relative ranking of preferences of such Preferred Stock as to dividend rights and rights upon liquidation, dissolution or winding up of the affairs of the Company;

(14) Any limitations on issuance of any series of Preferred Stock ranking senior to or on a parity with such series of Preferred Stock as to dividend rights and rights upon liquidation, dissolution or winding up of the affairs of the Company; and

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(15) Any limitations on direct or beneficial ownership and restrictions on transfer, in each case as may be appropriate to preserve the status of the Company as a REIT.

The applicable Prospectus Supplement will summarize the nature and scope of any event risk provisions contained in any series of Preferred Stock, including the types of events protected by such provisions and any limitations on the Company's ability to satisfy its obligations under such provisions. The applicable Prospectus Supplement will also summarize anti-takeover provisions in other securities of the Operating Partnership or the General Partnership, which could have a material effect on any series of Preferred Stock. Such summary will contain a detailed and quantifiable definition of any "change in control" provision.

RANK

Unless otherwise specified in the Prospectus Supplement, the Preferred Stock will, with respect to dividend rights and rights upon liquidation, dissolution or winding up of the Company, rank (i) senior to all classes or series of Common Stock of the Company, and to all equity securities ranking junior to such Preferred Stock; (ii) on a parity with all equity securities issued by the Company the terms of which specifically provide that such equity securities rank on a parity with the Preferred Stock; and (iii) junior to all equity securities issued by the Company the terms of which specifically provide that such equity securities rank senior to the Preferred Stock. The term "equity securities" does not include convertible debt securities.

DIVIDENDS

Holders of the Preferred Stock of each series will be entitled to receive, when, as and if declared by the Board of Directors of the Company, out of assets of the Company legally available for payment, cash dividends at such rates and on such dates as will be set forth in the applicable Prospectus Supplement. Each such dividend shall be payable to holders of record as they appear on the share transfer books of the Company on such record dates as shall be fixed by the Board of Directors of the Company.

Dividends on any series of the Preferred Stock may be cumulative or non-cumulative, as provided in the applicable Prospectus Supplement. Dividends, if cumulative, will be cumulative from and after the date set forth in the applicable Prospectus Supplement. If the Board of Directors of the Company fails to declare a dividend payable on a dividend payment date on any series of the Preferred Stock for which dividends are non-cumulative, then the holders of such series of the Preferred Stock will have no right to receive a dividend in respect of the dividend period ending on such dividend payment date, and the Company will have no obligation to pay the dividend accrued for such period, whether or not dividends on such series are declared payable on any future dividend payment date.

If Preferred Stock of any series is outstanding, no dividends will be declared or paid or set apart for payment on any capital stock of the Company of any other series ranking, as to dividends, on a parity with or junior to the Preferred Stock of such series for any period unless (i) if such series of Preferred Stock has a cumulative dividend, full cumulative dividends have been or contemporaneously are declared and paid or declared and a sum sufficient for the payment thereof set apart for such payment on the Preferred Stock of such series for all past dividend periods and the then current dividend period or (ii) if such series of Preferred Stock does not have a cumulative dividend, full dividends for the then current dividend period have been or contemporaneously are declared and paid or declared and a sum sufficient for the payment thereof set apart for such payment on the Preferred Stock of such series. When dividends are not paid in full (or a sum sufficient for such full payment is not so set apart) upon Preferred Stock of any series and the shares of any other series of

Preferred Stock ranking on a parity as to dividends with the Preferred Stock of such series, all dividends declared upon Preferred Stock of such series and any other series of Preferred Stock ranking on a parity as to dividends with such Preferred Stock shall be declared pro rata so that the amount of dividends declared per share of Preferred Stock of such series and such other series of Preferred Stock shall in all cases bear to each other the same ratio that accrued dividends per share on the Preferred Stock of such series (which shall not include any accumulation in respect of unpaid dividends for prior dividend periods if such Preferred Stock does not have a cumulative dividend) and such other series of Preferred Stock bear to each

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other. No interest, or sum of money in lieu of interest, shall be payable in respect of any dividend payment or payments on Preferred Stock of such series which may be in arrears.

Except as provided in the immediately preceding paragraph, unless (i) if such series of Preferred Stock has a cumulative dividend, full cumulative dividends on the Preferred Stock of such series have been or contemporaneously are declared and paid or declared and a sum sufficient for the payment thereof set apart for payment for all past dividend periods and the then current dividend period, and (ii) if such series of Preferred Stock does not have a cumulative dividend, full dividends on the Preferred Stock of such series have been or contemporaneously are declared and paid or declared and a sum sufficient for the payment thereof set apart for payment for the then current dividend period, no dividends (other than in shares of Common Stock or other capital shares ranking junior to the Preferred Stock of such series as to dividends and upon liquidation) shall be declared or paid or set aside for payment or other distribution shall be declared or made upon the Common Stock, or any other capital shares of the Company ranking junior to or on a parity with the Preferred Stock of such series as to dividends or upon liquidation, nor shall any shares of Common Stock, or any other capital shares of the Company ranking junior to or on a parity with the Preferred Stock of such series as to dividends or upon liquidation be redeemed, purchased or otherwise acquired for any consideration (or any moneys be paid to or made available for a sinking fund for the redemption of any such shares) by the Company (except by conversion into or exchange for other capital shares of the Company ranking junior to the Preferred Stock of such series as to dividends and upon liquidation).

REDEMPTION

If so provided in the applicable Prospectus Supplement, the Preferred Stock will be subject to mandatory redemption or redemption at the option of the Company, as a whole or in part, in each case upon the terms, at the times and at the redemption prices set forth in such Prospectus Supplement.

The Prospectus Supplement relating to a series of Preferred Stock that is subject to mandatory redemption will specify the number of shares of such

Preferred Stock that shall be redeemed by the Company in each year commencing after a date to be specified, at a redemption price per share to be specified, together with an amount equal to all accrued and unpaid dividends thereon (which shall not, if such Preferred Stock does not have a cumulative dividend, include any accumulation in respect of unpaid dividends for prior dividend periods) to the date of redemption. The redemption price may be payable in cash or other property, as specified in the applicable Prospectus Supplement. If the redemption price for Preferred Stock of any series is payable only from the net proceeds of the issuance of capital shares of the Company, the terms of such Preferred Stock may provide that, if no such capital shares shall have been issued or to the extent the net proceeds from any issuance are insufficient to pay in full the aggregate redemption price then due, such Preferred Stock shall automatically and mandatorily be converted into the applicable capital shares of the Company pursuant to conversion provisions specified in the applicable Prospectus Supplement.

Notwithstanding the foregoing, unless (i) if such series of Preferred Stock has a cumulative dividend, full cumulative dividends on all shares of any series of Preferred Stock shall have been or contemporaneously are declared and paid or declared and a sum sufficient for the payment thereof set apart for payment for all past dividend periods and the then current dividend period, and (ii) if such series of Preferred Stock does not have a cumulative dividend, full dividends of the Preferred Stock of any series have been or contemporaneously are declared and paid or declared and a sum sufficient for the payment thereof set apart for payment for the then current dividend period, no shares of any series of Preferred Stock shall be redeemed unless all outstanding Preferred Stock of such series is simultaneously redeemed; provided, however, that the foregoing shall not prevent the purchase or acquisition of Preferred Stock of such series to preserve the REIT status of the Company or pursuant to a purchase or exchange offer made on the same terms to holders of all outstanding Preferred Stock of such series. In addition, unless (i) if such series of Preferred Stock has a cumulative dividend, full cumulative dividends on all outstanding shares of any series of Preferred Stock have been or contemporaneously are declared and paid or declared and a sum sufficient for the payment thereof set apart for payment for all past dividends periods and the then current dividend period, and (ii) if such series of Preferred Stock does not have a cumulative dividend, full dividends on the Preferred Stock of any series have been or contemporaneously are declared and paid or declared and a sum sufficient for the payment thereof set

apart for payment for the then current dividend period, the Company shall not purchase or otherwise acquire directly or indirectly any shares of Preferred Stock of such series (except by conversion into or exchange for capital shares of the Company ranking junior to the Preferred Stock of such series as to dividends and upon liquidation); provided, however, that the foregoing shall not prevent the purchase or acquisition of Preferred Stock of such series to preserve the REIT status of the Company or pursuant to a purchase or exchange

offer made on the same terms to holders of all outstanding Preferred Stock of such series.

If fewer than all of the outstanding shares of Preferred Stock of any series are to be redeemed, the number of shares to be redeemed will be determined by the Company and such shares may be redeemed pro rata from the holders of record of such shares in proportion to the number of such shares held or for which redemption is requested by such holder (with adjustments to avoid redemption of fractional shares) or by lot in a manner determined by the Company.

Notice of redemption will be mailed at least 30 days but not more than 60 days before the redemption date to each holder of record of Preferred Stock of any series to be redeemed at the address shown on the share transfer books of the Company. Each notice shall state: (i) the redemption date; (ii) the number of shares and series of the Preferred Stock to be redeemed; (iii) the redemption price; (iv) the place or places where certificates for such Preferred Stock are to be surrendered for payment of the redemption price; (v) that dividends on the shares to be redeemed will cease to accrue on such redemption date; and (vi) the date upon which the holder's conversion rights, if any, as to such shares shall terminate. If fewer than all the shares of Preferred Stock of any series are to be redeemed, the notice mailed to each such holder thereof shall also specify the number of shares of Preferred Stock to be redeemed from each such holder. If notice of redemption of any Preferred Stock has been given and if the funds necessary for such redemption have been set aside by the Company in trust for the benefit of the holders of any Preferred Stock so called for redemption, then from and after the redemption date dividends will cease to accrue on such Preferred Stock, and all rights of the holders of such shares will terminate, except the right to receive the redemption price.

LIQUIDATION PREFERENCE

Upon any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Company, then, before any distribution or payment shall be made to the holders of any Common Stock or any other class or series of capital shares of the Company ranking junior to the Preferred Stock in the distribution of assets upon any liquidation, dissolution or winding up of the Company, the holders of each series of Preferred Stock shall be entitled to receive out of assets of the Company legally available for distribution to shareholders liquidating distributions in the amount of the liquidation preference per share (set forth in the applicable Prospectus Supplement), plus an amount equal to all dividends accrued and unpaid thereon (which shall not include any accumulation in respect of unpaid dividends for prior dividend periods if such Preferred Stock does not have a cumulative dividend). After payment of the full amount of the liquidating distributions to which they are entitled, the holders of Preferred Stock will have no right or claim to any of the remaining assets of the Company. In the event that, upon any such voluntary or involuntary liquidation, dissolution or winding up, the available assets of the Company are insufficient to pay the amount of the liquidating distributions on all outstanding Preferred Stock and the corresponding amounts payable on all shares

of other classes or series of capital shares of the Company ranking on a parity with the Preferred Stock in the distribution of assets, then the holders of the Preferred Stock and all other such classes or series of capital shares shall share ratably in any such distribution of assets in proportion to the full liquidating distributions to which they would otherwise be respectively entitled.

If liquidating distributions shall have been made in full to all holders of Preferred Stock, the remaining assets of the Company shall be distributed among the holders of any other classes or series of capital shares ranking junior to the Preferred Stock upon liquidation, dissolution or winding up, according to their respective rights and preferences and in each case according to their respective number of shares. For such purposes, the consolidation or merger of the Company with or into any other corporation, trust or entity, or the sale, lease or conveyance of all or substantially all of the property or business of the Company, shall not be deemed to constitute a liquidation, dissolution or winding up of the Company.

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VOTING RIGHTS

Holders of the Preferred Stock will not have any voting rights, except as set forth below or as otherwise from time to time required by law or as indicated in the applicable Prospectus Supplement.

Whenever dividends on any shares of Preferred Stock shall be in arrears for six or more consecutive quarterly periods, the holders of such shares of Preferred Stock (voting separately as a class with all other series of Preferred Stock upon which like voting rights have been conferred and are exercisable) will be entitled to vote for the election of two additional directors of the Company at a special meeting called by the holders of record of at least ten percent (10%) of any series of Preferred Stock so in arrears (unless such request is received less than 90 days before the date fixed for the next annual or special meeting of the shareholders) or at the next annual meeting of shareholders, and at each subsequent annual meeting until (i) if such series of Preferred Stock has a cumulative dividend, all dividends accumulated on such shares of Preferred Stock for the past dividend periods and the then current dividend period shall have been fully paid or declared and a sum sufficient for the payment thereof set aside for payment or (ii) if such series of Preferred Stock does not have a cumulative dividend, four consecutive quarterly dividends shall have been fully paid or declared and a sum sufficient for the payment thereof set aside for payment. In such case, the entire Board of Directors of the Company will be increased by two directors.

Unless provided otherwise for any series of Preferred Stock, so long as any shares of Preferred Stock remain outstanding, the Company will not, without the affirmative vote or consent of the holders of at least two-thirds of the shares of each series of Preferred Stock outstanding at the time, given in person or by

proxy, either in writing or at a meeting (such series voting separately as a class), (i) authorize or create, or increase the authorized or issued amount of, any class or series of capital stock ranking prior to such series of Preferred Stock with respect to payment of dividends or the distribution of assets upon liquidation, dissolution or winding up or reclassify any authorized capital stock of the Company into such shares, or create, authorize or issue any obligation or security convertible into or evidencing the right to purchase any such shares; or (ii) amend, alter or repeal the provisions of the Company's Articles of Incorporation or the Designating Amendment for such series of Preferred Stock, whether by merger, consolidation or otherwise (an "Event"), so as to materially and adversely affect any right, preference, privilege or voting power of such series of Preferred Stock or the holder thereof; provided, however, to the occurrence of any of the Events set forth in (ii) above, so long as the Preferred Stock remains outstanding with the terms thereof materially unchanged, taking into account that upon the occurrence of an Event, the Company may not be the surviving entity, the occurrence of any such Event shall not be deemed to materially and adversely affect such rights, preferences, privileges or voting power of holders of Preferred Stock and provided further that (x) any increase in the amount of the authorized Preferred Stock or the creation or issuance of any other series of Preferred Stock, or (y) any increase in the amount of authorized shares of such series or any other series of Preferred Stock, in each case ranking on a parity with or junior to the Preferred Stock of such series with respect to payment of dividends or the distribution of assets upon liquidation, dissolution or winding up, shall not be deemed to materially and adversely affect such rights, preferences, privileges or voting powers.

The foregoing voting provisions will not apply if, at or prior to the time when the act with respect to which such vote would otherwise be required shall be effected all outstanding shares of such series of Preferred Stock shall have been redeemed or called for redemption and sufficient funds shall have been deposited in trust to effect such redemption.

Under Georgia law, notwithstanding anything to the contrary set forth above, holders of each series of Preferred Stock will be entitled to vote as a class upon any proposed amendment to the Articles of Incorporation, whether or not entitled to vote thereon by the Articles of Incorporation, if the amendment would (i) increase or decrease the aggregate number of authorized shares of such series; (ii) effect an exchange or reclassification of all or part of the shares of the series into shares of another series; (iii) effect an exchange or reclassification, or create the right of exchange, of all or part of the shares of another class or series into shares of the series; (iv) change the designation, rights, preferences or limitations of all or a part of the shares of the series; (v) change the shares of all or part of the series into a different number of shares of the same series; (vi) create a new series having rights or preferences with respect to distributions or dissolution

that are prior, superior or substantially equal to the shares of the series;

(vii) increase the rights, preferences or number of authorized shares of any class or series that, after giving effect to the amendment, have rights or preferences with respect to distributions or to dissolution that are prior, superior or substantially equal to the shares of the series; (viii) limit or deny an existing preemptive right of all or part of the shares of the series; or (ix) cancel or otherwise affect rights to distributions or dividends that have accumulated but have not yet been declared on all or part of the shares of the series.

CONVERSION RIGHTS

The terms and conditions, if any, upon which any series of Preferred Stock is convertible into shares of Common Stock will be set forth in the applicable Prospectus Supplement relating thereto. Such terms will include the number of shares of Common Stock into which the shares of Preferred Stock are convertible, the conversion price (or manner of calculation thereof), the conversion period, provisions as to whether conversions will be at the option of the holders of the Preferred Stock or the Company, the events requiring an adjustment of the conversion price and provisions affecting conversion in the event of the redemption of such series of Preferred Stock.

SHAREHOLDER LIABILITY

As discussed below under "Description of Common Stock -- General," applicable Georgia law provides that no shareholder, including holders of Preferred Stock, shall be personally liable for the acts and obligations of the Company and that the funds and property of the Company shall be the only recourse for such acts or obligations.

RESTRICTIONS ON OWNERSHIP

As discussed below under "Description of Common Stock -- Restrictions on Transfer," for the Company to qualify as a REIT under the Code, not more than 50% in value of its outstanding capital shares may be owned, directly or indirectly, by five or fewer individuals (as defined in the Code to include certain entities) during the last half of a taxable year. To assist the Company in meeting this requirement, the Company may take certain actions to limit the beneficial ownership, directly or indirectly, by a single person of the Company's outstanding equity securities, including any Preferred Stock of the Company. Therefore, the Designating Amendment for each series of Preferred Stock may contain provisions restricting the ownership and transfer of the Preferred Stock. The applicable Prospectus Supplement will specify any additional ownership limitation relating to a series of Preferred Stock.

REGISTRAR AND TRANSFER AGENT

The Registrar and Transfer Agent for the Preferred Stock will be set forth in the applicable Prospectus Supplement.

DESCRIPTION OF DEPOSITARY SHARES

GENERAL

The Company may issue receipts ("Depositary Receipts") for Depositary Shares, each of which will represent a fractional interest of a share of a particular series of Preferred Stock, as specified in the applicable Prospectus Supplement. Shares of Preferred Stock of each series represented by Depositary Shares will be deposited under a separate deposit agreement (each, a "Deposit Agreement") among the Company, the depositary named therein (a "Preferred Stock Depositary") and the holders from time to time of the Depositary Receipts. Subject to the terms of the applicable Deposit Agreement, each owner of a Depositary Receipt will be entitled, in proportion to the fractional interest of a share of a particular series of Preferred Stock represented by the Depositary Shares evidenced by such Depositary Receipt, to all the rights and preferences of the Preferred Stock represented by such Depositary Shares (including dividend, voting, conversion, redemption and liquidation rights).

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The Depositary Shares will be evidenced by Depositary Receipts issued pursuant to the applicable Deposit Agreement. Immediately following the issuance and delivery of the Preferred Stock by the Company to a Preferred Stock Depositary, the Company will cause such Preferred Stock Depositary to issue, on behalf of the Company, the Depositary Receipts. Copies of the applicable form of Deposit Agreement and Depositary Receipt may be obtained from the Company upon request, and the statements made hereunder relating to Deposit Agreements and the Depositary Receipts to be issued thereunder are summaries of certain anticipated provisions thereof and do not purport to be complete and are subject to, and qualified in their entirety by reference to, all of the provisions of the applicable Deposit Agreement and related Depositary Receipts.

DIVIDENDS AND OTHER DISTRIBUTIONS

A Preferred Stock Depositary will be required to distribute all cash dividends or other cash distributions received in respect of the applicable Preferred Stock to the record holders of Depositary Receipts evidencing the related Depositary Shares in proportion to the number of such Depositary Receipts owned by such holders, subject to certain obligations of holders to file proofs, certificates and other information and to pay certain charges and expenses to such Preferred Stock Depositary.

In the event of a distribution other than in cash, a Preferred Stock Depositary will be required to distribute property received by it to the record holders of Depositary Receipts entitled thereto, subject to certain obligations of holders to file proofs, certificates and other information and to pay certain charges and expenses to such Preferred Stock Depositary, unless such Preferred Stock Depositary determines that it is not feasible to make such distribution, in which case such Preferred Stock Depositary may, with the approval of the Company, sell such property and distribute the net proceeds from such sale to

such holders.

No distribution will be made in respect of any Depositary Share to the extent that it represents any Preferred Stock which has been converted or exchanged.

WITHDRAWAL OF STOCK

Upon surrender of the Depositary Receipts at the corporate trust office of the applicable Preferred Stock Depositary (unless the related Depositary Shares have previously been called for redemption or converted), the holders thereof will be entitled to delivery at such office, to or upon each such holder's order, of the number of whole or fractional shares of the applicable Preferred Stock and any money or other property represented by the Depositary Shares evidenced by such Depositary Receipts. Holders of Depositary Receipts will be entitled to receive whole or fractional shares of the related Preferred Stock on the basis of the proportion of Preferred Stock represented by each Depositary Share as specified in the applicable Prospectus Supplement, but holders of such shares of Preferred Stock will not thereafter be entitled to receive Depositary Shares therefor. If the Depositary Receipts delivered by the holder evidence a number of Depositary Shares in excess of the number of Depositary Shares representing the number of shares of Preferred Stock to be withdrawn, the applicable Preferred Stock Depositary will be required to deliver to such holder at the same time a new Depositary Receipt evidencing such excess number of Depositary Shares.

REDEMPTION OF DEPOSITARY SHARES

Whenever the Company redeems shares of Preferred Stock held by a Preferred Stock Depositary, such Preferred Stock Depositary will be required to redeem as of the same redemption date the number of Depositary Shares representing shares of the Preferred Stock so redeemed, provided the Company shall have paid in full to such Preferred Stock Depositary the redemption price of the Preferred Stock to be redeemed plus an amount equal to any accrued and unpaid dividends thereon to the date fixed for redemption. The redemption price per Depositary Share will be equal to the redemption price and any other amounts per share payable with respect to the Preferred Stock. If fewer than all the Depositary Shares are to be redeemed, the Depositary Shares to be redeemed will be selected pro rata (as nearly as may be practicable without creating fractional Depositary Shares) or by any other equitable method determined by the Company that preserves the REIT status of the Company.

From and after the date fixed for redemption, all dividends in respect of the shares of Preferred Stock so called for redemption will cease to accrue, the Depositary Shares so called for redemption will no longer be deemed to be outstanding and all rights of the holders of the Depositary Receipts evidencing the Depositary Shares so called for redemption will cease, except the right to

receive any moneys payable upon such redemption and any money or other property to which the holders of such Depositary Receipts were entitled upon such redemption upon surrender thereof to the applicable Preferred Stock Depositary.

VOTING OF THE PREFERRED STOCK

Upon receipt of notice of any meeting at which the holders of the applicable Preferred Stock are entitled to vote, a Preferred Stock Depositary will be required to mail the information contained in such notice of meeting to the record holders of the Depositary Receipts evidencing the Depositary Shares which represent such Preferred Stock. Each record holder of Depositary Receipts evidencing Depositary Shares on the record date (which will be the same date as the record date for the Preferred Stock) will be entitled to instruct such Preferred Stock Depositary as to the exercise of the voting rights pertaining to the amount of Preferred Stock represented by such holder's Depositary Shares. Such Preferred Stock Depositary will be required to vote the amount of Preferred Stock represented by such Depositary Shares in accordance with such instructions, and the Company will agree to take all reasonable action which may be deemed necessary by such Preferred Stock Depositary in order to enable such Preferred Stock Depositary to do so. Such Preferred Stock Depositary will be required to abstain from voting the amount of Preferred Stock represented by such Depositary Shares to the extent it does not receive specific instructions from the holders of Depositary Receipts evidencing such Depositary Shares. A Preferred Stock Depositary will not be responsible for any failure to carry out any instruction to vote, or for the manner or effect of any such vote made, as long as any such action or non-action is in good faith and does not result from negligence or willful misconduct of such Preferred Stock Depositary.

LIQUIDATION PREFERENCE

In the event of the liquidation, dissolution or winding up of the Company, whether voluntary or involuntary, the holders of each Depositary Receipt will be entitled to the fraction of the liquidation preference accorded each share of Preferred Stock represented by the Depositary Share evidenced by such Depositary Receipt, as set forth in the applicable Prospectus Supplement.

CONVERSION OF PREFERRED STOCK

The Depositary Shares, as such, will not be convertible into Common Stock or any other securities or property of the Company. Nevertheless, if so specified in the applicable Prospectus Supplement relating to an offering of Depositary Shares, the Depositary Receipts may be surrendered by holders thereof to the applicable Preferred Stock Depositary with written instructions to such Preferred Stock Depositary to instruct the Company to cause conversion of the Preferred Stock represented by the Depositary Shares evidenced by such Depositary Receipts into whole shares of Common Stock, other shares of Preferred Stock of the Company or other shares of stock, and the Company will agree that upon receipt of such instructions and any amounts payable in respect thereof, it will cause the conversion thereof utilizing the same procedures as those provided for delivery of Preferred Stock to effect such conversion. If the

Depository Shares evidenced by a Depository Receipt are to be converted in part only, a new Depository Receipt or Receipts will be issued for any Depository Shares not to be converted. No fractional shares of Common Stock will be issued upon conversion, and if such conversion will result in a fractional share being issued, an amount will be paid in cash by the Company equal to the value of the fractional interest based upon the closing price of the Common Stock on the last business day prior to the conversion.

AMENDMENT AND TERMINATION OF A DEPOSIT AGREEMENT

Any form of Depository Receipt evidencing Depository Shares which will represent Preferred Stock and any provision of a Deposit Agreement will be permitted at any time to be amended by agreement between the Company and the applicable Preferred Stock Depository. However, any amendment that materially and adversely alters the rights of the holders of Depository Receipts or that would be materially and adversely

inconsistent with the rights granted to the holders of the related Preferred Stock will not be effective unless such amendment has been approved by the existing holders of at least two-thirds of the applicable Depository Shares evidenced by the applicable Depository Receipts then outstanding. No amendment shall impair the right, subject to certain anticipated exceptions in the Deposit Agreements, of any holders of Depository Receipts to surrender any Depository Receipt with instructions to deliver to the holder the related Preferred Stock and all money and other property, if any, represented thereby, except in order to comply with law. Every holder of an outstanding Depository Receipt at the time any such amendment becomes effective shall be deemed, by continuing to hold such Depository Receipt, to consent and agree to such amendment and to be bound by the applicable Deposit Agreement as amended thereby.

A Deposit Agreement will be permitted to be terminated by the Company upon not less than 30 days' prior written notice to the applicable Preferred Stock Depository if (i) such termination is necessary to preserve the Company's status as a REIT or (ii) a majority of each series of Preferred Stock affected by such termination consents to such termination, whereupon such Preferred Stock Depository will be required to deliver or make available to each holder of Depository Receipts, upon surrender of the Depository Receipts held by such holder, such number of whole or fractional shares of Preferred Stock as are represented by the Depository Shares evidenced by such Depository Receipts together with any other property held by such Preferred Stock Depository with respect to such Depository Receipts. The Company will agree that if a Deposit Agreement is terminated to preserve the Company's status as a REIT, then the Company will use its best efforts to list the Preferred Stock issued upon surrender of the related Depository Shares on a national securities exchange. In addition, a Deposit Agreement will automatically terminate if (i) all outstanding Depository Shares thereunder shall have been redeemed, (ii) there shall have been a final distribution in respect of the related Preferred Stock

in connection with any liquidation, dissolution or winding up of the Company and such distribution shall have been distributed to the holders of Depositary Receipts evidencing the Depositary Shares representing such Preferred Stock or (iii) each share of the related Preferred Stock shall have been converted into stock of the Company not so represented by Depositary Shares.

CHARGES OF A PREFERRED STOCK DEPOSITARY

The Company will pay all transfer and other taxes and governmental charges arising solely from the existence of a Deposit Agreement. In addition, the Company will pay the fees and expenses of a Preferred Stock Depositary in connection with the performance of its duties under a Deposit Agreement. However, holders of Depositary Receipts will pay the fees and expenses of a Preferred Stock Depositary for any duties requested by such holders to be performed which are outside of those expressly provided for in the applicable Deposit Agreement.

RESIGNATION AND REMOVAL OF DEPOSITARY

A Preferred Stock Depositary will be permitted to resign at any time by delivering to the Company notice of its election to do so, and the Company will be permitted at any time to remove a Preferred Stock Depositary, any such resignation or removal to take effect upon the appointment of a successor Preferred Stock Depositary. A successor Preferred Stock Depositary will be required to be appointed within 60 days after delivery of the notice of resignation or removal and will be required to be a bank or trust company having its principal office in the United States and having a combined capital and surplus of at least \$50,000,000.

MISCELLANEOUS

A Preferred Stock Depositary will be required to forward to holders of Depositary Receipts any reports and communications from the Company which are received by such Preferred Stock Depositary with respect to the related Preferred Stock.

Neither a Preferred Stock Depositary nor the Company will be liable if it is prevented from or delayed in, by law or any circumstances beyond its control, performing its obligations under a Deposit Agreement. The obligations of the Company and a Preferred Stock Depositary under a Deposit Agreement will be limited to performing their duties thereunder in good faith and without negligence (in the case of any action or inaction

in the voting of Preferred Stock represented by the applicable Depositary Shares), gross negligence or willful misconduct, and neither the Company nor any applicable Preferred Stock Depositary will be obligated to prosecute or defend any legal proceeding in respect of any Depositary Receipts, Depositary Shares or

shares of Preferred Stock represented thereby unless satisfactory indemnity is furnished. The Company and any Preferred Stock Depositary will be permitted to rely on written advice of counsel or accountants, or information provided by persons presenting shares of Preferred Stock represented thereby for deposit, holders of Depositary Receipts or other persons believed in good faith to be competent to give such information, and on documents believed in good faith to be genuine and signed by a proper party.

In the event a Preferred Stock Depositary shall receive conflicting claims, requests or instructions from any holders of Depositary Receipts, on the one hand, and the Company on the other hand, such Preferred Stock Depositary shall be entitled to act on such claims, requests or instructions received from the Company.

FEDERAL INCOME TAX CONSIDERATIONS

INTRODUCTORY NOTES

This discussion summarizes the material Federal income tax considerations that may be relevant to a prospective holder of the securities. This discussion is based on current law. The discussion is not exhaustive of all possible tax considerations and does not give a detailed discussion of any state, local, or foreign tax considerations. It also does not discuss all of the aspects of Federal income taxation that may be relevant to a prospective holder of securities in light of his particular circumstances or to certain types of holders (including insurance companies, tax-exempt entities, financial institutions or broker-dealers, foreign corporations and persons who are not citizens or residents of the United States) who are subject to special treatment under the Federal income tax laws. As used in this section, the term "Company" refers solely to Post Properties, Inc.

EACH PROSPECTIVE PURCHASER IS ADVISED TO CONSULT WITH HIS OWN TAX ADVISOR REGARDING THE SPECIFIC TAX CONSEQUENCES TO HIM OF THE PURCHASE, OWNERSHIP AND SALE OF SECURITIES IN AN ENTITY ELECTING TO BE TAXED AS A REAL ESTATE INVESTMENT TRUST, INCLUDING THE FEDERAL, STATE, LOCAL, FOREIGN, AND OTHER TAX CONSEQUENCES OF SUCH PURCHASE, OWNERSHIP, SALE, AND ELECTION AND OF POTENTIAL CHANGES IN APPLICABLE TAX LAWS.

TAXATION OF THE COMPANY

General. The Company had made an election to be taxed as a REIT under Sections 856 through 860 of the Code effective for its short taxable year ending on December 31, 1993. The Company's qualification and taxation as a REIT depends upon the Company's ability to meet on a continuing basis, through actual annual operating results, distribution levels and diversity of stock ownership, the various qualification tests and organizational requirements imposed under the Code, as discussed below. The Company believes that it is organized and has operated in such a manner as to qualify under the Code for taxation as a REIT commencing with its 1993 taxable year, and the Company intends to continue to operate in such a manner. No assurance, however, can be given that the Company

will operate in a manner so as to qualify or remain qualified as a REIT. See "Failure to Qualify" below.

In the opinion of King & Spalding, the Company met the requirements for qualification and taxation as a REIT for its taxable years ended December 31, 1993, 1994 and 1995, and its current and proposed method of operation should enable it to continue to meet the requirements for qualification and taxation as a REIT. This opinion is based on various assumptions relating to the organization and operation of the Operating Partnership and the partnerships in which the Operating Partnership owns or has owned an interest (referred to herein as "Subsidiary Partnerships") and is conditioned upon certain representations made by the Company as to certain relevant factual matters relating to the organization and expected manner of operation of the Company, the Operating Partnership, and the Subsidiary Partnerships. King & Spalding is not aware of any facts or circumstances that are inconsistent with these assumptions and representations. Moreover, such qualification and taxation as a REIT will depend upon the Company's ability to meet on a continuing basis,

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through actual annual operating results, distribution levels and diversity of stock ownership, the various qualification tests imposed under the Code discussed below. King & Spalding will not review compliance with these tests on a continuing basis. No assurance can be given that the Company will satisfy such tests on a continuing basis. See "Failure to Qualify" below.

The following is a general summary of the Code provisions that govern the Federal income tax treatment of a REIT and its shareholders. These provisions of the Code are highly technical and complex. This summary is qualified in its entirety by the applicable Code provisions, the regulations promulgated thereunder ("Treasury Regulations"), and administrative and judicial interpretations thereof.

If the Company qualifies for taxation as a REIT, it generally will not be subject to Federal corporate income taxes on net income that it currently distributes to shareholders. This treatment substantially eliminates the "double taxation" (at the corporate and shareholder levels) that generally results from investment in a corporation. Notwithstanding its REIT election, however, the Company will be subject to Federal income tax in the following circumstances. First, the Company will be taxed at regular corporate rates on any undistributed taxable income, including undistributed net capital gains. Second, under certain circumstances, the Company may be subject to the "alternative minimum tax" on its items of tax preference. Third, if the Company has (i) net income from the sale or other disposition of "foreclosure property" (which is, in general, property acquired by foreclosure or otherwise on default of a loan secured by the property) which is held primarily for sale to customers in the ordinary course of business or (ii) other non-qualifying income from foreclosure property, it will be subject to tax at the highest corporate rate on such income. Fourth, if the Company has net income from prohibited transactions

(which are, in general, certain sales or other dispositions of property (other than foreclosure property) held primarily for sale to customers in the ordinary course of business), such income will be subject to a 100% tax. Fifth, if the Company should fail to satisfy the 75% gross income test or the 95% gross income test (as discussed below), and has nonetheless maintained its qualification as a REIT because certain other requirements have been met, it will be subject to a 100% tax on the net income attributable to the greater of the amount by which the Company fails the 75% or 95% test, multiplied by a fraction intended to reflect the Company's profitability. Sixth, if the Company should fail to distribute during each calendar year at least the sum of (i) 85% of its REIT ordinary income for such year, (ii) 95% of its REIT capital gain net income for such year, and (iii) any undistributed taxable income from prior years, the Company would be subject to a 4% excise tax on the excess of such required distribution over the amounts actually distributed. Seventh, if the Company acquires any asset from a C corporation (i.e., a corporation generally subject to full corporate level tax) in a transaction in which the basis of the asset in the Company's hands is determined by reference to the basis of the asset (or any other property) in the hands of the C corporation, and the Company recognizes gain on the disposition of such asset during the 10-year period beginning on the date on which such asset was acquired by the Company, then, to the extent of such property's "built-in" gain (the excess of the fair market value of such property at the time of acquisition by the Company over the adjusted basis of such property at such time), such gain will be subject to tax at the highest regular corporate rate applicable (as provided in IRS regulations that have not yet been promulgated).

Requirements for Qualification. The Code defines a REIT as a corporation, trust or association (1) which is managed by one or more trustees or directors; (2) the beneficial ownership of which is evidenced by transferable shares or by transferable certificates of beneficial interest; (3) which would be taxable as a domestic corporation but for Sections 856 through 859 of the Code; (4) which is neither a financial institution nor an insurance company subject to certain provisions of the Code; (5) the beneficial ownership of which is held by 100 or more persons; (6) during the last half of each taxable year not more than 50% in value of the outstanding stock of which is owned, directly or indirectly, by five or fewer individuals (as defined in the Code to include certain entities); and (7) which meets certain other tests, described below, regarding the nature of its income and assets. The Code provides that conditions (1) through (4), inclusive, must be met during the entire taxable year and that condition (5) must be met during at least 335 days of a taxable year of 12 months, or during a proportionate part of a taxable year of less than 12 months. Conditions (5) and (6) will not apply until after the first taxable year for which an election is made to be taxed as a REIT. The Company has issued sufficient shares of Common Stock with sufficient diversity of ownership to allow the Company to satisfy requirements (5) and (6). In addition, the Company's Articles of Incorporation contain restrictions regarding

the transfer of its shares that are intended to assist the Company in continuing to satisfy the share ownership requirements described in (5) and (6) above. See "Capital Stock of the Company -- Restrictions on Transfer."

In addition, a corporation may not elect to become a REIT unless its taxable year is the calendar year. The Company's taxable year is the calendar year.

In the case of a REIT which is a partner in a partnership, Treasury Regulations provide that the REIT will be deemed to own its proportionate share of the assets of the partnership and will be deemed to be entitled to the income of the partnership attributable to such share. In addition, the character of the assets and gross income of the partnership will retain the same character in the hands of the REIT for purposes of Section 856 of the Code, including satisfying the gross income tests and asset tests (as discussed below). Thus, the Company's proportionate share of the assets, liabilities and items of income of the Operating Partnership and any subsidiary partnerships are treated as assets, liabilities and items of the Company for purposes of applying the requirements described herein.

Income Tests. In order to maintain qualification as a REIT, three gross income requirements must be satisfied annually. First, at least 75% of the REIT's gross income (excluding gross income from prohibited transactions) for each taxable year must be derived directly or indirectly from investments relating to real property or mortgages on real property (including "rents from real property" and, in certain circumstances, interest) or from certain types of temporary investments. Second, at least 95% of the REIT's gross income (excluding gross income from prohibited transactions) for each taxable year must be derived from such real property investments described above, and from dividends, interest and gain from the sale or disposition of stock or securities, or from any combination of the foregoing. Third, short-term gain from the sale or other disposition of stock or securities, gain from prohibited transactions and gain on the sale or other disposition of real property held for less than four years (apart from involuntary conversions and sales of foreclosure property) must represent less than 30% of the REIT's gross income (including gross income from prohibited transactions) for each taxable year. For purposes of applying the 30% gross income test, the holding period of Communities held by Operating Partnership on the date of the Initial Offering will be deemed to have commenced on such date.

Rents received by the Company will qualify as "rents from real property" in satisfying the above gross income tests only if several conditions are met. First, the amount of rent must not be based in whole or in part on the income or profits of any person. However, an amount received or accrued generally will not be excluded from "rents from real property" solely by reason of being based on a fixed percentage or percentages of receipts or sales. Second, rents received from a resident will not qualify as "rents from real property" if the Company, or an owner of 10% or more of the Company, directly or constructively owns 10% or more of such resident (a "Related Party Tenant"). Third, if rent attributable to personal property that is leased in connection with a lease of real property

is greater than 15% of the total rent received under the lease, then the portion of rent attributable to such personal property will not qualify as "rents from real property." The Company does not charge, and does not anticipate charging, rent for any portion of any Community that is based in whole or in part on the income or profits of any person, and the Company does not receive, and does not anticipate receiving, any rents from Related Party Tenants. Finally, for rents received to qualify as "rents from real property," the Company generally must not operate or manage the property or furnish or render services to residents, other than through an "independent contractor" from whom the Company derives no revenue. The "independent contractor" requirement, however, does not apply to the extent the services provided by the Company are "usually or customarily rendered" in connection with the rental of space for occupancy only and are not otherwise considered "rendered to the occupant." The Operating Partnership provides certain services with respect to its Communities, and the Company has received a ruling from the IRS that the provision of such services will not cause the rents received with respect to the Communities to fail to qualify as "rents from real property." Based on the IRS ruling and the Operating Partnership's knowledge of the apartment markets in the geographic regions in which it operates, the Operating Partnership believes that all services that are provided to the tenants of the Communities will be considered "usually or customarily" rendered in connection with the rental of apartment communities comparable to the Communities. Further, any noncustomary services will be provided only through qualifying independent contractors.

The Operating Partnership receives fees in consideration of the performance of management, landscaping and administrative services with respect to properties that are not wholly owned, directly or indirectly, by the Operating Partnership. A portion of such fees (corresponding to that portion of any such property owned by a third party) generally will not qualify under the 75% or 95% gross income tests. The Company will also receive certain other types of non-qualifying income, including its allocable share of any dividends paid by Post Services to the Operating Partnership (which qualify under the 95% gross income test but not under the 75% gross income test). The Company believes, however, that the aggregate amount of such fees and other non-qualifying income in any taxable year will not cause the Company to exceed the limits on non-qualifying income under the 75% and 95% gross income tests.

If the Company fails to satisfy one or both of the 75% or 95% gross income tests for any taxable year, it may nevertheless qualify as a REIT for such year if it is entitled to relief under certain provisions of the Code. These relief provisions generally will be available if the Company's failure to meet such tests was due to reasonable cause and not due to willful neglect, the Company attaches a schedule of the sources of its income to its return, and any income information on the schedules was not due to fraud with intent to evade tax. It is not possible, however, to state whether in all circumstances the Company would be entitled to the benefit of these relief provisions. As discussed above in "General," even if these relief provisions were to apply, a tax would be

imposed with respect to the excess net income.

Asset Tests. At the close of each quarter of its taxable year, the Company must also satisfy three tests relating to the nature of its assets. First, at least 75% of the value of the Company's total assets must be represented by real estate assets (including (i) its allocable share of real estate assets held by the Operating Partnership and the Subsidiary Partnerships and (ii) stock or debt instruments held for not more than one year purchased with the proceeds of a stock offering or long-term (at least five years) debt offering of the Company), cash, cash items and government securities. Second, not more than 25% of the Company's total assets may be represented by securities other than those in the 75% asset class. Third, of the investments included in the 25% asset class, the value of any one issuer's securities owned by the Company may not exceed 5% of the value of the Company's total assets, and the Company may not own more than 10% of any one issuer's outstanding voting securities. The 5% test must generally be met for any quarter in which a REIT acquires securities of an issuer. Thus, this requirement must be satisfied not only on the date that the Company initially acquired an interest in securities in Post Services, but also each time the Company increases its ownership interest in securities of Post Services (e.g., as limited partners exercise their redemption rights).

As described above, the Operating Partnership owns 100% of the nonvoting stock and 1% of the voting stock of Post Services. In addition, the Operating Partnership also holds a note of Post Services. By virtue of its ownership of Units, the Company is deemed to own its pro rata share of assets of the Operating Partnership and any subsidiary partnerships, including the securities of Post Services. The Operating Partnership does not own more than 10% of the voting securities of Post Services, and therefore the Company does not own more than 10% of the voting securities of Post Services. In addition, based upon its analysis of the estimated value of the debt and equity securities of Post Services owned by the Operating Partnership relative to the estimated value of the other assets owned by the Operating Partnership, the Company believes that its pro rata share of the debt and equity securities of Post Services held by the Operating Partnership at all relevant times has been and is less than 5% of the total value of the Company's assets, and King & Spalding in rendering its opinion as to the Company's qualification as a REIT is relying on the Company's representation with respect to the value of Post Services and its wholly owned subsidiaries. However, no independent appraisals have been obtained to support this conclusion, and King & Spalding, in rendering its opinion as to the Company's qualification as a REIT, is relying on the Company's representation with respect to the value of Post Services and its wholly-owned subsidiaries. After reasonable inquiry, King & Spalding is not aware of any facts inconsistent with such representation. Although the Company plans to take steps to ensure that it satisfies the 5% value test for any quarter with respect to which any such acquisition is to occur, there can be no assurance that such steps will always be successful or will not require a reduction in the Operating Partnership's overall interest in Post Services.

Annual Distribution Requirements. The Company, in order to qualify as a REIT, is required to distribute dividends (other than capital gain dividends) to its shareholders in an amount at least equal to (A) the sum of (i) 95% of the Company's "REIT taxable income" (computed without regard to the dividends paid deduction and the REIT's net capital gain) and (ii) 95% of the net income (after tax), if any, from foreclosure property, minus (B) the sum of certain items of noncash income. Such distributions must be paid in the taxable year to which they relate, or in the following taxable year if declared before the Company timely files its tax return for such year and if paid on or before the first regular dividend payment after such declaration. To the extent that the Company does not distribute all of its net capital gain or distributes at least 95%, but less than 100%, of its "REIT taxable income," as adjusted, it will be subject to tax on the undistributed amount at regular capital gains and ordinary corporate tax rates. Furthermore, if the Company should fail to distribute during each calendar year at least the sum of (i) 85% of its REIT ordinary income for such year, (ii) 95% of its REIT capital gain income for such year, and (iii) any undistributed taxable income from prior periods, the Company will be subject to a 4% excise tax on the excess of such required distribution over the amounts actually distributed.

The Company has made and intends to continue to make timely distributions sufficient to satisfy the annual distribution requirements. In this regard, the Partnership Agreement authorizes the Company, as general partner, to take such steps as may be necessary to cause the Operating Partnership to distribute to its partners an amount sufficient to permit the Company to meet these distribution requirements. It is possible, however, that the Company, from time to time, may not have sufficient cash or other liquid assets to meet the distribution requirements due to timing differences between the actual receipt of income and actual payment of deductible expenses and the inclusion of such income and deduction of such expenses in arriving at taxable income of the Company, or if the amount of nondeductible expenses such as principal amortization or capital expenditures exceed the amount of noncash deductions. In the event that such timing differences occur, in order to meet the distribution requirements, the Company may cause the Operating Partnership to arrange for short-term, or possibly long-term, borrowing to permit the payment of required dividends. If the amount of nondeductible expenses exceeds noncash deductions, the Operating Partnership may refinance its indebtedness to reduce principal payments and borrow funds for capital expenditures.

Under certain circumstances, the Company may be able to rectify a failure to meet the distribution requirement for a year by paying "deficiency dividends" to shareholders in a later year that may be included in the Company's deduction for dividends paid for the earlier year. Thus, the Company may be able to avoid being taxed on amounts distributed as deficiency dividends; however, the Company will be required to pay interest to the IRS based upon the amount of any deduction taken for deficiency dividends.

Failure to Qualify. If the Company fails to qualify for taxation as a REIT in any taxable year and no relief provisions apply, the Company will be subject

to tax (including any applicable alternative minimum tax) on its taxable income at regular corporate rates. Distributions to shareholders in any year in which the Company fails to qualify will not be deductible by the Company, nor will they be required to be made. In such event, to the extent of current and accumulated earnings and profits, all distributions to shareholders will be taxable as ordinary income, and, subject to certain limitations in the Code, corporate distributees may be eligible for the dividends received deduction. Unless entitled to relief under specific statutory provisions, the Company also will be disqualified from taxation as a REIT for the four taxable years following the year during which qualification was lost. It is not possible to state whether in all circumstances the Company would be entitled to such statutory relief.

TAXATION OF SHAREHOLDERS

Taxation of Taxable Domestic Shareholders. As long as the Company qualifies as a REIT, distributions made to the Company's taxable domestic shareholders out of current or accumulated earnings and profits (and not designated as capital gain dividends) will be taken into account by them as ordinary income, and corporate shareholders will not be eligible for the dividends received deduction as to such amounts. Distributions that are designated as capital gain dividends will be taxed as long-term capital gains (to the extent they do not exceed the Company's actual net capital gain for the taxable year) without regard to the period for which the shareholder has held his shares. However, corporate shareholders may be required to treat up to 20% of certain

capital gain dividends as ordinary income. Distributions in excess of current and accumulated earnings and profits will not be taxable to a shareholder to the extent that they do not exceed the adjusted basis of the shareholder's shares of Common Stock, but rather will reduce the adjusted basis of such shares. To the extent that such distributions exceed the adjusted basis of a shareholder's shares of Common Stock, they will be included in income as long-term capital gain (or short-term capital gain if the shares have been held for one year or less), assuming the shares are a capital asset in the hands of the shareholder. In addition, any dividend declared by the Company in October, November or December of any year payable to a shareholder of record on a specific date in any such month shall be treated as both paid by the Company and received by the shareholder on December 31 of such year, provided that the dividend is actually paid by the Company during January of the following calendar year. Shareholders may not include in their individual income tax returns any net operating losses or capital losses of the Company.

In general, any loss upon a sale or exchange of shares of Common Stock by a shareholder who has held such shares for six months or less (after applying certain holding period rules) will be treated as a long-term capital loss to the extent of distributions from the Company required to be treated by such

shareholder as long-term capital gain.

Backup Withholding. The Company will report to its domestic shareholders and the IRS the amount of dividends paid during each calendar year, and the amount of tax withheld, if any, with respect thereto. Under the backup withholding rules, a shareholder may be subject to backup withholding at the rate of 31% with respect to dividends paid unless such holder (a) is a corporation or comes within certain other exempt categories and, when required, demonstrates this fact, or (b) provides a taxpayer identification number, certifies as to no loss of exemption from backup withholding, and otherwise complies with applicable requirements of the backup withholding rules. A shareholder who does not provide the Company with its correct taxpayer identification number may also be subject to penalties imposed by the IRS. Any amount paid as backup withholding will be creditable against the shareholder's income tax liability. In addition, the Company may be required to withhold a portion of capital gain distributions made to any shareholders who fail to certify their non-foreign status to the Company. See "Taxation of Foreign Shareholders" below.

Taxation of Tax-Exempt Shareholders. The IRS has ruled that amounts distributed by a REIT to a tax-exempt employees' pension trust do not constitute "unrelated business taxable income" ("UBTI"). Based upon this ruling and subject to the discussion below regarding qualified pension trust investors, distributions by the Company to a shareholder that is a tax-exempt entity should not constitute UBTI, provided that the tax-exempt entity has not financed the acquisition of its shares with "acquisition indebtedness" within the meaning of the Code and the shares of Common Stock are not otherwise used in an unrelated trade or business of the tax-exempt entity. Revenue rulings, however, are interpretative in nature and subject to revocation or modification by the IRS.

A "qualified trust" (defined to be any trust described in section 401(a) of the Code and exempt from tax under section 501(a) of the Code) that holds more than 10% of the value of the shares of a REIT may be required, under certain circumstances, to treat a portion of distributions from the REIT as UBTI. This requirement will apply for a taxable year only if (i) the REIT satisfies the requirement that not more than 50% of the value of its shares be held by five or fewer individuals (the "five or fewer requirement") by relying on a special "look-through" rule under which shares held by qualified trust shareholders are treated as held by the beneficiaries of such trusts in proportion to their actuarial interests therein, and (ii) the REIT is "predominantly held" by qualified trusts. A REIT is "predominantly held" if either (i) a single qualified trust holds more than 25% of the value of the REIT shares or (ii) one or more qualified trusts, each owning more than 10% of the value of the REIT shares, hold in the aggregate more than 50% of the value of the REIT shares. If the foregoing requirements are met, the percentage of any REIT dividend treated as UBTI to a qualified trust that owns more than 10% of the value of the REIT shares is equal to the ratio of (a) the UBTI earned by the REIT (treating the REIT as if it were a qualified trust and therefore subject to tax on its UBTI) to (b) the total gross income (less certain associated expenses) of the REIT. A de minimis exception applies where the ratio set forth in the preceding sentence

The provisions requiring qualified trusts to treat a portion of REIT distributions as UBTI will not apply if the REIT is able to satisfy the five or fewer requirement without relying upon the "look-through" rule. The restrictions on ownership of Common Shares in the Articles should prevent application of the foregoing provisions to qualified trusts purchasing Common Stock pursuant to the Offering, absent a waiver of the restrictions by the Board of Directors.

Taxation of Foreign Shareholders. The rules governing U.S. Federal income taxation of nonresident alien individuals, foreign corporations, foreign partnerships and other foreign shareholders (collectively, "Non-U.S. Shareholders") are complex, and no attempt will be made herein to provide more than a limited summary of such rules. Prospective Non-U.S. Shareholders should consult with their own tax advisors to determine the impact of U.S. Federal, state and local income tax laws with regard to an investment in Common Stock, including any reporting requirements.

Distributions that are not attributable to gain from sales or exchanges by the Company of U.S. real property interests and not designated by the Company as capital gain dividends will be treated as dividends of ordinary income to the extent that they are made out of current or accumulated earnings and profits of the Company. Such distributions, ordinarily, will be subject to a withholding tax equal to 30% of the gross amount of the distribution unless an applicable tax treaty reduces that tax. However, if income from the investment in the shares of Common Stock is treated as effectively connected with the Non-U.S. Shareholder's conduct of a U.S. trade or business, the Non-U.S. Shareholder generally will be subject to a tax at graduated rates, in the same manner as U.S. shareholders are taxed with respect to such dividends (and may also be subject to the 30% branch profits tax if the shareholder is a foreign corporation). The Company expects to withhold U.S. income tax at the rate of 30% on the gross amount of any dividends paid to a Non-U.S. Shareholder that are not designated as capital gain dividends unless (i) a lower treaty rate applies and the required form evidencing eligibility for that reduced rate is filed with the Company or (ii) the Non-U.S. Shareholder files an IRS Form 4224 with the Company claiming that the distribution is "effectively connected" income. Distributions in excess of current and accumulated earnings and profits of the Company will not be taxable to a shareholder to the extent that they do not exceed the adjusted basis of the shareholder's shares of Common Stock, but rather will reduce the adjusted basis of such shares. To the extent that such distributions exceed the adjusted basis of a Non-U.S. Shareholder's shares, they will give rise to tax liability if the Non-U.S. Shareholder would otherwise be subject to tax on any gain from the sale or disposition of his shares of Common Stock as described below. If it cannot be determined at the time a distribution is made whether or not such distribution will be in excess of current and accumulated earnings and profits, the distribution will be subject to withholding at the rate applicable to dividends. However, the Non-U.S. Shareholder may seek a

refund of such amounts from the IRS if it is subsequently determined that such distribution was, in fact, in excess of current and accumulated earnings and profits of the Company.

For any year in which the Company qualifies as a REIT, distributions that are attributable to gain from sales or exchanges by the Company of U.S. real property interests will be taxed to a Non-U.S. Shareholder under the provisions of the Foreign Investment in Real Property Tax Act of 1980 ("FIRPTA"). Under FIRPTA, these distributions are taxed to a Non-U.S. Shareholder as if such gain were effectively connected with a U.S. business. Thus, Non-U.S. Shareholders will be taxed on such distributions at the normal capital gain rates applicable to U.S. shareholders (subject to applicable alternative minimum tax and a special alternative minimum tax in the case of nonresident alien individuals). Also, distributions subject to FIRPTA may be subject to a 30% branch profits tax in the hands of a corporate Non-U.S. Shareholder not entitled to treaty relief or exemption. The Company is required by applicable Treasury Regulations to withhold 35% of any distribution that could be designated by the Company as a capital gain dividend. This amount is creditable against the Non-U.S. Shareholder's FIRPTA tax liability.

Gain recognized by a Non-U.S. Shareholder upon a sale of Common Stock generally will not be taxed under FIRPTA if the Company is a "domestically controlled REIT," defined generally as a REIT in which at all times during a specified testing period less than 50% in value of the stock was held directly or indirectly by foreign persons. The Company believes that it currently qualifies as a "domestically controlled REIT," and that the sale of Common Stock will not therefore be subject to tax under FIRPTA. Because the Company is publicly traded, however, no assurance can be given that the Company will continue to be a domestically

controlled REIT. If the Company were not a domestically controlled REIT, whether a Non-U.S. Shareholder's gain would be taxed under FIRPTA would depend on whether the Common Stock were regularly traded on an established securities market and on the size of the selling shareholder's interest in the Company. In addition, gain not subject to FIRPTA will be taxable to a Non-U.S. Shareholder if (i) the investment in Common Stock is treated as effectively connected with the Non-U.S. Shareholder's U.S. trade or business, in which case the Non-U.S. Shareholder will be subject to the same treatment as U.S. shareholders with respect to such gain, or (ii) the Non-U.S. Shareholder is a nonresident alien individual who was present in the United States for 183 days or more during the taxable year and has a "tax home" in the United States, in which case the nonresident alien individual will be subject to a 30% tax on the individual's capital gains. If the gain on the sale of Common Stock were to be subject to tax under FIRPTA, the Non-U.S. Shareholder would be subject to the same treatment as U.S. shareholders with respect to such gain (subject to applicable alternative minimum tax and a special alternative minimum tax in the case of nonresident alien individuals).

OTHER TAX CONSIDERATIONS

Tax Status of Operating Partnership and Other Partnerships' Effect on REIT Qualification. All of the Company's investments have been made through the Operating Partnership, which in turn holds an interest in a subsidiary partnership (the "Subsidiary Partnership").

TAX STATUS OF THE OPERATING PARTNERSHIP

In the opinion of King & Spalding, which is based on certain representations of the Operating Partnership and Subsidiary Partnership, the Operating Partnership and the Subsidiary Partnership each qualify as a partnership for Federal income tax purposes and not as an association taxable as a corporation or as a publicly traded partnership.

A publicly traded partnership is a partnership whose interests are traded on an established securities market or are readily tradable on a secondary market or the substantial equivalent of a secondary market. The Treasury Department recently issued regulations effective for taxable years beginning after December 31, 1995 (the "PTP Regulations") that provide limited safe harbors, which, if satisfied, will prevent a partnership's interests from being treated as readily tradable on a secondary market or the substantial equivalent thereof. The "private placement" safe harbor applies if (i) all interests in the partnership were issued in a transaction (or transactions) that was not required to be registered under the Securities Act of 1933, as amended, and (ii) the partnership does not have more than 100 partners at any time during the partnership's taxable year. In determining the number of partners in a partnership, a person owning an interest in a flow-through entity (i.e., a partnership, grantor trust, or S corporation) that owns an interest in the partnership is treated as a partner in such partnership only if (i) substantially all of the value of the person's interest in the flowthrough entity is attributable to the flow-through entity's interest (direct or indirect) in the partnership and (ii) a principal purpose of the use of the tiered arrangement is to permit the partnership to satisfy the 100-partner limitation. The Operating Partnership does not currently meet the private placement safe harbor of the PTP Regulations because it has more than 100 partners.

Under a special grandfather rule, an existing partnership may continue to rely on safe harbors contained in IRS Notice 88-75 for a 10-year period. The Company believes that the Operating Partnership has satisfied, and will continue to satisfy, the private placement safe harbor under such Notice because, in part, it has fewer than 500 direct and indirect partners. Upon expiration of the grandfather period, if the Operating Partnership does not at that time satisfy the private placement safe harbor of the PTP Regulations, it is possible that the Operating Partnership could be classified as a publicly traded partnership. In that event, the Operating Partnership should satisfy a special "passive income" exception provided in Section 7704(c) of the Code and therefore should not be subject to federal income tax at the corporate level. However, if the

Operating Partnership were classified as a publicly traded partnership, the partners of the Operating Partnership would nevertheless be subject to special passive loss rules in Section 469(k) of the Code.

If the Operating Partnership were treated as an association taxable as a corporation, the Company would fail the 75% asset test. Further, if the Subsidiary Partnership were treated as a taxable corporation, then the

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Company would cease to qualify as a REIT if the Company's ownership interest in such partnership exceeded 10% of the partnership's voting interests or the value of such interest exceeded 5% of the value of the Company's assets. Furthermore, in such a situation, distributions from the Subsidiary Partnership to the Company would be treated as dividends, which are not taken into account in satisfying the 75% gross income test described above and which could therefore make it more difficult for the Company to meet such test, and the Company would not be able to deduct its share of losses generated by any of the Subsidiary Partnerships in computing its taxable income. See "Taxation of the Company (Failure to Qualify)" above for a discussion of the effect of the Company's failure to meet such tests for a taxable year.

Taxation of Post Services and Operating Subsidiaries. Post Services, Inc. and its subsidiaries file a corporate consolidated return for Federal income tax purposes. The consolidated taxable income of these companies, if any, is subject to tax at regular corporate rates. To the extent such entities are required to pay Federal, state and local income taxes, the cash available to shareholders will be correspondingly reduced.

State and Local Taxes. The Company and its shareholders may be subject to state or local taxation in various state or local jurisdictions, including those in which it or they transact business or reside (although shareholders who are individuals generally should not be required to file state income tax returns outside of their state of residence with respect to the Company's operations and distributions). The state and local tax treatment of the Company and its shareholders may not conform to the Federal income tax consequences discussed above. Consequently, prospective shareholders should consult their own tax advisors regarding the effect of state and local tax laws on an investment in the Securities.

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PLAN OF DISTRIBUTION

The Company and the Operating Partnership may sell Securities to or through underwriters, and also may sell Securities directly to other purchasers or through agents.

The distribution of the Securities may be effected from time to time in one or more transactions at a fixed price or prices, which may be changed, or at market prices prevailing at the time of sale, at prices related to such prevailing market prices or at negotiated prices.

In connection with the sale of Securities, underwriters may receive compensation from the Company, from the Operating Partnership or from purchasers of Securities, for whom they may act as agents, in the form of discounts, concessions, or commissions. Underwriters may sell Securities to or through dealers, and such dealers may receive compensation in the form of discounts, concessions, or commissions from the underwriters and/or commissions from the purchasers for whom they may act as agents. Underwriters, dealers, and agents that participate in the distribution of Securities may be deemed to be underwriters, and any discounts or commissions they receive from the Company or the Operating Partnership, and any profit on the resale of Securities they realize may be deemed to be underwriting discounts and commissions, under the Securities Act. Any such underwriter or agent will be identified, and any such compensation received from the Company or the Operating Partnership will be described, in the Prospectus Supplement.

Unless otherwise specified in the related Prospectus Supplement, each series of Securities will be a new issue with no established trading market, other than the Common Stock which is listed on the NYSE. Any shares of Common Stock sold pursuant to a Prospectus Supplement will be listed on such exchange, subject to official notice of issuance. The Company or the Operating Partnership may elect to list any series of Debt Securities, Preferred Stock or Depositary Shares on an exchange, but neither is obligated to do so. It is possible that one or more underwriters may make a market in a series of Securities, but will not be obligated to do so and may discontinue any market making at any time without notice. Therefore, no assurance can be given as to the liquidity of the trading market for the Securities.

Under agreements the Company and the Operating Partnership may enter into, underwriters, dealers, and agents who participate in the distribution of Securities may be entitled to indemnification by the Company or the Operating Partnership against certain liabilities, including liabilities under the Securities Act.

Underwriters, dealers and agents may engage in transactions with, or perform services for, or be customers of, the Company or the Operating Partnership in the ordinary course of business.

If so indicated in the applicable Prospectus Supplement, the Company or the Operating Partnership, as the case may be, will authorize underwriters or other persons acting as the Company's or the Operating Partnership's agents to solicit offers by certain institutions to purchase Securities from the Company or the Operating Partnership at the public offering price set forth in such Prospectus Supplement pursuant to delayed delivery contracts ("Contracts") providing for payment and delivery on the date or dates stated in such Prospectus Supplement. Each Contract will be for an amount not less than, and the aggregate principal

amount of Securities sold pursuant to Contracts shall be not less nor more than, the respective amounts stated in the applicable Prospectus Supplement. Institutions with whom Contracts, when authorized, may be made include commercial savings banks, insurance companies, pension funds, investment companies, educational and charitable institutions, and other institutions but will in all cases be subject to the approval of the Company or the Operating Partnership, as the case may be. Contracts will not be subject to any conditions except (i) the purchase by an institution of the Securities covered by its Contracts shall not at the time of delivery be prohibited under the laws of any jurisdiction in the United States to which such institution is subject, and (ii) if the Securities are being sold to underwriters, the Company or the Operating Partnership, as the case may be, shall have sold to such underwriters the total principal amount of the Securities less the principal amount thereof covered by Contracts.

EXPERTS

The consolidated financial statements incorporated in this Prospectus by reference to the Annual Report on Form 10-K of Post Properties, Inc. for the year ended December 31, 1995, as amended by Forms 10-K/A filed on June 17, 1996 and July 23, 1996, and incorporated in this Prospectus by reference to the Report on

Form 10 of Post Apartment Homes, L.P. dated as of April 15, 1996, as amended on June 17, 1996 and July 23, 1996, have been so incorporated in reliance on the reports of Price Waterhouse LLP, independent accountants, given on the authority of said firm as experts in auditing and accounting.

LEGAL MATTERS

The legality of the Securities will be passed upon for the Company by King & Spalding, Atlanta, Georgia. Herschel M. Bloom, a member of King & Spalding, is a director of the Company.

NO DEALER, SALESPERSON OR OTHER INDIVIDUAL HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED IN OR INCORPORATED BY REFERENCE IN THIS PROSPECTUS SUPPLEMENT OR THE PROSPECTUS IN CONNECTION WITH THE OFFERING MADE BY THIS PROSPECTUS SUPPLEMENT AND THE PROSPECTUS AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE COMPANY OR THE UNDERWRITER. THIS PROSPECTUS SUPPLEMENT AND THE PROSPECTUS DO NOT CONSTITUTE AN OFFER TO SELL, OR

A SOLICITATION OF AN OFFER TO BUY, BY ANYONE IN ANY JURISDICTION IN WHICH SUCH OFFER TO SELL OR SOLICITATION IS NOT AUTHORIZED, OR IN WHICH THE PERSON MAKING SUCH OFFER OR SOLICITATION IS NOT QUALIFIED TO DO SO, OR TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION. NEITHER THE DELIVERY OF THIS PROSPECTUS SUPPLEMENT OR THE PROSPECTUS NOR ANY SALE MADE HEREUNDER AND THEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE COMPANY SINCE THE DATE AS OF WHICH INFORMATION IS FURNISHED.

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1,000,000 SHARES

POST PROPERTIES, INC.

8 1/2% SERIES A CUMULATIVE
REDEEMABLE PREFERRED STOCK

PROSPECTUS SUPPLEMENT

MERRILL LYNCH & CO.

SEPTEMBER 26, 1996

-----END PRIVACY-ENHANCED MESSAGE-----