

PROSPECTUS SUPPLEMENT
(To Prospectus dated February 20, 2024)



ELME DIRECT

(A DIVIDEND REINVESTMENT AND SHARE PURCHASE PLAN)

850,000 Common Shares of Beneficial Interest

This prospectus supplement describes Elme Communities' ("Elme Communities," "our," "we" or "us") convenient direct dividend reinvestment and share purchase plan ("Elme Direct"), available for new investors to make initial investments in Elme Communities' common shares, and for existing shareholders to increase their holdings of Elme Communities common shares.

You can participate in Elme Direct if you own our common shares. If you do not own our common shares, you can become a participant by making an initial purchase through Elme Direct with a minimum investment of \$250.

Program highlights include:

- Reinvesting dividends automatically at no cost;
- Buying additional Elme Communities shares by check or automatic deduction from your U.S. bank account; and
- Transferring and selling Elme Communities shares easily without certificates.

This prospectus supplement relates to 850,000 Elme Communities common shares of beneficial interest, par value \$0.01 per share, to be offered for purchase under the program, which we refer to herein as "Elme Communities shares." All references in this prospectus supplement to "common shares" are to Elme Communities common shares of beneficial interest, par value \$0.01 per share. References to "shareholders" are to individuals or entities that hold Elme Communities common shares. The term "new investor" refers to an individual or entity that does not hold Elme Communities common shares prior to becoming a participant in Elme Direct.

Elme Communities shares are listed on the New York Stock Exchange under the trading symbol "ELME." On February 16, 2024, the closing price of our common shares as reported on the NYSE was \$14.11 per share.

Please read this prospectus supplement carefully and keep it and all account statements for future reference. If you have any questions about the program, please call Computershare Trust Company, N.A. ("Computershare"), the program administrator, toll-free at 800-519-3111 (781-575-2879 from outside the U.S. and Canada), 24 hours a day, seven days a week. Customer service representatives are available between the hours of 8:30 a.m. and 5:00 p.m. Eastern time, Monday through Friday. You may also contact Computershare via the Internet. Computershare's Internet/website address is www.computershare.com/investor.

The Elme Communities shares being offered are not insured or protected by any governmental agency, and involve investment risk, including the possible loss of principal. The payment of dividends by Elme Communities is discretionary and dividend payments may increase or decrease at the discretion of Elme Communities' Board of Trustees.

You should carefully read this entire prospectus supplement and the documents that are incorporated by reference in this prospectus supplement before you invest in any of these securities.

Investing in our common shares involves risks. Before buying our securities, you should refer to the risk factors included in our periodic reports and in other information that we file with the Securities and Exchange Commission. You should carefully consider the risks described under "[Risk Factors](#)" on page S-6 of this prospectus supplement, and in the reports we file with the Securities and Exchange Commission (the "SEC") pursuant to the Securities Exchange Act of 1934, as amended (the "Exchange Act"), that are incorporated by reference in this prospectus supplement and the accompanying prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus supplement and the prospectus to which it relates. Any representation to the contrary is a criminal offense.

This prospectus supplement is not an offer to sell securities and it is not soliciting an offer to buy securities in any state or country where the offer or sale is not permitted. To the extent required by applicable law in certain jurisdictions, shares offered through the program are offered only through a registered broker-dealer in those jurisdictions.

The date of this prospectus supplement is February 20, 2024.

Prospectus Supplement

	Page
ABOUT THIS PROSPECTUS SUPPLEMENT AND THE PROSPECTUS	S-1
SUMMARY OF ELME DIRECT	S-2
ELME COMMUNITIES	S-3
DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS	S-4
RISK FACTORS	S-6
INFORMATION ABOUT THE PROGRAM	S-7
1. What is Elme Direct?	S-7
2. What options are available under the program?	S-7
3. Who is eligible to participate in Elme Direct?	S-7
4. Are there fees associated with participation?	S-8
5. How does an Elme Communities shareholder enroll in the program?	S-8
6. I already own Elme Communities shares, but they are held by my bank or broker and registered in "street name." Can I use those shares to participate in the program?	S-9
7. I am not currently an Elme Communities shareholder. How do I enroll in Elme Direct?	S-9
8. What are the dividend options?	S-9
9. How may I change my dividend reinvestment option or discontinue reinvesting my dividends?	S-10
10. May I receive dividend payments by direct deposit?	S-10
11. How do I make an additional investment?	S-11
12. What are the minimum and maximum amounts for additional investments?	S-11
13. What is the source of Elme Communities shares purchased through the program?	S-12
14. When will Elme Communities shares be purchased under the program?	S-12
15. At what price will Elme Communities shares be purchased?	S-12
16. Will fractional Elme Communities shares be purchased?	S-13
17. How are payments with "insufficient funds" handled?	S-13
18. Will interest be paid on the program accounts?	S-13
19. Who will hold the additional Elme Communities shares purchased through Elme Direct?	S-13
20. How may I receive an Elme Communities share certificate?	S-13
21. May I add my Elme Communities share certificate to my Elme Direct account for safekeeping?	S-14
22. How may I sell Elme Communities shares I hold through Elme Direct?	S-14
23. Can I transfer Elme Communities shares that I hold in the program to someone else?	S-16
24. How would I terminate my participation in Elme Direct?	S-16
25. I've just moved. How can I request a change of address or update other personal data?	S-17
26. Who administers Elme Direct? How do I contact them?	S-17
27. What if Elme Communities issues an Elme Communities share dividend or declares an Elme Communities share split?	S-18
28. How do I vote my Elme Direct shares at shareholders' meetings?	S-18
29. How will Elme Communities interpret and regulate Elme Direct and can Elme Direct be changed?	S-18
30. Can my Elme Direct account be terminated?	S-18
31. Are there any risks associated with Elme Direct?	S-18
32. What are the responsibilities of Elme Communities and Computershare under the program?	S-18
33. What are the federal income tax consequences of participating in the program?	S-19
34. Where will notices be sent?	S-19
35. What reports will I receive?	S-19
36. What law governs Elme Direct?	S-19
USE OF PROCEEDS	S-20
PLAN OF DISTRIBUTION	S-20
LEGAL MATTERS	S-21
EXPERTS	S-21
INCORPORATION OF CERTAIN INFORMATION BY REFERENCE	S-22

Prospectus

TABLE OF CONTENTS

Page

ABOUT THIS PROSPECTUS	1
FORWARD-LOOKING STATEMENTS	1
RISK FACTORS	2
ELME COMMUNITIES	3
USE OF PROCEEDS	4
DESCRIPTION OF SHARES	4
DESCRIPTION OF COMMON SHARES	5
DESCRIPTION OF PREFERRED SHARES	10
DESCRIPTION OF DEPOSITARY SHARES	12
DESCRIPTION OF COMMON SHARE WARRANTS	15
DESCRIPTION OF RIGHTS	16
RESTRICTIONS ON OWNERSHIP AND TRANSFER	16
DESCRIPTION OF DEBT SECURITIES	18
BOOK-ENTRY, DELIVERY AND FORM	33
PLAN OF DISTRIBUTION	36
MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS	38
LEGAL MATTERS	38
EXPERTS	38
WHERE TO FIND ADDITIONAL INFORMATION	38
INCORPORATION OF CERTAIN INFORMATION BY REFERENCE	39

ABOUT THIS PROSPECTUS SUPPLEMENT AND THE PROSPECTUS

This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of this offering and also adds to and updates information contained in the accompanying prospectus and the documents incorporated by reference. The second part, the accompanying prospectus, gives more general information, some of which may not apply to this offering.

To the extent the information contained in this prospectus supplement differs or varies from the information contained in the accompanying prospectus or documents incorporated by reference, the information in this prospectus supplement will supersede such information. You should rely only on the information provided or information to which we have referred you, including any information incorporated by reference in this prospectus supplement and the accompanying prospectus. We have not authorized anyone to provide you with different or additional information. We are not making an offer to sell these common shares in any jurisdiction where the offer or sale of these common shares is not permitted. You should not assume that the information appearing in this prospectus supplement prepared by us or the documents incorporated by reference herein are accurate as of any date other than their respective dates. Our business, financial condition, liquidity, results of operations and prospects may have changed since those dates.

You should read carefully the entire prospectus supplement and the accompanying prospectus, as well as the documents incorporated by reference in this prospectus supplement, which we have referred you to in “Incorporation of Certain Information by Reference” on page 21 of this prospectus supplement, before making an investment decision. Information incorporated by reference after the date of this prospectus supplement may add, update or change information contained in this prospectus supplement. Statements contained or deemed to be incorporated by reference in this prospectus supplement as to the content of any contract or other document are not necessarily complete, and in each instance we refer you to the copy of the contract or other document filed as an exhibit to a document incorporated or deemed to be incorporated by reference in this prospectus or such prospectus supplement, each such statement being qualified in all respects by such reference. Any information in such subsequent filings that is inconsistent with this prospectus supplement will supersede the information in this prospectus supplement.

Unless otherwise indicated or unless the context requires otherwise, references in this prospectus supplement and the accompanying prospectus to “Elme Communities,” “we” and “us” refer to Elme Communities, a Maryland real estate investment trust and all entities owned or controlled by us, except where it is clear that the term means only Elme Communities. The term “you” refers to a prospective participant.

References to our “common shares” refer to the common shares of beneficial interest, \$0.01 par value per share, of Elme Communities.

SUMMARY OF ELME DIRECT

The following summary of Elme Direct may omit information that may be important to you. You should carefully read the entire text of Elme Direct contained in this prospectus supplement before you decide to participate in Elme Direct.

Enrollment

You can participate in Elme Direct if you currently own Elme Communities shares. You may participate in Elme Direct by completing a shareholder enrollment form and submitting it to Computershare, Elme Direct's administrator. *Please see Question 5 for more detailed information.*

Initial Investment

If you do not own any Elme Communities shares, you can participate in Elme Direct by making an initial purchase of our common shares through Elme Direct with a minimum initial investment of \$250. *Please see Question 7 for more detailed information.*

Reinvestment of Dividends and Distributions

If you are a shareholder, you can reinvest all or a portion of your cash dividends in additional common shares. *Please see Question 8 for more detailed information.*

Optional Cash Investments

As a participant in Elme Direct, you can purchase additional common shares by investing a minimum of \$100 and a maximum of \$300,000 per year. You can either pay by check or authorize one or more electronic transfers from your account at a U.S. bank or financial institution. *Please see Question 11 for more detailed information.*

Source of Shares

Computershare will purchase our common shares directly from us as newly issued common shares, in the open market or in privately negotiated transactions with third parties. *Please see Question 13 for more detailed information.*

Purchase Price

The purchase price for our common shares under Elme Direct depends on whether Computershare obtains your common shares by purchasing them directly from Elme Communities or in the open market. *Please see Question 15 for more detailed information.*

Tracking Your Investments

As an Elme Direct participant you will receive periodic statements showing the details of each transaction and the share balance in your Elme Direct account. *Please see Question 35 for more detailed information.*

Elme Direct Administrator

We have appointed Computershare Trust Company, N.A. to administer Elme Direct. *Please see Question 26 for more detailed information.*

ELME COMMUNITIES

Elme Communities is a self-administered equity real estate investment trust (“REIT”) successor to a trust organized in 1960. Our business consists of the ownership of apartment communities in the greater Washington, DC metro and Sunbelt regions. As of December 31, 2023, we owned 28 apartment communities and one office property.

Our mission is to elevate the value living experience and create a place our residents are proud to call home by continuously focusing on service, efficiency, and innovation. We are focused on creating shareholder value by providing quality, affordably priced housing to a deep, solid, and growing base of mid-market demand. Our research indicates that affordability is a pressing rental issue at multiple price points across the mid-market rent spectrum. We believe that rents can be consistently grown if a portfolio’s price point does not compete directly with new product price points and wages for mid-market renters are growing. Furthermore, as the cost of homeownership continues to rise above affordable levels for median income earners, we expect to benefit from sustained demand for quality, affordably priced rental housing.

We acquire, develop, and renovate apartment communities that align with our research-led investment strategy, which is focused on the following:

- targeting markets that have economies with diverse, innovative industries that drive outsized job creation, wage growth and in-migration, which we believe will benefit from these trends in the years to come;
- targeting middle-income renters who make up the largest share of apartment demand in each of our current and target markets but for whom new apartment supply and the cost of owning a home is unaffordable;
- executing value-add renovations that are tailored to each submarket, target renter group and individual community to provide an improved yet affordable living experience while enhancing shareholder value; and
- targeting investment opportunities that provide the potential for significant appreciation in value and that have operating upside through community management strategies.

While we have historically focused our investments in the greater Washington, DC metro region, we expanded our footprint to the Atlanta metro region in 2021. Atlanta offers a range of diverse, innovative industries which we believe are poised to benefit from substantial job creation, rising wages, and continued migration in the coming years. As of December 31, 2023, we have acquired six apartment communities in the Atlanta metro region and we remain optimistic about the near and longer-term demand drivers in the Atlanta metro region.

As of December 31, 2023, we owned approximately 9,400 residential apartment homes in the Washington, DC metro and Sunbelt regions. We also owned approximately 300,000 square feet of commercial space in the Washington, DC metro region.

Our principal offices are located at 7550 Wisconsin Ave, Suite 900, Bethesda, MD 20814. Our telephone number there is (202)774-3200. We maintain a website at www.elmecomunities.com. The information contained on or connected to our website is not incorporated by reference into, and you must not consider the information to be a part of, this prospectus supplement or the accompanying prospectus.

Additional information about us is included in documents incorporated by reference into this prospectus supplement. See “Incorporation of Certain Information by Reference” on page S-21 of this prospectus supplement.

DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus supplement, the accompanying prospectus and the documents that we incorporate by reference herein contain certain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995 (set forth in Section 27A of the Securities Act of 1933, as amended, or the “Securities Act”, and Section 21E of the Securities Exchange Act of 1934, as amended, or the “Exchange Act”). Documents we subsequently file with the Securities and Exchange Commission (the “SEC”) and incorporate by reference will also contain forward-looking statements. Such statements are based on assumptions and expectations that may not be realized and are inherently subject to risks, uncertainties and other factors, many of which cannot be predicted with accuracy and some of which might not even be anticipated. Future events and actual results, performance, transactions or achievements, financial or otherwise, may differ materially from the results, performance, transactions or achievements, financial or otherwise, expressed or implied by the forward-looking statements.

Some of the statements contained in this prospectus constitute forward-looking statements within the meaning of federal securities laws. Forward-looking statements involve numerous risks and uncertainties, and you should not rely on them as predictions of future events. Forward-looking statements depend on assumptions, data or methods which may be incorrect or imprecise, and we may not be able to realize them. We do not guarantee that any transactions and events described in, or incorporated by reference into, this prospectus supplement will happen as described (or that they will happen at all). In some cases, you can identify forward-looking statements by the use of forward-looking terminology such as “believes,” “predicts,” “expects,” “potential,” “project,” “may,” “will,” “should,” “seeks,” “approximately,” “intends,” “plans,” “strategy,” “intends,” “estimates” or “anticipates” or the negative of these words and phrases or similar words or phrases which are predictions of or indicate future events or trends and which do not relate solely to historical matters. You can also identify forward-looking statements by discussions of strategy, plans or intentions.

The forward-looking statements contained in, or incorporated by reference into, this prospectus supplement reflect our current views about future events and are subject to numerous known and unknown risks, uncertainties, assumptions and changes in circumstances that may cause our actual results, performance, or achievements to differ significantly from those expressed in any forward-looking statement. The following factors, among others, could cause actual results and future events to differ materially from those set forth or contemplated in the forward-looking statements: (a) the risks associated with ownership of real estate in general and our real estate assets in particular; (b) the economic health of the areas in which our properties are located, particularly with respect to the greater Washington, DC metro and Sunbelt regions; (c) risks associated with our ability to execute on our strategies, including new strategies with respect to our operations and our portfolio, including the acquisition of apartment homes in the Sunbelt markets and our ability to realize any anticipated operational benefits from our internalization of community management functions; (d) the risk of failure to enter into and/or complete acquisitions and dispositions; (e) changes in the composition of our portfolio; (f) reductions in or actual or threatened changes to the timing of federal government spending; (g) the economic health of our residents; (h) the impact from macroeconomic factors (including inflation, increases in interest rates, potential economic slowdowns or recessions and geopolitical conflicts); (i) risks related to our ability to control our expenses if revenues decrease; (j) compliance with applicable laws and corporate social responsibility goals, including those concerning the environment and access by persons with disabilities; (k) risks related to not having adequate insurance to cover potential losses; (l) changes in the market value of securities; (m) terrorist attacks or actions and/or cyber-attacks; (n) whether we will succeed in the day-to-day property management and leasing activities that we have previously outsourced; (o) the availability and terms of financing and capital and the general volatility of securities markets; (p) the risks related to our organizational structure and limitations of share ownership; (q) failure to qualify and maintain our qualification as a REIT and the risks of changes in laws affecting REITs; and (r) other factors discussed under the caption “Risk Factors” in our most recent Annual Report on Form 10-K, as updated by our subsequent filings.

[Table of Contents](#)

While forward-looking statements reflect our good faith beliefs, they are not guarantees of future performance. Any forward-looking statements speak only as of the date on which they are made. We disclaim any obligation to publicly update or revise any forward-looking statement to reflect changes in underlying assumptions or factors, whether as a result of new information, future events or otherwise. For a further discussion of these and other factors that could impact our future results, performance or transactions, see the “Risk Factors” section in our most recent Annual Report on Form 10-K, as updated by our subsequent filings.

RISK FACTORS

Investment in common shares offered pursuant to this prospectus supplement involves risks. You should carefully consider any specific risks set forth under the caption “Risk Factors” in our most recent Annual Report on Form 10-K, as updated by our subsequent filings under the Exchange Act. You should consider carefully those risk factors together with all of the other information included and incorporated by reference in this prospectus supplement and any accompanying prospectus, as updated by our subsequent filings under the Exchange Act, before you decide to purchase our common shares. The occurrence of any of the events described could materially and adversely affect our business, prospects, financial condition, results of operations and our ability to make cash distributions to our shareholders, which could cause you to lose all or a significant part of your investment in our common shares. Some statements in this prospectus supplement constitute forward-looking statements. Please refer to the section entitled “Disclosure Regarding Forward-Looking Statements.”

INFORMATION ABOUT THE PROGRAM

The following questions and answers explain and constitute the governing document for Elme Direct.

Purpose

1. What is Elme Direct?

Elme Direct is a convenient direct share purchase and dividend reinvestment program available for new investors to make an initial investment in Elme Communities shares, and for existing shareholders to increase their holdings of Elme Communities shares. Participants in the program may elect to have dividends automatically reinvested in Elme Communities shares and/or to make optional cash investments through the program administrator, Computershare.

Participation in Elme Direct is entirely voluntary, and we give no advice regarding your decision to join the program. However, if you decide to participate in this program, an enrollment form and reply envelope are enclosed for your convenience. Enrollment forms are also available by contacting Computershare at the address listed in Question 26.

2. What options are available under the program?

Elme Direct allows participants to:

- open a program account with an initial investment of as little as \$250 by check, or by authorizing automatic deductions from a U.S. bank account;
- have all or part of the dividends on your Elme Communities shares automatically reinvested in additional Elme Communities shares at no cost to you;
- increase holdings of Elme Communities shares under the program by making additional investments of as little as \$100, up to a maximum of \$300,000 per year, including the option of making automatic purchases by authorizing deductions from a U.S. bank account;
- purchase Elme Communities shares in whole dollar amounts, rather than a specific quantity of shares, with the appropriate number of full and fractional shares credited to your Elme Direct account;
- make gifts of shares to family members and others at no cost by transferring Elme Communities shares to another account, new or old, or by making an initial investment;
- deposit Elme Communities share certificates in the program's share safekeeping feature with your share ownership maintained on Computershare's records in book-entry form; and
- receive regular statements indicating activity in your program account.

Please refer to Question 8 for additional information regarding dividend options and to Question 11 for further information regarding the methods for making additional cash investments.

Please retain all account statements for your records. The statements contain important tax and other information.

Eligibility and Enrollment

3. Who is eligible to participate in Elme Direct?

New Investors: If you do not currently own any Elme Communities shares, you can participate in Elme Direct by making an initial purchase of common shares through Elme Direct with a minimum investment of \$250.

Table of Contents

Record Owners: You are a record owner if you own common shares that are registered in your name with Elme Communities' transfer agent, Computershare. If you are a record owner, you may participate directly in any or all of the features of Elme Direct.

Beneficial Owners: You are a beneficial owner if you own common shares that are registered in the name of a financial intermediary (i.e., broker, bank or other nominee). If you are a beneficial owner, you must either (i) become a record owner by having one or more shares transferred into your own name, (ii) enroll in the program in the same manner as someone who is not currently an Elme Communities shareholder with a minimum investment of \$250 or (iii) coordinate your dividend reinvestment through the broker, bank or other nominee in whose name your common shares are held.

All U.S. citizens are eligible to participate in Elme Direct, whether or not they are currently Elme Communities shareholders.

If you are not a U.S. citizen, you can participate in Elme Direct provided there are no laws or governmental regulations that would prohibit you from participating or laws or governmental regulations that would affect the terms of Elme Direct. Elme Communities reserves the right to terminate participation of any shareholder if it deems it advisable under any foreign laws or regulations. All program funds must be in U.S. funds and drawn on a U.S. bank. If you are not in the U.S., contact your bank to verify that they can provide you with a check that clears through a U.S. bank and can print the dollar amount in U.S. funds. Due to the longer clearance period, we are unable to accept checks clearing through non-U.S. banks. Please contact your local bank for details on how to make the transaction.

4. Are there fees associated with participation?

There is no cost to you for reinvesting your dividends. Elme Communities will pay all fees for dividend reinvestments and the annual maintenance cost for your account.

There is no fee for purchasing shares with optional cash investments by check or with automatic investments. However, you will incur a processing fee (currently, \$0.03 per share) which will be deducted from your optional cash investment funds. All per share processing fees include any brokerage commissions Computershare is required to pay. Any fractional share will be rounded up to a whole share for purposes of calculating the per share processing fee.

There is no enrollment fee for joining Elme Direct. However, new shareholders must pay a processing fee (currently, \$0.03 per share), which will be deducted from their initial investment funds. Current shareholders pay no fee for enrolling in the program. All per share processing fees include any brokerage commissions Computershare is required to pay. Any fractional share will be rounded up to a whole share for purposes of calculating the per share processing fee.

If you instruct Computershare to sell any of your Elme Communities shares, you will be charged a service fee plus a processing fee which will be deducted from the proceeds derived from the sale. All per share processing fees include any brokerage commissions Computershare is required to pay. Any fractional share will be rounded up to a whole share for purposes of calculating the per share processing fee. See Question 22 for more information.

5. How does an Elme Communities shareholder enroll in the program?

If you are already an Elme Communities shareholder of record (that is, if you own Elme Communities shares that are registered in your name, not your broker's) but you are not enrolled in Elme Direct, you may enroll in the program simply by completing and returning the enclosed shareholder enrollment form to Computershare or by enrolling online through Computershare's website, www.computershare.com/investor. You may obtain additional shareholder enrollment forms at any time upon request to Computershare.

Table of Contents

6. I already own Elme Communities shares, but they are held by my bank or broker and registered in “street name.” Can I use those shares to participate in the program?

Yes. To become a participant, you may choose from among the following options:

- If you are a beneficial owner of Elme Communities shares registered in the name of a financial intermediary (for example, a bank or a broker), you may participate in Elme Direct by directing your financial intermediary to re-register at least one Elme Communities share directly in your name. You need to re-register in your name as many shares as you wish to have dividends reinvested from. You may then enroll in the program as a registered shareholder, without having to make an initial investment. Simply complete the shareholder enrollment form or enroll online as described in Question 5.
- You may enroll in the program in the same manner as someone who is not currently an Elme Communities shareholder, as described in Question 7.
- You can coordinate your dividend reinvestment through the broker, bank or other nominee in whose name your common shares are held.

7. I am not currently an Elme Communities’ shareholder. How do I enroll in Elme Direct?

If you do not currently own Elme Communities shares and you wish to become a shareholder and a participant in Elme Direct, you may enroll in the program by completing an initial enrollment form and making an initial investment of at least \$250. To make your initial investment, you may:

- enroll by mail. You may include with your initial enrollment form a check made payable to “Computershare—Elme Communities” in an amount equal to at least \$250, up to a maximum of \$300,000. Alternatively, you may authorize monthly recurring automatic deductions of at least \$100 per transaction from your account at a U.S. bank or financial institution for at least three consecutive purchases, up to a maximum of \$300,000 per year. Automatic deductions will continue indefinitely, beyond the initial three purchases, until you notify Computershare by telephone, Internet, or in writing that the automatic deductions are to stop. Computershare’s Internet address is www.computershare.com/investor. A direct debit authorization form is included with the initial enrollment form.
- enroll online at www.computershare.com/investor. You will be asked to complete an online enrollment form and authorize one-time debit from your U.S. bank or financial institution account for at least \$250, up to a maximum of \$300,000. Alternatively, you may authorize monthly recurring automatic deductions of at least \$100 per transaction from your account at a U.S. bank or financial institution for at least three consecutive purchases, up to a maximum of \$300,000 per year. Automatic deductions will continue indefinitely, beyond the initial three purchases, until you notify Computershare by telephone, Internet, or in writing that the automatic deductions are to stop.

Dividend Reinvestment Options

8. What are the dividend options?

As a participant in the program, you may elect to reinvest all, part or none of the dividends on your Elme Communities shares for the purchase of additional Elme Communities shares. The options available to you are as follows:

- Full Dividend Reinvestment. If you select this option, Computershare will apply all of your dividends on all Elme Communities shares registered in your name toward the purchase of more Elme Communities shares.

Table of Contents

- Partial Dividends Paid in Cash (Partial Reinvestment). If you select this option, Computershare will pay you dividends in cash on the number of Elme Communities shares that you specify on your enrollment form and apply the balance of your dividends toward the purchase of more Elme Communities shares.
- All Dividends Paid in Cash (No Dividend Reinvestment). If you select this option, your dividends will not be reinvested. Instead, you will receive payment by check or direct deposit (at your option) for all of your cash dividends.

The dates on which dividends will be reinvested are described in Question 14. Computershare will continue to reinvest your dividends as you have indicated on your enrollment form until you specify otherwise. You may change your election at any time by either completing and submitting a new enrollment form, by contacting Computershare directly at 800-519-3111 (781-575-2879 from outside the U.S. and Canada), or by accessing your program account through the Internet at Computershare's website, www.computershare.com/investor. No matter which reinvestment option you have selected, you may make optional cash investments as described in Question 11.

9. How may I change my dividend reinvestment option or discontinue reinvesting my dividends?

You may change dividend reinvestment options by calling Computershare directly at 800-519-3111 ((781-575-2879) from outside the U.S. and Canada), by instructing Computershare in writing at its address listed in Question 26, by submitting to Computershare a new election on an enrollment form, or by accessing your program account through the Internet at Computershare's website, www.computershare.com/investor. To be effective for a specific dividend, any change must be received by Computershare before the record date for that dividend. *See Question 14 for information regarding record dates.*

You may discontinue reinvestment of cash dividends at any time by calling or writing to Computershare or by accessing your program account through the Internet at Computershare's website at www.computershare.com/investor. If Computershare receives your request to discontinue dividend reinvestment shortly before, on, or shortly after a record date for a dividend, Computershare may either pay the dividend in cash or reinvest it under the program on the next investment date on your behalf. If reinvested, Computershare may sell the Elme Communities shares purchased and send the proceeds to you, less any service fee, applicable processing fee and any other costs of sale. After processing your request to discontinue dividend reinvestment, any Elme Communities shares credited to your account under Elme Direct will continue to be held in book-entry form. Dividends on any Elme Communities shares held in book-entry form, and on any Elme Communities shares you hold in certificate form, will be paid in cash by check or direct deposit (at your option). *To receive cash dividends by direct deposit, see Question 10.*

10. May I receive dividend payments by direct deposit?

Yes. Through the program's direct deposit feature, instead of receiving dividend checks, you may elect to have your cash dividends paid by electronic funds transfer to your account at a U.S. bank or financial institution on the dividend payment date. To receive dividends by direct deposit, you must complete, sign and return to Computershare an authorization for electronic direct deposit form. You may obtain this form by calling Computershare directly at 800-519-3111 ((781-575-2879) from outside the U.S. and Canada). You may also elect direct deposit online at www.computershare.com/investor.

Authorization for electronic direct deposit forms will be processed and will become effective as promptly as practicable after receipt of the form by Computershare. You may change your designated U.S. bank account for direct deposit or discontinue this feature at any time by submitting to Computershare a new authorization for electronic direct deposit form, by written instruction to Computershare or online.

Optional Cash Investments

11. How do I make an additional investment?

You may make optional cash investments by choosing among the following options:

- **Check Investment.** You may make optional cash investments of at least \$100, up to a maximum of \$300,000 per year, in Elme Communities shares by sending to Computershare a check for the purchase of additional shares. The check must be made payable to “Computershare—Elme Communities” in U.S. dollars and drawn on a U.S. bank. If you are not in the U.S., contact your bank to verify that they can provide you with a check that clears through a U.S. bank and can print the dollar amount in U.S. funds. Due to the longer clearance period, we are unable to accept checks clearing through non-U.S. banks. Computershare will not accept cash, traveler’s checks, money orders, or third party checks for optional cash investments. All checks should be sent to Computershare at the address listed on the tear-off form section attached to each account statement you receive, or if making an investment when enrolling, with your enrollment form.
- **One-time Online Bank Debit.** You may make optional cash investments of at least \$100, up to a maximum of \$300,000 per year, in Elme Communities through Computershare’s website, www.computershare.com/investor, and authorizing a one-time online bank debit from an account at a U.S. bank or financial institution. One-time online optional cash investment funds will be held by Computershare for three banking business days before they are invested. Please refer to the online confirmation for the account debit date and investment date.
- **Monthly Recurring Automatic Investment from a U.S. Bank Account.** As an alternative to sending checks for optional cash investments, you may elect to have funds automatically withdrawn from your checking or savings account at a U.S. bank or financial institution. You may elect the automatic deduction option by accessing your program account through the Internet at Computershare’s website, www.computershare.com/investor. You may also elect the automatic deduction option by completing and signing a direct debit authorization form and returning this form to Computershare, together with a voided blank check or savings account deposit slip for the bank account from which the funds are to be withdrawn. Additional direct debit authorization forms are available through Computershare. Your direct debit authorization form will be processed and will become effective as promptly as practicable. However, you should allow four to six weeks for the first investment to be initiated using this automatic deduction feature. Once automatic deductions begin, funds will be withdrawn from your bank account on either the first or fifteenth day of each month, or both (at your option), or the next business day if either of those days is not a business day. Those funds normally will be invested within five business days. You may change the amount of money or discontinue automatic deductions by completing and submitting to Computershare a new authorization form for automatic deductions. As an alternative, you may also change or discontinue your automatic monthly deductions by accessing your program account through the Internet at Computershare’s website, www.computershare.com/investor. To be effective for a particular investment date, Computershare must receive your new instructions at least six business days before the investment date. *See Question 14 for more information regarding investment dates.*

12. What are the minimum and maximum amounts for additional investments?

In addition to increasing your holdings of Elme Communities shares through the reinvestment of dividends, you may make optional cash investments in Elme Communities shares at any time. Your optional cash investment must be at least \$100, up to a maximum of \$300,000 per year. Whether participating through the use of a check, online debit or through the monthly recurring automatic deduction feature, the \$100 minimum per transaction applies. If you are not an Elme Communities shareholder and are a first-time investor in the program, your initial investment must be for at least \$250 (or, if you wish to authorize automatic deductions, you must authorize at

[Table of Contents](#)

least three consecutive purchases of at least \$100 per transaction). *See Question 7 for additional information regarding an initial investment.*

Optional cash investments will be returned to you upon your request, provided that Computershare receives your request at least two business days prior to the investment date.

Common Share Purchases

13. What is the source of Elme Communities shares purchased through the program?

At Elme Communities' option, shares may be purchased in the open market through a registered broker-dealer or directly from Elme Communities. Share purchases in the open market may be made on any stock exchange where Elme Communities shares are traded or on terms as Computershare may reasonably determine. Neither Elme Communities nor any participant will have any authority or power to direct the date, time or price at which Elme Communities shares may be purchased, or the selection of the broker or dealer through or from whom purchases are to be made.

14. When will Elme Communities shares be purchased under the program?

General. Direct purchases from Elme Communities of authorized but unissued Elme Communities shares will be made on the relevant "investment date" as described below. Purchases on the open market will begin on the investment date and generally will be completed the same day, but if market conditions do not permit, the purchases will be completed no later than 30 days from that date, except where completion at a later date is necessary or advisable under any applicable federal securities laws.

Optional Cash Investments. Computershare will normally invest any initial and additional cash investments by check, one-time online debit or by automatic deductions from a U.S. bank account, toward the purchase of Elme Communities shares no later than five business days after receipt of the investment. Computershare will determine the actual investment date for initial and additional cash investments.

Computershare will wait up to three business days after receipt of the check or electronic funds transfer to ensure it receives good funds and will then seek to purchase shares from optional cash investments promptly on the investment date.

Dividend Reinvestments. The investment date for reinvested cash dividends will be the dividend payment date. If the investment date falls on a date when the New York Stock Exchange is closed, the investment date will be the next day that the New York Stock Exchange is open. If Computershare receives your enrollment form requesting reinvestment of dividends on or before the record date established for a particular dividend, reinvestment will commence with that dividend. We expect that record dates for dividends which may be declared on Elme Communities shares will be approximately one week before the end of each quarter and the related payment dates will be approximately one week after the end of such quarter.

If your enrollment form is received after the record date for a particular dividend, the reinvestment of dividends will begin on the dividend payment date following the next record date.

15. At what price will Elme Communities shares be purchased?

For Elme Communities shares purchased on the open market, Computershare may combine a participant's funds with funds of other participants and generally will batch purchase types (dividend and optional cash investments) for separate execution by its broker. At Computershare's discretion these batches may be combined and executed by its broker. Computershare may also direct its broker to execute each purchase type in several batches throughout a trading day. Depending on the number of shares being purchased and current trading volume in the

Table of Contents

shares, Computershare's broker may execute purchases for any batch or batches in multiple transactions and over more than one day. If different purchase types are batched, the price per share of the common shares purchased for each participant's account, whether purchased with funds contributed, dividends or both, shall be the weighted average price of the specific batch for such shares purchased by Computershare's broker on that investment date.

For Elme Communities shares purchased directly from Elme Communities, the price will be the closing price of the Elme Communities shares as reported on the New York Stock Exchange Composite Transactions list for that investment date. If no trading in Elme Communities shares occurs on the New York Stock Exchange for that date, Elme Communities will determine your price per share on the basis of market quotations as Elme Communities deems appropriate.

16. Will fractional Elme Communities shares be purchased?

Yes. If any dividend or optional cash investment is not sufficient to purchase a whole Elme Communities share, a fractional Elme Communities share equivalent will be credited to your account. All fractional Elme Communities shares are rounded to six decimal places.

17. How are payments with "insufficient funds" handled?

In the event that any check or other deposit is returned unpaid for any reason, or your predesignated U.S. bank account does not have sufficient funds for an automatic debit, Computershare will consider the request for investment of that purchase null and void and will immediately remove from your account any Elme Communities shares already purchased in anticipation of receiving those funds. If the net proceeds from the sale of those shares are insufficient to satisfy the balance of the uncollected amounts, Computershare may sell additional Elme Communities shares from your account as necessary to satisfy the uncollected balance. There is a fee (currently \$35) for any check or other deposit that is returned unpaid by your bank and for any failed automatic deduction from your predesignated U.S. bank account. This fee will be collected by Computershare through the sale of the number of Elme Communities shares from your Elme Direct account necessary to satisfy the fee.

18. Will interest be paid on the program accounts?

No. Interest will not be paid on amounts held pending investment.

19. Who will hold the additional Elme Communities shares purchased through Elme Direct?

Elme Communities shares purchased through Elme Direct are credited in book-entry form to your account on Computershare's records. The number of Elme Communities shares (including fractional interests) credited to your account will be shown on each account statement.

If you wish to pledge Elme Communities shares credited to your account, you must first request Computershare to issue a certificate for the Elme Communities shares. *To request a certificate, see Question 20.*

Share Certificates and Safekeeping

20. How may I receive an Elme Communities share certificate?

You may obtain a certificate at no cost for some or all of the whole Elme Communities shares credited to your account at any time by simply requesting Computershare to issue a certificate for the requested number of Elme Communities shares. You may make such a request by:

- calling Computershare at 800-519-3111 (781-575-2879 from outside the U.S. and Canada);

Table of Contents

- accessing your program account through the Internet at Computershare's website www.computershare.com/investor;
- using the tear-off form attached to the account statement; or
- sending written notice specifying the number of Elme Communities shares to be issued in certificate form (certificated).

Certificates will be issued to you and registered in your name. Certificates are normally issued to participants within two business days after receipt of the request. No certificates will be issued for a fractional Elme Communities share. If you request a certificate for all Elme Communities shares credited to your account, a certificate will be issued for the whole Elme Communities shares and a cash payment in the form of a check will be made for any remaining fractional Elme Communities share. That cash payment will be based upon the then-current market price of Elme Communities shares, less any service fee, any applicable processing fee and any other costs of sale. Issuance of certificates may be subject to an additional fee. Please contact Computershare to determine if there is a certificate issuance fee.

Receiving certificated Elme Communities shares from your account does not affect your dividend reinvestment option. For example, if you authorized the full dividend reinvestment option, cash dividends with respect to Elme Communities shares issued in certificate form will continue to be reinvested.

21. May I add my Elme Communities share certificate to my Elme Direct account for safekeeping?

Yes. You may deposit with Computershare any Elme Communities share certificate in your possession and registered in your name for credit to your account as book-entry shares at any time, at no cost. Elme Communities will pay all fees for this service. This safekeeping feature offers two advantages:

- the risk associated with loss, theft or destruction of Elme Communities share certificates is eliminated. Otherwise, in the case of a lost or stolen certificate, no sale or transfer may occur until a replacement is obtained, which can be a costly and time-consuming process; and
- since Elme Communities shares deposited into your account with Computershare are treated in the same manner as Elme Communities shares purchased through the program, they may be transferred or sold through the program in a convenient and efficient manner.

To combine Elme Communities shares held in certificate form with Elme Communities shares held in book-entry form through your Elme Direct account, you must send your request and your certificates to Computershare. The certificates should not be endorsed. Computershare will promptly send you a statement confirming each certificate deposit.

To insure against potential loss resulting from mailing certificates to Computershare, you should send your certificates to the address listed in Question 26 by registered mail, return receipt requested, and insured for possible mail loss for 3% of the market value (minimum of \$50). This represents the approximate cost to you for replacing certificates if they are lost in the mail.

Sale and Transfer of Shares

22. How may I sell Elme Communities shares I hold through Elme Direct?

You can sell some or all of the shares held in your Elme Direct account at any time by contacting Computershare. See *Question 26 for more information on how to contact Computershare*. You have four choices when making a sale, depending on how you submit your sale request, as follows:

- **Market Order:** A market order is a request to sell shares promptly at the current market price. Market order sales are only available by accessing your account at www.computershare.com/investor or by

Table of Contents

calling Computershare directly at 800-519-3111 (781-575-2879 from outside the U.S. and Canada). Market order sale requests received at www.computershare.com/investor or by telephone will be placed promptly upon receipt during market hours (normally 9:30 a.m. to 4:00 p.m. Eastern time). Any orders received after 4:00 p.m. Eastern time will be placed promptly on the next day the market is open. Depending on the number of shares being sold and current trading volume in the shares, a market order may only be partially filled or not filled at all on the trading day in which it is placed, in which case the order, or remainder of the order, as applicable, will be cancelled at the end of such day. To determine if your shares were sold, you should check your account online at www.computershare.com/investor or call Computershare directly at 800-519-3111 (781-575-2879 from outside the U.S. and Canada). If your market order sale was not filled and you still want the shares sold, you will need to re-enter the sale request. The price shall be the market price of the sale obtained by Computershare's broker, less a service fee of \$25 and a processing fee of \$0.12 per share sold.

- **Batch Order:** A batch order is an accumulation of all sale requests for a security submitted together as a collective request. Batch orders are submitted on each market day, assuming there are sale requests to be processed. Sale instructions for batch orders received by Computershare will be processed no later than five business days after the date on which the order is received (except where deferral is required under applicable federal or state laws or regulations), assuming the applicable market is open for trading and sufficient market liquidity exists. All sales requests received in writing will be submitted as batch order sales. Computershare will cause your shares to be sold on the open market within five business days of receipt of your request. To maximize cost savings for batch order sales requests, Computershare may combine each selling program participant's shares with those of other selling program participants. In every case of a batch order sale, the price to each selling program participant shall be the weighted average sale price obtained by Computershare's broker for each aggregate order placed by Computershare and executed by the broker, less a service fee of \$25 and a processing fee of \$0.12 per share sold.
- **Day Limit Order:** A day limit order is an order to sell securities when and if they reach a specific trading price on a specific day. The order is automatically cancelled if the price is not met by the end of that day (or, for orders placed after-market hours, the next day the market is open). Depending on the number of securities being sold and the current trading volume in the securities, such an order may only be partially filled, in which case the remainder of the order will be cancelled. The order may be cancelled by the applicable stock exchange, by Computershare at its sole discretion or, if Computershare's broker has not filled the order, at your request made online at www.computershare.com/investor or by calling Computershare directly at 800-519-3111 (781-575-2879 from outside the U.S. and Canada). Each day limit order sale will incur a service fee of \$25 per sale and a processing fee of \$0.12 per share sold.
- **Good-Til-Cancelled ("GTC") Limit Order:** A GTC limit order is an order to sell securities when and if the securities reach a specific trading price at any time while the order remains open (generally up to 30 days). Depending on the number of securities being sold and current trading volume in the securities, sales may be executed in multiple transactions and over more than one day. If shares are traded on more than one day during which the market is open, a separate fee will be charged for each such day. The order (or any unexecuted portion thereof) is automatically cancelled if the trading price is not met by the end of the order period. The order may be cancelled by the applicable stock exchange, by Computershare at its sole discretion or, if Computershare's broker has not filled the order, at your request made online at www.computershare.com/investor or by calling Computershare directly at 800-519-3111 (781-575-2879 from outside the U.S. and Canada). Each GTC limit order sale will incur a service fee of \$25 per sale and a processing fee of \$0.12 per share sold.

All per share processing fees include any brokerage commissions Computershare is required to pay. Any fractional share will be rounded up to a whole share for purposes of calculating the per share processing fee. Proceeds are normally paid by check, which are distributed within 24 hours after your sale transaction has

Table of Contents

settled. You should be aware that the price of Elme Communities common shares may rise or fall during the period between a request for sale, its receipt by Computershare, and the ultimate sale on the open market. Instructions for a market order or a batch order are binding and may not be rescinded. Computershare may, for various reasons, require a transaction request to be submitted in writing. Please contact Computershare to determine if there are any limitations applicable to your particular sale request. An additional fee of \$15 will be charged if the assistance of a Customer Service Representative is required when selling shares.

Computershare reserves the right to decline to process a sale if it determines, in its sole discretion, that supporting legal documentation is required. In addition, no one will have any authority or power to direct the time or price at which Elme Communities shares for the program are sold (except for prices specified for day limit orders or GTC limit orders), and no one, other than Computershare, will select the broker(s) or dealer(s) through or from whom sales are to be made.

If you elect to sell Elme Communities shares, you may utilize Computershare's international currency exchange service to convert your sale proceeds to your local currency prior to being sent to you. Receiving your sales proceeds in a local currency and having your check drawn on a local bank avoids the time-consuming and costly "collection" process required for cashing U.S. dollar checks. You can establish your international currency elections online at www.computershare.com/investor or by completing the International Currency Payment Registration Form and returning it to Computershare. Please note that your international currency elections must be completed online or received via mail by Computershare prior to requesting this service for any sales processed by telephone. This service is subject to additional terms and conditions and fees.

23. Can I transfer Elme Communities shares that I hold in the program to someone else?

Yes. You may transfer ownership of some or all of your Elme Communities shares held through Elme Direct. You may obtain information about transferring your shares through the Computershare Transfer Wizard at www.computershare.com/transferwizard. The Transfer Wizard will guide you through the transfer process, assist you in completing the transfer form, and identify other necessary documentation you may need to provide. Alternatively, you may call Computershare at 800-519-3111 (781-575-2879 from outside the U.S. and Canada) for complete transfer instructions. You will be asked to send to Computershare written transfer instructions. Your signature on the written transfer instructions must be "Medallion Signature Guaranteed" by a financial institution. Most banks and brokers participate in the Medallion Signature Guarantee program. The Medallion Signature Guarantee program ensures that the individual signing is in fact the owner of the shares to be transferred. A notary is not sufficient.

You may transfer Elme Communities shares to new or existing Elme Communities record shareholders. However, if you transfer less than one whole share, a new Elme Direct account may not be opened for the transferee. If the transferee is not already a participant in Elme Direct and you transfer more than one whole share, an account will be opened in the name of the transferee and he or she will automatically be enrolled in the program under the full reinvestment option unless you specify differently. After the transfer has been made, the transferee may change the investment option as described in Question 9.

Termination of Participation

24. How would I terminate my participation in Elme Direct?

You may terminate your participation in Elme Direct at any time by giving notice to Computershare. To be effective for any given dividend payment, Computershare must receive notice before the record date for such dividend payment. If Computershare receives your request to discontinue dividend reinvestment shortly before, on, or shortly after a record date for a dividend, Computershare may either pay the dividend in cash or reinvest it under the program on the next investment date on your behalf. If reinvested, Computershare may sell the Elme Communities shares purchased and send the proceeds to you, less any service fee, applicable processing fee and

Table of Contents

any other costs of sale. After processing your request to discontinue dividend reinvestment, any Elme Communities shares credited to your account under Elme Direct will continue to be held in book-entry form. Dividends on any Elme Communities shares held in book-entry form, and on any Elme Communities shares you hold in certificate form, will be paid in cash by check or direct deposit (at your option). *To receive cash dividends by direct deposit, see Question 10.*

Upon termination of your Elme Direct account, at your request you can either continue to have Computershare hold your whole shares in your account in book-entry form or you can receive a certificate for the whole shares held for you under Elme Direct. In both instances you will receive cash payment in the form of a check for any remaining fractional Elme Communities share. That cash payment will be based upon the then-current market price of Elme Communities shares, less any service fee, any applicable processing fee and any other costs of sale. Issuance of certificates may be subject to an additional fee. Please contact Computershare to determine if there is a certificate issuance fee. After Computershare terminates your account, future dividends will be sent directly to you by check or direct deposit (at your option). *To receive cash dividends by direct deposit, see Question 10.* Alternatively, if you so direct, Computershare will sell all whole and fractional shares in your Elme Direct account. See Question 22 *“How may I sell Elme Communities shares I hold through Elme Direct?”* for more information.

Rejoining the Plan After Withdrawal. After you withdraw from Elme Direct, you may rejoin Elme Direct at any time by enrolling online, or by filing a new enrollment form with Computershare, and otherwise complying with the terms of Elme Direct. However, Elme Communities or Computershare has the right to reject the enrollment form if you repeatedly join and withdraw from the Elme Direct, or for any other reason. Computershare’s exercise of this right is intended to minimize unnecessary administrative expenses and to encourage use of the Elme Direct as a long-term shareholder investment service.

Other Information

25. I’ve just moved. How can I request a change of address or update other personal data?

It is important that our records contain your mostup-to-date personal data. If you need to request a change of address or update other personal data, please call Computershare at 800-519-3111 (781-575-2879 from outside the U.S. and Canada) or write to Computershare at the address listed in Question 26. You may also update your personal information through Computershare’s website, www.computershare.com/investor.

26. Who administers Elme Direct? How do I contact them?

Computershare Trust Company, N.A. directs the purchase of and credits participants’ accounts with Elme Communities shares acquired under the program, keeps records, sends statements of account activity to participants and performs other related duties.

You may contact Computershare by writing to:

Elme Direct
c/o Computershare Trust Company, N.A.
P.O. Box 43006
Providence, RI 02940-3006

You may contact Computershare at one of the telephone numbers listed below:

- Shareholder customer service, including sale of shares: 800-519-3111 (within the U.S. and Canada) and 781-575-2879 (outside the U.S. and Canada)
- New investors requesting program material: 800-519-3111 (781-575-2879 from outside the U.S. and Canada) (available 24 hours a day, 7 days a week) and TDD: 800-368-0328 (a telecommunications device for the hearing impaired is available)

Table of Contents

You may also contact Computershare via the Internet. Computershare's Internet address is www.computershare.com/investor. Messages sent via the Internet will be responded to promptly. At Computershare's website, you can access your Elme Communities share balance, transfer Elme Communities shares, sell Elme Communities shares, request an Elme Communities share certificate, and obtain online forms and other information about your account.

27. What if Elme Communities issues an Elme Communities share dividend or declares an Elme Communities share split?

Any Elme Communities share dividends distributed by Elme Communities or split of Elme Communities shares credited to your account or on Elme Communities shares held by you in the form of certificates will be credited to your account. You will receive a statement indicating the number of Elme Communities shares or dividends earned as a result of the transaction.

28. How do I vote my Elme Direct shares at shareholders' meetings?

In connection with any meeting of Elme Communities shareholders, you will receive proxy materials, including a proxy card representing both the Elme Communities shares for which you hold physical certificates and the whole shares held in book-entry form in your Elme Direct account. Fractional Elme Communities shares will not be voted.

29. How will Elme Communities interpret and regulate Elme Direct and can Elme Direct be changed?

We may interpret, regulate and take any other action in connection with Elme Direct that we deem reasonably necessary in our sole discretion to carry out Elme Direct. As a participant in Elme Direct, you will be bound by any actions taken by us or Computershare.

While Elme Direct is intended to continue indefinitely, Elme Communities reserves the right to suspend or terminate the program at any time. Elme Communities also reserves the right to make modifications to the program. Enrolled participants will be notified of any such suspension, termination or modification.

30. Can my Elme Direct account be terminated?

Computershare may terminate your Elme Direct account if you do not own at least one whole Elme Communities share. In the event that your program account is terminated for this reason, a check for the cash value of the fractional Elme Communities share based upon the then-current market price, less any service fee, any processing fee and any other costs of sale will be sent to you and your account will be closed.

Any questions of interpretation that may arise under the program will be determined by Elme Communities and Elme Communities' determination will be final.

31. Are there any risks associated with Elme Direct?

Your investment in common shares purchased under Elme Direct is no different from any investment in Elme Communities shares that you hold directly. Neither we nor Computershare can assure you a profit or protect you against a loss on shares that you purchase. You bear the risk of loss and enjoy the benefits of any gain from market price changes with respect to shares purchased under Elme Direct. See "Risk Factors."

32. What are the responsibilities of Elme Communities and Computershare under the program?

Neither Elme Communities nor Computershare will be liable for any act or omission to act, which was done in good faith, including any claim of liability arising out of the failure to cease reinvestment of dividends for a participant's account upon the participant's death prior to receipt of notice in writing of the death along with a

Table of Contents

request to cease dividend reinvestment from a qualified representative of the deceased, the prices at which Elme Communities shares are purchased or sold (except for prices specified for day limit orders or GTC limit orders) for participants' accounts, the times when purchases or sales are made (except for prices specified for day limit orders or GTC limit orders), or fluctuations in the market value of Elme Communities shares. In no event shall Elme Communities, Computershare or their agents have any liability as to any inability to purchase shares or as to the timing of any purchase. Although Elme Communities currently contemplates the continuation of quarterly dividends, the payment and amount of dividends is subject to the discretion of Elme Communities' Board of Trustees and will depend upon future earnings, financial condition and other factors.

33. What are the federal income tax consequences of participating in the program?

A summary of material U.S. federal income tax consequences of a shareholders' participation in Elme Direct is set forth in Item 9B of our Annual Report on [Form 10-K](#) for the year ended December 31, 2023, filed with the SEC on February 16, 2024, and incorporated by reference in and supplemented by this prospectus supplement. As discussed under the caption "Incorporation of Certain Information by Reference," we will incorporate by reference into this prospectus additional documents that we may file with the SEC under Section 13(a), 13(c), 14 or 15(d) of the Exchange Act from the date of this prospectus until we have sold all of the securities to which this prospectus relates or the offering is otherwise terminated. We expect that future SEC filings under the Exchange Act will include summaries of material U.S. federal income tax consequences that will supersede and replace entirely all earlier such summaries.

The summary of material U.S. federal income tax consequences incorporated by reference is for general information only and does not constitute tax advice. It does not reflect every possible tax outcome or consequence that could result from the acquisition, holding, and disposition of our common shares that we may issue. In addition, it does not reflect state, local or non-U.S. tax consequences that may apply to you based on your particular circumstances and residence. We advise you to consult your own tax advisors to determine the tax consequences particular to your situation, including any applicable state, local or non-U.S. income and other tax consequences that may result from your ownership of the securities.

34. Where will notices be sent?

Computershare will address all of its notices to you at your last known address. You should notify Computershare promptly, in writing, of any change of address.

35. What reports will I receive?

Easy to read statements of your calendar year-to-date account activity will be sent to you after each transaction, which will simplify your record keeping. Each account statement will show the amount invested, the purchase or sale price, the number of Elme Communities shares purchased or sold and any applicable fees, as well as any activity associated with Elme Communities share deposits or certificated withdrawals. For market order sale transactions, the time of sale will be provided. Please notify Computershare promptly either in writing or by telephone if your address changes. In addition, you will receive copies of the same communications sent to all other holders of Elme Communities shares, such as annual reports and proxy statements. You will also receive any Internal Revenue Service information returns, if required.

Please retain all account statements for your records. The statements contain important tax and other information.

36. What law governs Elme Direct?

The laws of the State of Maryland govern Elme Direct.

USE OF PROCEEDS

Elme Communities will receive proceeds from the sale of common shares that Computershare purchases directly from us. We will not receive proceeds from the sale of common shares that Computershare purchases in the open market. We intend to use the proceeds of the sale of any newly issued common shares issued under Elme Direct for general corporate purposes. Since the price of the common shares offered under Elme Direct is based on future market prices, we are unable to make an advance determination of the price at which common shares will be sold to Elme Direct participants or the proceeds of such sale.

PLAN OF DISTRIBUTION

Except to the extent Computershare purchases Elme Communities shares in open market transactions, Elme Communities will sell Elme Communities shares acquired under Elme Direct directly to you through Computershare. Elme Communities shares acquired pursuant to Elme Direct may be resold in market transactions on any national securities exchange on which Elme Communities shares trade or in privately negotiated transactions. Elme Communities shares are currently listed on the New York Stock Exchange under the trading symbol "ELME." Elme Communities may sell Elme Communities shares through Elme Direct to persons (including brokers or dealers) who, in connection with the resale of Elme Communities shares, may be considered underwriters. In connection with these types of transactions, compliance with Regulation M under the Exchange Act would be required. The difference between the price such persons who may be deemed to be underwriters pay Elme Communities for Elme Communities shares acquired under Elme Direct and the price at which such Elme Communities shares are resold, may be deemed to constitute underwriting commissions received by such persons in connection with such transactions. Elme Communities will not give any person any rights or privileges other than those that the person would be entitled to as a participant in Elme Direct. Elme Communities will not enter into any agreement with any person regarding the person's purchase, resale or distribution of Elme Communities shares.

Subject to the availability of Elme Communities shares registered for issuance under Elme Direct, there is no total maximum number of Elme Communities shares that can be issued pursuant to Elme Direct. Except for the specific fees described in Question 4 of this prospectus supplement, you are not required to pay any transaction fees, service fees, processing fees or other charges, in connection with the purchase of Elme Communities shares under Elme Direct. You will only have to pay fees in connection with your voluntary sale of Elme Communities shares from your Elme Direct account. We will pay all other fees in connection with the purchase of Elme Communities shares under Elme Direct. *See Questions 4 and 22 for more detailed information.*

Elme Communities shares may not be available under Elme Direct in all states. This prospectus supplement does not constitute an offer to sell, or a solicitation of an offer to buy, any Elme Communities shares or other securities in any state or any other jurisdiction to any person to whom it is unlawful to make such offer in such jurisdiction.

LEGAL MATTERS

The validity of the shares of common stock offered hereby will be passed upon for us by Hogan Lovells US LLP.

EXPERTS

The consolidated financial statements and schedules of Elme Communities incorporated by reference in Elme Communities' Annual Report [Form 10-K](#) for the year ended December 31, 2023, and the effectiveness of Elme Communities' internal control over financial reporting as of December 31, 2023 have been audited by Ernst & Young LLP, independent registered public accounting firm, as set forth in their reports thereon, included therein, and incorporated herein by reference. Such consolidated financial statements and schedules are incorporated herein by reference in reliance upon such reports given on the authority of such firm as experts in accounting and auditing.

INCORPORATION OF CERTAIN INFORMATION BY REFERENCE

SEC rules allow us to incorporate information by reference into this prospectus supplement some information that is contained in other documents we file with the SEC. This means that we may disclose important information by referring you to other documents filed separately with the SEC that contain the information, including documents that we file after the date of this prospectus supplement. The information that is incorporated by reference is considered to be part of this prospectus supplement, except to the extent superseded by information contained herein or by information contained in documents filed with or furnished to the SEC after the date of this prospectus supplement. This prospectus supplement incorporates by reference the documents set listed below (other than any portions of the documents not deemed to be filed) all of which have been previously filed by Elme Communities with the SEC:

- (1) Our Annual Report on [Form 10-K](#) for the year ended December 31, 2023;
- (2) Our [definitive proxy statement](#) filed with the SEC on April 6, 2023 (solely to the extent incorporated by reference into Part III of our Annual Report on [Form 10-K](#) for the year ended December 31, 2022); and
- (3) The description of our common shares included in our Registration Statement on [Form 8-A](#) (SEC File No. 001-06622), filed with the SEC on December 4, 1998 under Section 12(b) of the Exchange Act as supplemented by the description contained in [Exhibit 4.4](#) to our Annual Report on Form 10-K for the year ended December 31, 2022.

We also incorporate by reference into this prospectus supplement additional documents that we may file after the date of this prospectus supplement with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act from the date of this prospectus supplement until we have sold all of the securities to which this prospectus supplement relates or the offering is otherwise terminated; provided, however that we are not incorporating any information furnished under either Item 2.02 or Item 7.01 of any Current Report on Form 8-K.

Information in this prospectus supplement may add to, update or change information in a previously filed document incorporated by reference in this prospectus supplement. In that case, you should rely on the information in this prospectus supplement. You should not assume that the information in this prospectus supplement or any document incorporated by reference is accurate as of any date other than the date of those documents. Information in a document filed after the date of this prospectus supplement may add to, update or change information in this prospectus supplement or in a previously filed document incorporated by reference in this prospectus supplement. In that case, you should rely on the information in the later filed document.

You may request a copy of these filings and any amendments thereto and any other documents that are incorporated by reference in this prospectus supplement at no cost, by writing or telephoning us. Those copies will not include exhibits to those documents unless the exhibits are specifically incorporated by reference in the documents or unless you specifically request them. Please direct your request to: Investor Relations, Elme Communities, 7550 Wisconsin Ave, Suite 900, Bethesda, MD 20814, (202) 774-3200.

PROSPECTUS



COMMON SHARES

PREFERRED SHARES

DEPOSITARY SHARES

COMMON SHARE WARRANTS AND RIGHTS

DEBT SECURITIES

Elme Communities, a Maryland real estate investment trust, may offer, from time to time, one or more series or classes, separately or together, and in amounts, at prices and on terms to be set forth in one or more supplements to this prospectus, the following securities:

- common shares of beneficial interest,
- preferred shares of beneficial interest,
- depositary shares representing our preferred shares,
- warrants to purchase common shares,
- rights to purchase common shares, and
- unsecured senior or subordinate debt securities.

Our common shares, preferred shares, depositary shares, warrants, rights, and debt securities are referred to herein collectively as the “securities.” We may offer the securities in any combination, separately, together or as units with other offered securities, in one or more separate series or classes and in amounts, at prices and on terms described in one or more supplements to this prospectus.

This prospectus describes some of the general terms and conditions that may apply to the securities and the general manner in which they may be offered. The specific terms and conditions of any securities being offered, the net proceeds that we expect to receive from the sale of such securities and the specific manner in which such securities may be offered will be provided in prospectus supplements to this prospectus. The applicable prospectus supplement will also contain information, where applicable, about U.S. federal income tax considerations relating to, and any listing on a securities exchange of, the securities covered by the prospectus supplement. It is important that you read both this prospectus and the applicable prospectus supplement before you invest in any of the securities.

We may sell the offered securities in one or more ways: directly to investors, through agents designated from time to time by them or us, or to or through underwriters or dealers in a single offering or on a continuous or delayed basis. If any agents, underwriters or dealers are involved in the sale of any of the securities, their names and any applicable purchase price, fee, commission or discount arrangement with, between or among them, will be set forth, or will be calculable from the information set forth, in an accompanying prospectus supplement. For more detailed information, see “Plan of Distribution” on page 36. No securities may be sold without delivery of a prospectus supplement describing the method and terms of the offering of those securities.

Our common shares are listed on the New York Stock Exchange, or the NYSE, under the symbol “ELME”. On February 16, 2024, the last reported sale price of our common shares on the NYSE was \$14.11 per share. Our principal executive offices are located at 7550 Wisconsin Ave, Suite 900, Bethesda, MD 20814 and our telephone number is (202) 774-3200.

You should carefully read this entire prospectus, the documents that are incorporated by reference in this prospectus and any prospectus supplement before you invest in any of these securities.

Investing in our securities involves risks. Before buying our securities, you should refer to the risk factors included in our periodic reports and in other information that we file with the Securities and Exchange Commission. You should carefully consider the risks described under “[Risk Factors](#)” on page 2 of this prospectus, as well as the other information contained or incorporated by reference in this prospectus and any prospectus supplement, before making a decision to invest in our securities. See “Incorporation of Certain Information by Reference” and “Where to Find Additional Information” in this prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

TABLE OF CONTENTS

Page

ABOUT THIS PROSPECTUS	1
FORWARD-LOOKING STATEMENTS	1
RISK FACTORS	2
ELME COMMUNITIES	3
USE OF PROCEEDS	4
DESCRIPTION OF SHARES	4
DESCRIPTION OF COMMON SHARES	5
DESCRIPTION OF PREFERRED SHARES	10
DESCRIPTION OF DEPOSITARY SHARES	12
DESCRIPTION OF COMMON SHARE WARRANTS	15
DESCRIPTION OF RIGHTS	16
RESTRICTIONS ON OWNERSHIP AND TRANSFER	16
DESCRIPTION OF DEBT SECURITIES	18
BOOK-ENTRY, DELIVERY AND FORM	33
PLAN OF DISTRIBUTION	36
MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS	38
LEGAL MATTERS	38
EXPERTS	38
WHERE TO FIND ADDITIONAL INFORMATION	38
INCORPORATION OF CERTAIN INFORMATION BY REFERENCE	39

ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement that we filed with the Securities Exchange Commission (the “SEC”), utilizing a “shelf” registration process. Under this shelf registration process, we may, from time to time, sell any combination of the securities described in this prospectus, in one or more offerings. This prospectus provides you with a general description of the securities that we may offer and is not meant to provide a complete description of each security. As a result, each time we offer securities, to the extent required, a prospectus supplement will be provided, and it will be attached to this prospectus. The prospectus supplement will contain specific information about the terms of that offering, including the specific amounts, prices and terms of the securities being offered. The prospectus supplement may also add, update or change information contained in this prospectus. You should read both this prospectus and any prospectus supplement, together with additional information described below under the headings “Where to Find Additional Information,” “Incorporation of Certain Information by Reference” and any additional information you may need before making an investment decision.

You should rely only on the information provided or incorporated by reference in this prospectus or any applicable prospectus supplement. To the extent there are any inconsistencies between the information in this prospectus and any prospectus supplement, you should rely on the information in the applicable prospectus supplement. You should rely only on the information provided or information to which we have referred you, including any information incorporated by reference in this prospectus or any applicable prospectus supplement. We have not authorized anyone to provide you with different or additional information. We are not making an offer to sell these securities in any jurisdiction where the offer or sale of these securities is not permitted. You should not assume that the information appearing in this prospectus, any free writing prospectus and any applicable prospectus supplement prepared by us or the documents incorporated by reference herein or therein is accurate as of any date other than their respective dates. Our business, financial condition, liquidity, results of operations and prospects may have changed since those dates.

You should read carefully the entire prospectus and any applicable prospectus supplement, as well as the documents incorporated by reference in the prospectus and any applicable prospectus supplement, which we have referred you to in “Incorporation of Certain Information by Reference” on page 39 of this prospectus, before making an investment decision. Information incorporated by reference after the date of this prospectus may add, update or change information contained in this prospectus. Statements contained or deemed to be incorporated by reference in this prospectus or any applicable prospectus supplement as to the content of any contract or other document are not necessarily complete, and in each instance we refer you to the copy of the contract or other document filed as an exhibit to a document incorporated or deemed to be incorporated by reference in this prospectus or such prospectus supplement, each such statement being qualified in all respects by such reference. Any information in such subsequent filings and any applicable prospectus supplement that is inconsistent with this prospectus will supersede the information in this prospectus or any earlier prospectus supplement.

FORWARD-LOOKING STATEMENTS

This prospectus, the accompanying prospectus supplement and the documents that we incorporate by reference herein contain certain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995 (set forth in Section 27A of the Securities Act of 1933, as amended, or the “Securities Act”, and Section 21E of the Securities Exchange Act of 1934, as amended, or the “Exchange Act”). Documents we subsequently file with the Securities and Exchange Commission (the “SEC”) and incorporate by reference will also contain forward-looking statements. Such statements are based on assumptions and expectations that may not be realized and are inherently subject to risks, uncertainties and other factors, many of which cannot be predicted with accuracy and some of which might not even be anticipated. Future events and actual results, performance, transactions or achievements, financial or otherwise, may differ materially from the results, performance, transactions or achievements, financial or otherwise, expressed or implied by the forward-looking statements.

Some of the statements contained in this prospectus constitute forward-looking statements within the meaning of federal securities laws. Forward-looking statements involve numerous risks and uncertainties, and you should not rely on them as predictions of future events. Forward-looking statements depend on assumptions, data or methods which may be incorrect or imprecise, and we may not be able to realize them. We do not guarantee that any

Table of Contents

transactions and events described in, or incorporated by reference into, this prospectus will happen as described (or that they will happen at all). In some cases, you can identify forward-looking statements by the use of forward-looking terminology such as “believes,” “predicts,” “expects,” “potential,” “project,” “may,” “will,” “should,” “seeks,” “approximately,” “intends,” “plans,” “strategy,” “intends,” “estimates” or “anticipates” or the negative of these words and phrases or similar words or phrases which are predictions of or indicate future events or trends and which do not relate solely to historical matters. You can also identify forward-looking statements by discussions of strategy, plans or intentions.

The forward-looking statements contained in, or incorporated by reference into, this prospectus reflect our current views about future events and are subject to numerous known and unknown risks, uncertainties, assumptions and changes in circumstances that may cause our actual results, performance, or achievements to differ significantly from those expressed in any forward-looking statement. The following factors, among others, could cause actual results and future events to differ materially from those set forth or contemplated in the forward-looking statements: (a) the risks associated with ownership of real estate in general and our real estate assets in particular; (b) the economic health of the areas in which our properties are located, particularly with respect to the greater Washington, DC metro and Sunbelt regions; (c) risks associated with our ability to execute on our strategies, including new strategies with respect to our operations and our portfolio, including the acquisition of apartment homes in the Sunbelt markets and our ability to realize any anticipated operational benefits from our internalization of community management functions; (d) the risk of failure to enter into and/or complete acquisitions and dispositions; (e) changes in the composition of our portfolio; (f) reductions in or actual or threatened changes to the timing of federal government spending; (g) the economic health of our residents; (h) the impact from macroeconomic factors (including inflation, increases in interest rates, potential economic slowdowns or recessions and geopolitical conflicts); (i) risks related to our ability to control our expenses if revenues decrease; (j) compliance with applicable laws and corporate social responsibility goals, including those concerning the environment and access by persons with disabilities; (k) risks related to not having adequate insurance to cover potential losses; (l) changes in the market value of securities; (m) terrorist attacks or actions and/or cyber-attacks; (n) whether we will succeed in the day-to-day property management and leasing activities that we have previously outsourced; (o) the availability and terms of financing and capital and the general volatility of securities markets; (p) the risks related to our organizational structure and limitations of share ownership; (q) failure to qualify and maintain our qualification as a real estate investment trust (“REIT”) and the risks of changes in laws affecting REITs; and (r) other risks and uncertainties detailed from time to time in our filings with the SEC, including our 2023 Form 10-K filed on February 16, 2024.

While forward-looking statements reflect our good faith beliefs, they are not guarantees of future performance. Any forward-looking statements speak only as of the date on which they are made. We disclaim any obligation to publicly update or revise any forward-looking statement to reflect changes in underlying assumptions or factors, whether as a result of new information, future events or otherwise. For a further discussion of these and other factors that could impact our future results, performance or transactions, see the “Risk Factors” section in our most recent Annual Report on Form 10-K, as updated by our subsequent filings.

RISK FACTORS

Investment in any securities offered pursuant to this prospectus involves risks. You should carefully consider any specific risks set forth under the caption “Risk Factors” in any applicable prospectus supplement and under the caption “Risk Factors” in our most recent Annual Report on Form 10-K, as updated by our subsequent filings under the Exchange Act. You should consider carefully those risk factors together with all of the other information included and incorporated by reference in this prospectus and any accompanying prospectus supplement, as updated by our subsequent filings under the Exchange Act, before you decide to purchase our securities. The occurrence of any of the events described could materially and adversely affect our business, prospects, financial condition, results of operations and our ability to make cash distributions to our shareholders, which could cause you to lose all or a significant part of your investment in our securities. Some statements in this prospectus constitute forward-looking statements. Please refer to the section entitled “Forward-Looking Statements.”

ELME COMMUNITIES

Elme Communities is a self-administered equity REIT successor to a trust organized in 1960. Our business primarily consists of the ownership of apartment communities in the greater Washington, DC metro and Sunbelt regions. As of December 31, 2023, we owned 28 apartment communities and one office property.

Our mission is to elevate the value living experience and create a place our residents are proud to call home by continuously focusing on service, efficiency, and innovation. We are focused on creating shareholder value by providing quality, affordably priced housing to a deep, solid, and growing base of mid-market demand. Our research indicates that affordability is a pressing rental issue at multiple price points across the mid-market rent spectrum. We believe that rents can be consistently grown if a portfolio's price point does not compete directly with new product price points and wages for mid-market renters are growing. Furthermore, as the cost of homeownership continues to rise above affordable levels for median income earners, we expect to benefit from sustained demand for quality, affordably priced rental housing.

We acquire, develop, and renovate apartment communities that align with our research-led investment strategy, which is focused on the following:

- targeting markets that have economies with diverse, innovative industries that drive outsized job creation, wage growth and in-migration, which we believe will benefit from these trends in the years to come;
- targeting middle-income renters who make up the largest share of apartment demand in each of our current and target markets but for whom new apartment supply and the cost of owning a home is unaffordable;
- executing value-add renovations that are tailored to each submarket, target renter group and individual community to provide an improved yet affordable living experience while enhancing shareholder value; and
- targeting investment opportunities that provide the potential for significant appreciation in value and that have operating upside through community management strategies.

While we have historically focused our investments in the greater Washington, DC metro region, we expanded our footprint to the Atlanta metro region in 2021. Atlanta offers a range of diverse, innovative industries which we believe are poised to benefit from substantial job creation, rising wages, and continued migration in the coming years. As of December 31, 2023, we have acquired six apartment communities in the Atlanta metro region and we remain optimistic about the near and longer-term demand drivers in the Atlanta metro region. As of December 31, 2023, we owned approximately 9,400 residential apartment homes in the Washington, DC metro and Sunbelt regions. We also owned approximately 300,000 square feet of commercial space in the Washington, DC metro region.

Our principal offices are located at 7550 Wisconsin Ave, Suite 900, Bethesda, MD 20814. Our telephone number there is (202)774-3200. We maintain a website at www.elmecomunities.com. The information contained on or connected to our website is not incorporated by reference into, and you must not consider the information to be a part of, this prospectus or any accompanying prospectus supplement.

Additional information about us is included in documents incorporated by reference into this prospectus. See "Where to Find Additional Information" on page 38 of this prospectus and "Incorporation of Certain Information by Reference" on page 39 of this prospectus. All references to "Elme Communities," "we," "our" and "us" in this prospectus means Elme Communities, a Maryland real estate investment trust, and all entities owned or controlled by us except where it is clear that the term means only Elme Communities.

USE OF PROCEEDS

Unless otherwise described in the applicable prospectus supplement to this prospectus used to offer specific securities, we intend to use the net proceeds from the sale of offered securities under this prospectus for general business purposes, including, without limitation, working capital, the acquisition, renovation, expansion, improvement, development or redevelopment of income-producing properties or the repayment of debt. We may also use the net proceeds to acquire another REIT or other company that invests in income producing properties, although we do not have a specific plan to do so. Until we use the net proceeds for the purposes described above, we may invest them in short-term income producing investments, such as commercial paper, government securities or money market funds that invest in government securities and/or commercial paper.

DESCRIPTION OF SHARES

The following is a summary of provisions of Elme Communities' shares of beneficial interest as of the date of this prospectus. This summary does not completely describe Elme Communities' shares of beneficial interest. For a complete description of Elme Communities' shares of beneficial interest, we refer you to Elme Communities' declaration of trust and bylaws, each as amended and each of which is incorporated by reference in this prospectus. See "Where to Find Additional Information."

General

Elme Communities' declaration of trust provides that it is authorized to issue up to 160,000,000 shares of beneficial interest (which we refer to in this prospectus as shares) consisting of 150,000,000 common shares of beneficial interest, par value \$.01 per share, which are referred to in this prospectus as Elme Communities' "common shares," and 10,000,000 preferred shares of beneficial interest, par value \$.01 per share, which are referred to in this prospectus as Elme Communities' "preferred shares." As of February 16, 2024, there were 87,867,059 common shares outstanding and no preferred shares outstanding.

Elme Communities' declaration of trust, as permitted by the Maryland statute governing real estate investment trusts formed under the laws of that state, which we refer to as the "Maryland REIT Law", contains a provision that permits our board of trustees, without shareholder approval, to amend the declaration of trust to increase the aggregate number of authorized common shares. The authorized common shares and undesignated preferred shares are generally available for future issuance without further action by Elme Communities' shareholders, unless such action is required by applicable law or the rules of any stock exchange or automated quotation system on which Elme Communities' securities may be listed or traded.

The Maryland REIT Law and Elme Communities' declaration of trust and bylaws, provide that none of its shareholders will be personally liable, by reason of such shareholder's status as a shareholder, for any of its obligations. Elme Communities' declaration of trust and bylaws further provide that it will indemnify any shareholder or former shareholder against any claim or liability to which such shareholder may become subject by reason of being or having been a shareholder, and that Elme Communities shall reimburse each shareholder for reasonable expenses in advance of final disposition of a proceeding to which the shareholder has been made or threatened to be made a party by reason of such status.

Elme Communities' declaration of trust provides that, subject to the provisions of any class or series of preferred shares then outstanding and to the mandatory provisions of applicable law, its shareholders are entitled to vote only on the following matters:

- election or removal of trustees;
- amendment of the declaration of trust (except as otherwise provided in the declaration of trust, including an amendment to increase the number of authorized common shares);
- Elme Communities' termination;
- Elme Communities' merger or consolidation with another entity, or the sale of all or substantially all of Elme Communities' property;
- amendment of the bylaws; and

Table of Contents

- such other matters with respect to which the board of trustees has adopted a resolution declaring that a proposed action is advisable and directing that the matter be submitted to the shareholders for approval or ratification.

Except with respect to these matters, no action taken by Elme Communities' shareholders at any meeting binds the board of trustees.

DESCRIPTION OF COMMON SHARES

Authorization and Issuance

All common shares offered by this prospectus will be duly authorized, and, when issued, will be fully paid and nonassessable.

Voting Rights of Holders of Common Shares

Subject to the provisions of our declaration of trust regarding the restrictions on ownership and transfer of shares of beneficial interest, each outstanding common share entitles the holder to one vote on all matters submitted to a vote of shareholders, including the election of trustees, and, except as provided with respect to any other class or series of beneficial interest, the holders of common shares will possess the exclusive voting power. There is no cumulative voting in the election of trustees, which means that the holders of a majority of the outstanding common shares, voting for and against the election of trustees can elect all of the trustees then standing for election. In the future, Elme Communities may issue one or more classes or series of preferred shares that vote together with the common shares as a single class or have other voting rights that differ from the voting rights of the holders of common shares.

Dividends, Liquidation and Other Rights

Holders of our common shares will be entitled to receive dividends when, as and if authorized by our board of trustees, as declared by Elme Communities, out of assets legally available for the payment of dividends. They also will be entitled to share ratably in our assets legally available for distribution to our shareholders in the event of any liquidation, dissolution or winding up of Elme Communities' affairs, after payment of or adequate provision for all of our known debts and liabilities. These rights will be subject to the preferential rights, if any, of holders of any other class or series of our shares and to the provisions of our declaration of trust relating to the restrictions on ownership and transfer of our shares.

Holders of our common shares have no preference, conversion, exchange, sinking fund, redemption or appraisal rights and will have no preemptive rights to subscribe for any Elme Communities securities. Subject to the restrictions on ownership and transfer of shares contained in our declaration of trust, all common shares will have equal dividend, liquidation and other rights.

Power to Classify and Reclassify Preferred Shares and Issue Additional Common Shares or Preferred Shares

Our declaration of trust authorizes our board of trustees to classify any unissued preferred shares from time to time into one or more classes or series of preferred shares. Prior to issuance of preferred shares of each class or series, the board of trustees is required by the Maryland REIT Law and our declaration of trust to set for such class or series, subject to the provisions of our declaration of trust regarding the restrictions on ownership and transfer of shares and subject to the express terms of any class or series of shares then outstanding, the preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends or other distributions, qualifications and terms and conditions of redemption for each such class or series. As a result, our board of trustees could authorize the issuance of preferred shares that have priority over the common shares with respect to dividends and rights upon liquidation and with other terms and conditions that could have the effect of delaying, deterring or preventing a transaction or a change in control that might involve a premium price for holders of common shares or otherwise might be in their best interest. No preferred shares are presently outstanding.

Table of Contents

To permit us increased flexibility in structuring possible future financings and acquisitions and in meeting other needs that might arise, our declaration of trust allows us to issue additional common shares and to classify unissued preferred shares and thereafter to issue the classified shares without shareholder approval, unless shareholder approval is required by applicable law or the rules of any stock exchange or automated quotation system on which our securities may be listed or traded. Although we have no present intention of doing so, we could issue a class or series of shares that could delay, deter or prevent a transaction or a change in control that might involve a premium price for holders of common shares or might otherwise be in their best interests.

Transfer Agent and Registrar

The transfer agent and registrar for the common shares is Computershare Trust Company, N.A.

Exchange Listing

Elme Communities' common shares are listed on the New York Stock Exchange under the symbol "ELME."

Certain Provisions of Maryland Law and Our Declaration of Trust and Bylaws

The following description of certain provisions of Maryland law and of our declaration of trust and bylaws is only a summary. For a complete description, we refer you to the applicable Maryland law, our declaration of trust and bylaws.

Number of Trustees; Vacancies

Our declaration of trust provides that the number of trustees on our board of trustees will be fixed exclusively by our board of trustees pursuant to our bylaws. Our bylaws provide that our board of trustees will consist of not less than the minimum required by the Maryland REIT Law and not more than eleven trustees. Our declaration of trust and bylaws provide that, except as otherwise provided in the terms of any class or series of our shares, any vacancy, including a vacancy created by an increase in the number of trustees, may be filled by a vote of a majority of the remaining trustees, even if the remaining trustees do not constitute a quorum, unless the vacancy occurring through removal has already been filled by the shareholders, and any trustee elected to fill a vacancy shall serve for the remainder of the full term of the trusteeship in which such vacancy occurred. All members of the board of trustees are elected annually.

Removal of Trustees

Our declaration of trust provides that, subject to the rights of holders of one or more classes or series of our shares to elect or remove one or more trustees, a trustee may be removed from office only with cause and then only by the affirmative vote of the holders of not less than a majority of the shares then outstanding and entitled to vote generally in the election of trustees.

Business Combinations

Under the Maryland General Corporation Law, or MGCL, as applicable to Maryland REITs, certain "business combinations" (including a merger, consolidation, share exchange or, in certain circumstances, an asset transfer or issuance or reclassification of equity securities) between a Maryland REIT and any person who beneficially owns ten percent or more of the voting power of the REIT's shares (defined in the MGCL as an interested shareholder) or an affiliate of an interested shareholder are prohibited for five years after the most recent date on which the interested shareholder became an interested shareholder. Thereafter, any such business combination must generally be recommended by the board of trustees of such REIT and approved by the affirmative vote of at least (a) 80% of the votes entitled to be cast by holders of outstanding voting shares of beneficial interest of the REIT and (b) two-thirds of the votes entitled to be cast by holders of voting shares of the REIT other than shares held by the interested shareholder and the affiliates and associates of the interested shareholder with whom (or with whose affiliate) the business combination is to be effected, unless, among other conditions, the REIT's common shareholders receive a minimum price (as defined in the MGCL) for their shares and the consideration is received in cash or in the same form as previously paid by the interested shareholder for its shares.

Table of Contents

These provisions of the MGCL do not apply, however, to business combinations that are approved or exempted by the board of trustees of the REIT prior to the time that the interested shareholder became an interested shareholder. A person is not an interested shareholder under the statute if the board of trustees approved in advance the transaction by which he otherwise would have become an interested shareholder. The board of trustees may provide that its approval is subject to compliance with any terms and conditions determined by the board.

We have not elected to opt-out of the business combination statute as is permitted by Maryland law. Consequently, the business combination statute may have the effect of inhibiting a third party from making an acquisition proposal for us or of delaying, deferring or preventing a change of control of us under circumstances that otherwise could provide our shareholders with the opportunity to realize a premium over the then-current market price or that our shareholders may otherwise believe is in their best interests.

Control Share Acquisitions

The MGCL, as applicable to Maryland REITs, provides that a holder of “control shares” of a Maryland REIT acquired in a “control share acquisition” has no voting rights with respect to such shares except to the extent approved by a vote of two-thirds of the votes entitled to be cast on the matter, excluding shares of beneficial interest owned by the acquiror, by officers or by trustees who are employees of the REIT. “Control shares” are outstanding voting shares of beneficial interest which, if aggregated with all other such shares of beneficial interest previously acquired by the acquiror, or in respect of which the acquiror is able to exercise or direct the exercise of voting power (except solely by virtue of a revocable proxy), would entitle the acquiror to exercise voting power in electing trustees within one of the following ranges of voting power: (a) one-tenth or more but less than one-third, (b) one-third or more but less than a majority, or (c) a majority or more of all voting power. Control shares do not include shares the acquiring person is then entitled to vote as a result of having previously obtained shareholder approval. A “control share acquisition” means the acquisition of issued and outstanding control shares, subject to certain exceptions.

A person who has made or proposes to make a control share acquisition, upon satisfaction of certain conditions (including an undertaking to pay expenses), may compel the board of trustees of the REIT to call a special meeting of shareholders to be held within 50 days of demand to consider the voting rights of the shares. If no request for a meeting is made, the REIT may itself present the question at any shareholders meeting.

If voting rights are not approved at the meeting or if the acquiring person does not deliver an “acquiring person statement” as required by the statute, then, subject to certain conditions and limitations, the REIT may redeem any or all of the control shares (except those for which voting rights have previously been approved) for fair value determined, without regard to the absence of voting rights for the control shares, as of the date of the last control share acquisition by the acquiror or, if a meeting of shareholders is held at which the voting rights of such shares are considered and not approved, as of the date of the meeting. If voting rights for control shares are approved at a shareholders meeting and the acquiror becomes entitled to vote a majority of the shares entitled to vote, all other shareholders may exercise appraisal rights. The fair value of the shares as determined for purposes of such appraisal rights may not be less than the highest price per share paid by the acquiror in the control share acquisition.

The control share acquisition statute does not apply (a) to shares acquired in a merger, consolidation or share exchange if the REIT is a party to the transaction or (b) to acquisitions approved or exempted by the declaration of trust or bylaws of the REIT.

Our bylaws contain a provision exempting from the control share acquisition statute any and all acquisitions by any person of Elme Communities’ shares of beneficial interest. There can be no assurance that this provision will not be amended or eliminated at any time in the future, and may be amended or eliminated with retroactive effect.

Table of Contents

Unsolicited Takeovers

Subtitle 8 of Title 3 of the MGCL, as applicable to Maryland REITs, permits a Maryland real estate investment trust with a class of equity securities registered under the Exchange Act and at least three independent trustees to elect to be subject, by provision in its declaration of trust or bylaws or a resolution of its board of trustees and notwithstanding any contrary provision in its declaration of trust or bylaws, to any or all of five provisions:

- a classified board;
- a two-thirds vote requirement for removing a trustee;
- a requirement that the number of trustees be fixed only by vote of the trustees;
- a requirement that a vacancy on the board be filled only by the affirmative vote of a majority of the remaining trustees then in office (even if the remaining trustees do not constitute a quorum) and for the remainder of the full term of the class of trustees in which the vacancy occurred; and
- a majority requirement for the calling of a shareholder-requested special meeting of shareholders.

Through provisions in the declaration of trust and bylaws unrelated to Subtitle 8 of Title 3 of the MGCL, Elme Communities already requires, the request of holders of a majority of outstanding shares to call a special meeting of shareholders, unless such special meeting is called by the chairperson of Elme Communities' board of trustees, the president, the chief executive officer, or the board of trustees. The board of trustees of Elme Communities has the power, under Maryland law and without shareholder approval, to re-classify its board of trustees pursuant to the provisions of Subtitle 8 of Title 3 of the MGCL or elect to be subject to any of the other provisions described above.

Merger, Amendment of Declaration of Trust and Bylaws

Under the Maryland REIT Law, a Maryland REIT generally cannot dissolve, amend its declaration of trust or merge with, or convert into, another entity unless recommended by the board of trustees and approved by the affirmative vote of shareholders holding at least two-thirds of the votes entitled to be cast on the matter, unless a lesser percentage, but not less than a majority of all the votes entitled to be cast on the matter, is set forth in the REIT's declaration of trust. Under our declaration of trust, we cannot dissolve, merge with another entity, sell all or substantially all of our assets, or amend our declaration of trust without the affirmative vote of the holders of shares entitled to cast a majority of all the votes entitled to be cast on the matter. Our board of trustees may amend the declaration of trust, without any action by the shareholders, (a) to qualify as a real estate investment trust under the Internal Revenue Code of 1986, as amended (the "Code"), or the Maryland REIT Law, (b) in any respect in which the charter of a corporation may be amended in accordance with Section 2-605 of the MGCL (*e.g.*, to change the name of Elme Communities or the par value of any class or series of our shares) and (c) as otherwise provided by the Maryland REIT Law or in the declaration of trust.

Our bylaws may be altered, amended or repealed and new bylaws may be adopted by the affirmative vote of a majority of our board of trustees or by our shareholders by the affirmative vote of a majority of all the votes entitled to be cast on the matter.

Limitation of Liability and Indemnification

Maryland law permits a Maryland REIT to include in its declaration of trust a provision eliminating the liability of its trustees and officers to the REIT and its shareholders for money damages except for liability resulting from (a) actual receipt of an improper benefit or profit in money, property or services or (b) active and deliberate dishonesty established by a final judgment as being material to the cause of action. Our declaration of trust contains such a provision which eliminates such liability to the maximum extent permitted by Maryland law.

Our declaration of trust authorizes us, and our bylaws obligate us, to the maximum extent permitted by Maryland law, to indemnify and, without requiring a preliminary determination of the ultimate entitlement to indemnification, to pay or reimburse reasonable expenses in advance of final disposition of a proceeding to (a) any present or former shareholder, trustee or officer of Elme Communities who is made or threatened to be made a party to the proceeding or (b) any individual who, while a trustee or officer of Elme Communities and at the request of Elme Communities, serves or has served as a trustee, director, officer, member, manager or partner of another REIT, corporation, limited liability company, partnership, joint venture, trust, employee benefit plan or other enterprise from and against any claim or liability to which such person may become subject or which such person may incur by reason of his status

Table of Contents

as a present or former shareholder, trustee or officer of Elme Communities. The rights to indemnification and advancement of expenses provided by our declaration of trust and bylaws vest immediately upon election of a trustee or officer. Our declaration of trust and bylaws also permit us to indemnify and advance expenses to any individual who served a predecessor of Elme Communities in any of the capacities described above and to any employee or agent of Elme Communities or a predecessor of Elme Communities.

The Maryland REIT Law permits a Maryland REIT to indemnify and advance expenses to its trustees and officers to the same extent as permitted by the MGCL for directors and officers of Maryland corporations. The MGCL permits a corporation to indemnify its present and former directors and officers, among others, against judgments, penalties, fines, settlements and reasonable expenses actually incurred by them in connection with any proceeding to which they may be made a party by reason of their service in those or other capacities unless it is established that (a) the act or omission of the director or officer was material to the matter giving rise to the proceeding and (i) was committed in bad faith or (ii) was the result of active and deliberate dishonesty, (b) the director or officer actually received an improper personal benefit in money, property or services or (c) in the case of any criminal proceeding, the director or officer had reasonable cause to believe that the act or omission was unlawful. However, a Maryland corporation may not indemnify for an adverse judgment in a suit by or in the right of the corporation or for a judgment of liability on the basis that a personal benefit was improperly received, unless, in either case, a court orders indemnification and then only for expenses. In addition, the MGCL permits a corporation to advance reasonable expenses to a director or officer upon the corporation's receipt of (a) a written affirmation by the director or officer of his or her good faith belief that he or she has met the standard of conduct necessary for indemnification by the corporation and (b) a written undertaking by him or on his behalf to repay the amount paid or reimbursed by the corporation if it shall ultimately be determined that the standard of conduct was not met.

In addition, we have entered into indemnification agreements with each of our trustees and executive officers that provide for indemnification to the maximum extent permitted by Maryland law.

Term and Termination

Our declaration of trust provides for us to have a perpetual existence. Pursuant to our declaration of trust, and subject to the provisions of any class or series of our shares of beneficial interest then outstanding, after approval by a majority of the entire board of trustees, our shareholders, by the affirmative vote of a majority of all of the votes entitled to be cast on the matter, may approve the dissolution of Elme Communities.

Meetings of Shareholders

Under our bylaws, annual meetings of shareholders are to be held each year on the date and at the time and place as determined by our board of trustees. Special meetings of shareholders may be called only by our board of trustees, the chairman of our board of trustees, our president or our chief executive officer, or by the secretary of Elme Communities to act on any matter that may properly be considered at a meeting of shareholders upon the written request of shareholders entitled to cast not less than a majority of all the votes entitled to be cast on such matter at such meeting. Only matters set forth in the notice of the special meeting may be considered and acted upon at such a meeting. Our bylaws provide that any action required or permitted to be taken at a meeting of shareholders may be taken without a meeting (a) if a unanimous consent setting forth the action is given in writing or by electronic transmission by each shareholder entitled to vote on the matter and filed with the minutes of proceedings of the shareholders or (b) if the action is advised, and submitted to the shareholders for approval, by the board of trustees and a consent in writing or by electronic transmission of shareholders entitled to cast not less than the minimum number of votes that would be necessary to authorize or take the action at a meeting of shareholders is delivered to Elme Communities in accordance with the Maryland REIT Law.

Advance Notice of Trustee Nominations and New Business

Our bylaws provide that, with respect to an annual meeting of shareholders, nominations of individuals for election to our board of trustees and the proposal of other business to be considered by shareholders at the annual meeting may be made (a) pursuant to our notice of the meeting, (b) by our board of trustees or (c) by a shareholder who was a shareholder of record both at the time of giving of notice by the shareholder and at the time of the meeting, who is entitled to vote at the meeting and who has complied with the advance notice procedures set forth in our bylaws.

Table of Contents

With respect to special meetings of shareholders, only the business specified in our notice of meeting may be brought before the meeting of shareholders. Nominations of individuals for election to our board of trustees may be made only (a) by our board of trustees, (b) by a shareholder that has requested that a special meeting be called for the purpose of electing trustees in compliance with our bylaws and that has supplied the information required by our bylaws about each individual whom the shareholder proposes to nominate for election as a trustee or (c) provided that our board of trustees has determined that trustees shall be elected at such meeting, by a shareholder who was a shareholder of record both at the time of giving of notice by the shareholder and at the time of the meeting, who is entitled to vote at the meeting and who has complied with the advance notice provisions set forth in our bylaws.

A shareholder's notice must contain certain information specified by our bylaws about the shareholder, any shareholder associated person and any proposed business or nominee for election as a trustee, including information about the economic interest of the shareholder, any shareholder associated person and any proposed nominee in us. The purpose of requiring shareholders to give advance notice of nominations and other proposals is to afford our board of trustees the opportunity to consider the qualifications of the proposed nominees or the advisability of the other proposals and, to the extent considered necessary by our board of trustees, to inform shareholders and make recommendations regarding the nominations or other proposals. The advance notice procedures also permit a more orderly procedure for conducting our shareholder meetings. Although our bylaws do not give our board of trustees the power to disapprove timely shareholder nominations and proposals, they may have the effect of precluding a contest for the election of trustees or proposals for other action if the proper procedures are not followed, and of discouraging or deterring a third party from conducting a solicitation of proxies to elect its own slate of trustees to our board of trustees or to approve its own proposal.

Possible Anti-Takeover Effect of Certain Provisions of Maryland Law and of Our Declaration of Trust and Bylaws

The business combination provisions of the MGCL, the control share acquisition provisions of the MGCL (if the applicable provision in our bylaws is modified or rescinded), the unsolicited takeover provisions of the MGCL, the limitations on removal of trustees, the restrictions on the ownership and transfer of our shares of beneficial interest and the advance notice provisions of our bylaws could have the effect of delaying, deterring or preventing a transaction or a change in the control that might involve a premium price for holders of the shares of beneficial interest or might otherwise be in their best interest.

Restrictions on Ownership

Holders of common shares will be subject to the ownership restrictions of the declaration of trust. See "Restrictions on Ownership and Transfer."

DESCRIPTION OF PREFERRED SHARES

The following description sets forth certain general terms of the preferred shares to which any prospectus supplement may relate. This description and the description contained in any prospectus supplement are not complete and are in all respects subject to and qualified in their entirety by reference to our declaration of trust, the applicable articles supplementary that describes the terms of the related class or series of preferred shares, and our bylaws, each of which we will make available upon request.

General

Our declaration of trust provides that we may issue up to 10,000,000 preferred shares of beneficial interest, par value of \$.01 per share. Our declaration of trust authorizes our board of trustees to classify any unissued preferred shares from time to time into one or more classes or series of preferred shares. Prior to issuance of shares of each class or series, the board of trustees is required by the Maryland REIT Law and our declaration of trust to set for each such class or series, subject to the provisions of our declaration of trust regarding the restrictions on ownership and transfer of shares and subject to the express terms of any class or series of shares then outstanding, the preferences, conversion or other rights, voting powers, restrictions, limitations as to dividends or other distributions, qualifications and terms and conditions of redemption for each such class or series.

Table of Contents

The rights, preferences, privileges and restrictions of any series of preferred shares will be fixed by articles supplementary relating to the series. We will describe the specific terms of the particular series of preferred shares in the prospectus supplement relating to that series, which terms will include:

- (1) the designation and par value of the preferred shares;
- (2) the voting rights, if any, of the preferred shares;
- (3) the number of preferred shares offered, the liquidation preference per preferred share and the offering price of the preferred shares;
- (4) the distribution rate(s), period(s) and payment date(s) or method(s) of calculation thereof applicable to the preferred shares;
- (5) whether distributions will be cumulative or non-cumulative and, if cumulative, the date(s) from which distributions on the preferred shares will accumulate;
- (6) the procedures for any auction and remarketing for the preferred shares, if applicable;
- (7) the provision for a sinking fund, if any, for the preferred shares;
- (8) the provision for, and any restriction on, redemption, if applicable, of the preferred shares;
- (9) the provision for, and any restriction on, repurchase, if applicable, of the preferred shares;
- (10) the terms and provisions, if applicable, upon which the preferred shares will be convertible into our common shares, including the conversion price (or manner or calculation thereof) and conversion period;
- (11) the terms under which the rights of the preferred shares may be modified, if applicable;
- (12) the relative ranking and preferences of the preferred shares as to distribution rights and rights upon the liquidation, dissolution or winding up of our affairs;
- (13) any limitation on issuance of any other series of preferred shares, including any series of preferred shares ranking senior to or on parity with the series of preferred shares as to distribution rights and rights upon the liquidation, dissolution or winding up of our affairs;
- (14) any listing of the preferred shares on any securities exchange;
- (15) if appropriate, a discussion of any additional material U.S. federal income tax considerations applicable to the preferred shares;
- (16) information with respect to the transfer agent, paying agent and registrar for the preferred shares, and any book-entry procedures, if applicable;
- (17) in addition to those restrictions described below, any other restrictions on the actual and constructive ownership and restrictions on transfer of the preferred shares, in each case as may be appropriate to preserve our status as a REIT; and
- (18) any other specific terms, additional rights, preferences, privileges or restrictions of the preferred shares.

Certain Provisions of Maryland Law and Our Declaration of Trust and Bylaws

See “Certain Provisions of Maryland Law and Our Declaration of Trust and Bylaws.”

Transfer Agent and Registrar

Elme Communities will select the transfer agent and registrar for a series of preferred shares, which will be described in the applicable prospectus supplement. The registrar for preferred shares will send notices to shareholders of any meetings at which holders of preferred shares have the right to vote on any matter.

Restrictions on Ownership

Holders of preferred shares will be subject to the ownership restrictions of the declaration of trust. See “Restrictions on Ownership and Transfer.”

DESCRIPTION OF DEPOSITARY SHARES

General

We may issue receipts for depositary shares, each of which will represent a fractional interest of a preferred share of a particular series, as specified in the applicable prospectus supplement. Preferred shares of each series represented by depositary shares will be deposited under a separate deposit agreement among us, the depositary named therein 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 preferred share of a particular series represented by the depositary shares evidenced by such depositary receipt, to all the rights and preferences of the preferred shares represented by such depositary shares (including distribution, voting, conversion, redemption and liquidation rights).

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 shares by us to a preferred share depositary, we will cause such preferred shares depositary to issue, on our behalf, the depositary receipts. Copies of the applicable form of deposit agreement and depositary receipt may be obtained from us upon request, and the statements made hereunder relating to the deposit agreement and the depositary receipts to be issued thereunder are summaries of certain 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

The preferred share depositary will distribute all cash dividends or other cash distributions received in respect of the preferred shares 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 the preferred shares depositary.

In the event of a distribution other than in cash, the preferred shares depositary will 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 the preferred shares depositary, unless the preferred shares depositary determines that it is not feasible to make such distribution, in which case the preferred shares depositary may, with our approval, 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 shares converted into other securities.

Withdrawal of Preferred Shares

Upon surrender of the depositary receipts at the corporate trust office of the applicable preferred shares depositary (unless the related depositary shares have previously been called for redemption or converted into other securities), the holders thereof will be entitled to delivery at such office, to or upon such holder's order, of the number of whole or fractional preferred shares 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 preferred shares on the basis of the proportion of preferred shares represented by each depositary share as specified in the applicable prospectus supplement, but holders of such preferred shares 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 shares to be withdrawn, the preferred shares depositary will deliver to such holder at the same time a new depositary receipt evidencing such excess number of depositary shares.

Redemption of Depositary Shares

Whenever we redeem preferred shares held by the preferred shares depositary, the preferred shares depositary will redeem as of the same redemption date the number of depositary shares representing preferred shares so redeemed, provided we shall have paid in full to the preferred shares depositary the redemption price of the preferred shares 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 corresponding proportion of the redemption price and any other amounts per share payable with respect to the preferred shares. 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 us that will not result in a violation of the ownership restrictions in our declaration of trust. See "Restrictions on Ownership and Transfer."

From and after the date fixed for redemption, all dividends in respect of the preferred shares 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 and surrender thereof to the preferred shares depositary.

Voting of the Preferred Shares

Upon receipt of notice of any meeting at which the holders of the applicable preferred shares are entitled to vote, the preferred shares depositary will 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 shares. 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 shares) will be entitled to instruct the preferred shares depositary as to the exercise of the voting rights pertaining to the amount of preferred shares represented by such holder's depositary shares. Generally, the preferred shares depositary will vote the amount of preferred shares represented by such depositary shares in accordance with such instructions, and we will agree to take all reasonable action which may be deemed necessary by the preferred shares depositary in order to enable the preferred shares depositary to do so. The preferred shares depositary will abstain from voting the amount of preferred shares represented by such depositary shares to the extent it does not receive specific instructions from the holders of depositary receipts evidencing such depositary shares. The preferred shares depositary shall 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 the preferred shares depositary.

Liquidation Preference

In the event of our liquidation, dissolution or winding up, whether voluntary or involuntary, the holders of each depositary receipt will be entitled to the fraction of the liquidation preference accorded each preferred share represented by the depositary shares evidenced by such depositary receipt, as set forth in the applicable prospectus supplement.

Conversion of Preferred Shares

The depositary shares, as such, are not convertible into common shares or any of our other securities or property. 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 preferred shares depositary with written instructions to the preferred shares depositary to instruct us to cause conversion of the preferred shares represented by the depositary shares evidenced by such depositary receipts into whole common shares or other preferred shares, and we have agreed that upon receipt of such instructions and any amounts payable in respect thereof, we will cause the conversion thereof utilizing the same procedures as those provided for delivery of preferred shares to effect such conversion. If the depositary shares evidenced by a depositary receipt are to be converted in part only, a new depositary receipt or receipts will be issued for any depositary shares not to be converted. No fractional common shares will be issued upon conversion, and if such conversion would result in a fractional share being issued, an amount will be paid in cash by us equal to the value of the fractional interest based upon the closing price of the common shares on the last business day prior to the conversion.

Amendment and Termination of Deposit Agreement

The form of depositary receipt evidencing the depositary shares which represent the preferred shares and any provision of the deposit agreement may at any time be amended by agreement between us and the preferred shares depositary. However, any amendment that materially and adversely alters the rights of the holders of depositary receipts or that would be materially and adversely inconsistent with the rights granted to the holders of the related preferred shares will not be effective unless such amendment has been approved by the existing holders of at least two-thirds of the applicable depositary shares evidenced by the applicable depositary receipts then outstanding. No amendment shall impair the right, subject to certain exceptions in the deposit agreement, of any holder of depositary receipts to surrender any depositary receipt with instructions to deliver to the holder the related preferred shares and all money and other property, if any, represented thereby, except in order to comply with law. Every holder of an outstanding depositary receipt at the time any such amendment becomes effective shall be deemed, by continuing to hold such receipt, to consent and agree to such amendment and to be bound by the deposit agreement as amended thereby.

The deposit agreement may be terminated by us upon not less than 30 days' prior written notice to the preferred shares depositary if (a) such termination is necessary to preserve our status as a REIT or (b) a majority of each series of preferred shares affected by such termination consents to such termination, whereupon the preferred shares depositary shall deliver or make available to each holder of depositary receipts, upon surrender of the depositary receipts held by such holder, such number of whole or fractional preferred shares as are represented by the depositary shares evidenced by such depositary receipts together with any other property held by the preferred shares depositary with respect to such depositary receipts. We will agree that if the deposit agreement is terminated to preserve our status as a REIT, then we will use our best efforts to list the preferred shares issued upon surrender of the related depositary shares on a national securities exchange. In addition, the deposit agreement will automatically terminate if (a) all outstanding depositary shares shall have been redeemed, (b) there shall have been a final distribution in respect of the related preferred shares in connection with our liquidation, dissolution or winding up and such distribution shall have been distributed to the holders of depositary receipts evidencing the depositary shares representing such preferred shares or (c) each related preferred share shall have been converted into our securities not so represented by depositary shares.

Charges of Preferred Shares Depositary

We will pay all transfer and other taxes and governmental charges arising solely from the existence of the deposit agreement. In addition, we will pay the fees and expenses of the preferred shares depositary in connection with the performance of its duties under the deposit agreement. However, holders of depositary receipts will pay the fees and expenses of the preferred shares depositary for any duties requested by such holders to be performed which are outside of those expressly provided for in the deposit agreement.

Resignation and Removal of Depositary

The preferred shares depositary may resign at any time by delivering to us notice of its election to do so, and we may at any time remove the preferred shares depositary, any such resignation or removal to take effect upon the appointment of a successor preferred shares depositary. A successor preferred shares depositary must be appointed within 60 days after delivery of the notice of resignation or removal and must be a bank or trust company having its principal office in the United States and that meets certain capital and surplus requirements.

Miscellaneous

The preferred shares depositary will forward to holders of depositary receipts any reports and communications from us which are received by the preferred shares depositary with respect to the related preferred shares.

Neither we nor the preferred shares depositary will be liable if it is prevented from or delayed in, by law or any circumstances beyond its control, performing its obligations under the deposit agreement. The obligations of us and the preferred shares depositary under the 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 shares represented

Table of Contents

by the depositary shares), gross negligence or willful misconduct, and we and the preferred shares depositary will not be obligated to prosecute or defend any legal proceeding in respect of any depositary receipts, depositary shares or preferred shares represented thereby unless satisfactory indemnity is furnished. We and the preferred shares depositary may rely on written advice of counsel or accountants, or information provided by persons presenting preferred shares 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 the preferred shares depositary shall receive conflicting claims, requests or instructions from any holders of depositary receipts, on the one hand, and us, on the other hand, the preferred shares depositary shall be entitled to act on such claims, requests or instructions received from us.

Restrictions on Ownership

Holders of depositary receipts will be subject to the ownership restrictions of the declaration of trust. See “Restrictions on Ownership and Transfer.”

DESCRIPTION OF COMMON SHARE WARRANTS

General

We may issue common share warrants for the purchase of common shares. We may issue common share warrants separately or together with any other offered securities offered by means of this prospectus or any prospectus supplement. Common share warrants may be attached to or separate from the other offered securities. Each series of common share warrants will be issued under a separate warrant agreement to be entered into between us and a warrant agent identified therein or in the applicable prospectus supplement. The warrant agent will act solely as an agent of ours in connection with the common share warrants of a series and will not assume any obligation or relationship of agency or trust for or with any holders or beneficial owners of common share warrants.

Any prospectus supplement relating to common share warrants will describe the terms of the common share warrants, including, where applicable, the following:

- (1) the title of the common share warrants;
- (2) the aggregate number of the common share warrants;
- (3) the price or prices at which the common share warrants will be issued;
- (4) the currencies in which the price or prices of such common share warrants may be payable;
- (5) the designation, number and terms of the common shares purchasable upon exercise of the common share warrants;
- (6) the designation and terms of any other offered securities with which the common share warrants are issued and the number of such common share warrants issued with each offered security;
- (7) the date, if applicable, on and after which the common share warrants and the related common shares will be separately transferable;
- (8) the price or prices at which and currency or currencies at which the common shares purchasable upon exercise of the common share warrants may be purchased;
- (9) the date on which the right to exercise the common share warrants will commence and the date on which the right will expire;
- (10) the minimum and maximum amount of the common share warrants that may be exercised at any one time;
- (11) information with respect to any book-entry procedures, if any;
- (12) a discussion of material federal income tax considerations; and
- (13) any other material terms of the common share warrants, including terms, procedures and limitations relating to their exchange and exercise.

DESCRIPTION OF RIGHTS

We may issue rights to our shareholders for the purchase of common shares. Each series of rights will be issued under a separate rights agreement to be entered into between us and a bank or trust company, as rights agent, all as set forth in the prospectus supplement relating to the particular issue of rights. The rights agent will act solely as our agent in connection with the certificates relating to the rights of such series and will not assume any obligation or relationship of agency or trust for or with any holders of rights certificates or beneficial owners of rights. The rights agreement and the rights certificates relating to each series of rights will be filed with the SEC and incorporated by reference as an exhibit to the registration statement of which this prospectus is a part.

The applicable prospectus supplement will describe the terms of the rights to be issued, including the following, where applicable:

- (1) the date for determining the shareholders entitled to the rights distribution;
- (2) the aggregate number of common shares purchasable upon exercise of such rights and the exercise price;
- (3) the aggregate number of rights being issued;
- (4) the date, if any, on and after which such rights may be transferable separately;
- (5) the date on which the right to exercise such rights shall commence and the date on which such right shall expire;
- (6) a discussion of material federal income tax considerations; and
- (7) any other terms of such rights, including terms, procedures and limitations relating to the distribution, exchange and exercise of such rights.

RESTRICTIONS ON OWNERSHIP AND TRANSFER

In order to qualify as a REIT under the Code, our shares must be beneficially owned by 100 or more persons during at least 335 days of a taxable year of twelve months or during a proportionate part of a shorter taxable year. Also, not more than 50% of the value of our outstanding shares (after taking into account any options to acquire shares) may be owned, directly or indirectly, or through attribution, by five or fewer individuals (as defined in the Code to include certain entities or organizations) during the last half of a taxable year (commonly referred to as the “closely held test”).

Our declaration of trust contains restrictions on the ownership and transfer of our shares of beneficial interest that are intended to, among other purposes, assist us in complying with these requirements. Our declaration of trust provides that, subject to the exceptions described below, no person may own, or be deemed to own by virtue of the attribution provisions of the Code, more than 9.8% in value of the aggregate of our outstanding shares, referred to as the “Aggregate Share Ownership Limit,” or more than 9.8% (in value or in number of shares, whichever is more restrictive) of the aggregate of our outstanding common shares, referred to as the “Common Share Ownership Limit.” The Aggregate Share Ownership Limit and the Common Share Ownership Limit are referred to collectively as the “Ownership Limits.”

The declaration of trust further prohibits (a) any person from beneficially or constructively owning shares that would result in us being “closely held” under Section 856(h) of the Code or otherwise cause us to fail to qualify as a REIT (including, but not limited to beneficial or constructive ownership that would result in us owning (actually or constructively) an interest in a tenant that is described in Section 856(d)(2)(B) of the Code if the income derived by us (either directly or indirectly through one or more partnerships or limited liability companies) from such tenant would cause us to fail to satisfy any of the gross income requirements of Section 856(c) of the Code) and (b) any person from transferring shares if such transfer would result in shares being beneficially owned by fewer than 100 persons. Any person who acquires or attempts or intends to acquire beneficial or constructive ownership of shares that will or may violate any of the foregoing restrictions on transferability and ownership, or any person who would have owned shares that resulted in a transfer of shares to the charitable trust (as described below), is required to give notice immediately to us or, in the case of a proposed or attempted transaction, provide us at least 15 days prior notice, and provide us with such other information as we may request in order to determine the effect of such transfer, if any, on our status as a REIT.

Table of Contents

The board of trustees, in its sole discretion, may exempt a proposed transferee from the Ownership Limits, which transferee is referred to in this prospectus as an “Excepted Holder.” However, the board of trustees may not grant such an exemption to any person if such exemption would result in us being “closely held” within the meaning of Section 856(h) of the Code or otherwise would result in us failing to qualify as a REIT. Also, in order to be considered by the board of trustees as an Excepted Holder, a person must not own, directly or indirectly, an interest in one of our tenants (or a tenant of any entity owned or controlled by us) that would cause us to own, directly or indirectly, more than a 9.8% interest in such a tenant. This restriction is designed to ensure that rents from a tenant will qualify as “rents from real property” in satisfying the gross income tests applicable to REITs under the Code. The person seeking an exemption must represent to the satisfaction of the board of trustees that it will not violate the two foregoing restrictions. The person also must agree that any violation or attempted violation of any of the foregoing restrictions will result in the automatic transfer of the shares causing such violation to the charitable trust. The board of trustees may require a ruling from the Internal Revenue Service or an opinion of counsel, in either case in form and substance satisfactory to the board of trustees, in its sole discretion, in order to determine or ensure our status as a REIT. The board of trustees may impose such conditions or restrictions as it deems appropriate in connection with granting such an exemption.

The board of trustees may from time to time increase or decrease the Ownership Limits, unless, after giving effect to such decrease or increase, we would be “closely held” under Section 856(h) of the Code or otherwise fail to qualify as a REIT. A reduced ownership limit will not apply to any person or entity whose percentage ownership of our common shares or our shares of all classes and series, as applicable, is, at the effective time of such reduction, in excess of such decreased ownership limit until such time as such person’s or entity’s percentage ownership of our common shares or our shares of all classes and series, as applicable, equals or falls below the decreased ownership limit, but any further acquisition of our common shares or shares of all classes or series, as applicable, will violate the decreased ownership limit.

Pursuant to the declaration of trust, if any transfer of shares would result in shares being owned by fewer than 100 persons, such transfer will be null and void ab initio and the intended transferee will acquire no rights in such shares. In addition, if any transfer of shares occurs which, if effective, would result in any person beneficially or constructively owning shares in excess or in violation of the other transfer or ownership limitations described above (a “Prohibited Owner”), then that number of shares the beneficial or constructive ownership of which otherwise would cause such person to violate such limitations (rounded up to the nearest whole share) will be automatically transferred to a trust for the exclusive benefit of one or more charitable beneficiaries (the “Charitable Beneficiary”), and the Prohibited Owner will not acquire any rights in such shares. Such automatic transfer will be deemed to be effective as of the close of business on the business day prior to the date of such violative transfer. Shares held in the charitable trust will be issued and outstanding shares. The Prohibited Owner will not benefit economically from ownership of any shares held in the charitable trust, will have no rights to dividends or other distributions and will not possess any rights to vote or other rights attributable to the shares held in the charitable trust. The trustee of the charitable trust (the “Charitable Trustee”) will have all voting rights and rights to dividends or other distributions with respect to shares held in the charitable trust, which rights will be exercised for the exclusive benefit of the Charitable Beneficiary. Any dividend or other distribution paid prior to our discovery that shares have been transferred to the Charitable Trustee will be paid by the recipient of such dividend or other distribution to the Charitable Trustee upon demand, and any dividend or other distribution authorized but unpaid will be paid when due to the Charitable Trustee. Any dividend or other distribution so paid to the Charitable Trustee will be held in trust for the Charitable Beneficiary. Subject to Maryland law, effective as of the date that such shares have been transferred to the charitable trust, the Charitable Trustee will have the authority (at the Charitable Trustee’s sole discretion) (a) to rescind as void any vote cast by a Prohibited Owner prior to our discovery that such shares have been transferred to the charitable trust and (b) to recast such vote in accordance with the desires of the Charitable Trustee acting for the benefit of the Charitable Beneficiary. However, if we have already taken irreversible trust action, then the Charitable Trustee will not have the authority to rescind and recast such vote.

Within 20 days of receiving notice from us that shares have been transferred to the charitable trust, the Charitable Trustee must sell the shares held in the charitable trust to a person, designated by the Charitable Trustee, whose ownership of the shares will not violate the ownership limitations set forth in the declaration of trust. Upon such sale, the interest of the Charitable Beneficiary in the shares sold will terminate and the Charitable Trustee must distribute the net proceeds of the sale to the Prohibited Owner and to the Charitable Beneficiary as follows. The

Table of Contents

Prohibited Owner shall receive the lesser of (a) the price paid by the Prohibited Owner for the shares or, if the Prohibited Owner did not give value for the shares in connection with the event causing the shares to be held in the charitable trust (e.g., a gift, devise or other such transaction), the Market Price (as defined in our declaration of trust) of such shares on the day of the event causing the shares to be held in the charitable trust and (b) the price per share received by the Charitable Trustee from the sale or other disposition of the shares held in the charitable trust. Any net sale proceeds in excess of the amount payable to the Prohibited Owner will be paid immediately to the Charitable Beneficiary. If, prior to our discovery that shares have been transferred to the charitable trust, such shares are sold by a Prohibited Owner, then (a) such shares will be deemed to have been sold on behalf of the charitable trust and (b) to the extent that the Prohibited Owner received an amount for such shares that exceeds the amount that such Prohibited Owner was entitled to receive pursuant to the aforementioned requirement, such excess will be paid to the Charitable Trustee upon demand.

In addition, shares held in the charitable trust will be deemed to have been offered for sale to us, or our designee, at a price per share equal to the lesser of (a) the price per share in the transaction that resulted in such transfer to the charitable trust (or, in the case of a devise or gift, the Market Price at the time of such devise or gift) and (b) the Market Price on the date that we, or our designee, accepts such offer. We will have the right to accept such offer until the Charitable Trustee has sold the shares held in the charitable trust. Upon such a sale to us, the interest of the Charitable Beneficiary in the shares sold will terminate and the Charitable Trustee will distribute the net proceeds of the sale to the Prohibited Owner.

All certificates evidencing our shares will bear a legend referring to the restrictions described above.

Every actual owner of more than 5% (or such lower percentage as required by the Code or the regulations promulgated thereunder) of all classes or series of shares, including common shares (which may not necessarily be the shareholder of record), will be required to give written notice to us within 30 days after the end of each taxable year stating the name and address of such owner, the number of shares of each class and series of shares that the owner beneficially owns and a description of the manner in which such shares are held. Each such owner must provide to us such additional information as we may request in order to determine the effect, if any, of such beneficial ownership on our status as a REIT and to ensure compliance with the Ownership Limits. In addition, each shareholder will, upon demand, be required to provide to us such information as we may request, in good faith, in order to determine our status as a REIT and to comply with the requirements of any taxing authority or governmental authority or to determine such compliance.

The foregoing restrictions on transferability and ownership will not apply if the board of trustees determines that it is no longer in our best interests to attempt to qualify, or to continue to qualify, as a REIT.

The ownership limitations contained in the declaration of trust could delay, defer or prevent a transaction or a change in control of us that might involve a premium price for our shares of beneficial interest or otherwise be in the best interest of our shareholders.

DESCRIPTION OF DEBT SECURITIES

Elme Communities may issue senior debt securities in one or more series under a senior indenture to be entered into between Elme Communities and a commercial bank we will select to act as senior indenture trustee. Elme Communities may issue subordinated debt securities in one or more series under a subordinated indenture between Elme Communities and a commercial bank we will select to act as subordinated indenture trustee. We use the term indenture trustee to refer to the senior indenture trustee or subordinated indenture trustee, as appropriate. We refer to the senior indenture and the subordinated indenture together as the indentures and individually as an indenture. The form of the senior indenture and the form of the subordinated indenture are filed as exhibits to the registration statement of which this prospectus is a part. The indentures will be available for inspection at the corporate trust offices of the senior indenture trustee and the subordinated indenture trustee and as described below under "Where to Find Additional Information." The indentures are subject to and governed by the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act").

Table of Contents

We describe below some of the terms of the debt securities and some of the provisions of the indentures. We will describe in a prospectus supplement the specific terms of the debt securities and the extent to which the provisions described below apply. The descriptions in this prospectus and the applicable prospectus supplement are not complete and may not contain all of the information that may be important to you, and they are qualified in their entirety by reference to all of the provisions of the indentures, any supplemental indentures and the debt securities, which provisions, including defined terms, are incorporated by reference in this prospectus. To obtain further information, you should refer to the provisions of the indentures, any supplemental indentures and the debt securities. If any particular terms of such debt securities described in a prospectus supplement are inconsistent with any of the terms of the debt securities generally described in this prospectus, then the terms described in the applicable prospectus supplement will supersede the terms described in this prospectus. Capitalized terms used in this summary but not defined have the meaning specified in the indentures.

General

The debt securities will be direct, unsecured obligations of Elme Communities. The senior debt securities will rank equally with all other unsecured and unsubordinated debt of Elme Communities. Payments on the subordinated debt securities will be subordinated to the prior payment in full of Elme Communities' senior debt, as described in this section under "Subordination." Each indenture provides that Elme Communities may issue debt securities without limit as to aggregate principal amount, in one or more series, in each case as established from time to time in, or under authority granted by, a resolution of Elme Communities' board of trustees or as established in one or more supplemental indentures. Elme Communities may issue debt securities with terms different from those of debt securities previously issued. Debt securities of one series may be issued at different times and, unless otherwise provided, a series may be reopened, without the consent of the holders of the debt securities of that series, for issuances of additional debt securities of that series.

Please read the applicable prospectus supplement relating to the debt securities of the particular series being offered thereby for the specific terms of such debt securities, including, where applicable:

- the title of the series of debt securities and whether the debt securities are senior or subordinated;
- the aggregate principal amount of debt securities of the series and any limit thereon;
- whether such debt securities are to be issuable in global form or as registered securities;
- the date or dates on which Elme Communities will pay the principal of and premium, if any, on debt securities of the series, or the method used to determine such date or dates;
- the rate or rates, which may be fixed or variable, at which debt securities of the series will bear interest, if any, or the method or methods, if any, used to determine such rate or rates;
- the basis used to calculate interest, if any, on the debt securities of the series if other than a 360-day year of twelve 30-day months;
- the date or dates, if any, from which interest on the debt securities of the series will accrue, or the method or methods, if any, used to determine such date or dates;
- the date or dates, if any, on which the interest on the debt securities of the series will be payable and the record dates for any such payment of interest;
- the terms and conditions, if any, upon which Elme Communities is required to, or may, at its option, redeem debt securities of the series;
- the terms and conditions, if any, upon which Elme Communities will be required to repurchase debt securities of the series at the option of the holders of debt securities of the series;
- the terms of any sinking fund or analogous provision;
- if other than the entire principal amount thereof, the portion of the principal amount of the debt securities of the series which will be payable upon acceleration if other than the full principal amount;
- the authorized denominations in which debt securities of the series will be issued, if other than minimum denominations of \$2,000 and any integral multiple of \$1,000 in excess thereof;
- the place or places where (1) amounts due on the debt securities of the series will be payable, (2) the debt securities of the series may be surrendered for registration of transfer or exchange, (3) the debt securities of the series may be surrendered for conversion or exchange or at maturity or otherwise and (4) notices or demands to or upon Elme Communities in respect of the debt securities of the series or the indenture may be served, if different than the corporate trust office of the trustee;

Table of Contents

- the terms and conditions, if any, upon which the debt securities will be convertible into and/or exchangeable for equity or other securities or property of Elme Communities or any other Person;
- if other than Dollars, the currency or currencies in which purchases of, and payments on, the debt securities of the series must be made, the manner of determining the equivalent thereof in Dollars for any purpose, and the ability, if any, of Elme Communities or the holders of debt securities of the series to elect for payments to be made in any other currency or currencies and the terms and conditions upon which such election may be made;
- whether the amount of payments on the debt securities of the series may be determined with reference to an index, formula, or other method or methods (any of those debt securities being referred to as “indexed securities”) and the manner used to determine those amounts;
- any addition to, modification of, or deletion of, any covenant or Event of Default with respect to debt securities of the series or any guarantee;
- whether the securities will be secured and, if so, the collateral and the extent to which, and the terms and conditions upon which, such securities will be secured;
- if the securities will not be subject to any provision relating to satisfaction and discharge, defeasance or covenant defeasance;
- the covenants subject to covenant defeasance;
- the terms and conditions, if any, upon which debt securities are to be issuable upon the exercise of warrants;
- the identity of the depositary for the global debt securities;
- the circumstances under which Elme Communities or any guarantor will pay Additional Amounts on the debt securities of a series in respect of any tax, assessment, or other governmental charge and whether Elme Communities will have the option to redeem such debt securities rather than pay the Additional Amounts;
- if there is more than one trustee, the identity of the trustee that has any obligations, duties and remedies with respect to the debt securities and, if not the trustee, the identity of each security registrar, paying agent or authenticating agent with respect to the debt securities;
- whether the securities of the series will be guaranteed by a guarantor and, if so, the terms of any guarantee of the debt securities and the identity of any guarantor or guarantors of the debt securities and, if applicable, the terms and conditions upon which such guarantees may be subordinated to other indebtedness of the respective guarantors;
- if the principal amount payable at the stated maturity of the debt securities of the series will not be determinable as of any one or more dates prior to the stated maturity, the amount which shall be deemed to be the principal amount of such debt securities as of any date;
- whether the debt securities will not be issued in a transaction registered under the Securities Act and any restriction or condition on the transferability of the debt securities of such series;
- the exchanges, if any, on which the debt securities of the series may be listed;
- the price or prices at which the debt securities of the series will be sold;
- if debt securities issuable in global form are to be issuable in definitive form only upon receipt of certain certificates or other documents or satisfaction of other conditions, then the forms and terms of such certificates documents or conditions;
- the Person to whom any interest on any registered security shall be payable, if other than the person in whose name such security is registered at the close of business on the regular record date for such payment and the manner in which any interest payable on a temporary global security will be paid if other than in the manner provided in the indenture;
- any additional covenants subject to waiver by the act of the holders of debt securities pursuant to the indenture;
- any change in the right of the trustee or the right of the requisite holders of debt securities to declare the principal amount thereof due and payable; and
- any other terms of debt securities of the series and any deletions from or modifications or additions to the indenture in respect of such securities.

Table of Contents

As used in this prospectus, references to the principal of and premium, if any, and interest, if any, on the debt securities of a series include Additional Amounts, if any, payable on the debt securities of such series in that context.

Elme Communities may issue debt securities as original issue discount securities to be sold at a substantial discount below their principal amount. In the event of an acceleration of the maturity of any original issue discount security, the amount payable to the holder upon acceleration will be determined in the manner described in the applicable prospectus supplement. Important federal income tax and other considerations applicable to original issue discount securities will be described in the applicable prospectus supplement.

Other than to the extent provided with respect to the debt securities of a particular series and described in the applicable prospectus supplement, the indentures will not contain any provisions that would limit the ability of Elme Communities to incur indebtedness or to substantially reduce or eliminate Elme Communities' consolidated assets, which may have a material adverse effect on the ability of Elme Communities to service its indebtedness (including the debt securities) or that would afford holders of the debt securities protection in the event of:

- (1) a highly leveraged or similar transaction involving Elme Communities' management, or any affiliate of any of those parties,
- (2) a change of control, or
- (3) a reorganization, restructuring, merger, or similar transaction involving Elme Communities or its affiliates.

Registration, Transfer, Payment and Paying Agent

Unless otherwise specified in the applicable prospectus supplement, each series of debt securities will be issued in registered form only, without coupons.

Unless otherwise specified in the applicable prospectus supplement, the debt securities will be payable and may be surrendered for registration of transfer or exchange at an office of Elme Communities or an agent of Elme Communities in the continental United States. Elme Communities, at its option, may make payments of interest on any interest payment date on any debt security that is not a global debt security by check mailed to the address of the person entitled to receive that payment or by wire transfer to an account maintained by the payee with a bank located in the United States.

Any interest not punctually paid or duly provided for on any interest payment date with respect to the debt securities of any series will forthwith cease to be payable to the holders of those debt securities on the applicable regular record date and may either be paid to the persons in whose names those debt securities are registered at the close of business on a special record date for the payment of the interest not punctually paid or duly provided for to be fixed by the trustee, notice whereof shall be given to the holders of those debt securities not less than 10 days prior to the special record date, or may be paid at any time in any other lawful manner, all as completely described in the indenture.

Subject to certain limitations imposed on debt securities issued in book-entry form, the debt securities of any series will be exchangeable for other debt securities of the same series containing identical terms and provisions, in any authorized denominations, and of a like aggregate principal amount upon surrender of those debt securities at the designated place or places. 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 or exchange thereof at the designated place or places if duly endorsed or accompanied by a written instrument of transfer. No service charge shall be made for any registration of transfer or exchange, redemption or repayment of debt securities, but Elme Communities may require payment of a sum sufficient to cover any tax, assessment or other governmental charge that may be imposed in connection with certain of those transactions.

Table of Contents

Unless otherwise specified in the applicable prospectus supplement, Elme Communities will not be required to:

- issue, register the transfer of or exchange debt securities of any series during a period beginning at the opening of business 15 days before any selection of debt securities of that series of like tenor and terms to be redeemed and ending at the close of business on the day of that selection;
- register the transfer of or exchange any debt security, or portion of any debt security, called for redemption, except the unredeemed portion of any debt security being redeemed in part; or
- issue, register the transfer of or exchange a debt security which has been surrendered for repurchase at the option of the holder, except the portion, if any, of the debt security not to be repurchased.

Outstanding Debt Securities

In determining whether the holders of the requisite principal amount of outstanding debt securities have given any request, demand, authorization, direction, notice, consent, or waiver under the indenture:

- the principal amount of an original issue discount security that shall be deemed to be outstanding for these purposes shall be that portion of the principal amount of the original issue discount security that would be due and payable upon acceleration of the original issue discount security as of the date of the determination,
- the principal amount of any indexed security that shall be deemed to be outstanding for these purposes shall be the principal amount of the indexed security determined on the date of its original issuance, unless otherwise provided in the indenture,
- the principal amount of a debt security denominated in a foreign currency shall be the U.S. dollar equivalent, determined on the date of its original issuance, of the principal amount of the debt security, and
- a debt security owned by Elme Communities or any obligor on the debt security or any affiliate of Elme Communities or such other obligor shall be deemed not to be outstanding.

Redemption and Repurchase

The debt securities of any series may be redeemable at Elme Communities' option or may be subject to mandatory redemption by Elme Communities as required by a sinking fund or otherwise. In addition, the debt securities of any series may be subject to repurchase by Elme Communities at the option of the holders. The applicable prospectus supplement will describe the terms and conditions regarding any optional or mandatory redemption or option to repurchase the debt securities of the related series.

Covenants

Existence

Except as described under the section below entitled "Merger, Consolidation or Sale," each of Elme Communities and any guarantor will do or cause to be done all things necessary to preserve and keep in full force and effect its existence, and rights (by charter and statutory) and franchises; provided, that neither Elme Communities nor any guarantor shall be required to preserve any such right or franchise if the Board of Trustees (or any duly authorized committee of that Board of Trustees), as applicable, shall determine that the preservation thereof is no longer desirable in the conduct of the business of Elme Communities or any guarantor, as applicable.

Maintenance of Properties

Elme Communities will 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 (normal wear and tear, casualty and condemnation excepted) and supplied with all necessary equipment and will cause to be made all necessary repairs, renewals, replacements, betterments and improvements thereof, all as in the judgment of Elme Communities may be necessary so that the business carried on in connection therewith may be properly and advantageously conducted at all times; provided, however, that Elme Communities will not be prevented from (1) removing permanently any property that has been condemned or suffered a casualty loss, if it is in its best interests, (2) discontinuing maintenance or operation of any property if, in its reasonable judgment, doing so is in its best interest, or (3) selling or otherwise disposing for value its properties in the ordinary course of business.

Table of Contents

Insurance

Elme Communities will, and will cause each of its Subsidiaries to, keep in force upon all of its and each of its Subsidiaries' insurable properties and operations insurance policies carried with responsible companies in such amounts and covering all such risks as is customary in the industry in which Elme Communities and its Subsidiaries do business in accordance with prevailing market conditions and availability.

Payment of Taxes and Other Claims

Elme Communities will pay or discharge or cause to be paid or discharged, before the same shall become delinquent, (1) all material taxes, assessments and governmental charges levied or imposed upon it or any Subsidiary or upon the income, profits or property of Elme Communities or any Subsidiary, and (2) all material lawful claims for labor, materials and supplies, which, if unpaid, might by law become a material lien upon the property of Elme Communities or any Subsidiary; provided, however, that Elme Communities shall not be required to pay or discharge or cause to be paid or discharged any such tax, assessment, charge or claim the amount, applicability or validity of which is being contested in good faith.

Provision of Financial Information

For so long as any notes are outstanding, if we are subject to Section 13(a) or 15(d) of the Exchange Act or any successor provision, we will deliver to the trustee the annual reports, quarterly reports and other documents which we are required to file with the SEC pursuant to Section 13(a) or 15(d) or any successor provision, within 15 days after the date that we file the same with the SEC. If we are not subject to Section 13(a) or 15(d) of the Exchange Act or any successor provision, and for so long as any notes are outstanding, we will deliver to the trustee the quarterly and annual financial statements and accompanying Item 303 of Regulation S-K ("management's discussion and analysis of financial condition and results of operations") disclosure that would be required to be contained in annual reports on Form 10-K and quarterly reports on Form 10-Q required to be filed with the SEC if we were subject to Section 13(a) or 15(d) of the Exchange Act or any successor provision, within 15 days of the filing date that would be applicable to us at that time pursuant to applicable SEC rules and regulations.

Reports and other documents filed by Elme Communities with the SEC and publicly available via the EDGAR system or on our website will be deemed to be delivered to the trustee as of the time such filing is publicly available via EDGAR or on our website for purposes of this covenant; *provided, however*, that the trustee shall have no obligation whatsoever to determine whether or not such information, documents or reports have been filed or are publicly available via EDGAR or on our website. Delivery of such reports, information and documents to the trustee is for informational purposes only and the trustee's receipt of such shall not constitute constructive notice of any information contained therein or determinable from information contained therein, including its compliance with any of its covenants relating to the notes (as to which the trustee is entitled to rely exclusively on an officer's certificate).

Additional Covenants

The applicable prospectus supplement will describe any additional material covenants of Elme Communities relating to such series of debt securities.

Events of Default

Unless otherwise specified in the applicable prospectus supplement, each of the following is an Event of Default with respect to any series of debt securities issued under either indenture:

- (1) default for thirty (30) days in the payment of any installment of interest or Additional Amounts payable with respect to such interest under the debt securities of that series;

Table of Contents

- (2) default in the payment of the principal of or premium, if any, on or, any Additional Amounts payable in respect of any principal of or premium, if any, on the debt securities of that series, when the same becomes due and payable or default is made in the deposit of any sinking fund payment with respect to the debt securities of that series when due;
- (3) Elme Communities fails to comply with any of its other agreements contained in the debt securities or the indenture (other than an agreement a default in whose performance or whose breach is elsewhere specifically dealt with in the indenture or which has expressly been included in the indenture solely for the benefit of a series of debt securities other than that series) upon receipt by Elme Communities of notice of such default by the trustee or receipt by Elme Communities and the trustee of written notice of such default by holders of not less than twenty five percent (25%) in aggregate principal amount of the debt securities of that series then outstanding and Elme Communities fails to cure (or obtain a waiver of) such default within ninety (90) days after Elme Communities receives such notice;
- (4) failure to pay any recourse indebtedness for monies borrowed by Elme Communities in an outstanding principal amount in excess of \$75 million at final maturity or upon acceleration after the expiration of any applicable notice and grace period, which recourse indebtedness is not discharged, or such default in payment or acceleration is not cured or rescinded, within sixty (60) days after written notice of such failure to Elme Communities from the trustee (or to Elme Communities and the trustee from holders of at least twenty five percent (25%) in aggregate principal amount of the outstanding debt securities of that series); and
- (5) specified events of bankruptcy, insolvency, or reorganization with respect to Elme Communities, any guarantor or any Significant Subsidiary.

“Significant Subsidiary” means any Subsidiary or group of Subsidiaries that meets either of the following conditions:

- Elme Communities and its other Subsidiaries investments in and advances to the Subsidiary exceed 10% of the total assets of Elme Communities’ and its Subsidiaries’ total assets consolidated (determined in accordance with GAAP) as of the end of the most recent fiscal quarter for which an annual or quarterly report has been furnished to holders of the debt securities or filed with the SEC; or
- Elme Communities’ and its other Subsidiaries’ proportionate share of the total assets (after intercompany eliminations) of the Subsidiary exceeds 10% of Elme Communities’ and its Subsidiaries total assets consolidated (determined in accordance with GAAP) as of the end of the most recent fiscal quarter for which an annual or quarterly report has been furnished to holders of the debt securities or filed with the SEC.

No Event of Default with respect to any particular series of debt securities necessarily constitutes an Event of Default with respect to any other series of debt securities. The trustee is required to give notice to holders of the debt securities of the applicable series within 90 days after the trustee has actual knowledge (as such knowledge is described in the indenture) of a default relating to such debt securities; provided, however, that the trustee may withhold notice to the holders of the debt securities of such series of any default, except a default in the payment of the principal of, premium, if any, or interest on any debt securities of such series, or in the payment of any sinking fund installment, if and for so long as the trustee determines in good faith that the withholding of the notice is in the interest of the holders; and provided further that in the case of an Event of Default as described in (3) above, the Trustee will not give notice to the holders until at least 60 days after the occurrence thereof.

If an Event of Default specified in clause (5) above occurs, then the principal of, and premium, if any, on all the outstanding debt securities of the applicable series and unpaid interest, if any, accrued thereon shall automatically become immediately due and payable. If any other Event of Default with respect to the outstanding debt securities of the applicable series occurs and is continuing, either the trustee or the holders of at least 25% in aggregate principal amount of the debt securities of that series then outstanding may declare the principal of, and premium, if any, on, or if debt securities of that series are original issue discount securities such lesser amount as may be specified in the terms of that series of debt securities, and unpaid interest, if any, accrued thereon to be due and payable immediately. However, upon specified conditions, the holders of a majority in aggregate principal amount of the debt securities of that series then outstanding may rescind and annul any such declaration of acceleration and its consequences if:

Table of Contents

- Elme Communities has paid or deposited with the trustee a sum of money sufficient to pay all required payments as specified in the indenture, including payments of the principal of, any premium and interest on, and any Additional Amounts with respect to the debt securities of such series, and specified compensation, expenses, disbursement and advances of the trustee; and
- all Events of Default with respect to the debt securities of such series, other than thenon-payment of principal of, any premium and interest on, and any Additional Amounts with respect to the debt securities of such series which have become due solely by such declaration of acceleration, have been cured or waived as provided in the indenture.

The holders of a majority in aggregate principal amount of the outstanding debt securities of a series may waive any past default with respect to the debt securities of such series and its consequences, except:

- a continuing default in the payment of the principal of, any premium or interest on, or any Additional Amounts with respect to, any debt security of such series;
- in the case of any debt securities which are convertible into or exchangeable for common equity or other securities or property, a continuing default in any such conversion or exchange; or
- a continuing default 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 of such series affected.

Each indenture provides that no holders of debt securities of any series may institute any proceedings, judicial or otherwise, with respect to such indenture or such series of debt securities, or for the appointment of a receiver or trustee, or for any remedy thereunder, except in the case of failure of the trustee, for 60 days, to act after it has received written notice of an Event of Default with respect to such series from a holder of a debt security of such series, a written request to institute proceedings in respect of such Event of Default from the holders of at least 25% in aggregate principal amount of the outstanding debt securities of that series, as well as an offer of indemnity or security reasonably satisfactory to the trustee, and no inconsistent direction has been given to the trustee during such 60-day period by the holders of a majority in aggregate principal amount of the outstanding debt securities of that series.

Notwithstanding any other provision of either indenture, each holder of a debt security will have the right, which is absolute and unconditional, to receive payment of the principal of and premium, if any, and interest, if any, and any Additional Amounts on that debt security on the respective due dates for those payments, and in the case of any debt security which is convertible into or exchangeable for other securities or property, to convert or exchange as the case may be, such debt security in accordance with its terms, and to institute suit for the enforcement of those payments and any such right to convert or exchange, and this right shall not be impaired without the consent of such holder.

Subject to the provisions of the Trust Indenture Act requiring the trustee, during the continuance of an Event of Default under the applicable indenture, to act with the requisite standard of care, the trustee is under no obligation to exercise any of its rights or powers under the applicable indenture at the request or direction of any of the holders of debt securities of any series unless those holders have offered the trustee indemnity or security reasonably satisfactory to it. The holders of a majority in aggregate principal amount of the outstanding debt securities of any series will 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, provided that the direction would not conflict with any rule or law or with the applicable indenture or with any series of debt securities or involve the Trustee in personal liability, such direction would not be unduly prejudicial to the rights of any other holder of debt securities of that series (or the debt securities of any other series) not joining in such action, and the trustee may take any other action deemed proper by the trustee which is not inconsistent with such direction.

Within 120 calendar days after the close of each fiscal year, Elme Communities must deliver to the applicable trustee an officer's certificate stating whether or not such certifying officer has knowledge of any default under the applicable indenture and, if so, specifying each such default and the nature and status thereof. Elme Communities must also deliver to the trustee an officer's certificate within 30 days of becoming aware of a default under the indenture.

Modifications, Waivers and Meetings

Each indenture permits Elme Communities and the trustee, with the consent of the holders of a majority in aggregate principal amount of the outstanding debt securities of each series issued under the applicable indenture and affected by a modification or amendment (voting as separate classes), to modify or amend any of the provisions of the applicable indenture or of the debt securities of the applicable series or the rights of the holders of the debt securities of the applicable series under the applicable indenture.

However, no modification or amendment shall, without the consent of the holder of each outstanding debt security affected thereby:

- change the stated maturity of the principal of, or premium, if any, or any installment of interest, if any, on, or any Additional Amounts, if any, with respect to, any debt securities; or
- reduce the principal of or any premium on any debt securities or reduce the rate (or modify the calculation of such rate) of interest on or the redemption or repurchase price of any debt securities, or any Additional Amounts payable with respect to any debt securities or related guarantee or change Elme Communities' or any guarantor's obligation to pay Additional Amounts; or
- reduce the amount of principal of any original issue discount securities that would be due and payable upon acceleration of the maturity of any debt security or the amount thereof provable in the event of bankruptcy; or
- adversely affect any right of repayment or repurchase at the option of any holder; or
- change any place where, or the currency in which, the principal of, any premium or interest on, or any Additional Amounts with respect to any debt security or guarantee is payable; or
- impair the holder's right to institute suit to enforce the payment of any debt securities or guarantee on or after their stated maturity (or, in the case of redemption on or after the redemption date, or on or after the date for a repayment or repurchase); or
- reduce the percentage in aggregate principal amount of the outstanding debt securities of any series whose holders must consent to any modification or amendment or any waiver of compliance with specific provisions of the applicable indenture or specified defaults under the applicable indenture and their consequences; or
- reduce the requirements for a quorum or voting at a meeting of holders of the applicable debt securities; or
- modify the sections of the applicable indenture setting forth the provisions of such indenture that may not be amended without the consent of holders, or providing for the waiver of past defaults and the waiver of certain covenants, except to increase any such percentage or provide that certain other provisions of such indenture cannot be modified or waived without the consent of holder of each outstanding debt security of such series; or
- release a guarantor from any of the obligations under a guarantee except as permitted under the applicable indenture; or
- make any change that adversely affects the right, if any, to convert or exchange any debt security for common equity or other securities or property; or
- in the case of any debt security which is convertible into or exchangeable for common equity or other securities or property, impair the right to institute suit to enforce the right to convert or exchange such debt security in accordance with its terms.

Each indenture also contains provisions permitting Elme Communities and any guarantor, as applicable, and the trustee, without the consent of the holders of any debt securities, to modify or amend the applicable indenture, among other things:

Table of Contents

- to evidence a successor to Elme Communities or any guarantor, if applicable, as under the indenture, or successive successions, and the assumption by any such successor of the covenants of Elme Communities or any guarantor; or
- to add to the covenants of Elme Communities or any guarantor for the benefit of the holders of all or any series of debt securities or to surrender any right or power conferred upon Elme Communities or any guarantor in the indenture; or
- to change or eliminate any restrictions on the payment of principal of or any premium or interest on or any Additional Amounts with respect to any debt securities or any guarantee, provided any such action does not adversely affect the interest of the holders of debt securities of any series; or
- to add to the Events of Default in a manner that benefits the holders of all or any series of debt securities issued under the indenture; or
- to establish the form or terms of debt securities of any series, and the form of the guarantee of debt securities of any series (provided that any such deletions, additions and changes shall not be applicable to any other series of debt securities then outstanding); or
- to make any change necessary to comply with any requirement of the SEC in connection with the indenture under the Trust Indenture Act; or
- to provide for any guarantee of the holders of debt securities of a series, to secure the debt securities or to confirm and evidence the release, termination or discharge of any guarantee of or lien securing the debt securities which such release, termination or discharge is permitted by the indenture; or
- 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; or
- to cure any ambiguity, defect or inconsistency in the indenture; or
- to make any change that would provide any additional rights or benefits to the holders of debt securities or that does not adversely affect the legal rights under the indenture of any holder in any material respect; or
- to supplement any of the provisions of the indenture to the extent necessary to permit or facilitate defeasance and discharge of any series of debt securities; provided, that the action shall not adversely affect the interests of the holders of debt securities in any material respect; or
- to provide for the issuance of additional debt securities, subject to the limitations established in the indenture; or
- to comply with the rules of any applicable depository or the rules or regulations of any securities exchange or automated quotation system on which any of the debt securities may be listed or traded; or
- to add to or change any provisions of the indenture to such extent as is necessary to permit or facilitate the issuance of debt securities in uncertificated form; or
- to amend or supplement any provision contained in the indenture, in any supplemental indenture or in any debt securities, provided that the amendment or supplement (i) does not (a) apply to any outstanding debt securities issued before the date of the amendment or supplement and entitled to the benefits of that provision, or (b) modify the rights of holders of any such debt securities with respect to such provision, or (ii) becomes effective only when no security described in clause (i)(a) is outstanding; or
- in the case of any series of debt securities which are convertible into or exchangeable for common shares or other securities or property, to safeguard or provide for the conversion or exchange rights of such debt securities in the event of any reclassification or change of outstanding common shares or any merger, consolidation, statutory share exchange or combination of Elme Communities with or into another person or any sale, lease, assignment, transfer, disposition or other conveyance of all or substantially all of Elme Communities' assets to any other person or similar transactions, if expressly required by the terms of such debt securities; or
- to provide for reduction in the minimum denominations of the debt securities; or
- to conform the terms of the indenture or the debt securities of a series, as applicable, to the description thereof contained in any prospectus, prospectus supplement or other offering document relating to the offer and sale of such debt securities.

The holders of a majority in aggregate principal amount of the outstanding debt securities of any series may waive Elme Communities' compliance with some of the restrictive provisions of the applicable indenture, which may include covenants, if any, which are specified in the applicable prospectus supplement. The holders of a majority in aggregate principal amount of the outstanding debt securities of any series may, on behalf of all holders of debt

Table of Contents

securities of that series, waive any past default under the applicable indenture with respect to the debt securities of that series and its consequences, except a default which is continuing (a) in the payment of the principal of, or premium, if any, or interest, if any, on, and any Additional Amounts with respect to, the debt securities of that series, (b) with respect to the conversion or exchange of a series of debt securities convertible or exchangeable into common equity of Elme Communities, or (c) in respect of a covenant or provision which cannot be modified or amended without the consent of the holder of each outstanding debt security of the affected series.

Each indenture contains provisions for convening meetings of the holders of a series of debt securities. A meeting may be called at any time by the trustee, and also, upon Elme Communities' or any guarantor's request, or the request of holders of at least 10% in aggregate principal amount of the outstanding debt securities of any series. Notice of a meeting must be given in accordance with the provisions of the indenture. Except for any consent which must be given by the holder of each outstanding debt security affected in the manner described above, any resolution presented at a meeting or adjourned meeting duly reconvened at which a quorum, as described below, is present may be adopted by the affirmative vote of the holders of a majority in aggregate principal amount of the outstanding debt securities of the applicable series. However, any resolution with respect to any request, demand, authorization, direction, notice, consent, waiver, or other action which may be made, given or taken by the holders of a specified percentage, other than a majority, in aggregate 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 that specified percentage in aggregate 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 aggregate principal amount of the outstanding debt securities of the applicable series, subject to exceptions; provided, however, that if any action is to be taken at that meeting with respect to a consent or waiver which may be given by the holders of a supermajority in aggregate principal amount of the outstanding debt securities of a series, the persons holding or representing that specified supermajority percentage in aggregate principal amount of the outstanding debt securities of that series will constitute a quorum.

Merger, Consolidation and Sale

We may merge or consolidate with or into, or sell, assign, convey, transfer or lease all or substantially all of our property and assets to, any other entity, provided that the following conditions are met:

- we are the continuing entity, or the successor entity (if other than us) formed by or resulting from such consolidation or merger or which shall have received such sale, assignment, conveyance, transfer or lease of property and assets shall be domiciled in the United States, any state thereof or the District of Columbia and shall expressly assume by supplemental indenture payment of the principal of and interest on all of the debt securities and the due and punctual performance and observance of all of the covenants and conditions in the applicable indenture;
- immediately after giving effect to such transaction, no Event of Default, and no event which, after notice or lapse of time, or both, would become an Event of Default, shall have occurred and be continuing; and
- either we or the successor Person, in either case, shall have delivered to the trustee an officer's certificate and an opinion of counsel, each stating that such consolidation, merger, sale, assignment, conveyance, transfer or lease and, if a supplemental indenture is required in connection with such transaction, such supplemental indenture complies with the applicable indenture and that all conditions precedent provided for relating to such transaction have been complied with.

In the event of any transaction described in and complying with the conditions listed in the immediately preceding paragraphs in which we are not the continuing entity, the successor person formed or remaining shall succeed, and be substituted for, and may exercise every right and power of ours, and (except in the case of a lease) we shall be discharged from our obligations under the debt securities and the applicable indenture.

Subordination

Any subordinated debt securities issued under the subordinated indenture will be subordinate and junior in right of payment to all of Elme Communities' Senior Debt (including all debt securities issued under the senior indenture) whether existing at the date of the subordinated indenture or subsequently incurred. Upon any payment or distribution of Elme Communities' assets to creditors upon any:

- liquidation;
- dissolution;
- winding-up;
- receivership;
- reorganization;
- assignment for the benefit of creditors;
- marshaling of assets and liabilities;
- bankruptcy;
- insolvency; or
- debt restructuring or similar proceedings in connection with any insolvency or bankruptcy proceeding.

the holders of Senior Debt (as defined below) will first be entitled to receive payment in full of the principal of, premium, if any, and interest on such Senior Debt before the holders of the subordinated debt securities will be entitled to receive or retain any payment in respect of the principal of, premium, if any, or interest on the subordinated debt securities.

Upon the acceleration of the maturity of any subordinated debt securities, the holders of all Senior Debt outstanding at the time of the acceleration will first be entitled to receive payment in full of all amounts due thereon, including any amounts due upon acceleration, before the holders of subordinated debt securities will be entitled to receive or retain any payment in respect of the principal of, premium, if any, or interest on the subordinated debt securities.

No payments on account of principal, or any premium or interest, in respect of the subordinated debt securities may be made if:

- there has occurred and is continuing a default in any payment with respect to Senior Debt; or
- there has occurred and is continuing an event of default with respect to any Senior Debt resulting in the acceleration of, or permitting the holder or holders thereof to accelerate, the maturity thereof.

“Senior Debt” as defined in the subordinated indenture means the principal of and interest on, or substantially similar payments to be made by Elme Communities regarding the following, whether outstanding at the date of execution of the subordinated indenture or subsequently incurred, created or assumed:

- (1) debt of Elme Communities for money borrowed or represented by purchase-money obligations;
- (2) debt of Elme Communities evidenced by notes, debentures, bonds, or other securities issued under the provisions of an indenture, fiscal agency agreement or other instrument;
- (3) obligations of Elme Communities as lessee under leases of property either made as part of any sale and leaseback transaction to which Elme Communities is a party or otherwise;
- (4) debt of partnerships and joint ventures that is included in Elme Communities' consolidated financial statements;
- (5) debt, obligations and liabilities of others as to which Elme Communities is liable contingently or otherwise to pay or advance money or property or as guarantor, endorser or otherwise or which Elme Communities has agreed to purchase or otherwise acquire; and
- (6) any binding commitment of Elme Communities to fund any real estate investment or to fund any investment in any entity making the real estate investment;

Table of Contents

In each case other than:

- any debt, obligation or liability referred to in the preceding clauses as to which the instrument creating or evidencing the debt, obligation or liability, provides that the debt, obligation or liability is not superior in right of payment to the subordinated debt securities or ranks equally with the subordinated debt securities;
- any debt, obligation or liability that is subordinated to debt of Elme Communities, to substantially the same extent as or to a greater extent than the subordinated debt securities are subordinated; and
- the subordinated debt securities.

At December 31, 2023, Senior Debt aggregated approximately \$679.3 million in principal amount. The subordinated indenture does not restrict the creation of additional Senior Debt.

Discharge, Defeasance and Covenant Defeasance

Satisfaction and Discharge

Upon Elme Communities' direction, the applicable indenture shall cease to be of further effect with respect to the debt securities of any series specified by Elme Communities, subject to the survival of specified provisions of such indenture, including (unless the accompanying prospectus supplement provides otherwise) Elme Communities' obligation to repurchase such debt securities at the option of the holders thereof, if applicable, and Elme Communities', or any guarantor's, if applicable, obligation to pay Additional Amounts in respect of such debt securities to the extent described below, when:

- either
- (A) all outstanding debt securities of that series have been delivered to the trustee for cancellation, subject to exceptions, or
- (B) all debt securities of that series have become due and payable or will become due and payable at their maturity within one year or are to be called for redemption within one year, and Elme Communities has deposited with the trustee, in trust, funds in the currency in which the debt securities of that series are payable in an amount sufficient to pay and discharge the entire indebtedness on the debt securities of that series, including the principal thereof and, premium, if any, and interest, if any, thereon, and, to the extent that (x) the debt securities of that series provide for the payment of Additional Amounts and (y) the amount of any Additional Amounts which are or will be payable is at the time of deposit reasonably determinable by Elme Communities, in the exercise of its sole discretion, those Additional Amounts, to the date of such deposit, if the debt securities of that series have become due and payable, or to the maturity or redemption date of the debt securities of that series, as the case may be;

and, in either case

- Elme Communities has paid all other sums payable under the indenture with respect to the debt securities of that series (including amounts payable to the trustee); and
- the trustee has received an officer's certificate and an opinion of counsel to the effect that all conditions precedent to the satisfaction and discharge of the indenture in respect of the debt securities of such series have been satisfied.

If the debt securities of any series provide for the payment of Additional Amounts, Elme Communities or any guarantor, as applicable, will remain obligated, following the deposit described above, to pay Additional Amounts on those debt securities to the extent that they exceed the amount deposited in respect of those Additional Amounts as described above.

Defeasance and Covenant Defeasance

Unless otherwise specified in the applicable prospectus supplement, Elme Communities may elect with respect to the debt securities of the particular series either:

- to defease and discharge itself and any guarantor from any and all obligations with respect to those debt securities (“legal defeasance”), except for, among other things:
 - (A) the obligation to pay Additional Amounts, if any, upon the occurrence of specified events of taxation, assessment, or governmental charge with respect to payments on those debt securities to the extent that those Additional Amounts exceed the amount deposited in respect of those amounts as provided below;
 - (B) the obligations to register the transfer or exchange of those debt securities;
 - (C) the obligation to replace mutilated, destroyed, lost, or stolen debt securities;
 - (D) the obligation to maintain an office or agent of Elme Communities in the continental United States, in respect of those debt securities;
 - (E) the rights of holders of such outstanding debt securities to receive payments from moneys held in trust when such payments are due;
 - (F) the obligation, if applicable, to repurchase those debt securities at the option of the holders thereof; and
 - (G) the rights, powers, trusts, duties and immunities of the trustee; or
- to be released from its obligations and the obligations of any guarantor with respect to those debt securities under (A) certain covenants in the indenture related to the preservation of the rights (charter and statutory) and franchises of Elme Communities, maintenance of insurance and payment of material taxes and (B) if applicable, other covenants as may be specified in the applicable prospectus supplement, and any omission to comply with those obligations shall not constitute a default or an Event of Default with respect to those debt securities (“covenant defeasance”),

in either case upon the irrevocable deposit with the trustee, in trust for that purpose, of an amount in the currency in which those debt securities are payable at maturity or, if applicable, upon redemption, and/or government obligations (as defined in the indenture) which through the scheduled payment of principal and interest in accordance with their terms will provide money, in an amount sufficient, in the written opinion of a nationally recognized firm of independent public accountants, to pay the principal of and any premium and any interest on, and, to the extent that (x) those debt securities provide for the payment of Additional Amounts and (y) the amount of the Additional Amounts which are or will be payable is at the time of deposit reasonably determinable by Elme Communities, in the exercise of its reasonable discretion, the Additional Amounts with respect to, those debt securities, and any mandatory sinking fund or analogous payments on those debt securities, on the due dates for those payments. If the cash and government obligations deposited are sufficient to pay the outstanding debt securities of the applicable series on a particular redemption date, Elme Communities shall have given the trustee irrevocable instructions to redeem those debt securities on that date.

The legal defeasance or covenant defeasance described above shall only be effective if, among other things:

- it shall not result in a breach or violation of, or constitute a default under, the indenture or any other material agreement or instrument to which Elme Communities is a party or is bound;
- in the case of legal defeasance, Elme Communities shall have delivered to the trustee an opinion of independent counsel acceptable to the trustee confirming that:
 - (A) Elme Communities has received from, or there has been published by, the Internal Revenue Service a ruling; or
 - (B) since the date of the indenture, there has been a change in applicable federal income tax law,

in either case to the effect that, and based on this ruling or change the opinion of counsel shall confirm that, the holders of the debt securities of the applicable series will not recognize income, gain or loss for U.S. federal income tax purposes as a result of the legal 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 the legal defeasance had not occurred;

- in the case of covenant defeasance, Elme Communities shall have delivered to the trustee an opinion of independent counsel reasonably acceptable to the trustee to the effect that the holders of the debt securities of the applicable series will not recognize income, gain or loss for U.S. federal income tax purposes as a result of the 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 the covenant defeasance had not occurred;

Table of Contents

- no Event of Default or default which with notice or lapse of time or both would become an Event of Default with respect to debt securities of the applicable series shall have occurred and be continuing on the date of the deposit into trust;
- solely in the case of legal defeasance, no Event of Default arising from specified events of bankruptcy, insolvency, or reorganization with respect to Elme Communities or any guarantor or default which with notice or lapse of time or both would become such an Event of Default shall have occurred and be continuing during the period ending on the 91st day after the date of the deposit into trust; and
- Elme Communities shall have delivered to the trustee an officer's certificate and legal opinion to the effect that all conditions precedent to the legal defeasance or covenant defeasance, as the case may be, have been satisfied.

In the event Elme Communities effects covenant defeasance with respect to debt securities of any series and those debt securities are declared due and payable because of the occurrence of any Event of Default other than an Event of Default with respect to the covenants as to which covenant defeasance has been effected, which covenants would no longer be applicable to the debt securities of that series after covenant defeasance, the amount of monies and/or government obligations deposited with the trustee to effect covenant defeasance may not be sufficient to pay amounts due on the debt securities of that series at the time of any acceleration resulting from that Event of Default. However, Elme Communities would remain liable to make payment of those amounts due at the time of acceleration.

The applicable prospectus supplement may further describe the provisions, if any, permitting or restricting legal defeasance or covenant defeasance with respect to the debt securities of a particular series.

Concerning the Trustee

Each indenture provides that there may be more than one trustee under the applicable indenture, each with respect to one or more series of debt securities. If there are different trustees for different series of debt securities, each trustee will be a trustee of a trust or trusts separate and apart from the trust or trusts administered by any other trustee under the indenture. Unless otherwise indicated in any applicable prospectus supplement, any action permitted to be taken by a trustee may be taken by such trustee only with respect to the one or more series of debt securities for which it is the trustee under the indenture. Any trustee under the indenture may resign or be removed with respect to one or more series of debt securities. All payments of principal of, and premium, if any, and interest on, and all registration, transfer, exchange, authentication and delivery (including authentication and delivery on original issuance of the debt securities) of, the debt securities of a series will be effected by the trustee with respect to that series at an office designated by the trustee.

We may maintain corporate trust relationships in the ordinary course of business with the trustee. The trustee shall have and be subject to all the duties and responsibilities specified with respect to an indenture trustee under the Trust Indenture Act. Subject to the provisions of the Trust Indenture Act, the trustee is under no obligation to exercise any of the powers vested in it by the applicable indenture at the request of any holder of debt securities, unless offered indemnity or security reasonably satisfactory to it by the holder against the losses, damages, costs, expense and liabilities which might be incurred thereby.

Under the Trust Indenture Act, each indenture is deemed to contain limitations on the right of the trustee, should it become a creditor of Elme Communities, to obtain payment of claims in some cases or to realize on certain property received in respect of any such claim as security or otherwise. The trustee may engage in other transactions with Elme Communities. If it acquires any conflicting interest under the Trust Indenture Act relating to any of its duties with respect to the debt securities, however, it must eliminate the conflict or resign as Trustee.

Governing Law

Each indenture, the debt securities and any related guarantees will be governed by, and construed in accordance with, the laws of the State of New York without regard to conflicts of law principles of such State other than New York General Obligations Law Section 5-1401.

Notices

All notices to holders of debt securities shall be validly given if in writing and mailed, first-class postage prepaid, or delivered electronically pursuant to the applicable procedures of the depository, to them at their respective addresses in the register maintained by the trustee.

BOOK-ENTRY, DELIVERY AND FORM

The debt securities will be issued in the form of one or more fully registered global securities (“Global Notes”) that will be deposited with, or on behalf of, The Depository Trust Company (“DTC”), and registered in the name of DTC’s nominee, Cede & Co. The Global Notes may be transferred, in whole and not in part, only to DTC, to another nominee of DTC or to a successor of DTC or its nominee. Beneficial interests in the Global Notes may not be exchanged for definitive debt securities in registered certificated form (“Certificated Notes”) except in the limited circumstances described below. See “Exchange of Global Notes for Certificated Notes.” Except in the limited circumstances described below, owners of beneficial interests in the Global Notes will not be entitled to receive physical delivery of debt securities in certificated form. Investors may elect to hold their interest in the Global Notes through either DTC, Clearstream Banking, *société anonyme* (“Clearstream”) or Euroclear Bank S.A./N.V. (“Euroclear”) if they are participants in these systems, or indirectly through organizations which are participants in these systems. Clearstream and Euroclear in turn will hold interests in such Global Notes as Participants on the books of DTC.

Depository Procedures

The following description of the operations and procedures of DTC, Euroclear and Clearstream is provided solely as a matter of convenience. These operations and procedures are solely within the control of the respective settlement systems and are subject to changes by them. Elme Communities takes no responsibility for these operations and procedures and urges investors to contact the system or their participants directly to discuss these matters.

DTC has advised Elme Communities that DTC is a limited-purpose trust company organized under the laws of the State of New York, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code and a “clearing agency” registered pursuant to the provisions of Section 17A of the Exchange Act. DTC was created to hold securities for its participating organizations (collectively, the “Participants”) and to facilitate the clearance and settlement of transactions in those securities between the Participants through electronic book-entry changes in accounts of its Participants. The Participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. Access to DTC’s system is also available to other entities such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Participant, either directly or indirectly (collectively, the “Indirect Participants”). Persons who are not Participants may beneficially own securities held by or on behalf of DTC only through the Participants or the Indirect Participants. The ownership interests in, and transfers of ownership interests in, each security held by or on behalf of DTC are recorded on the records of the Participants and Indirect Participants.

DTC has also advised Elme Communities that, pursuant to procedures established by it:

- upon deposit of the Global Notes, DTC will credit the accounts of the Participants designated by the underwriters with portions of the principal amount of the Global Notes; and
- ownership of these interests in the Global Notes will be shown on, and the transfer of ownership of these interests will be effected only through, records maintained by DTC (with respect to the Participants) or by the Participants and the Indirect Participants (with respect to other owners of beneficial interest in the Global Notes).

Investors in the Global Notes who are Participants may hold their interests therein directly through DTC. Investors in the Global Notes who are not Participants may hold their interests therein indirectly through organizations (including Euroclear and Clearstream) which are Participants. All interests in a Global Note, including those held through Euroclear or Clearstream, may be subject to the procedures and requirements of DTC. Those interests held through Euroclear or Clearstream may also be subject to the procedures and requirements of such systems. The laws of some states require that certain persons take physical delivery in definitive form of securities that they own. Consequently, the ability to transfer beneficial interests in a Global Note to such persons will be limited to that extent. Because DTC can act only on behalf of the Participants, which in turn act on behalf of the Indirect Participants, the ability of a person having beneficial interests in a Global Note to pledge such interests to persons that do not participate in the DTC system, or otherwise take actions in respect of such interests, may be affected by the lack of a physical certificate evidencing such interests.

Table of Contents

Except as described below, owners of interests in the Global Notes will not have debt securities registered in their names, will not receive physical delivery of debt securities in certificated form and will not be considered the registered owners or “holders” thereof under the indenture governing the debt securities for any purpose.

Payments in respect of the principal of, and interest and premium, if any, on, a Global Note registered in the name of DTC or its nominee will be payable to DTC in its capacity as the registered holder under the indenture governing the debt securities. Under the terms of each indenture, Elme Communities and the trustee will treat the persons in whose names the debt securities, including the Global Notes, are registered as the owners of the debt securities for the purpose of receiving payments and for all other purposes. Consequently, neither Elme Communities, the trustee nor any agent of them has or will have any responsibility or liability for:

- any aspect of DTC’s records or any Participant’s or Indirect Participant’s records relating to or payments made on account of beneficial ownership interest in the Global Notes or for maintaining, supervising or reviewing any of DTC’s records or any Participant’s or Indirect Participant’s records relating to the beneficial ownership interests in the Global Notes; or
- any other matter relating to the actions and practices of DTC or any of its Participants or Indirect Participants.

DTC has advised Elme Communities that its current practice, upon receipt of any payment in respect of securities such as the debt securities (including principal and interest), is to credit the accounts of the relevant Participants with the payment on the payment date unless DTC has reason to believe that it will not receive payment on such payment date. Each relevant Participant is credited with an amount proportionate to its beneficial ownership of an interest in the principal amount of the relevant security as shown on the records of DTC. Payments by the Participants and the Indirect Participants to the beneficial owners of debt securities will be governed by standing instructions and customary practices and will be the responsibility of the Participants or the Indirect Participants and will not be the responsibility of DTC, the trustee or us. Neither we nor the trustee will be liable for any delay by DTC or any of the Participants or the Indirect Participants in identifying the beneficial owners of the debt securities, and we and the trustee may conclusively rely on and will be protected in relying on instructions from DTC or its nominee for all purposes.

Transfers between the Participants in DTC will be effected in accordance with DTC’s procedures, and will be settled in same-day funds and transfers between participants in Euroclear and Clearstream will be effected in accordance with their respective rules and operating procedures.

Cross-market transfers between the Participants, on the one hand, and Euroclear or Clearstream participants, on the other hand, will be effected through DTC in accordance with DTC’s rules on behalf of Euroclear or Clearstream, as the case may be, by its respective depository; however, such cross-market transactions will require delivery of instructions to Euroclear or Clearstream, as the case may be, by the counterparty in such system in accordance with the rules and procedures and within the established deadlines (Brussels time) of such system. Euroclear or Clearstream, as the case may be, will, if the transaction meets its settlement requirements, deliver instructions to its respective depository to take action to effect final settlement on its behalf by delivering or receiving interests in the relevant Global Note from DTC, and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to DTC. Euroclear participants and Clearstream participants may not deliver instructions directly to the depositories for Euroclear or Clearstream.

Table of Contents

DTC has advised Elme Communities that it will take any action permitted to be taken by a holder of debt securities only at the direction of one or more Participants to whose account DTC has credited the interests in the debt securities and only in respect of such portion of the aggregate principal amount at maturity of the debt securities as to which such Participant or Participants has or have given such direction. However, if there is an Event of Default under the debt securities, DTC reserves the right to exchange the debt securities for legended debt securities in certificated form, and to distribute such debt securities to its Participants.

Although DTC, Euroclear and Clearstream have agreed to the foregoing procedures in order to facilitate transfers of interests in Global Notes among the Participants, they are under no obligation to perform those procedures, and may discontinue or change those procedures at any time. None of the Company, the Trustee or any of their respective agents will have any responsibility for the performance by DTC, Euroclear, Clearstream or their respective Participants or Indirect Participants of their respective obligations under the rules and procedures governing their operations.

Exchange of Global Notes for Certificated Notes

A Global Note is exchangeable for a Certificated Note if:

- DTC (a) notifies Elme Communities that it is unwilling or unable to continue as depository for the applicable Global Notes or (b) has ceased to be a clearing agency registered under the Exchange Act and, in either case, Elme Communities fails to appoint a successor depository within 90 days after it receives such notice or of its becoming aware of such cessation;
- Elme Communities, at its option and subject to DTC's procedures, notifies the trustee in writing that Elme Communities elects to cause the issuance of the Certificated Notes; or
- upon request from DTC if there has occurred and is continuing a default or Event of Default with respect to the debt securities.

In addition, beneficial interests in a Global Note may be exchanged for Certificated Notes upon prior written notice given to the trustee by or on behalf of DTC in accordance with the indenture. In all cases, Certificated Notes delivered in exchange for any Global Note or beneficial interests in Global Notes will be registered in the names, and issued in any approved denominations, requested by or on behalf of DTC (in accordance with its customary procedures).

Exchange of Certificated Notes for Global Notes

Certificated Notes, if any, may be exchanged for beneficial interests in Global Notes.

Same Day Settlement and Payment

The underwriters will settle the debt securities in immediately available funds. Elme Communities will make payments in respect of the debt securities represented by the Global Notes (including principal, premium, if any, and interest) by wire transfer of immediately available funds to the accounts specified by DTC or its nominee. Elme Communities will make all payments of principal, interest and premium, if any, with respect to Certificated Notes by wire transfer of immediately available funds to the accounts specified by the holders of the Certificated Notes or, if no such account is specified, by mailing a check to each such holder's registered address. The debt securities represented by the Global Notes are expected to trade in DTC's Same-Day Funds Settlement System, and any permitted secondary market trading activity in such debt securities will, therefore, be required by DTC to be settled in immediately available funds. Elme Communities expects that secondary trading in any Certificated Notes will also be settled in immediately available funds.

Because of time zone differences, the securities account of a Euroclear or Clearstream participant purchasing an interest in a Global Note from a Participant will be credited, and any such crediting will be reported to the relevant Euroclear or Clearstream participant, during the securities settlement processing day (which must be a business day for Euroclear and Clearstream) immediately following the settlement date of DTC. DTC has advised Elme Communities that cash received in Euroclear or Clearstream as a result of sales of interests in a Global Note by or through a Euroclear or Clearstream participant to a Participant will be received with value on the settlement date of DTC but will be available in the relevant Euroclear or Clearstream cash account only as of the business day for Euroclear or Clearstream following DTC's settlement date.

PLAN OF DISTRIBUTION

Unless otherwise set forth in a prospectus supplement accompanying this prospectus, we may sell the offered securities to one or more underwriters or dealers for public offering and sale by them, or we may sell the offered securities to investors directly or through agents, which agents may be affiliated with us. We may sell securities directly to investors on our own behalf in those jurisdictions where we are authorized to do so. Direct sales to investors may be accomplished through subscription offerings or through subscription rights distributed to our shareholders. In connection with subscription offerings or the distribution of subscription rights to shareholders, if all of the underlying offered securities are not subscribed for, we may sell such unsubscribed offered securities to third parties directly or through agents and, in addition, whether or not all of the underlying offered securities are subscribed for, we may concurrently offer additional offered securities to third parties directly or through agents, which agents may be affiliated with us. Any underwriter, dealer or agent involved in the offer and sale of the offered securities will be named in the applicable prospectus supplement.

The distribution of the offered 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 at the time of sale, such as an “at the market offering,” or at negotiated prices, any of which may represent a discount from the prevailing market price. We also may, from time to time, authorize underwriters or dealers acting as our agents to offer and sell the offered securities upon the terms and conditions set forth in the applicable prospectus supplement. In connection with the sale of offered securities, underwriters may receive compensation from us in the form of underwriting discounts or commissions and may also receive commissions from purchasers of offered securities for whom they may act as agent. Underwriters may sell offered 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 agent.

Our common shares may also be sold in one or more of the following transactions: (a) block transactions (which may involve cross transactions) in which a broker-dealer may sell all or a portion of such shares as agent, but may position and resell all or a portion of the block as principal to facilitate the transaction; (b) purchases by any such broker-dealer as principal, and resale by such broker-dealer for its own account pursuant to a prospectus supplement; (c) a special offering, an exchange distribution or a secondary distribution in accordance with applicable New York Stock Exchange or other stock exchange, quotation system or over-the-counter market rules; (d) ordinary brokerage transactions and transactions in which any such broker-dealer solicits purchasers; (e) sales “at the market” to or through a market maker or into an existing trading market, on an exchange or otherwise, for such shares; (f) sales through forward delivery contracts; (g) sales in other ways not involving market makers or established trading markets, including direct sales to purchasers; and (h) sale through any other method permitted by law. We may also effect a distribution of the securities pursuant to this prospectus through the issuance of derivative securities, including without limitation, warrants, forward delivery contracts and the writing of options.

We may also enter into hedging transactions. For example, we may: (i) enter into transactions with a broker-dealer or affiliate thereof in connection with which such broker-dealer or affiliate will engage in short sales of securities offered pursuant to this prospectus, in which case such broker-dealer or affiliate may use securities issued pursuant to this prospectus to close out its short positions; (ii) sell securities short and redeliver such shares to close out our short positions; (iii) enter into option or other types of transactions that require us to deliver securities to a broker-dealer or an affiliate thereof, who will then resell or transfer securities under this prospectus; or (iv) loan or pledge securities to a broker-dealer or an affiliate thereof, who may sell the loaned securities or, in an event of default in the case of a pledge, sell the pledged securities pursuant to this prospectus.

Any underwriting compensation paid by us to underwriters or agents in connection with the offering of offered securities, and any discounts, concessions or commissions allowed by underwriters to participating dealers, will be set forth in the applicable prospectus supplement. Dealers and agents participating in the distribution of the offered securities may be deemed to be underwriters, and any discounts and commissions received by them and any profit realized by them on resale of the offered securities may be deemed to be underwriting discounts and commissions, under the Securities Act.

Table of Contents

Underwriters, dealers and agents may be entitled, under agreements entered into with us, to indemnification against and contribution toward civil liabilities, including liabilities under the Securities Act. Any such indemnification agreements will be described in the applicable prospectus supplement. Unless otherwise set forth in an accompanying prospectus supplement, the obligations of any underwriters to purchase any of the securities will be subject to certain conditions precedent, and the underwriters will be obligated to purchase all of such securities, if any are purchased.

If so indicated in the applicable prospectus supplement, we will authorize underwriters or dealers acting as our agents to solicit offers by institutions to purchase offered securities from us at the public offering price set forth in such prospectus supplement pursuant to delayed delivery 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 offered 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 and savings banks, insurance companies, pension funds, investment companies, educational and charitable institutions, and other institutions but will in all cases be subject to our approval.

Contracts will not be subject to any conditions except the purchase by an institution of the offered 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 if the offered securities are being sold to underwriters, we shall have sold to such underwriters the total principal amount of the offered securities less the principal amount of the securities covered by contracts. Some of the underwriters and their affiliates may be customers of, engage in transactions with and perform services for us and our subsidiaries in the ordinary course of business. The underwriters and other agents will not have any responsibility with regard to the validity or performance of these delayed delivery contracts.

In connection with the offering of the securities hereby, certain underwriters, and selling group members and their respective affiliates may engage in transactions that stabilize, maintain or otherwise affect the market price of the applicable securities. Such transactions may include stabilization transactions effected in accordance with Rule 104 of Regulation M promulgated by the SEC pursuant to which such persons may bid for or purchase securities for the purpose of stabilizing their market price. The underwriters in an offering of securities may also create a "short position" for their account by selling more securities in connection with the offering than they are committed to purchase from us. In such case, the underwriters could cover all or a portion of such short position by either purchasing securities in the open market following completion of the offering of such securities or by exercising any over-allotment option granted to them by us. In addition, the managing underwriter may impose "penalty bids" under contractual arrangements with other underwriters, which means that they can reclaim from an underwriter (or any selling group member participating in the offering) for the account of the other underwriters, the selling concession with respect to securities that are distributed in the offering but subsequently purchased for the account of the underwriters in the open market. Any of the transactions described in this paragraph or comparable transactions that are described in any accompanying prospectus supplement may result in the maintenance of the price of the securities at a level above that which might otherwise prevail in the open market. None of such transactions described in this paragraph or in an accompanying prospectus supplement are required to be taken by any underwriters and, if they are undertaken, may be discontinued at any time.

We may sell the securities in exchange in whole or in part for consideration other than cash. This consideration may consist of services or products, whether tangible or intangible, and including services or products we may use in our business; outstanding debt or equity securities of Elme Communities or one or more of its subsidiaries; debt or equity securities or assets of other companies, including in connection with investments, joint ventures or other strategic transactions, or acquisitions; release of claims or settlement of disputes; and satisfaction of obligations, including obligations to make payments to distributors or other suppliers and payment of interest on outstanding obligations. We may sell the securities as part of a transaction in which outstanding debt or equity securities of Elme Communities or one or more of our subsidiaries are surrendered, converted, exercised, canceled or transferred.

[Table of Contents](#)

Our common shares are listed on the New York Stock Exchange under the symbol “ELME.” Any new securities that issue, other than common shares, will be new issues of securities with no established trading market and may or may not be listed on a national securities exchange, quotation system or over-the-counter market. Any underwriters or agents to or through which securities are sold by us may make a market in such securities, but such underwriters or agents will not be obligated to do so and any of them may discontinue any market making at any time without notice. No assurance can be given as to the liquidity of or trading market for any securities sold by us.

MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS

A summary of material U.S. federal income tax consequences to you as a prospective holder of our securities is set forth in Item 9B of our Annual Report on [Form 10-K](#) for the year ended December 31, 2023, filed with the SEC on February 16, 2024, and incorporated by reference in and supplemented by this prospectus. As discussed under the caption “Incorporation of Certain Information by Reference,” we will incorporate by reference into this prospectus additional documents that we may file with the SEC under Section 13(a), 13(c), 14 or 15(d) of the Exchange Act from the date of this prospectus until we have sold all of the securities to which this prospectus relates or the offering is otherwise terminated. We expect that future SEC filings under the Exchange Act will include summaries of material U.S. federal income tax consequences that will supersede and replace entirely all earlier such summaries.

The summary of material U.S. federal income tax consequences incorporated by reference is for general information only and does not constitute tax advice. It does not reflect every possible tax outcome or consequence that could result from the acquisition, holding, and disposition of our common shares, preferred shares, depository shares and debt securities, as well as our warrants and rights that we may issue. In addition, it does not reflect state, local or non-U.S. tax consequences that may apply to you based on your particular circumstances and residence. We advise you to consult your own tax advisors to determine the tax consequences particular to your situation, including any applicable state, local or non-U.S. income and other tax consequences that may result from your ownership of the securities.

LEGAL MATTERS

The validity of the offered securities by means of this prospectus and certain tax matters are being passed upon for Elme Communities by Hogan Lovells US LLP, Washington, D.C.

EXPERTS

The consolidated financial statements and schedules of Elme Communities incorporated by reference in Elme Communities’ Annual Report [Form 10-K](#) for the year ended December 31, 2023, and the effectiveness of Elme Communities’ internal control over financial reporting as of December 31, 2023 have been audited by Ernst & Young LLP, independent registered public accounting firm, as set forth in their reports thereon, included therein, and incorporated herein by reference. Such consolidated financial statements and schedules are incorporated herein by reference in reliance upon such reports given on the authority of such firm as experts in accounting and auditing.

WHERE TO FIND ADDITIONAL INFORMATION

We have filed with the SEC a “shelf” registration statement on Form S-3, including exhibits, schedules and amendments filed with the registration statement, of which this prospectus is a part, under the Securities Act, with respect to the securities that may be offered by this prospectus. This prospectus is a part of that registration statement, but does not contain all of the information in the registration statement. We have omitted parts of the registration statement in accordance with the rules and regulations of the SEC. For further information with respect to us and the securities that may be offered by this prospectus, reference is made to the registration statement, including the exhibits and schedules to the registration statement. Statements contained in this prospectus as to the contents of any contract or other document referred to in this prospectus are not necessarily complete and, where that contract or other document has been filed as an exhibit to the registration statement, each statement in this prospectus is qualified in all respects by the exhibit to which the reference relates.

[Table of Contents](#)

We maintain a website at www.elmecomunities.com. We make our SEC filings available on our website, free of charge, as soon as reasonably practicable after such materials are filed with, or furnished to, the SEC. Information contained on our website is not incorporated by reference into this prospectus, and you should not consider information contained on our website to be part of this prospectus or any applicable prospectus supplement.

We file annual, quarterly and current reports, proxy statements and other information with the SEC. Our SEC filings are available to the public at the SEC's website at www.sec.gov.

INCORPORATION OF CERTAIN INFORMATION BY REFERENCE

SEC rules allow us to incorporate information by reference into this prospectus some information that is contained in other documents we file with the SEC. This means that we may disclose important information by referring you to other documents filed separately with the SEC that contain the information, including documents that we file after the date of this prospectus. The information that is incorporated by reference is considered to be part of this prospectus, except to the extent superseded by information contained herein or by information contained in documents filed with or furnished to the SEC after the date of this prospectus. This prospectus incorporates by reference the documents set forth below that have been previously filed with the SEC:

- (1) Our Annual Report on [Form 10-K](#) for the year ended December 31, 2023;
- (2) Our [definitive proxy statement](#) filed with the SEC on April 6, 2023 (solely to the extent incorporated by reference into Part III of our Annual Report on [Form 10-K](#) for the year ended December 31, 2022); and
- (3) The description of our common shares included in our Registration Statement on [Form 8-A](#) (SEC File No. 001-06622), filed with the SEC on December 4, 1998 under Section 12(b) of the Exchange Act as supplemented by the description contained in [Exhibit 4.4](#) to our Annual Report on Form 10-K for the year ended December 31, 2022 and the description contained in this prospectus.

We also incorporate by reference into this prospectus additional documents that we may file after the date of this prospectus with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act from the date of this prospectus until we have sold all of the securities to which this prospectus relates or the offering is otherwise terminated; provided, however that we are not incorporating any information furnished under either Item 2.02 or Item 7.01 of any Current Report on Form 8-K.

Information in this prospectus may add to, update or change information in a previously filed document incorporated by reference in this prospectus. In that case, you should rely on the information in this prospectus. You should not assume that the information in this prospectus or any document incorporated by reference is accurate as of any date other than the date of those documents. Information in a document filed after the date of this prospectus may add to, update or change information in this prospectus or in a previously filed document incorporated by reference in this prospectus. In that case, you should rely on the information in the later filed document.

You may request a copy of these filings and any amendments thereto and any other documents that are incorporated by reference in this prospectus at no cost, by writing or telephoning us. Those copies will not include exhibits to those documents unless the exhibits are specifically incorporated by reference in the documents or unless you specifically request them. Please direct your request to: Investor Relations, Elme Communities, 7550 Wisconsin Ave, Suite 900, Bethesda, MD 20814, (202) 774-3200.



850,000 Common Shares of Beneficial Interest

PROSPECTUS SUPPLEMENT

offered to shareholders
and other interested investors
solely in connection with the

ELME DIRECT
(A DIVIDEND REINVESTMENT AND SHARE PURCHASE PLAN)

February 20, 2024

Calculation of Filing Fee Tables

Form 424(b)(3)
(Form Type)

Elme Communities
(Exact Name of Registrant as Specified in its Charter)

Table 1: Newly Registered and Carry Forward Securities

	Security Type	Security Class Title(1)	Fee Calculation or Carry Forward Rule	Amount Registered	Proposed Maximum Offering Price Per Unit(2)	Maximum Aggregate Offering Price(2)	Fee Rate	Amount of Registration Fee
Newly Registered Securities								
Fees to Be Paid	Equity	Common Shares of Beneficial Interest, \$.01 par value per share	Other	850,000	14.005	11,904,250	\$0.00014760	1,757.07
Fees Previously Paid	—	—	—	—	—	—		—
Carry Forward Securities								
Carry Forward Securities	—	—	—	—		—		—
	Total Offering Amounts					11,904,250		1,757.07
	Total Fees Previously Paid							\$0
	Total Fee Offsets							\$(1,757.07)(3)
	Net Fee Due							\$0

Table 2. Fee Offset Claims and Sources

	Registrant or Filer Name	Form or Filing Type	File Number	Initial Filing Date	Filing Date	Fee Offset Claimed	Security Type Associated with Fee Offset Claimed	Security Title Associated with Fee Offset Claimed	Unsold Securities Associated with Fee Offset Claimed	Unsold Aggregate Offering Amount Associated with Fee Offset Claimed	Fee Paid with Fee Offset Source
Rule 457(p)											
Fee Offset Claims	Elme Communities (f/k/a Washington Real Estate Investment Trust)	424(b)(3)	333-253164	February 18, 2021		\$1,757.07	Equity	Common Shares of Beneficial Interest, \$.01 par value per share	871,225	\$19,750,670(3)	
Fee Offset Sources	Elme Communities (f/k/a Washington Real Estate Investment Trust)	424(b)(3)	333-253164		February 18, 2021						\$70.30(3)
	Elme Communities (f/k/a Washington Real Estate Investment Trust)	424(b)(3)	333-224135		May 4, 2018						\$1,686.77(3)

- (1) The securities registered herein are offered pursuant to an automatic shelf registration statement.
- (2) Estimated solely for purposes of calculating the registration fee in accordance with Rule 457(c) and 457(r) of the Securities Act of 1933, as amended, based on the average of the high and low prices for the common shares as reported by the New York Stock Exchange on February 13, 2024.
- (3) Elme Communities filed a prospectus supplement to Registration Statement No. 333-224135 on May 4, 2018 (the "2018 Prospectus Supplement"), which became effective upon filing, registering 1,000,000 common shares, for a total registration fee of \$3,567, the offering of which has been terminated. On February 18, 2021, Elme Communities filed a prospectus supplement to Registration Statement No. 333-253164 (the "2021 Prospectus Supplement") registering 1,000,000 common shares, for a total registration fee of \$2,473.30, \$2,403 of which was offset from the fee related to the unsold securities under the 2018 Prospectus Supplement. As of the date of this Registration Statement, 871,225 common shares remain unsold under the 2021 Prospectus Supplement, the offering of which has been terminated. Pursuant to Rule 457(p) under the Securities Act, a registration fee credit of \$2,154.80, the amount of the fee attributable to the unsold securities under the 2021 Prospectus Supplement, is available to offset the current registration fee.