

Hannon Armstrong Sustainable Infrastructure Capital, Inc.
 Form 424B5
 August 17, 2017
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Filed Pursuant to Rule 424(b)(5)
 Registration No. 333-215229

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amounts to be registered	Maximum offering price per unit	Proposed maximum aggregate offering price	Amount of registration fee(1)
4.125% Convertible Senior Notes due 2022	\$150,000,000	99.5%	\$149,250,000	\$17,299
Common Stock, \$0.01 par value per share	(2)	(2)	(2)	(2)

- (1) Calculated in accordance with Rule 457(o), based on the proposed maximum aggregate offering price, and Rule 457(r) under the Securities Act of 1933, as amended.
- (2) There are also being registered hereby an indeterminate number of shares of our common stock into which the notes may be converted. Pursuant to Rule 457(i) under the Securities Act of 1933, as amended, no separate registration fee is payable where convertible securities and the securities into which conversion is offered are registered at the same time and no additional consideration is to be received in connection with the exercise of the conversion privilege.

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PROSPECTUS SUPPLEMENT

(To prospectus dated August 4, 2017)

\$135,000,000

HANNON ARMSTRONG SUSTAINABLE

INFRASTRUCTURE CAPITAL, INC.

4.125% Convertible Senior Notes due 2022

We are offering \$135,000,000 aggregate principal amount of our 4.125% Convertible Senior Notes due 2022, or the notes, under this prospectus supplement. The notes will bear interest at a rate equal to 4.125% per year, payable semi-annually in arrears on March 1 and September 1 of each year, beginning on March 1, 2018. The notes will mature on September 1, 2022.

Holder may convert their notes into shares of our common stock, \$0.01 par value per share, at any time prior to the close of business on the second scheduled trading day immediately preceding the maturity date, unless the notes have been previously redeemed or repurchased. The conversion rate will initially equal 36.7107 shares of common stock per \$1,000 principal amount of notes (equivalent to a conversion price of approximately \$27.24 per share of common stock). The conversion rate will be subject to adjustment upon the occurrence of certain events, but will not be adjusted for any accrued and unpaid interest. In addition, following the occurrence of a make-whole fundamental change, we will, in certain circumstances, increase the conversion rate for a holder that converts its notes in connection with such make-whole fundamental change.

We may not redeem the notes prior to March 1, 2022 except to the extent our board of directors determines such redemption is reasonably necessary to preserve our qualification as a real estate investment trust, or REIT, for U.S. federal income tax purposes, as further described in this prospectus supplement. If we determine that redeeming the notes is necessary to preserve our qualification as a REIT, then we may at any time prior to maturity redeem all or part of the notes at a cash redemption price equal to the principal amount of the notes to be redeemed, plus accrued and unpaid interest, if any, to, but excluding, the redemption date. On or after March 1, 2022, we may redeem the notes for cash, in whole or from time to time in part, at our option at a redemption price equal to the sum of (i) 100% of the principal amount of the notes to be redeemed, (ii) accrued and unpaid interest (including additional interest, if any) to, but excluding, the redemption date and (iii) the make-whole premium. We will give notice of any redemption not less than 15 nor more than 30 calendar days before the redemption date to holders of the notes. No sinking fund will be provided for the notes.

Upon the occurrence of a fundamental change, holders may require us to purchase the notes in whole or in part for cash at a fundamental change purchase price equal to 100% of the principal amount of the notes to be purchased, plus accrued and unpaid interest, if any, to, but excluding, the fundamental change purchase date.

The notes will be our senior unsecured obligations and will rank senior in right of payment to any future indebtedness that is expressly subordinated in right of payment to the notes, equal in right of payment to our existing and future unsecured indebtedness that is not so subordinated, effectively junior to any secured indebtedness to the extent of the value of the assets securing such indebtedness and structurally junior to all existing and future indebtedness (including trade payables) and any future preferred equity interests of our subsidiaries as well as to any of our existing or future indebtedness that may be guaranteed by any of our subsidiaries (to the extent of any such guarantee), except for the future unsecured and unsubordinated indebtedness of our operating partnership with which the notes will rank equal in right of payment, including but not limited to the Mirror Note, as described under Description of the Notes General Ranking.

We do not intend to apply for listing of the notes on any securities exchange. Our common stock is listed on The New York Stock Exchange, or NYSE, under the symbol HASI. On August 16, 2017, the last reported sales price of our common stock on the NYSE was \$22.70 per share.

We have elected to be taxed as a REIT for U.S. federal income tax purposes. In order to protect us against the risk of losing our qualification as a REIT due to concentration of ownership of our outstanding stock, our charter generally prohibits any single stockholder, or any group of affiliated stockholders, from beneficially owning more than 9.8% of the outstanding shares of any class of our stock, unless our board of directors waives or modifies this ownership limit. See Description of the Notes General Ownership Limit, and Description of Securities Restrictions on Ownership and Transfer in the accompanying prospectus.

Investing in the notes involves risks. See Risk Factors beginning on S-8 of this prospectus supplement and page 3 of the accompanying prospectus. You should also read carefully the risk factors described in our Securities and Exchange Commission filings, including our Annual Report on Form 10-K for the fiscal year ended December 31, 2016, before investing in the notes.

Neither the Securities and Exchange Commission, or the SEC, nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus are truthful or complete. Any representation to the contrary is a criminal offense.

	Per Note	Total
Public offering price	99.5%	\$134,325,000
Underwriting discount	2.25%	\$ 3,037,500
Proceeds to us, before expenses	97.25%	\$131,287,500

The offering price set forth above does not include accrued interest, if any. Interest on the notes will accrue from the date of original issuance, expected to be August 22, 2017.

The underwriters will have the option to purchase within 30 days from the date of this prospectus supplement up to an additional \$15,000,000 principal amount of notes from us at the public offering price less the underwriting discount to cover over-allotments, if any.

The underwriters expect to deliver the notes in book-entry form only through the facilities of The Depository Trust Company on or about August 22, 2017.

Joint Book-Running Managers

Deutsche Bank Securities

BofA Merrill Lynch
Co-Managers

J.P. Morgan

Nomura

Oppenheimer & Co.

The date of this prospectus supplement is August 16, 2017.

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ABOUT THIS PROSPECTUS SUPPLEMENT

This document is in two parts. The first part is the prospectus supplement, which describes the specific terms of this offering and also updates information contained in the accompanying prospectus and the documents incorporated by reference into the prospectus. The second part is the accompanying prospectus, which gives more general information, some of which may not apply to this offering. To the extent there is a conflict between the information contained in this prospectus supplement and the information contained in the accompanying prospectus, the information in this prospectus supplement shall control. In addition, any statement in a filing we make with the SEC that adds to, updates or changes information contained in an earlier filing we made with the SEC shall be deemed to modify and supersede such information in the earlier filing.

You should read this document together with additional information described under the heading *Where You Can Find More Information and Incorporation by Reference* in this prospectus supplement. You should rely only on the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus. Neither we nor the underwriters have authorized anyone to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. You should assume that the information in this prospectus supplement and the accompanying prospectus, as well as the information we have previously filed with the SEC and incorporated by reference in this document, is accurate only as of its date or the dates which are specified in those documents, as applicable, regardless of the time of delivery of this prospectus supplement and the accompanying prospectus or any sale of the notes.

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PROSPECTUS SUPPLEMENT SUMMARY

This summary highlights some of the information in this prospectus supplement and the accompanying prospectus. It does not contain all of the information that you should consider before investing in the notes. Before making an investment decision, you should read this entire prospectus supplement and the accompanying prospectus and the documents incorporated by reference herein and therein, including the financial statements and related notes as well as the Risk Factors section in our Annual Report on Form 10-K as supplemented by the Form 10-K/A for the year ended December 31, 2016, or collectively our 2016 10-K, as updated by our subsequent filings under the Securities Exchange Act of 1934, as amended, or the Exchange Act. References in this prospectus supplement to we, our, us and our company refer to Hannon Armstrong Sustainable Infrastructure Capital, Inc., a Maryland corporation, Hannon Armstrong Sustainable Infrastructure, L.P., and any of our other subsidiaries. Hannon Armstrong Sustainable Infrastructure, L.P. is a Delaware limited partnership of which we are the sole general partner and to which we refer in this prospectus supplement as our operating partnership.

Company Overview

We are an internally managed real estate investment trust, or REIT, that makes debt and equity investments in sustainable infrastructure, including energy efficiency and renewable energy projects, that provide cleaner energy sources, positively impact the environment or make more efficient use of natural resources.

We have elected to be taxed as a REIT for U.S. federal income tax purposes, commencing with our taxable year ended December 31, 2013.

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THE OFFERING

The following is a brief summary of the terms of this offering and the notes. We provide the following summary solely for your convenience. This summary is not a complete description of this offering or the notes. You should read the full text and more specific details contained elsewhere in this prospectus supplement and the accompanying prospectus. With respect to the discussion of the terms of the notes on the cover page, in this section and in the section entitled Description of the Notes, the words we, our, us and our company refer only to Hannon Armstrong Sustainable Infrastructure Capital, Inc. and not to any of its subsidiaries. For a more detailed description of the notes, see Description of the Notes in this prospectus supplement and Description of Debt Securities in the accompanying prospectus.

Issuer	Hannon Armstrong Sustainable Infrastructure Capital, Inc., a Maryland corporation.
Securities offered	\$135,000,000 principal amount of 4.125% Convertible Senior Notes due 2022 (plus up to an additional \$15,000,000 principal amount if the underwriters exercise their over-allotment option to purchase additional notes, if any).
Issue price	99.5%
Maturity date	September 1, 2022 unless earlier converted, redeemed or repurchased.
Interest	4.125% per year. Interest will accrue from the date of issuance (which is scheduled for August 22, 2017) or from the most recent date to which interest has been paid or duly provided for, and will be payable semi-annually in arrears on March 1 and September 1 of each year, beginning on March 1, 2018. We will also be required to pay additional interest on the notes under the circumstances described under Description of the Notes Events of Default.
Conversion rights	<p> Holders may convert their notes at their option prior to the close of business on the second scheduled trading day prior to the maturity date, unless the notes have been previously redeemed or repurchased by us. Any conversions of notes into shares of our common stock will be subject to certain ownership limitations more fully described in Description of the Notes General Ownership Limit. </p>

The conversion rate will initially equal 36.7107 shares of common stock per \$1,000 principal amount of notes (equivalent to an initial conversion price of approximately \$27.24 per share of common stock), subject to adjustment as described in this prospectus supplement.

In addition, following the occurrence of a make-whole fundamental change, we will, in certain circumstances, increase the conversion rate for a holder that converts its notes in connection with such make-whole fundamental change. See Description of the Notes Adjustment to Conversion Rate Upon Conversion in Connection with a Make-Whole Fundamental Change. However, if the price paid (or

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deemed paid) for our common stock in such make-whole fundamental change is greater than \$40.00 per share or less than \$22.70 per share (in each case, subject to adjustment in accordance with the indenture), then we will not be required to adjust the conversion rate if a holder converts its notes in connection with such make-whole fundamental change.

You will not receive any additional cash payment representing accrued and unpaid interest, if any, upon conversion of a note, except in limited circumstances. Instead, interest will be deemed paid by our delivery of the shares of our common stock into which your note is convertible. See Description of the Notes Conversion Rights General.

Settlement upon conversion

Upon conversion of the notes, a holder will receive, on or prior to the third trading day following the conversion date, a number of shares of our common stock equal to the product of (1) the aggregate principal amount of notes to be converted, divided by \$1,000, and (2) the applicable conversion rate, plus cash in lieu of fractional shares. See Description of the Notes Conversion Rights Settlement Upon Conversion ; *provided, however*, that with respect to any conversion date that occurs on or after the regular record date for the final payment of interest on the notes (i.e., August 15, 2022), we will deliver such shares and cash on the maturity date.

Redemption of notes to preserve REIT status

We may not redeem the notes prior to March 1, 2022 except to the extent our board of directors determines such redemption is reasonably necessary to preserve our qualification as a REIT. If we determine that redeeming the notes is necessary to preserve our qualification as a REIT, then we may at any time prior to maturity redeem all or part (in a principal amount that is an integral multiple of \$1,000) of the notes at a cash redemption price equal to the principal amount of the notes to be redeemed, plus accrued and unpaid interest, if any, to, but excluding, the redemption date.

Redemption during final six month term of the notes; no sinking fund

On or after March 1, 2022, we may redeem the notes for cash, in whole or from time to time in part, at our option, at a redemption price equal to the sum of (i) 100% of the principal amount of the notes to be redeemed, (ii) accrued and unpaid interest (including additional interest, if any) thereon to, but excluding, the redemption date and (iii) the make-whole premium. We will give notice of any redemption not less than 15 nor more than 30 calendar days before the redemption date to holders of the notes. See Description of the Notes Optional Redemption Redemption During Final Six Month Term of the Notes. No sinking fund will be provided for the notes.

Fundamental change

Upon the occurrence of a fundamental change (as defined under
Description of the Notes Fundamental Change Permits Holders to

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Require Us to Purchase Notes), subject to certain conditions, you may require us to purchase for cash all or part of your notes. The fundamental change purchase price will equal 100% of the principal amount of the notes to be purchased, plus accrued and unpaid interest, if any, to, but excluding, the fundamental change purchase date.

Ranking

The notes will be our senior unsecured obligations and will rank:

senior in right of payment to any future indebtedness we may have that is expressly subordinated in right of payment to the notes;

equal in right of payment to our future unsecured indebtedness that is not so subordinated;

effectively junior in right of payment to any of our existing and future secured indebtedness, to the extent of the value of the assets securing such indebtedness; and

structurally subordinated to all existing and future indebtedness (including trade payables) and any future preferred equity interests of our subsidiaries as well as to any of our existing or future indebtedness that may be guaranteed by any of our subsidiaries (to the extent of any such guarantee), except for the future unsecured and unsubordinated indebtedness of our operating partnership with which the notes will rank equal in right of payment, including but not limited to the Mirror Note (as defined below).

Our subsidiaries are separate and distinct legal entities and have no obligation, contingent or otherwise, to pay any amounts due on the notes or to make any funds available to us for payment on the notes, whether by dividends, loans or other payments, except that we intend to contribute the net proceeds from this offering to our operating partnership in exchange for the issuance by our operating partnership of a senior unsecured note, or the Mirror Note, with terms that are substantially equivalent to the terms of the notes offered through this prospectus supplement. As a result, our operating partnership will be obligated to pay us amounts due and payable under the Mirror Note, which will rank equal in right of payment with all of the future unsecured and unsubordinated indebtedness of our operating partnership.

As of June 30, 2017, on a consolidated basis, we had approximately \$290 million outstanding under our senior secured revolving credit facility, or our Existing Credit Facility, approximately \$102 million outstanding under a recourse credit facility, or our Recourse Credit Facility (and together with our Existing Credit Facility we collectively refer to as our Credit Facilities), and approximately \$922 million outstanding in asset-backed nonrecourse debt and bank loans. As of June 30, 2017, our total consolidated indebtedness (excluding

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trade payables and unfunded commitments) was \$1.31 billion (including non-recourse debt), all of which was indebtedness secured by assets of our subsidiaries to third parties to which the notes would have been structurally subordinated. As of June 30, 2017, our subsidiaries had no preferred equity interests outstanding.

The indenture governing the notes will not limit the amount of debt that we or our subsidiaries may incur and will not include any financial covenants, including covenants restricting us from paying dividends or issuing or repurchasing our other securities.

Events of default

Except as described under [Description of the Notes](#) [Events of Default](#), if an event of default with respect to the notes occurs, holders may, upon satisfaction of certain conditions, accelerate the principal amount of the notes plus accrued and unpaid interest. In addition, the principal amount of the notes plus accrued and unpaid interest will automatically become due and payable in the case of certain types of bankruptcy or insolvency events of default involving us.

Ownership limit

To assist us in complying with the limitations on the concentration of ownership of a REIT imposed by the Internal Revenue Code of 1986, as amended, or the Internal Revenue Code, among other purposes, our charter generally prohibits, among other prohibitions, any stockholder from beneficially or constructively owning more than 9.8% in value or number of shares, whichever is more restrictive, of the outstanding shares of our common stock, the outstanding shares of any class or series of our preferred stock or the outstanding shares of our capital stock of all classes and series and contains certain other restrictions on the ownership and transfer of our stock. See [Description of Securities](#) [Restrictions on Ownership and Transfer](#) in the accompanying prospectus. Notwithstanding any other provision of the notes, no holder of notes will be entitled to receive our common stock following conversion of such notes to the extent that receipt of such common stock would cause such holder (after application of certain constructive ownership rules) to exceed the ownership limit or other restrictions on ownership and transfer of our stock contained in our charter.

Any purported delivery of shares of common stock upon conversion of notes shall be void and have no effect to the extent (but only to the extent) that such delivery would result in the converting holder violating the charter limitations described above. See [Description of Securities](#) [Restrictions on Ownership and Transfer](#) in the accompanying prospectus.

Book-entry form

The notes will be issued in book-entry form and will be represented by one or more permanent global certificates deposited with, or on behalf of, The Depository Trust Company, or DTC, and registered in the name of a nominee of DTC. Beneficial interests in any of the

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notes will be shown on, and transfers will be effected only through, records maintained by DTC or its nominee and any such interest may not be exchanged for certificated securities, except in limited circumstances.

Absence of a public market for the notes	The notes are a new issue of securities with no established trading market and we do not intend to list the notes on any national securities exchange. If no active trading market develops, you may not be able to resell your notes at their fair market value or at all. Future trading prices of the notes will depend on many factors, including the market price of our common stock, prevailing interest rates, our operating results and the market for similar securities. We have been informed by certain of the underwriters that they currently intend to make a market in the notes after this offering is completed. However, these underwriters are not obligated to do so, and may cease their market-making at any time and without notice.
No listing	We do not intend to apply for listing of the notes on any securities exchange. Our common stock is listed on the NYSE under the symbol HASI.
Material U.S. federal income tax considerations	For certain material U.S. federal income tax considerations relating to the purchase, ownership and disposition of the notes and the shares of our common stock, if any, into which the notes are convertible, see <u>Additional U.S. Federal Income Tax Considerations</u> in this prospectus supplement and <u>U.S. Federal Income Tax Considerations</u> in the accompanying prospectus.
Trustee, paying agent and conversion agent	U.S. Bank National Association.
Use of proceeds	The net proceeds from this offering will be approximately \$130.9 million (or approximately \$145.5 million if the underwriters exercise their over-allotment option to purchase additional notes in full), after deducting underwriting discounts and estimated offering expenses payable by us. We intend to contribute the net proceeds from this offering to our Operating Partnership in exchange for the issuance by the Operating Partnership of the Mirror Note with terms that are substantially equivalent to the terms of the notes offered through this prospectus supplement. Our Operating Partnership intends to use the majority of such proceeds to repay outstanding borrowings under one or both of our Credit Facilities or for general corporate purposes. As of June 30, 2017, we had approximately \$290 million outstanding under our Existing Credit Facility, with Bank of America, N.A., an affiliate of one of the underwriters in this offering, and approximately \$102 million under our Recourse Credit Facility, with Deutsche Bank AG, New York

Branch and Deutsche Bank Trust Company Americas, affiliates of one of the underwriters in this offering. Following any such repayment, our operating partnership

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will use any remaining net proceeds, together with the available borrowing capacity under our Existing Credit Facility, to acquire our target assets subject to our investment strategy and to the extent consistent with maintaining our REIT qualification and our exception from registration under the 1940 Act and for general corporate purposes. Prior to the full investment of such remaining net proceeds, we intend to invest such remaining net proceeds in interest-bearing accounts and short-term, interest-bearing securities which are consistent with our intention to qualify for taxation as a REIT. See Use of Proceeds.

Governing law

New York.

Risk factors

Investing in the notes involves a high degree of risk. You should carefully read the information contained under the caption Risk Factors in this prospectus supplement and page 3 of the accompanying prospectus, and the risks set forth under the caption Item 1A. Risk Factors included in our 2016 10-K and our other filings under the Exchange Act for risks that you should consider before deciding to invest in the notes.

Regulatory

We have elected to qualify, and operate our business so as to qualify, to be taxed as a REIT under Sections 856 through 860 of the Internal Revenue Code, commencing with our taxable year ended December 31, 2013.

We also intend to continue to operate our business in a manner that will permit us to maintain our exception from registration as an investment company under the 1940 Act.

Our Corporate Information

Our principal executive offices are located at 1906 Towne Centre Blvd, Suite 370, Annapolis, Maryland 21401. Our telephone number is (410) 571-9860. Our website is www.hannonarmstrong.com. The information on our website is not intended to form a part of or be incorporated by reference into this prospectus supplement or the accompanying prospectus.

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RISK FACTORS

Investing in the notes being offered by this prospectus supplement and the accompanying prospectus involves a high degree of risk. Before making an investment decision, you should carefully consider the risk factors described below and the risks described beginning on page 3 of the accompanying prospectus and in the section "Risk Factors" contained in our 2016 10-K, which is incorporated herein by reference, together with all of the other information included or incorporated by reference in this prospectus supplement and the accompanying prospectus. Any of these risks could materially adversely affect our business, financial condition, results of operations, tax status or ability to make distributions to our stockholders. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial may also materially and adversely affect our business operations. If this were to happen, you could lose a part or all of your investment.

Risks Related to the Notes and to this Offering

We expect that the trading price of the notes will be significantly affected by changes in the market price of our common stock, the interest rate environment and our credit quality, each of which could change substantially at any time.

We expect that the trading price of the notes will depend on a variety of factors, including, without limitation, the market price of our common stock, the interest rate environment and our credit quality. Each of these factors may be volatile and may or may not be within our control.

The market price of our common stock may be volatile and be subject to wide fluctuations. Fluctuations in our stock price may not reflect our historical financial performance and condition and prospects. Our stock price may fluctuate as a result of factors that are beyond our control or unrelated to our historical financial performance and condition and prospects. We cannot assure you that the market price of our common stock will not be volatile or fluctuate or decline significantly in the future. In addition, the stock market in general can experience considerable price and volume fluctuations that may be unrelated to our historical performance and condition and prospects.

Likewise, if interest rates, or expected future interest rates, rise during the term of the notes, the present value of the coupons and principal repayment associated with the notes will likely decrease, but the value of the conversion right embedded in the notes will likely increase. Because interest rates and interest rate expectations are influenced by a wide variety of factors, many of which are beyond our control, we cannot assure you that changes in interest rates or interest rate expectations will not adversely affect the trading price of the notes.

Furthermore, the trading price of the notes will likely be significantly affected by any change in our credit quality. Because our credit quality is influenced by a variety of factors, some of which are beyond our control, we cannot guarantee that we will maintain or improve our credit quality during the term of the notes. In addition, because we may choose to take actions that adversely affect our credit quality, such as incurring additional debt, there can be no guarantee that our credit quality will not decline during the term of the notes, which would likely negatively impact the trading price of the notes.

The claims of any holders of the notes will be structurally subordinated to claims of any creditors of our subsidiaries because our subsidiaries will not guarantee the notes. In addition, we are a holding company with minimal independent operations. Our ability to repay our debt, including the notes, depends on the performance of our subsidiaries and their ability to make distributions to us.

The notes will not be guaranteed by any of our subsidiaries. Accordingly, none of our subsidiaries is currently, and may not become, obligated to pay any amounts due pursuant to the notes, or to make any funds available therefor, except that we intend to contribute the net proceeds from this offering to our operating partnership in exchange for the issuance by our operating partnership of the Mirror Note with terms that are

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substantially equivalent to the terms of the notes offered through this prospectus supplement. As a result, our operating partnership will be obligated to pay us amounts due and payable under the Mirror Note, which will rank equal in right of payment with all of the future unsecured and unsubordinated indebtedness of our operating partnership. Claims of holders of the notes will be structurally subordinated to the claims of any creditors of our subsidiaries (except for the creditors of the future unsecured and unsubordinated indebtedness of our operating partnership), including trade creditors as well as to any of our existing or future indebtedness that may be guaranteed by any of our subsidiaries (to the extent of any such guarantee). As a result, in the event of a bankruptcy, liquidation or reorganization of any of our subsidiaries, such subsidiaries will pay the holders of their debt and their trade creditors before they will be able to distribute any of their assets to us.

As a holding company, substantially all of our business is conducted through our subsidiaries, which are separate and distinct legal entities. Therefore, our ability to service our indebtedness, including the notes, is dependent on the earnings and the distribution of funds (whether by dividend, distribution or loan) from our subsidiaries. None of our subsidiaries is obligated to make funds available to us for payment on the notes, except that we intend to contribute the net proceeds from this offering to our operating partnership in exchange for the issuance by our operating partnership of the Mirror Note with terms that are substantially equivalent to the terms of the notes offered hereby. We cannot assure you that the agreements governing the existing and future indebtedness of our subsidiaries will permit our subsidiaries to provide us with sufficient dividends, distributions or loans to fund payments on the notes when due. In addition, any payment of dividends, distributions or loans to us by our subsidiaries could be subject to restrictions on dividends or repatriation of earnings under applicable local law in the jurisdictions in which our subsidiaries operate. Furthermore, we guaranty many of the obligations of our subsidiaries, including certain indebtedness of our subsidiaries, and such guarantees may require us to provide substantial funds or assets to our subsidiaries, or their creditors at a time when we need liquidity to fund our own obligations, such as the notes.

As of June 30, 2017, our total consolidated indebtedness (excluding trade payables and unfunded commitments) was \$1.31 billion (including non-recourse debt), all of which was indebtedness secured by assets of our subsidiaries to third parties to which the notes would have been structurally subordinated.

Our substantial indebtedness could adversely affect our business, financial condition or results of operations and prevent us from fulfilling our obligations under the notes.

We currently have and, after this offering, will continue to have a significant amount of indebtedness. This substantial level of indebtedness increases the risk that we may be unable to generate enough cash to pay amounts due in respect of our indebtedness, including the notes.

Our substantial indebtedness could have important consequences to you and significant effects on our business. For example, it could:

make it more difficult for us to satisfy our obligations with respect to the notes;

increase our vulnerability to general adverse economic and industry conditions;

require us to dedicate a substantial portion of our cash flow from operations to payments on our indebtedness, thereby reducing the availability of our cash flow to fund working capital, capital

expenditures, our strategic growth initiatives and development efforts and other general corporate purposes;

limit our flexibility in reacting to changes in our business and the industry in which we operate;

restrict us from exploiting business opportunities;

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place us at a competitive disadvantage compared to our competitors that have less indebtedness; and

limit our ability to borrow additional funds for working capital, capital expenditures, acquisitions, debt service requirements, execution of our business strategy or other general corporate purposes.

In addition, the agreements that govern our current indebtedness contain, and the agreements that may govern any future indebtedness that we may incur may contain, financial and other restrictive covenants that will limit our ability to engage in activities that may be in our long-term best interests.

Our failure to comply with those covenants could result in an event of default that, if not cured or waived, could result in the acceleration of some or all of our debt.

Despite our substantial current indebtedness, we and our subsidiaries may still be able to incur substantially more indebtedness. This could further exacerbate the risks associated with our substantial leverage.

We and our subsidiaries may be able to incur substantial additional indebtedness in the future, including pursuant to a capital markets transaction such as a notes offering as well as secured indebtedness that will be structurally senior to the notes. Furthermore, the indenture establishing the terms of the notes will not limit the amount of debt that we or our subsidiaries may issue. Adding new indebtedness to current debt levels could make it more difficult for us to satisfy our obligations with respect to the notes.

The notes are not protected by restrictive covenants, which in turn may allow us to engage in a variety of transactions that may impair our ability to fulfill our obligations under the notes.

The indenture governing the notes will not contain any financial covenants and will not restrict us from paying dividends, incurring debt or issuing or repurchasing our other securities. Because the indenture will not contain any covenants or other provisions designed to afford holders of the notes protection in the event of a highly leveraged transaction involving us or in the event of a decline in any credit rating for the notes for any reason, including as a result of a takeover, recapitalization, highly leveraged transaction or similar restructuring involving us, except to the extent described under *Description of the Notes Fundamental Change Permits Holders to Require Us to Purchase Notes*, *Description of the Notes Consolidation, Merger and Sale of Assets* and *Description of the Notes Adjustment to Conversion Rate Upon Conversion In Connection With a Make-Whole Fundamental Change*, we may engage in transactions that may impair our ability to fulfill our obligations under the notes. Other than the repurchase right, the restrictions provided by the merger covenant and our obligation to increase the conversion rate with respect to the notes in certain circumstances upon the occurrence of certain events, we generally have no duty to consider the interests of holders of the notes in determining whether to engage in such transactions.

Recent regulatory actions may adversely affect the trading price and liquidity of the notes.

We expect that many investors in, and potential purchasers of, the notes will employ, or seek to employ, a convertible arbitrage strategy with respect to the notes. Investors would typically implement this strategy by selling short the common stock underlying the notes and dynamically adjusting their short position while they hold the notes. Investors may also implement this strategy by entering into swaps on our common stock in lieu of or in addition to short selling our common stock.

The SEC and other regulatory and self-regulatory authorities have implemented various rules and may adopt additional rules in the future that may impact those engaging in short selling activity involving equity securities (including our common stock), including Rule 201 of SEC Regulation SHO, the Financial Industry Regulatory

Authority s, or FINRA s, Limit Up-Limit Down program, market-wide circuit breaker systems that

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halt trading of securities for certain periods following specific market declines, and rules stemming from the enactment and implementation of the Dodd-Frank Wall Street Reform and Consumer Protection Act. Past regulatory actions, including emergency actions or regulations, have had a significant impact on the trading prices and liquidity of equity-linked instruments. Any governmental action that similarly restricts the ability of investors in, or potential purchasers of, the notes to effect short sales of our common stock or enter into swaps on our common stock could similarly adversely affect the trading price and the liquidity of the notes.

In addition, if investors and potential purchasers seeking to employ a convertible arbitrage strategy are unable to borrow or enter into swaps on our common stock, in each case on commercially reasonable terms, the trading price and liquidity of the notes may be adversely effected.

Some significant restructuring transactions that may adversely affect you may not constitute a fundamental change under the indenture, in which case we would not be obligated to offer to repurchase the notes.

Upon the occurrence of a fundamental change (as defined under Description of the Notes Fundamental Change Permits Holders to Require Us to Purchase Notes), you have the right, at your option, to require us to repurchase your notes for cash. However, the definition of fundamental change contained in the indenture is limited to certain enumerated transactions. As a result, the fundamental change provision of the indenture will not afford protection to holders of notes in the event of other transactions that could adversely affect the notes or our common stock. For example, certain transactions such as leveraged recapitalizations, refinancings, significant distributions of our capital stock or assets, restructurings, spin-offs or acquisitions involving us may not constitute a fundamental change requiring us to repurchase the notes. In the event of any such transactions, holders of the notes would not have the right to require us to repurchase their notes, even though each of these transactions could increase the amount of our indebtedness, or otherwise adversely affect our capital structure or any credit ratings, thereby adversely affecting the holders of notes.

The adjustment to the conversion rate for notes converted in connection with a make-whole fundamental change may not adequately compensate you for any lost option value of your notes as a result of such transaction. In addition, the definition of a make-whole fundamental change is limited and may not protect you from losing some of the option value of your notes in the event of a variety of transactions that do not constitute a make-whole fundamental change.

Upon the occurrence of a make-whole fundamental change, we will, in certain circumstances, increase the conversion rate for a holder that converts its notes in connection with such make-whole fundamental change. The increase in the conversion rate will be determined based on the date on which the make-whole fundamental change becomes effective and the price paid (or deemed paid) per share of our common stock in such make-whole fundamental change, all as described below under Description of the Notes Adjustment to Conversion Rate Upon Conversion in Connection with a Make-Whole Fundamental Change.

Although the adjustment to the conversion rate for notes converted in connection with a make-whole fundamental change is designed to compensate you for the option value of your notes that you lose as a result of a make-whole fundamental change, it is only an estimate of such value and may not adequately compensate you for such lost option value. In addition, if the price paid (or deemed paid) for our common stock in the make-whole fundamental change is greater than \$40.00 per share or less than \$22.70 per share (in each case, subject to adjustment in accordance with the indenture), then we will not be required to adjust the conversion rate if you convert your notes in connection with such make-whole fundamental change. Moreover, in no event will we increase the conversion rate solely because of such an adjustment to a rate that exceeds shares of our common stock per \$1,000 principal amount of notes, subject to adjustments in accordance with the indenture.

Furthermore, the definition of make-whole fundamental change contained in the indenture is limited to certain enumerated transactions. As a result, the make-whole fundamental change provisions of the indenture will

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not afford protection to holders of the notes in the event that other transactions occur that could adversely affect the option value of the notes. For example, transactions, such as leveraged recapitalizations, refinancings, restructurings or acquisitions, could significantly affect the trading characteristics of our common stock and thereby reduce the option value embedded in the notes without triggering a make-whole fundamental change.

In addition, our obligation to increase the conversion rate upon the occurrence of a make-whole fundamental change could be considered a penalty, in which case the enforceability thereof could be subject to general equity principles such as the reasonableness of economic remedies.

Adjustments to the conversion rate do not cover all dilutive events that may adversely affect the value of the notes.

The conversion rate of the notes is subject to adjustment for certain events, including, but not limited to, the issuance of stock dividends above a specified threshold on our common stock, the issuance of certain rights, options or warrants, subdivisions, combinations, distributions of our capital stock, indebtedness, or assets, cash dividends and certain issuer tender or exchange offers as described under **Description of the Notes Conversion Rights Conversion Rate Adjustments**. However, the conversion rate will not be adjusted for other events, such as a third-party tender or exchange offer or an issuance of our common stock for cash or in connection with an acquisition, that may adversely affect the trading price of the notes or our common stock. An event that adversely affects the value of the notes may occur and that event may not result in an adjustment to the conversion rate.

We may not have the ability to raise funds necessary to purchase the notes upon a fundamental change.

If a fundamental change occurs, you will have the right, at your option, to require us to purchase for cash any or all of your notes. The fundamental change purchase price will equal 100% of the principal amount of the notes to be purchased, plus accrued and unpaid interest, if any, to, but excluding, the fundamental change purchase date. However, we may not have sufficient funds at the time we are required to purchase the notes, and we may not be able to arrange necessary financing on acceptable terms, if at all. In addition, our ability to purchase the notes may be limited by law, by regulatory authority or by the agreements governing our other indebtedness outstanding at the time. If we fail to pay the fundamental change purchase price when due, we will be in default under the indenture governing the notes. A default under the indenture or the fundamental change itself could also constitute a default under the agreements governing our other existing and future indebtedness which would further restrict our ability to make required payments under the notes.

If an active trading market does not develop for the notes, you may not be able to resell them.

Prior to this offering, there was no public market for the notes, and we do not currently plan to list the notes on any securities exchange. If no active trading market develops, you may not be able to resell your notes at their fair market value or at all. The liquidity of the trading market in the notes and future trading prices of the notes will depend on many factors, including prevailing interest rates, our operating results and the market for similar securities. We have been informed by certain of the underwriters that they currently intend to make a market in the notes after this offering is completed. However, such underwriters are not obligated to do so, and may cease their market-making at any time and without notice.

A downgrade, suspension or withdrawal of the rating assigned by a rating agency to us or the notes, if any, could cause the liquidity or market value of the notes to decline significantly.

Our credit ratings, if any, are an assessment by rating agencies of our ability to pay our debts when due. Consequently, real or anticipated changes in our credit ratings will generally affect the market value of the notes. These credit ratings may not reflect the potential impact of risks relating to the structure or marketing of the

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notes. Credit ratings are not a recommendation to buy, sell or hold any security, and may be revised or withdrawn at any time by the issuing organization in its sole discretion. We do not undertake any obligation to maintain our rating, if any, or to advise holders of notes of any changes in ratings.

Sales of our common stock, preferred stock, warrants or debt securities convertible into or exercisable or exchangeable for common stock, including issuances of our common stock upon conversion of the notes, may depress the price of our common stock and be dilutive to holders of our common stock, including holders of any shares issued upon conversion of the notes offered hereby.

We cannot predict the effect, if any, that future issuances or sales of our common stock, preferred stock, warrants or debt securities convertible into or exercisable or exchangeable for common stock, including issuances of our common stock upon conversion of the notes, or the availability of our securities for future issuance or sale, will have on the market price of shares of our common stock. Issuances or sales of substantial amounts of our common stock, preferred stock, warrants or debt securities convertible into or exercisable or exchangeable for common stock, including issuances of our common stock upon conversion of the notes, or the perception that such issuances or sales might occur, could negatively impact the market price of our common stock and the terms upon which we may obtain additional equity financing in the future. Preferred stock we issue will generally be senior to our common stock with respect to dividends and liquidation rights. The issuance of any additional shares of our common stock or securities convertible into or exchangeable for common stock or that represent the right to receive common stock, or the exercise of such securities, could be substantially dilutive to holders of our common stock, including holders of any shares issued upon conversion of the notes offered hereby. The vesting of any restricted stock granted to directors, executive officers and other employees, and other issuances of our common stock could have an adverse effect on the market price of our common stock, and the existence of our common stock reserved for issuance under our 2013 Equity Incentive Plan, as amended, may adversely affect the terms upon which we may be able to obtain additional capital through the sale of securities.

Holders of notes will not be entitled to any rights with respect to our common stock, but will be subject to all changes made with respect to our common stock.

Holders of notes will not be entitled to any rights with respect to our common stock (including, without limitation, voting rights and rights to receive any dividends or other distributions on our common stock), until the time at which they become record holders of our common stock, which will be the close of business on the conversion date, but will be subject to all changes affecting our common stock. For example, if an amendment is proposed to our charter or bylaws requiring stockholder approval and the record date for determining the stockholders of record entitled to vote on the amendment occurs prior to the date you are a record holder of our common stock, you generally will not be entitled to vote on the amendment, although you will nevertheless be subject to any changes affecting our common stock.

Certain provisions in the notes and the indenture could delay or prevent an otherwise beneficial takeover or takeover attempt of us and, therefore, the ability of holders to exercise their rights associated with a potential fundamental change or a make-whole fundamental change.

Certain provisions in the notes and the indenture could make it more difficult or more expensive for a third party to acquire us. For example, if an acquisition event constitutes a fundamental change, holders of the notes will have the right to require us to purchase their notes in cash. In addition, if an acquisition event constitutes a make-whole fundamental change, we may be required to increase the conversion rate for holders who convert their notes in connection with such make-whole fundamental change. Our obligations under the notes and the indenture could increase the cost of acquiring us or otherwise discourage a third party from acquiring us or removing incumbent

management.

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We cannot assure you of our ability to make distributions in the future. If our portfolio of assets fails to generate sufficient income and cash flow, we could be required to sell assets, borrow funds or make a portion of our distributions in the form of a taxable stock distribution or distribution of debt securities.

We are generally required to distribute to our stockholders at least 90% of our REIT taxable income (without regard to the deduction for dividends paid and excluding net capital gains) each year for us to qualify, and maintain our qualification, as a REIT under the Internal Revenue Code. Our current policy is to pay quarterly distributions, which on an annual basis will equal or exceed substantially all of our REIT taxable income. In the event that our board of directors authorizes distributions in excess of the income or cash flow generated from our assets, we may make such distributions from the proceeds of future offerings of equity or debt securities or other forms of debt financing or the sale of assets.

Our ability to make distributions may be adversely affected by a number of factors. Therefore, although we anticipate making quarterly distributions to our stockholders, our board of directors has the sole discretion to determine the timing, form and amount of any distributions to our stockholders. If our portfolio of assets fails to generate sufficient income and cash flow, we could be required to sell assets, borrow funds or make a portion of our distributions in the form of a taxable stock distribution or distribution of debt securities. To the extent that we are required to sell assets in adverse market conditions or borrow funds at unfavorable rates, our results of operations could be materially and adversely affected. Our board of directors will make determinations regarding distributions based upon various factors, including our earnings, our financial condition, our liquidity, our debt and preferred stock covenants, maintenance of our REIT qualification, applicable provisions of the Maryland General Corporation Law and other factors as our board of directors may deem relevant from time to time. We believe that a change in any one of the following factors could adversely affect our results of operations and impair our ability to make distributions to our stockholders:

our ability to make profitable investments and loans;

margin calls or other expenses that reduce our cash flow;

defaults in our asset portfolio or decreases in the value of our portfolio; and

the fact that anticipated operating expense levels may not prove accurate, as actual results may vary from estimates.

As a result, no assurance can be given that we will be able to make distributions to our stockholders at any time in the future or that the level of any distributions we do make to our stockholders will achieve a market yield or increase or even be maintained over time, any of which could materially and adversely affect us.

In addition, distributions that we make to our stockholders will generally be taxable to our stockholders as ordinary income. However, a portion of our distributions may be designated by us as long-term capital gains to the extent that they are attributable to capital gain income recognized by us or may constitute a return of capital to the extent that they exceed our earnings and profits as determined for tax purposes. A return of capital is not taxable, but has the effect of reducing the basis of a stockholder's investment in shares of our common stock, and will adjust the ultimate amount of capital gain/loss, if any, the stockholder may recognize in the future.

Ownership limitations in our charter may impair the ability of holders to convert notes into our common stock.

In order to assist us in maintaining our qualification as a REIT for U.S. federal income tax purposes, our charter restricts any person from owning (directly or as a result of certain constructive ownership rules) more than 9.8% by value or number of shares, whichever is more restrictive, of the outstanding shares of our common stock, the outstanding shares of any class or series of our preferred stock or the outstanding shares of our capital

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stock of all classes and series, subject to certain exceptions, and contains certain other restrictions on the ownership and transfer of our stock. Notwithstanding any other provision of the notes, no holder of notes will be entitled to receive our common stock following conversion of such notes to the extent that receipt of such common stock would violate the ownership limit or violate the other restrictions on ownership and transfer of our stock contained in our charter. See **Description of Securities** in the accompanying prospectus. Any purported delivery of shares of common stock upon conversion of notes shall be void and have no effect to the extent (but only to the extent) that such delivery would result in the converting holder violating the restrictions on ownership and transfer of our stock contained in our charter. See **Restrictions on Ownership and Transfer** in the accompanying prospectus for additional information about these restrictions.

You may be deemed to receive a taxable distribution without the receipt of any cash or property.

The conversion rate of the notes will be adjusted in certain circumstances. Adjustments (or failures to make adjustments) to the conversion rate of the notes that have the effect of increasing your proportionate interest in our assets or earnings may, in some circumstances, result in a taxable constructive distribution to you for U.S. federal income tax purposes, notwithstanding the fact that you do not receive an actual distribution of cash or property. If a make-whole fundamental change adjustment event occurs prior to the maturity date of the notes, then, under some circumstances, we will increase the conversion rate for notes converted in connection with such make-whole fundamental change. Such increase may also be treated as a distribution subject to U.S. federal income tax as a dividend. In addition, you may be subject to U.S. federal withholding taxes in connection with such a constructive distribution. If we pay withholding taxes on your behalf as a result of an adjustment to the conversion rate of the notes, we may, at our option and pursuant to certain provisions of the indenture, set off such payments against payments of cash and common stock on the notes. You are urged to consult your tax advisors with respect to the U.S. federal income tax consequences resulting from an adjustment to the conversion rate of the notes. See the discussions under the heading **Additional U.S. Federal Income Tax Considerations**.

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FORWARD-LOOKING STATEMENTS

We make forward-looking statements in this prospectus supplement within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act that are subject to risks and uncertainties. For these statements, we claim the protections of the safe harbor for forward-looking statements contained in such Sections. These forward-looking statements include information about possible or assumed future results of our business, financial condition, liquidity, results of operations, plans and objectives. When we use the words believe, expect, anticipate, estimate, plan, continue, intend, should, may or similar expressions, we intend to identify forward-looking statements.

Forward-looking statements are subject to significant risks and uncertainties. Investors are cautioned against placing undue reliance on such statements. Actual results may differ materially from those set forth in the forward-looking statements. Factors that could cause actual results to differ materially from those described in the forward-looking statements are contained in our 2016 10-K that was filed with the SEC, and include risks discussed in other periodic reports that we file with the SEC. Statements regarding the following subjects, among others, may be forward-looking: