

Report of Organizational Actions Affecting Basis of Securities

OMB No. 1545-0123

► See separate instructions.

Part I Reporting Issuer

1 Issuer's name ELME COMMUNITIES		2 Issuer's employer identification number (EIN) 53-0261100	
3 Name of contact for additional information	4 Telephone No. of contact 202-774-3200	5 Email address of contact INFO@ELMECOMMUNITIES.COM	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact 7550 WISCONSIN AVE., SUITE 900		7 City, town, or post office, state, and ZIP code of contact BETHESDA, MD 20814	
8 Date of action		9 Classification and description STOCK	
10 CUSIP number 939653101	11 Serial number(s)	12 Ticker symbol ELME	13 Account number(s)

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ► Elme Communities made cash distributions on January 4, 2024, April 3, 2024, July 3, 2024 and October 3, 2024 to each of its common stock shareholders of record on December 21, 2023, March 20, 2024, June 20, 2024 and September 19, 2024, respectively.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ► A portion of each cash distribution made by Elme Communities during the calendar year 2024 is not taxable as a dividend under Section 301(c)(1), but is applied against basis under Section 301(c)(2) ("return of capital"). The return of capital on a per share basis is as follows:

Distribution Date	Amount per Share
January 4, 2024	\$0.141906
April 3, 2024	\$0.141906
July 3, 2024	\$0.141906
October 3, 2024	\$0.141906

As such, each shareholder's tax basis in the common stock of Elme Communities is decreased by the lesser of the amount of the shareholder's share of the return of capital distributions or the shareholder's tax basis in such common stock.

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ► The change in basis was determined by comparing the cash distributions made by Elme Communities during calendar year 2024 to the amount of Elme Communities 2024 current earnings and profits determined under Sections 312 and 316. Total cash distributions to the common shares made during the calendar year were \$63,152,539 and the 2024 current earnings and profits were \$13,365,239 resulting in a total return of capital for the tax year 2024 attributable to all shareholders of the common stock in the amount of \$49,787,300. Accordingly, the 2024 return of capital percentage is 78.84%.

Part II **Organizational Action** (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ► Sections 301, 312 and 316

18 Can any resulting loss be recognized? ► No loss can be recognized as a result of the cash distributions to the common shareholders.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ► The reporting tax year is 2024.

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

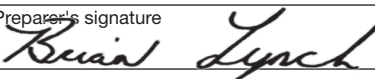
Signature ►

Date ► 1/21/25Print your name ► W. Drew HammondTitle ► SVP, CAO & TREASURER**Paid Preparer Use Only**

Print/Type preparer's name

Brian M. Lynch

Preparer's signature



Date

01/21/25Check ☐ if self-employed

PTIN

P01443847Firm's name ► ERNST & YOUNG U.S. LLP

Firm's EIN ►

34-6565596Firm's address ► 1775 TYSONS BLVD TYSONS, VA 22102

Phone no.

703-747-1000

Send Form 8937 (including accompanying statements) to: Department of the Treasury, Internal Revenue Service, Ogden, UT 84201-0054