



A Primer for Apartment Investment

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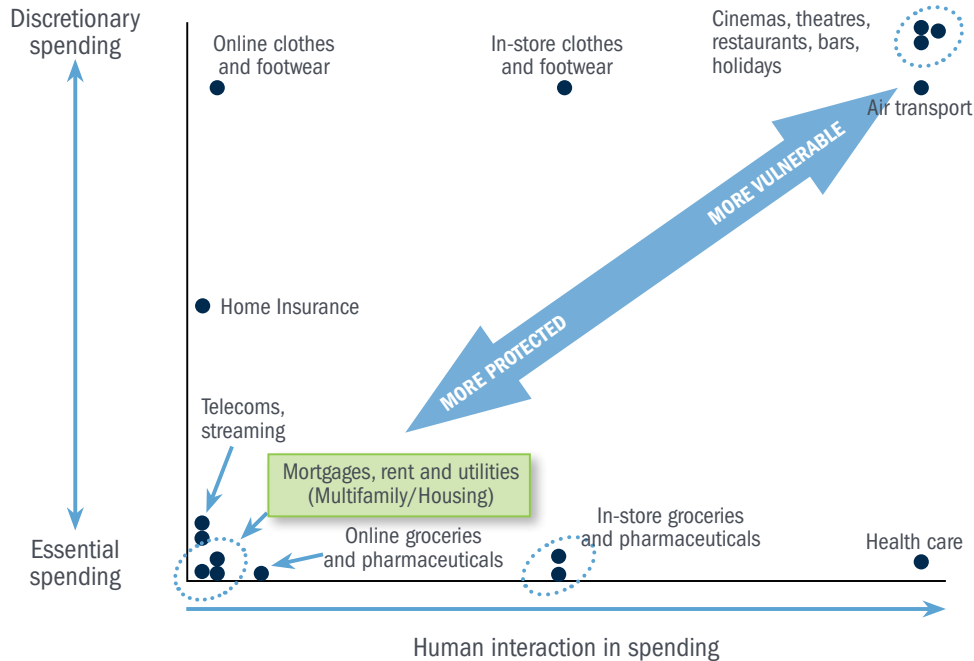


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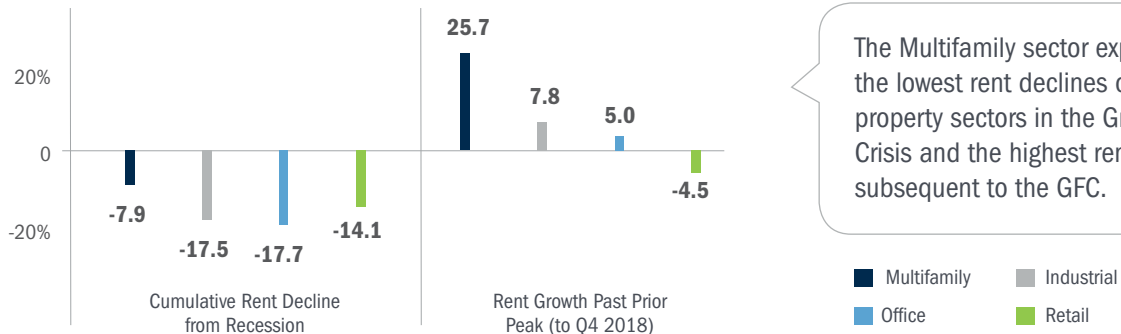
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■ ■ ■ The Essential Nature of the Multifamily Sector

Housing is one of the **most essential household expenditures** and less likely to be cut when household budgets are pared.



Effects on the Multifamily Sector During and After the Great Financial Crisis

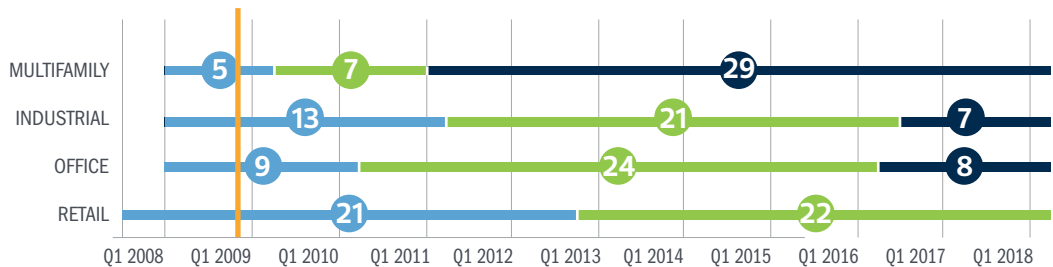


The Multifamily sector experienced the lowest rent declines of all major property sectors in the Great Financial Crisis and the highest rent growth subsequent to the GFC.

Source: CBRE, U.S. Multifamily Research Brief, February 2019, NCREIF data

Timeline of Rent Change Trends During & After 2008-2009 Recession

Number of Quarters in Each Phase

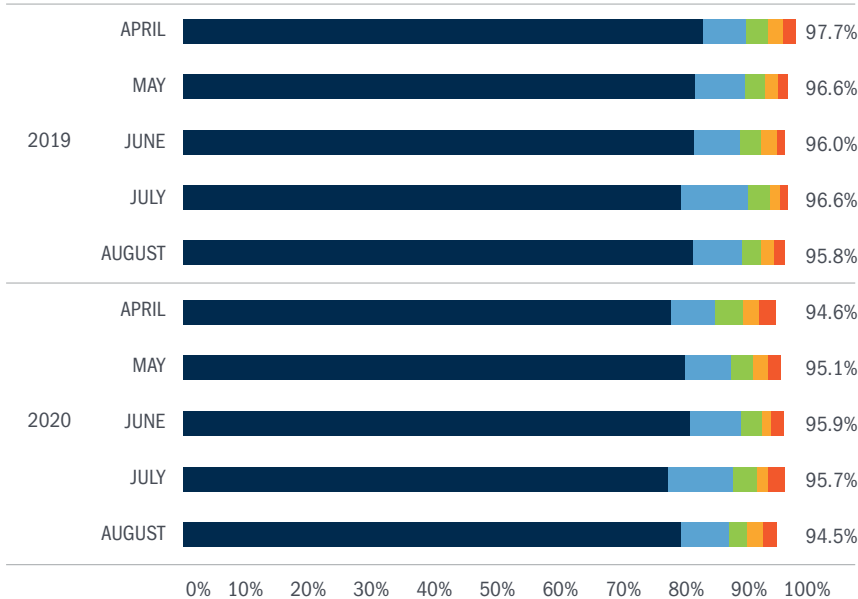


Multifamily had the shortest downturn and quickest recovery from the Great Financial Crisis.

Source: CBRE, U.S. Multifamily Research Brief, February 2019, NCREIF data

Rent Payment Tracker: Full Month Results

**Data collected from between 11.1 - 11.5 million apartment units each month



Rent collections remained strong during the COVID-19 outbreak of 2020 compared to same period in 2019.

Source: National Multifamily Housing Council

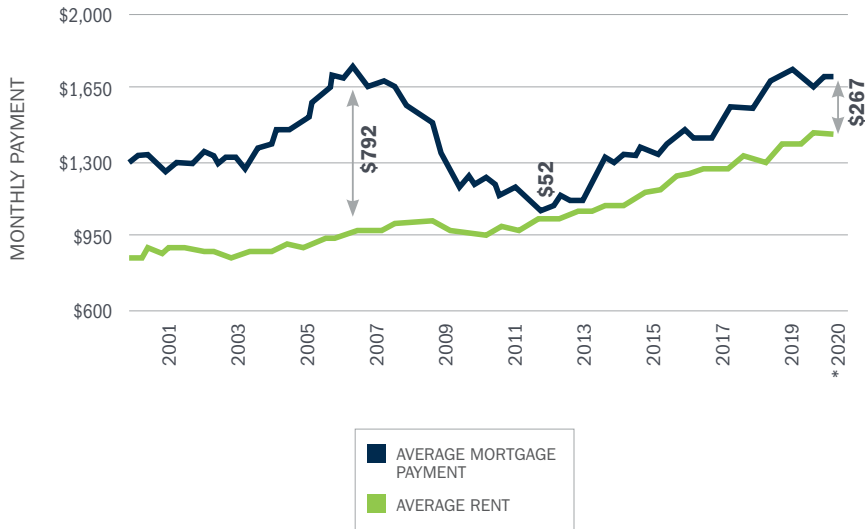
Percentage of Rent Payments Made

Week Ending: 6th* 13th 20th 27th End of Month



■ ■ ■ Demand Overview

Wide Payment Gap Between Renting and Owning

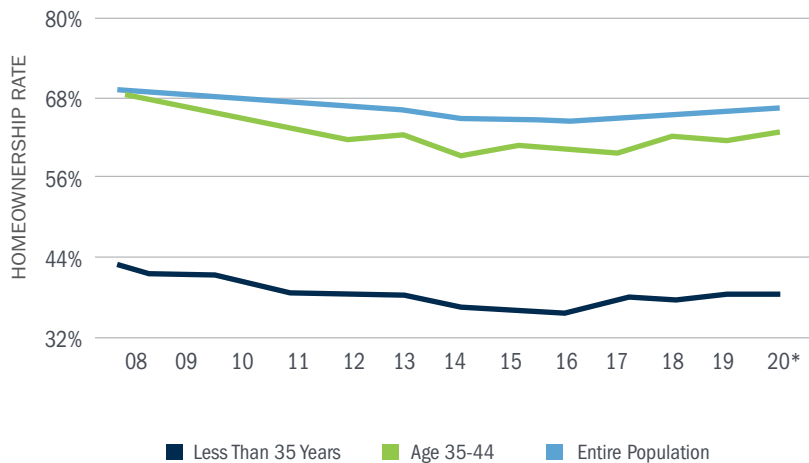


“As the gap between apartment rents and mortgage payments remains significant, those on the margin will continue to rent, likely within the upper-tier segment.”

- Marcus & Millichap

Source: Marcus & Millichap Summer 2020
*Forecast

Younger Demographic Delaying Homeownership



“One of the key drivers behind rental housing, the age 20-34 cohort, which makes up roughly one-fifth of the population, will continue to have a high propensity to rent.”

- Marcus & Millichap

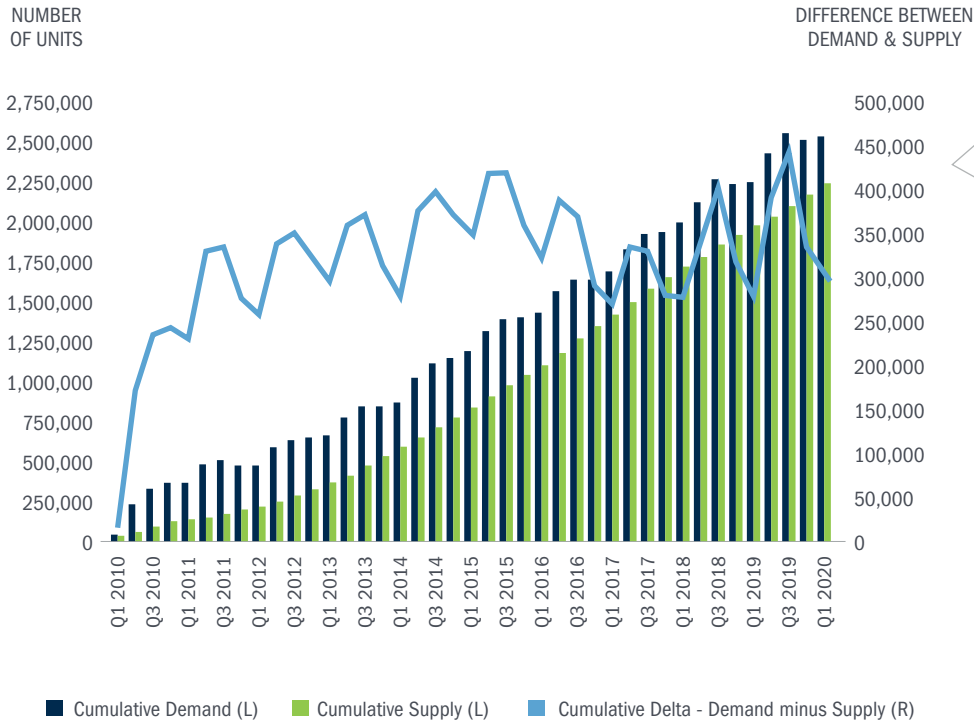
Source: Marcus & Millichap Summer 2020



■ ■ ■ Supply Overview



Cumulative Supply and Demand Since 2010



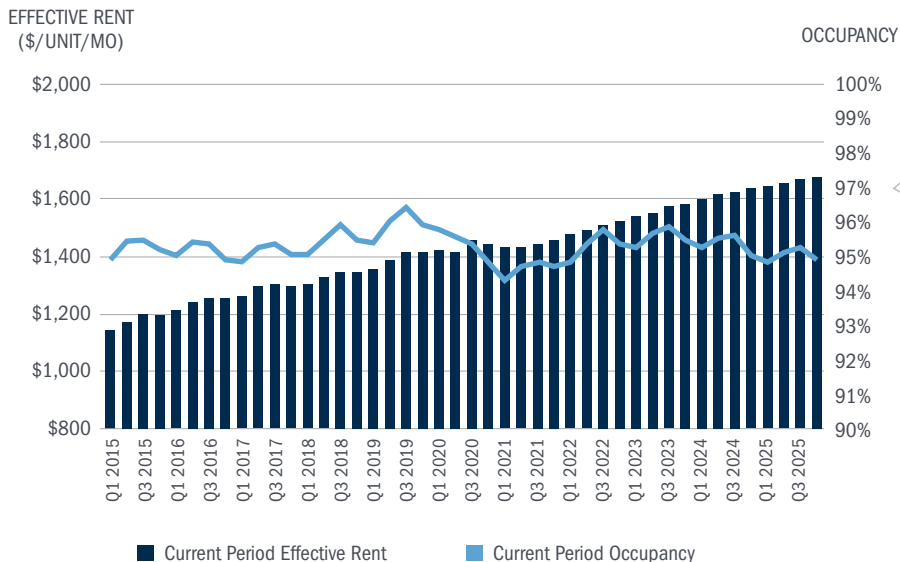
Years of excess demand has created a shortage of multifamily units.

Source: RealPage, Inc.



■ ■ ■ **Rental & Occupancy** Rate Trends

National Apartment Market Trends



Strong fundamentals lead to projections of more than 15% effective rent growth and an average occupancy of greater than 95% through 2025.

Source: Axiometrics, Q2 2020.

The above chart contains forward-looking statements that are based on current expectations, plans, estimates, assumptions and beliefs that involve numerous risks and uncertainties. Actual results and performance could differ materially from those set forth in the forward-looking statements.

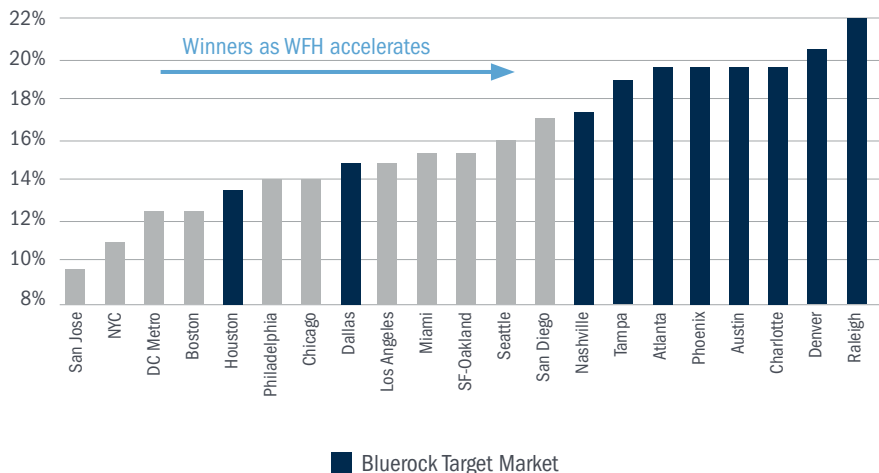


■ ■ ■ **Favored Markets**



We believe growth markets will be knowledge-economy markets which have growing populations, above average employment growth rates, and above average household income. The following showcases markets that are seeing an above average in-migration, some of which can be attributed to the recent shift of employees working from home (WFH).

WFH Utilization Rate (Propensity/Ability)

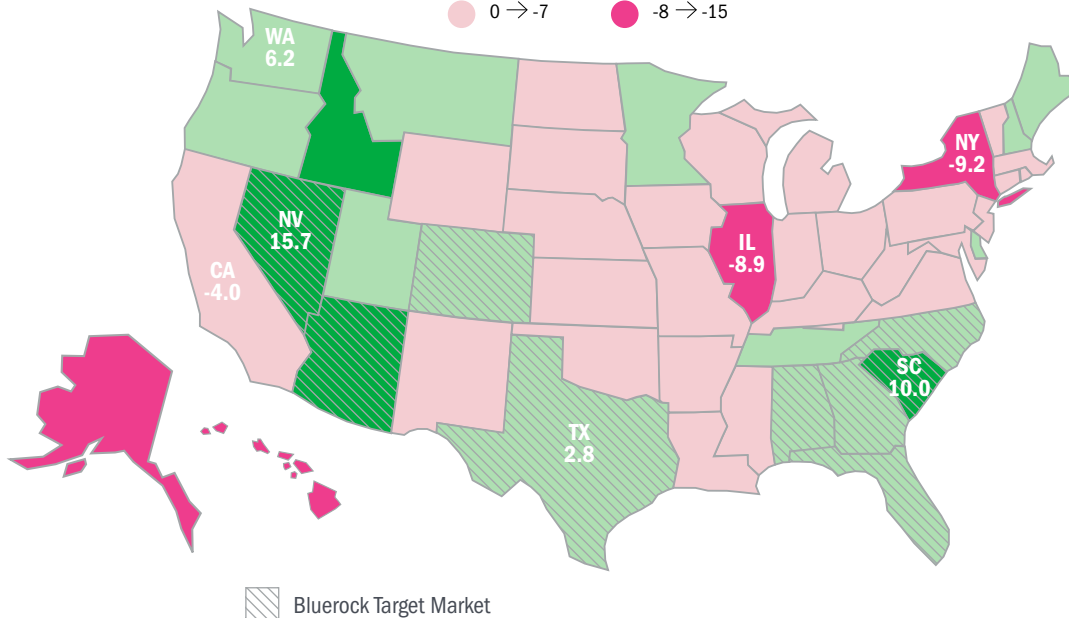
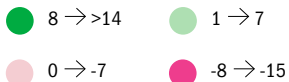


Sunbelt markets dominate the winners list.

Source: Green Street Advisors.

88% of Population Growth 2010-2018 in South and West

Net Migration per 1,000 Inhabitants



Source: Mercer and Census 2010-2018

About Bluerock Real Estate, LLC

Bluerock is a leading institutional alternative asset manager based in New York with regional offices across the United States. Bluerock principals have a collective 100+ years of investing experience, have been involved with acquiring over 50 million square feet of real estate with approximately \$13 billion in value, and have helped launch leading real estate private and public company platforms. Today, Bluerock has more than \$8 billion in sponsored AUM comprised of more than 35 million square feet of commercial and residential real estate.

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