

BR Harrison Trace, DST

AVAILABLE FOR 1031 EXCHANGE & DIRECT INVESTMENT

EQUITY OFFERING AMOUNT: \$48,182,163 | MINIMUM INVESTMENT AMOUNT: \$100,000 (0.20547%) FOR 1031 EXCHANGE



INVESTMENT OPPORTUNITY

Harrison Trace (the “Property”) represents the opportunity to invest in a newly built Class A, single-family rental community, located in the Charlotte, North Carolina metropolitan area (“Charlotte Metro”), one of the nation’s fastest growing metropolitan areas.

BR Harrison Trace, DST (the “Trust”), seeks to provide attractive monthly cash flow distributions and the potential for significant capital appreciation potential as a result of limited housing supply and low vacancy rates for rental housing in the market and 12% annual historical median single-family home appreciation within the Charlotte Metro from 2012-2022.¹



HARRISON TRACE

- **Opportunity to invest in a newly constructed detached single-family community, in an emerging real estate subsector** in a high-growth market.
- **Instant value creation** because the Property is being purchased \$1.4 million below currently projected stabilized value.²
- **The Property is only one of three purpose built single-family rental communities in the Charlotte Metro**, providing a distinction from other residential rental communities.
- **Located in a robust market**, projected to see 30% rental rate growth over the next five years.³
- **Significant value-add opportunity**, with recent leases for each floorplan achieving 12.3% higher rental rates over prior leases.
- **Affluent resident base** with an average annual household income of approximately \$108,000, working in high-paying jobs in the medical, tech, and finance fields and an average income-to-rent ratio of 3.8.
- **Experienced operator in the Charlotte market, with more than 1,230 units under management** and 210 units under development, currently averaging a 96% occupancy rate.

PROPERTY HIGHLIGHTS

Location: 5605 Harrison Trace Drive, Charlotte, North Carolina 28269**Purchase Price:** \$48,182,163 (All Cash Offering)***Cash Flow to Trust Under Master Lease:** 3.25%****Projected Hold Period:** Approximately 7-10 Years

*Figure includes total purchase price, acquisition, offering fees and expenses and operating and capital reserves. The Trust acquired the Property in an all-cash transaction, and the Property is not encumbered (and the Manager does not anticipate to encumber the Property) with any permanent financing.

Figure reflects Base Rent and Additional Rent paid pursuant to the Master Lease, shown on an annualized basis as a percentage of equity invested in the Property. Current cash flow is not an assurance of future results and does not directly represent investor return. **There is no guarantee investors will receive distributions or the return of their capital. See the “Risk Factors” section in the Confidential Offering Memorandum (the “Memorandum”). Base Rent and Additional Rent represents rent paid to the Trust out of gross revenues from the property in excess of operating costs of the Property and asset management fee. See the “Summary of the Master Lease” section in the Memorandum.

PROPERTY OVERVIEW

- The Property, commonly known as “Harrison Trace” is a Class A, single-family rental community consisting of 84 two-story detached homes. The Property, completed in 2021-2022, is a “built for rent” community situated on approximately 14.07 acres and contains 145,359 rentable square feet comprised of three, four, and five-bedroom floor plans averaging 1,730 square feet per unit.
- **Home amenities include:** open concept floor plans with kitchen, dining and living areas, Whirlpool stainless steel appliance packages, stainless steel undermount sinks, granite countertops, white shaker cabinetry, standing showers with framed glass enclosure in main bathrooms, tub and shower surrounds in secondary bathrooms, white shaker vanities in full baths, venetian marble tops with undermount sinks in all baths, flush mount LED lighting throughout home, vaulted ceilings, 2” faux wood blinds, crown molding, satin nickel hardware, spacious walk-in closets, washer and dryer in every home, one and two-car garages, Skybell video doorbell, private patios, gas fireplace and white fencing for select homes, and planned social events.

The Property is not currently encumbered by financing, and the Manager does not anticipate that the Trust will incur any senior debt.

Sources: 1) Canopy Realtor Association, January 2022; 2) Newmark Knight Frank Appraisal dated June 1, 2022; 3) Axiometrics Annual Market Trend Report Q1 2022.

BR Harrison Trace, DST

ABOUT BLUEROCK VALUE EXCHANGE, LLC (“BVEX”)

BVEX is a national sponsor of syndicated 1031 exchange offerings with a focus on Class A assets that can deliver stable cash flows and have the potential for value creation with more than \$2.3 billion in prior syndicated 1031 exchange programs. BVEX is an affiliate of Bluerock Real Estate, L.L.C., a private equity real estate investment firm that sponsors a portfolio currently exceeding \$14 billion in acquired and managed assets. Bluerock’s senior management team has an average of over 30 years investing experience, with more than \$48 billion real estate and capital markets experience and has helped launch leading real estate private and public company platforms.

ABOUT 1031 EXCHANGES

Section 1031 of the Internal Revenue Code (“Section 1031”) provides that, in general, no gain or loss shall be recognized on the exchange of like-kind real property held for productive use in a trade or business, or for investment. A tax-deferred exchange is a method by which a property owner trades one or more relinquished properties for one or more replacement properties of “like-kind,” while deferring the payment of federal income taxes and some state taxes on the transaction. There are numerous Section 1031 rules and requirements, including, but not limited to: sellers cannot receive or control the net sales proceeds; replacement real property must be like-kind to the relinquished real property; the replacement real property must be identified within 45 days from the sale of the property; the replacement real property must be acquired within 180 days from the sale of the original real property; and the attributed debt placed or assumed on the real property must be equal to or greater than the attributed debt on the relinquished real property to avoid boot.

RISK FACTORS

The securities offered herein are highly speculative and involve substantial risks. Do not acquire an Interest if you cannot afford to lose your entire investment. Carefully consider the risks described below, as well as the other information in the Memorandum before making a decision to purchase an Interest. Consult with your legal, tax and financial advisors about an investment in an Interest. The risks described below are not the only risks that may affect an investment in an Interest. Additional risks and uncertainties that we do not presently know or have not identified may also materially and adversely affect the value of an Interest, the Property or the performance of your investment. The risks of purchasing an Interest include, but are not limited to, the following:

- the lack of liquidity of, or a public market for, the Interests;
- the holding of a beneficial interest in the Trust with no voting rights with respect to the management or operations of the Trust or in connection with the sale of the Property;
- risks associated with owning, operating and leasing multifamily apartment complex and real estate generally in and around the Charlotte Metro;
- the impact of an epidemic in the areas in which the Property is located or a Pandemic, which could severely disrupt the global economy;
- economic risks with a fluctuating U.S. and world economy;
- performance of the Master Tenant under the Master Lease, including the potential for the Master Tenant to defer a portion of rent payable under the Master Lease;
- the Trust depends on the Master Tenant for revenue, and the Master Tenant will depend on the residents for revenue. Any default by the Master Tenant or the Subtenants will adversely affect the Trust’s operations;
- reliance on the Master Tenant (and the Property Manager engaged by the Master Tenant, and the Property Sub-Manager subcontracted by the Property Manager) to manage the Property;
- risks associated with Sponsor’s affiliate funding the Demand Note that capitalizes the Master Tenant;
- lack of diversity of investment;
- the existence of various conflicts of interest among the Sponsor, the Trusts, the Master Tenant, the Property Manager, their affiliates and employees;
- material tax risks, including treatment of the Interests for purposes of Code Section 1031 and the use of exchange funds to pay acquisition costs, which may result in taxable boot;
- the Interests not being registered with the Securities and Exchange Commission (the “SEC”) or any state securities commissions;
- the lack of a public market for the Interests;
- risks relating to the costs of compliance with laws, rules and regulations applicable to the Property;
- risks related to competition from properties similar to and near the Property; and
- the possibility of environmental risks related to the Property.

Additional risks apply. See “Risk Factors” section of the Memorandum for a more detailed discussion of the risks associated with the Interests. All terms capitalized, but not defined herein, shall have the meaning given in the Memorandum. Interests are offered to “accredited investors” only pursuant to Rule 506(b) of Regulation D of the Securities Act of 1933. Past performance is not an indicator of future results.

For more information, please contact your financial advisor or Bluerock Capital Markets LLC at 877.826.BLUE (2583)