

BRG Portfolio Strategy Seeks to Benefit from Trends Accelerated by the Impacts of COVID-19

The **Bluerock Residential Growth REIT, Inc. (“BRG”)** continues to acquire and develop a portfolio of highly amenitized, institutional-quality apartment communities in knowledge-economy growth markets across the United States targeting live/work/play settings and high disposable income renter-by-choice residents.

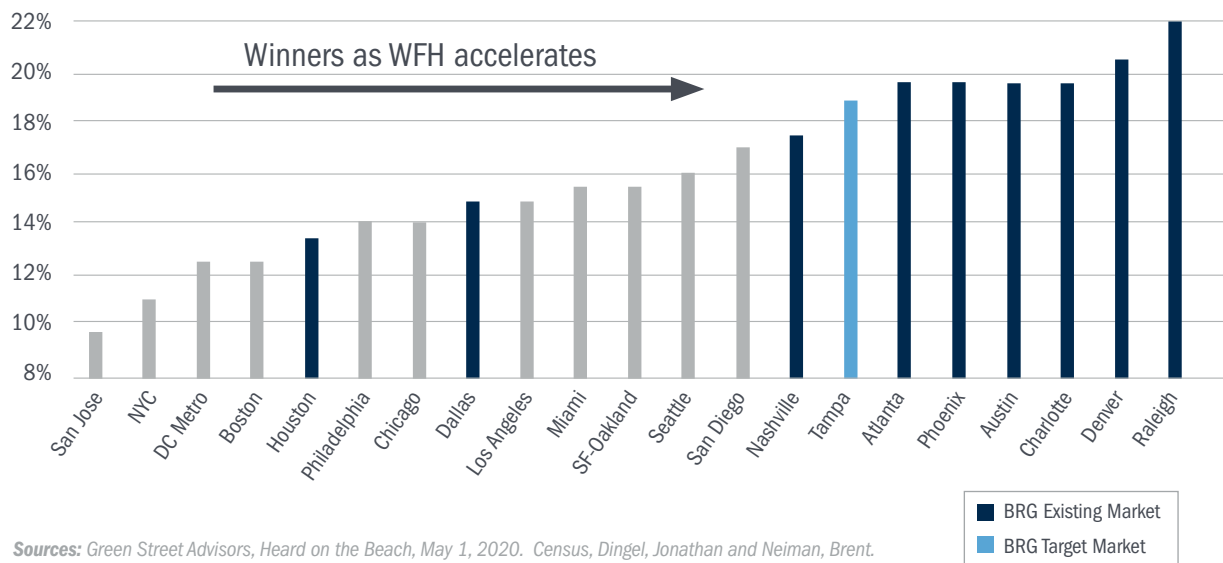
BRG Markets Poised to Gain from Accelerated Work From Home (WFH) Trends

One of the most impactful trends immediately accelerated from the COVID-19 pandemic in the U.S. has been the magnitude of jobs that are being performed at home. Now, more than any other time in history, corporations from small to large are embracing this work from home (WFH) trend. Often, these jobs compensate more than jobs that cannot be done at home.

A recent Green Street Advisor metric, the WFH utilization rate, measures the propensity to WFH relative to the ability to do so. A high WFH utilization rate indicates that a place is a desired destination for remote workers. A low WFH utilization rate means that workers tend to leave once granted the ability to work remotely. The rate reveals a strong worker preference for low-cost markets with good climates such as those in the Sun Belt. Those markets are poised to benefit at the expense of high-cost/tax cities with low utilization rates (e.g., New York). We expect that the WFH trend will accelerate in the coming years and believe the WFH utilization rate is a key indicator in evaluating market winners and losers.

We believe the BRG portfolio is poised to benefit from an extended WFH scenario as reflected in the chart below, with more than 66% of BRG’s existing markets making the top of list of winners as WFH accelerates.

Work From Home Utilization Rate (Propensity/Ability)



Sources: Green Street Advisors, Heard on the Beach, May 1, 2020. Census, Dingel, Jonathan and Neiman, Brent. How Many Jobs Can Be Done at Home? April 2020.

BRG's Markets Expected to Outperform Post COVID-19

Further, we believe Bluerock's apartment portfolio is well-positioned for post COVID-19 outperformance based on a number of contributing factors reflected in the table below. These include:

- i. BRG's favorable geographic markets exhibiting strong population growth with low costs/tax characteristics;
- ii. BRG's high concentration of affordable luxury apartment units targeting the knowledge-economy (education, finance, tech, science) renter-by-choice cohort with higher wages and lower rent-to-income ratios; and
- iii. Mobile WFH renters who favor greater live/work/play attributes.

These favorable characteristics are in stark contrast to markets and properties with material headwinds over the short-to-medium term reflected in the table below. These include:

- i. Gateway cities and dense urban areas facing social distancing hurdles and exodus from major U.S. cities;
- ii. Ultra-luxury urban apartments with high rent pricing that may come under pressure due to the recession and decentralizing of the population; and
- iii. Class C apartments whose traditional lower income tenant base in the service and hospitality sectors have been disproportionately impacted by higher unemployment as result of government-imposed COVID-19 restrictions.

BRG Portfolio and Target Markets Positioned to Outperform

	Potential Lower COVID Impact	BRG	Potential Higher COVID Impact	BRG
Market	Sun Belt	✓	Gateway	✗
Location Asset Type	Suburban Garden	✓	Urban High-Rise	✗
Quality	A-; B (Affordable Luxury)	✓	A+ (Ultra Luxury); C (Lower-Income)	✗
Employment Base	Knowledge Economy	✓	Service Economy	✗
Renter Profile	Higher Wage/ Lower Rent to Income Ratio	✓	Lower Wage/ Higher Rent to Income Ratio	✗
Business Environment	Low Cost/Tax Markets	✓	High Cost / Tax Markets	✗

Sources: Views expressed by Bluerock Residential Growth REIT, Inc., Apartment Rents Drop as Residents Flee Gateway Cities, Globe Street, July 24, 2020.

About BRG

Bluerock Residential Growth REIT, Inc. (NYSE American: BRG) is a real estate investment trust that focuses on developing and acquiring a diversified portfolio of institutional-quality highly amenitized live/work/play apartment communities in demographically attractive knowledge economy growth markets to appeal to the renter by choice. The Company's objective is to generate value through off-market/relationship-based transactions and, at the asset level, through value-add improvements to properties and to operations. The Company is included in the Russell 2000 and Russell 3000 Indexes. BRG has elected to be taxed as a real estate investment trust (REIT) for U.S. federal income tax purposes.

For more information, please visit www.bluerockresidential.com

There can be no assurance that any investment strategy will achieve its objectives, generate profits or avoid losses.

THIS IS NEITHER AN OFFER TO SELL NOR A SOLICITATION OF AN OFFER TO BUY ANY SECURITIES. AN OFFERING IS MADE ONLY BY A PROSPECTUS.

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