



STARWOOD REAL ESTATE INCOME TRUST

# SOUTHEAST AFFORDABLE HOUSING PORTFOLIO | VARIOUS, U.S.

## INVESTMENT HIGHLIGHTS

- 22 stabilized affordable housing garden-style apartment communities consisting of 4,384 units located in Florida, North Carolina, Virginia, Arizona, and Colorado.
- Attractive risk/reward given that it is (a) a unique Low Income Housing Tax Credit (LIHTC) portfolio with regard to scale and quality; (b) in growing markets where Starwood already has a significant presence; (c) with ample downside protection provided by stabilized affordable properties with strong in-place cash flow; and (d) meaningful upside potential driven by future rent growth.



## MARKET HIGHLIGHTS

- Total employment across the portfolio's geographies has increased 12% over the past 5 years (vs. national average of 7%).<sup>1</sup>
- Over the last 10 years, population across the portfolio's markets has grown 16% (vs. national average of 7%) and over the next 5 years is projected to grow an additional 7% (vs. national average of 4%). The portfolio is heavily weighted to Orlando, Jacksonville, Raleigh, and Charlotte, which are projected to be top 10 markets for population growth, doubling the projected national average.<sup>2</sup>
- Median incomes, which directly impact affordable housing properties' allowable rents, have grown 6.5% across the portfolio's markets over the past two years. In 2020 and 2021, these markets' median incomes are projected to grow 4.5% and 3.4%, providing material rental rate growth potential.<sup>3</sup>

<sup>1</sup>SitesUSA  
<sup>2</sup>Neilsen  
<sup>3</sup>Novogradac & Company LLP

## SNAPSHOT

<b>FEB 2020</b>	ACQUISITION DATE
<b>100%</b>	OWNERSHIP
<b>\$591 M</b>	PURCHASE PRICE
<b>96%</b>	OCCUPANCY
<b>22</b>	PROPERTIES
<b>4,384</b>	UNITS

Data as of February 2020

This sales and advertising literature does not constitute an offer to sell nor a solicitation of an offer to buy or sell securities. An offering is made only by the prospectus. **This material must be read in conjunction with the Starwood Real Estate Income Trust, Inc. prospectus in order to fully understand all of the implications and risks of the offering of securities to which the prospectus relates. A copy of the prospectus must be made available to you in connection with any offering.** No offering is made except by a prospectus filed with the Department of Law of the State of New York. Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of our securities or determined if our prospectus is truthful or complete. Neither the Attorney General of the State of New York nor the Securities Division of the Office of the Maryland Attorney General has passed on or endorsed the merits of this offering. Any representation to the contrary is a criminal offense.

# SUMMARY OF RISK FACTORS

---

**An investment in Starwood Real Estate Income Trust, Inc. involves a high degree of risk. These securities are not liquid instruments. You should purchase these securities only if you can afford the complete loss of your investment. You should carefully read the information set forth in the “Risk Factors” section of the prospectus before buying our shares. Risks include, but are not limited to:**

- We have a limited operating history and there is no assurance that we will achieve our investment objectives.
- This is a “blind pool” offering. We have made limited investments to date and you will not have the opportunity to evaluate our future investments before we make them.
- Our portfolio principally will be comprised of properties, and debt secured by properties, located in the United States but may also be diversified on a global basis through investments in properties and debt secured by properties, outside of the United States, with a focus on Europe.
- Since there is no public trading market for shares of our common stock, repurchase of shares by us will likely be the only way to dispose of your shares. Our share repurchase plan provides stockholders with the opportunity to request that we repurchase their shares on a monthly basis, but we are not obligated to repurchase any shares and may choose to repurchase only some, or even none, of the shares that have been requested to be repurchased in any particular month in our discretion. In addition, repurchases are subject to available liquidity and other significant restrictions. Further, our board of directors may modify, suspend or terminate our share repurchase plan if it deems such action to be in our best interest and the best interest of our stockholders. As a result, our shares should be considered as having only limited liquidity and at times may be illiquid.
- We cannot guarantee that we will make distributions, and if we do we may fund such distributions from sources other than cash flow from operations, including, without limitation, the sale of assets, borrowings, return of capital or offering proceeds, and we have no limits on the amounts we may pay from such sources.
- The purchase and repurchase price for shares of our common stock are generally based on our prior month’s NAV and are not based on any public trading market. While there is independent periodic appraisals of our properties, the appraisal of properties is inherently subjective, and our NAV may not accurately reflect the actual price at which our properties could be liquidated on any given day.
- We have no employees and are dependent on Starwood REIT Advisors, L.L.C. (the “Advisor”) to conduct our operations. The Advisor will face conflicts of interest as a result of, among other things, the allocation of investment opportunities among us and Other Starwood Accounts (as defined in the prospectus), the allocation of time of its investment professionals and the substantial fees that we pay to the Advisor.
- This is a “best efforts” offering. If we are not able to raise a substantial amount of capital in the near term, our ability to achieve our investment objectives could be adversely affected.
- There are limits on the ownership and transferability of our shares.
- If we fail to qualify as a REIT and no relief provisions apply, our NAV and cash available for distribution to our stockholders could materially decrease.
- The acquisition of investment properties may be financed in substantial part by debt. The use of leverage involves a high degree of financial risk and will increase the exposure of the investments to adverse economic factors.
- Investing in commercial real estate assets involves certain risks, including, but not limited to: changes in global, national, regional or local economic, demographic or capital market conditions; increases in interest rates and lack of availability of financing; vacancies, fluctuations in the average occupancy and room rates for hotel properties; and bankruptcies, financial difficulties or lease defaults by our tenants.
- Management fees and distribution fees are substantial and will reduce your ability to profit from the investment.
- A change in U.S. tax laws could adversely impact benefits of investing in our shares.
- Disposition of U.S. real property interests by non-U.S. persons is subject to income tax withholding. As a result, investment in our shares may not be appropriate for non-U.S. investors.