



STARWOOD REAL ESTATE INCOME TRUST

PHOENIX AFFORDABLE HOUSING PORTFOLIO | PHOENIX, AZ



INVESTMENT HIGHLIGHTS

- 7 stabilized, affordable housing garden-style apartment communities located in the Phoenix, AZ metro.
- This Portfolio is very similar to SREIT's existing affordable housing investments in terms of product type and quality.
- We believe there is attractive risk/reward given (a) the scale, quality, and in-place cash flow; (b) the growing markets where Starwood already has a presence; and (c) ample downside protection provided by stabilized affordable properties with comparable market-rate properties leasing significantly higher than the Portfolio's in-place rents.



MARKET HIGHLIGHTS

- Phoenix is one of our target markets for affordable housing acquisitions due to its favorable supply/demand dynamic and potential to outperform income growth estimates.
- Total employment across the Phoenix-Mesa-Scottsdale MSA has increased 2.5% per year over the past 5 years (4.0x the national average of 0.6%) and is projected to grow 1.1% over the next 5 years (1.8x the national average of 0.8%).
- Over the last 5 years, population across the Phoenix MSA has grown 1.4% per year (3.4x the national average of 0.4%) and over the next 5 years is projected to grow an additional 1.2% per year (2.4x national average of 0.5%).
- Arizona ranks as the state with the 5th highest net migration in the country. We believe this trend will continue to drive employment, migration, and overall growth across the region.

SNAPSHOT

APRIL 2022 | ACQUISITION DATE

100% | OWNERSHIP

99% | OCCUPANCY

7 | PROPERTIES

1,462 | UNITS

Data as of April 2022

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 incurred GAAP net losses attributable to stockholders and an accumulated deficit in the past and may incur GAAP net losses attributable to stockholders and continue to have an accumulated deficit in the future.
- You will not have the opportunity to evaluate our future investments before we make them.
- 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 or suspend 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 values caused by global, national, regional or local economic performance, the performance of the real estate sector, unemployment, stock market volatility and other impacts of the recent coronavirus pandemic, 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.
- A change in U.S. tax laws could adversely impact benefits of investing in our shares.