BLUEROCK Residential

August 2020

Forward-Looking Statements

The information in this presentation has been prepared solely for informational purposes by Bluerock Residential Growth REIT, Inc. ("BRG") and does not constitute an offer to sell or the solicitation of an offer to purchase any securities. This presentation is not, and should not be assumed to be, complete. This presentation has been prepared to assist interested parties in making their own evaluation of BRG and does not purport to contain all of the information that may be relevant. In all cases, interested parties should conduct their own investigation and analysis of BRG and the data set forth in this presentation and other information provided by or on behalf of BRG. In addition, certain of the information contained herein may be derived from information provided by industry sources. BRG believes that such information is accurate and that the sources from which it has been obtained are reliable. BRG cannot guarantee the accuracy of such information, however, and has not independently verified such information. The information presented herein remains subject to change. Statements in this presentation are made as of the date of this presentation unless stated otherwise.

This presentation also contains statements that, to the extent they are not recitations of historical fact, constitute "forward-looking statements." Forward-looking statements are typically identified by the use of terms such as "may," "should," "expect," "could," "intend," "plan," "anticipate," "estimate," "believe," "continue," "predict," "potential" or the negative of such terms and other comparable terminology. The forward-looking statements included herein are based upon BRG's current expectations, plans, estimates, assumptions and beliefs that involve numerous risks and uncertainties. Assumptions relating to the foregoing involve judgments with respect to, among other things, future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond BRG's control. Although BRG believes that the expectations reflected in such forward-looking statements are based on reasonable assumptions, BRG's actual results and performance and the value of its securities could differ materially from those set forth in the forward-looking statements due to the impact of many factors. Currently, one of the most significant factors, however, is the potential adverse effect of the current pandemic of the novel coronavirus ("COVID-19") on the financial condition, results of operations, cash flows and performance of the Company and its tenants of our properties, business partners within our network and service providers, as well as the real estate market and the global economy and financial markets. The extent to which COVID-19 impacts the Company and its tenants will depend on future developments, which are highly uncertain and cannot be predicted with confidence, including the scope, severity and duration of the pandemic, the actions taken to contain the pandemic or mitigate its impact (including governmental actions that may vary by jurisdiction, such as mandated business closing; "stay-at-home" orders; limits on group activity; and actions to protect residential tenants from eviction), and the direct and indirect economic effects of the pandemic and containment measures, among others. Other factors include, but are not limited to, the uncertainties of real estate development, acquisition and disposition activity, the ability of our joint venture partners to satisfy their obligations, the costs and availability of financing, the effects of local economic and market conditions, the effects of acquisitions and dispositions, the impact of newly adopted accounting principles on BRG's accounting policies and on period-to-period comparisons of financial results, regulatory changes and other risks and uncertainties detailed in the "Risk Factors" in Item 1.A. Risk Factors section of the Company's Annual Report on Form 10-K filed with the U.S. Securities and Exchange Commission on February 24, 2020, and other discussions of risk factors contained in BRG's periodic filings. BRG claims the safe harbor protection for forward looking statements contained in the Private Securities Litigation Reform Act of 1995. BRG undertakes no obligation to update or revise any such information for any reason after the date of this presentation, unless required by law.

Own Highly Amenitized Live/Work/Play Communities in Growth Markets Nationally

Strategy

Focus on Knowledge Economy Growth Markets	Build a Highly Amenitized Class A Affordable Live/Work/Play Portfolio	Create Value with Renovation and Development Strategies

Strong Post-COVID Performance

Rents: Collected 97% of 2Q Rents(1)	Occupancy: +90bps in 2Q vs Prior Year(2)	Strong Liquidity: $236.2MM of Cash & LOC Availability(3)

Note:

Source: Company filings.
(1) Includes payment plans of 1%.
(2) Same-Store portfolio.
(3) As of June 30, 2020.

BRG BLUEROCK Residential™

Well-Aligned Management with 26 Years Average Experience and 29% Ownership(1)

Ramin Kamfar
CHAIRMAN & CEO

32 | 18

Jordan Ruddy
PRESIDENT & COO

31 | 18

Ryan MacDonald
CHIEF ACQUISITIONS OFFICER

15 | 12

Mike DiFranco
EXECUTIVE VICE PRESIDENT OF PROPERTY OPERATIONS

23 | 2

James Babb
CHIEF INVESTMENT OFFICER

31 | 13

● Years in the Industry

■ Years at Bluerock

Note:
(1) Ownership figure calculated using fully diluted shares and units.

BRG BLUEROCK Residential™

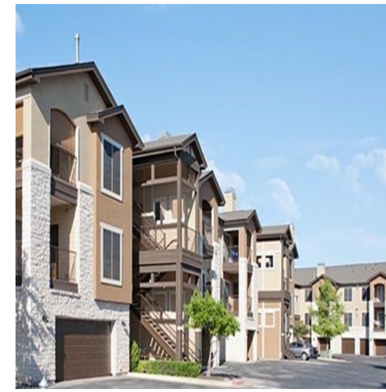
Building an Institutional Quality Live/Work/Play Portfolio

Today, we are approximately 17,000 apartments(1) and growing

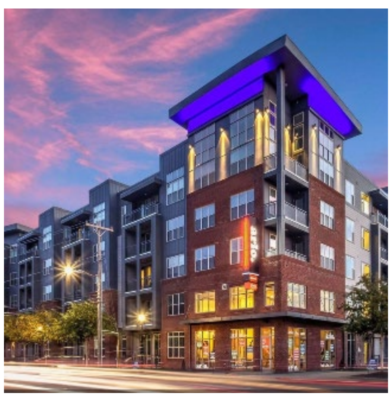
Roswell City Walk
Roswell, GA • Built 2015

James on South First
Austin, TX • Built 2016

Park & Kingston
Charlotte, NC • Built 2015



The Brodie
Austin, TX • Built 2001



Arlo
Charlotte, NC • Built 2018

ARIUM Glenridge
Atlanta, GA • Built 1990

Providence Trail
Nashville, TN • Built 2007

Novel Perimeter
Atlanta, GA • Built 2018

Note:
The properties pictured herein are jointly owned by BRG and are representative of the type of properties targeted for future investments by BRG. Portfolio holdings are subject to change at any time.
(1) Includes properties under development and preferred equity investments.

BRG BLUEROCK Residential™

Bluerock Portfolio Positioned for Post-COVID Outperformance

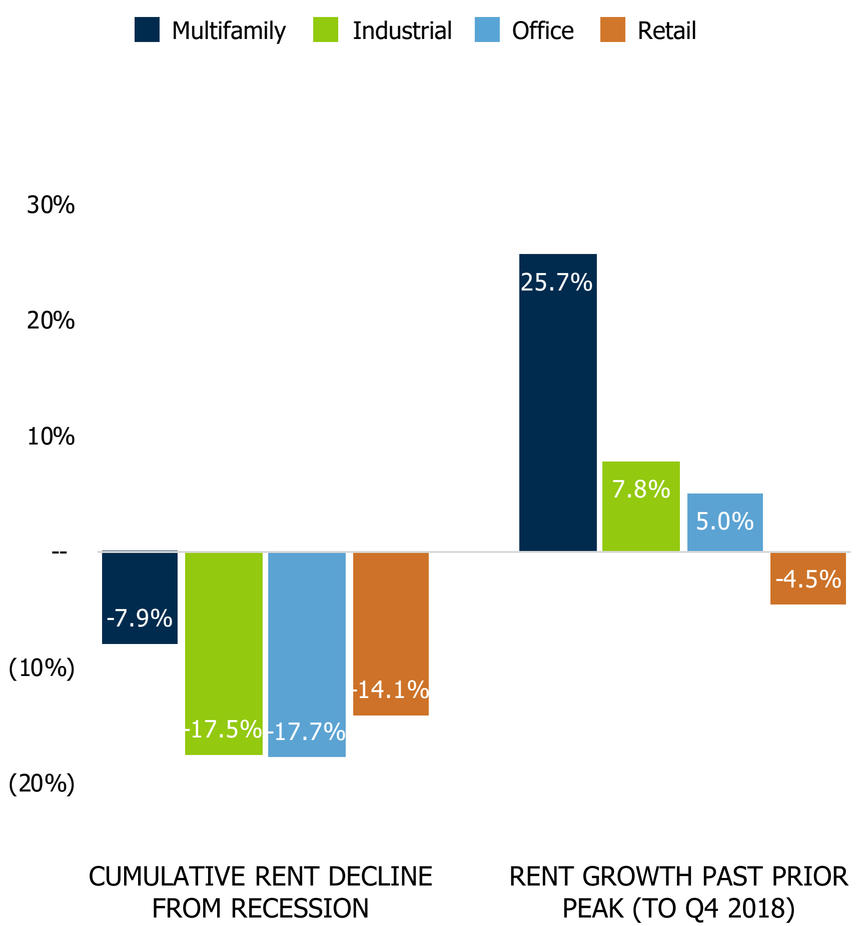
BLUEROCK Residential

	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	High Wage / Low Rent to Income	✓	Low Wage / High Rent to Income	✗
Business Environment	Low Cost / Tax High Quality of Life	✓	High Cost / Tax Low Quality of Life	✗

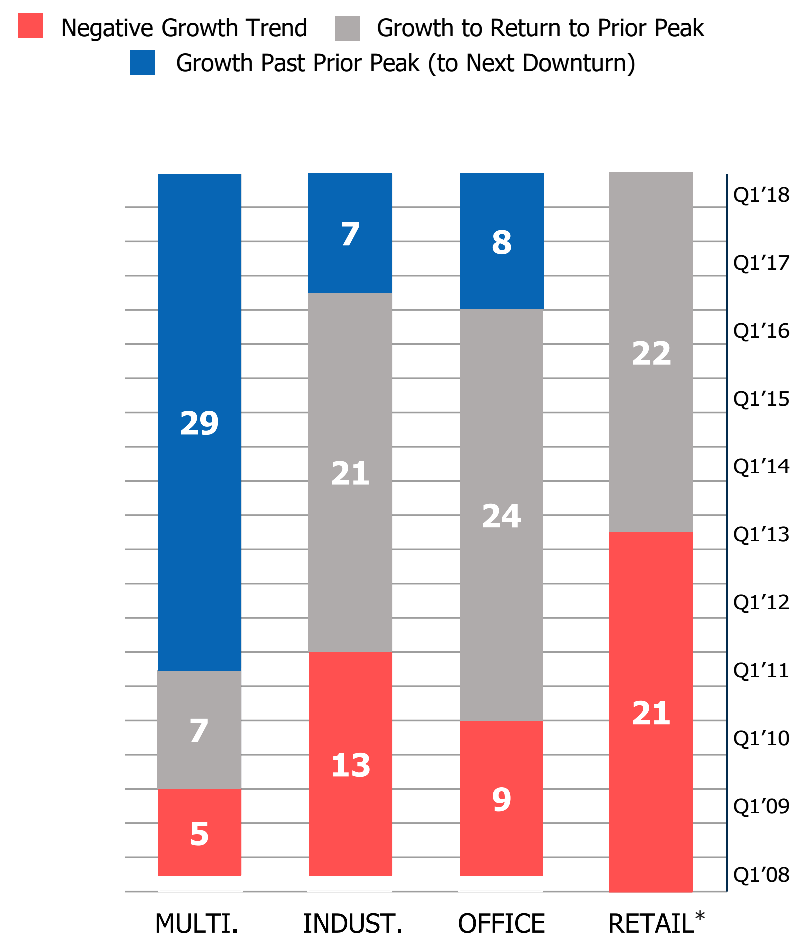
Defensive Nature of the Multifamily Asset Class

Multifamily has Outperformed BOTH on the Upside AND the Downside

Cumulative Effects on Rent During and After 2008-2009 Recession



Timeline of Rent Change Trends During and After 2008-2009 Recession – Number of Quarters in Each Phase



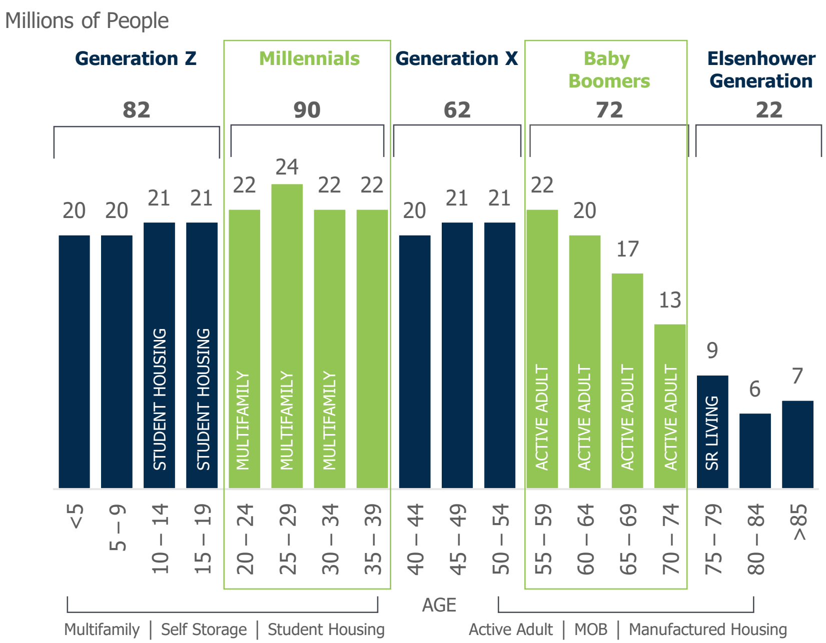
Note:
Source: CBRE, US Multifamily Research Brief, February 2019. * Retail rents had not achieved pre-recession peak levels as of date of this report.

Favorable Long-Term Demographic and Homeownership Trends

Generational Demographics a Long Tailwind for Real Estate

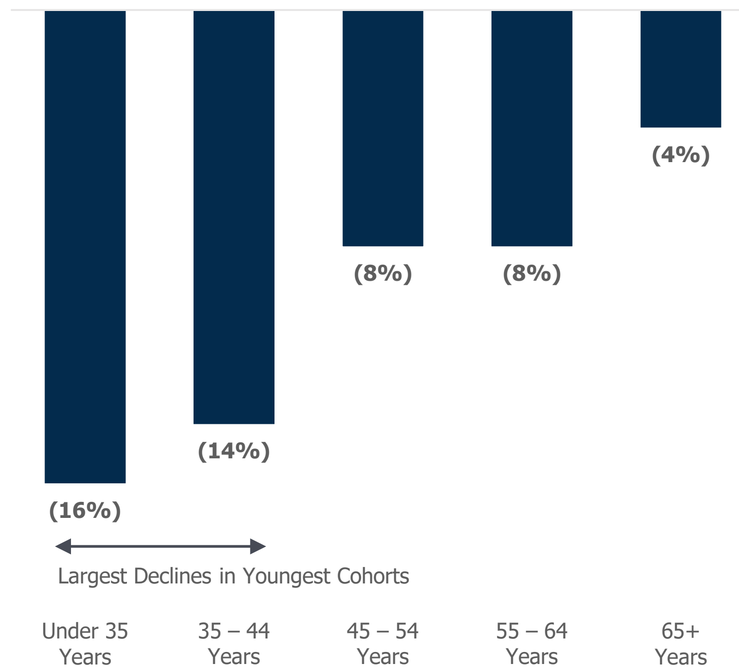
Generations by Age Cohort

We believe Millennial and Baby Boomer generations contribute to favorable supply/demand fundamentals for demographic-driven property sectors



Homeownership Rate Is Declining Across All Age Groups

Percentage Decline in Home Ownership Rate from Peak Quarter: 2000 – 2Q'18 (by age group)



Note:

Sources: U.S. Census Bureau and National Multifamily Housing Council Market Trends, August 2018.

Bluerock's Focus on Knowledge Economy Markets / Workers Provides Advantages

Strategy Overview and Portfolio Composition

Primarily First-Ring Suburban Neighborhoods

- High barriers to entry
- "Live / Work / Play" characteristics

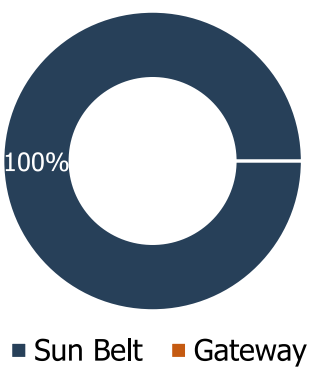
Institutional Quality Portfolio with Class A-Affordable Rent Levels

- ~\$1,100 – \$1,300 average rents offer Class A product at affordable price point
- Full-cycle performance – downside rent protection with value-add upside

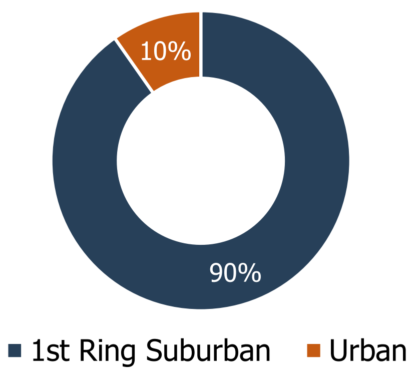
Proactive Portfolio Management

- Accretive disposition cap rates of ~4% with reinvestment cap rates stabilizing at ~6%

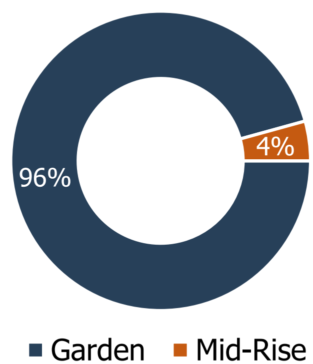
MARKET



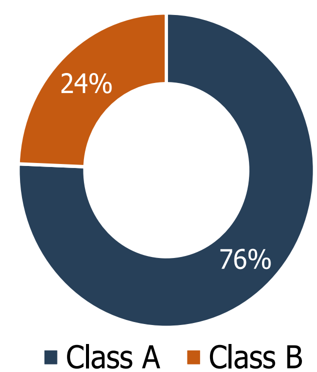
LOCATION



ASSET TYPE



QUALITY

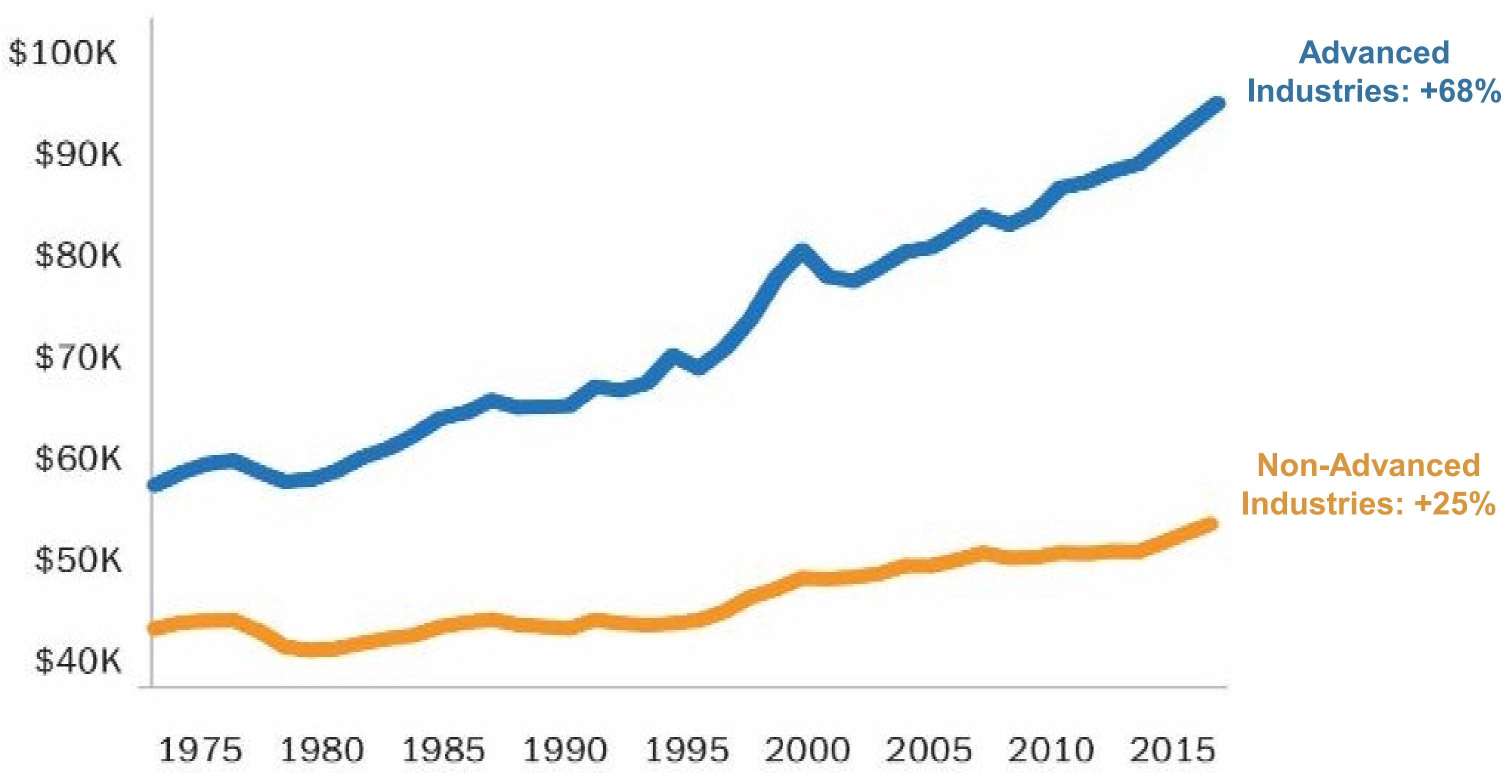


Note:
Charts represent BRG operating portfolio, including pipeline assets under contract.

Knowledge Economy Jobs Deliver Significant Wage Growth and Should Prove Defensive in a Downturn

Wage growth in knowledge-based jobs ~4x greater than non-knowledge-based jobs since 1975

Average earnings per worker (inflation adjusted)

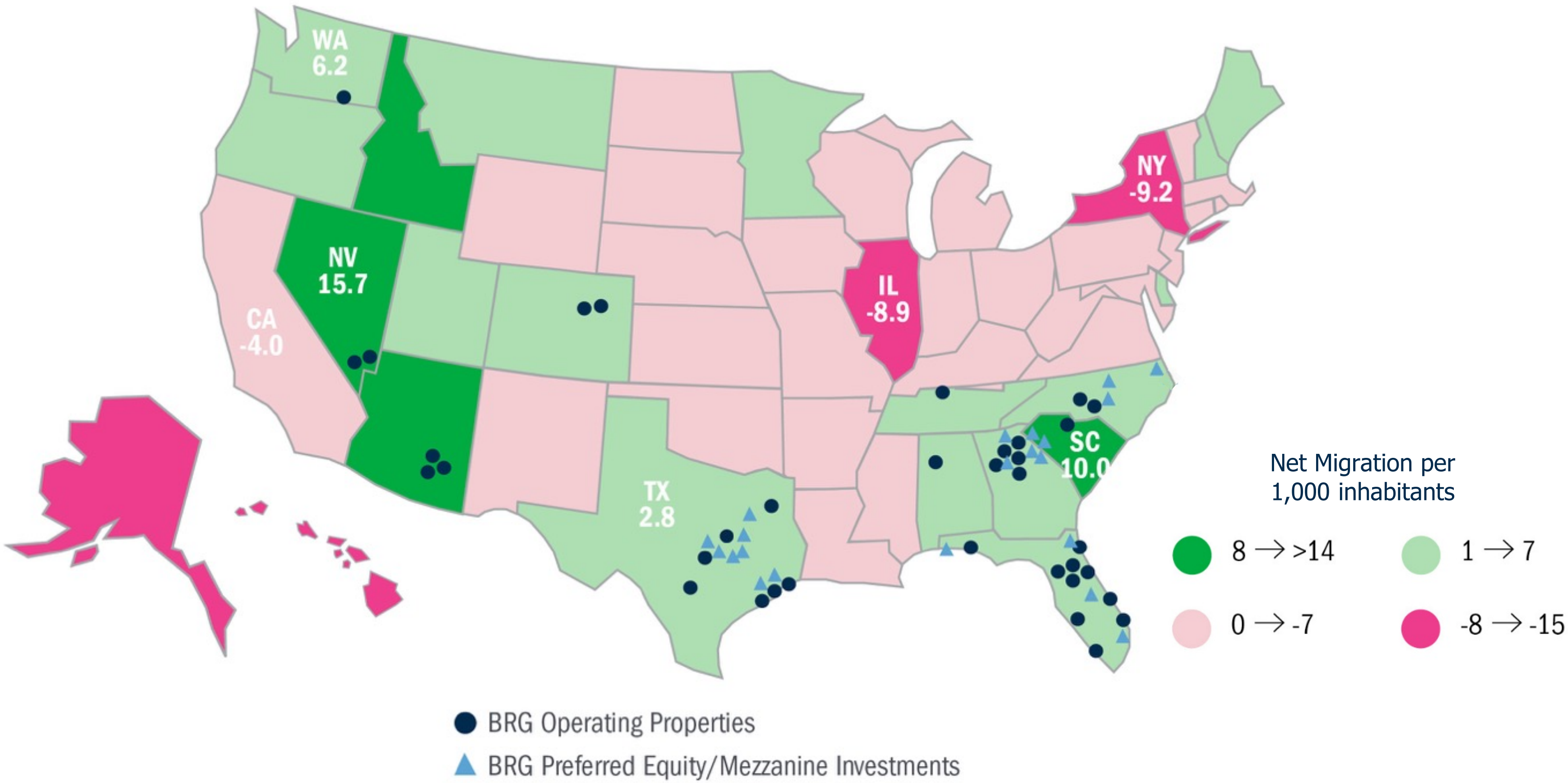


Note:

Source: Bureau of Labor Statistics and U.S. Census Bureau; The Brookings Institution – America's advanced industries: New Trends.

Knowledge Economy Markets Deliver Population and Job Growth

89% of 2010 – 2019 US domestic population growth was in the South and the West, where BRG's investments are focused(1)



Note:

Source: U.S. Census Bureau, Population Division.

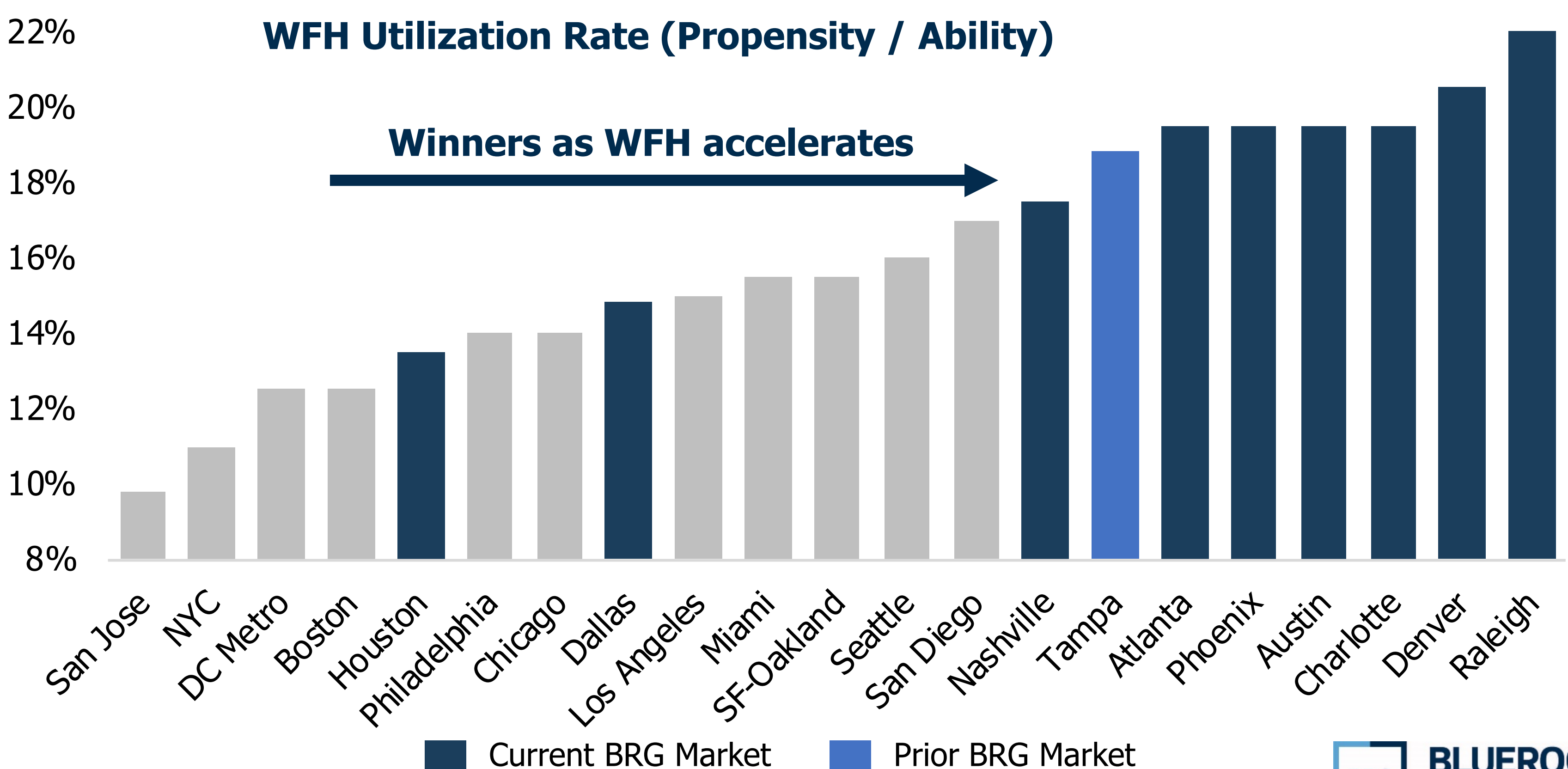
(1) BRG portfolio includes both operating and development assets. Percent based on unit count.

BLUEROCK Residential™

Recent Green Street Analysis Selects BRG Markets as Winners in a Post-COVID Economy

'A new Green Street metric, the WFH utilization rate, reveals a strong worker preference for low-cost markets with good climates. Those markets are poised to benefit at the expense of high-cost/tax cities …'

– Green Street Advisors, May 31, 2020



Note:

Source: Green Street Advisors, Census, Dingel, Jonathan and Neiman, Brent. How Many Jobs Can Be Done at Home? April 2020.

BLUEROCK Residential

Recent Performance

2Q'20 Performance Snapshot

95%
Occupancy
+90bps Year-Over-Year[1]

7.9%
Availability[1][2]

97%
July Rents Collected
vs. 97% in 2Q[3]

1.1%
Payment Plans

2,804
Value-Add Renovations
to Date

23%
Average ROI

50%+
Retention Rate
+180bps vs. Prior Year[1]

Series T Preferred
$200MM+
Annual Run Rate

Note:
Source: Company filings.
(1) Same-Store portfolio.
(2) Availability on 6/28/20.
(3) We collected 97% of rents, including payment plans of 1%, for the three months ended June 30, 2020, including the properties in our preferred and mezzanine loan investments. We collected 97% of rents, including payment plans of 1%, for the month ended July 31, 2020, including properties in our preferred and mezzanine loan investments.

BRG BLUEROCK Residential™

Skilled Capital Recycler Achieving Strong Pricing on 2020 Dispositions

Exit cap rates averaging 4.3% on YTD dispositions, vs. ~6.0% average stabilized acquisition cap rate

Whetstone | Raleigh-Durham
3.9% exit cap rate

Helios | Atlanta
3.4% exit cap rate

Ashton Reserve | Charlotte
4.6% exit cap rate

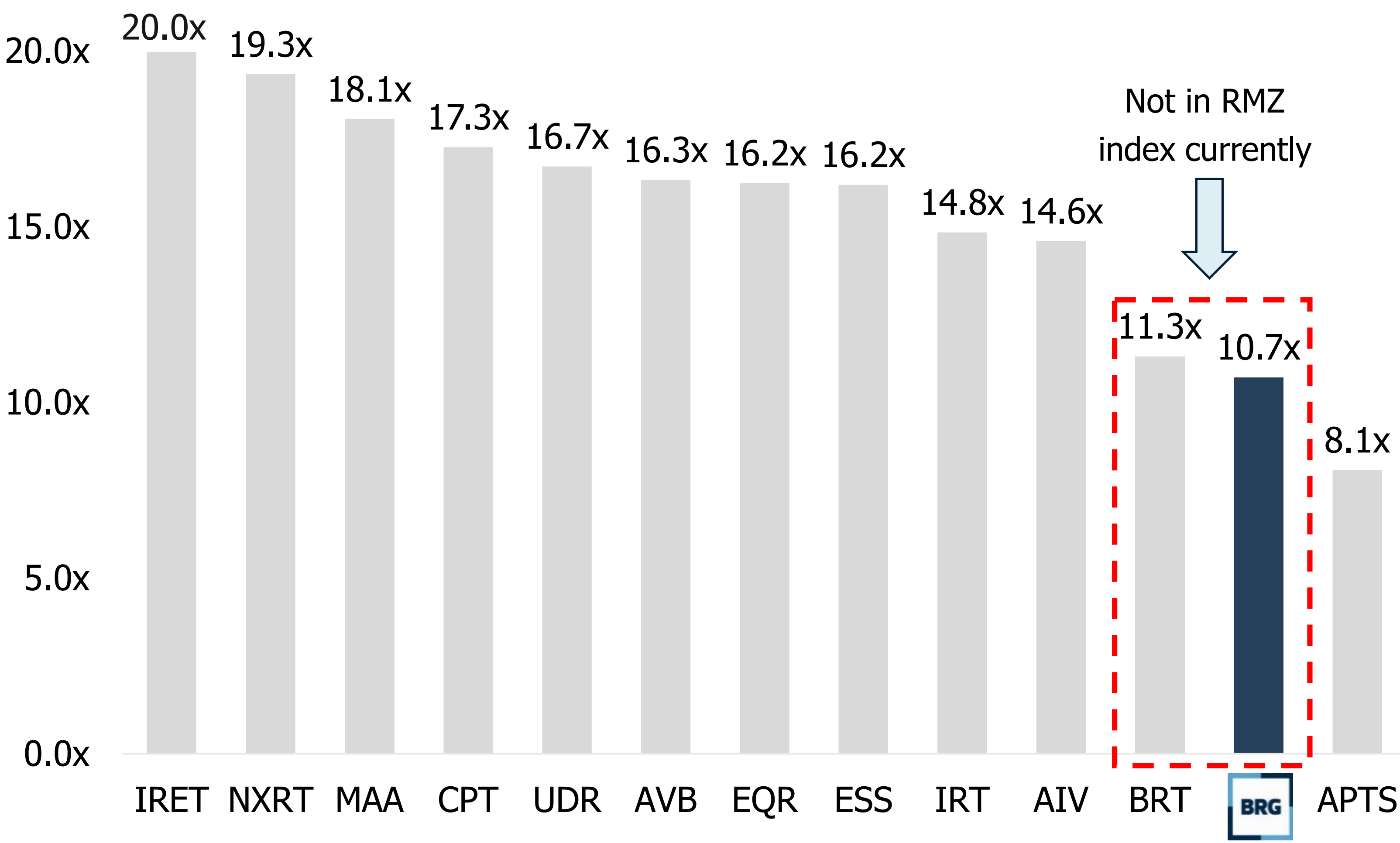
Enders Place | Orlando
5.1% exit cap rate (3.2x Equity Multiple)

Marquis at TPC | San Antonio
4.4% exit cap rate

BRG BLUEROCK Residential™

Attractive Value vs. Multifamily REIT Peers

Price / 2021E Funds From Operations[1]



Note:
Source: SNL Financial. Company management expresses no opinion on the consensus estimates and is not providing earnings guidance.
(1) Market data as of 8/14/20.

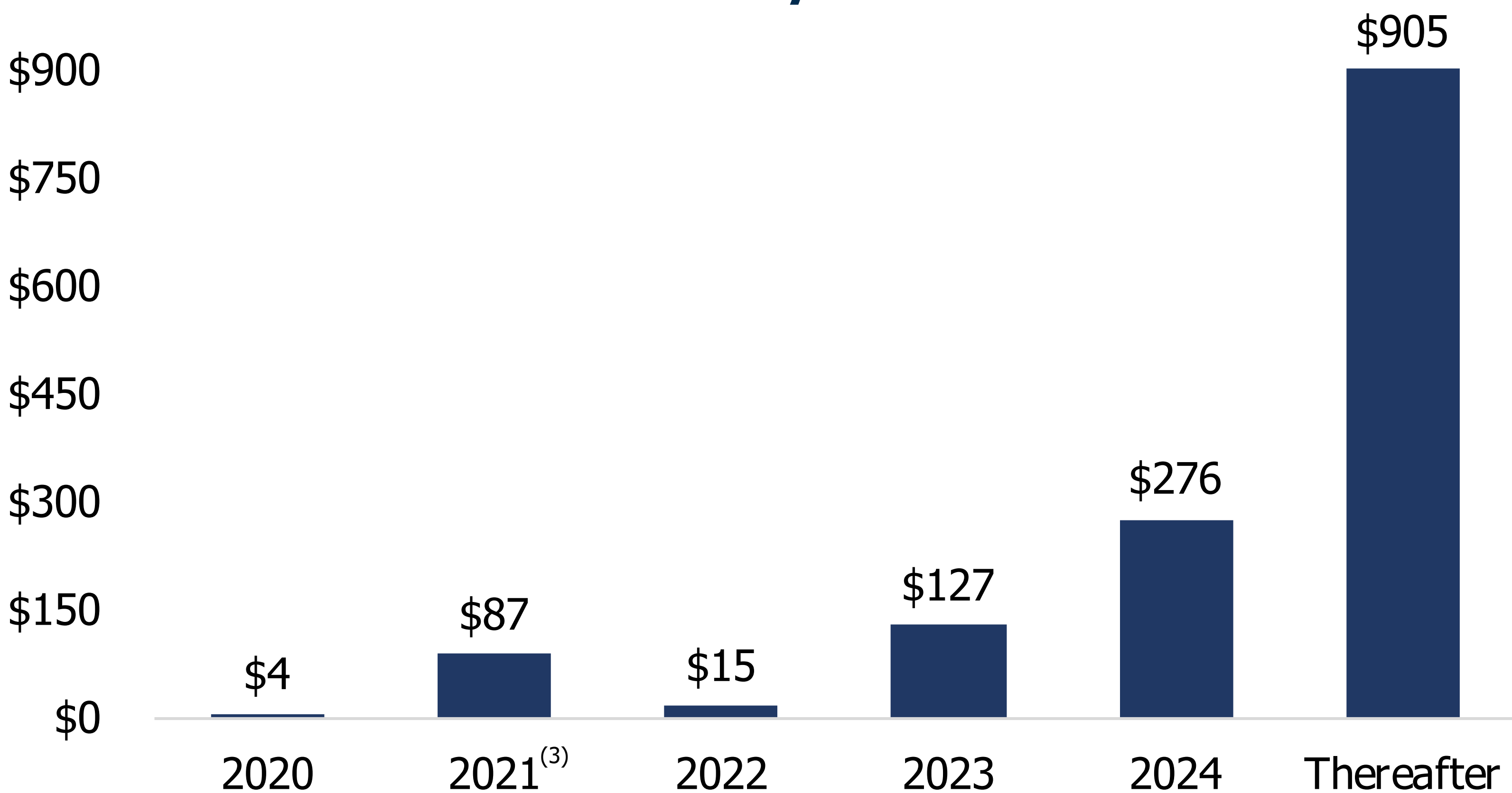
BLUEROCK Residential

APPENDIX A

Limited Corporate Level Debt, and Limited Near-Term Debt Maturities

Cash availability of $236.2MM, as of 6/30/20 with well laddered debt maturities(1)

Debt Maturity Schedule(2)



Note:

Source: Company filings. $’s in MM’s.

(1) Includes available cash capacity on revolving credit facilities.

(2) Excludes outstanding balances on revolving credit facilities, fair value adjustments and deferred financing costs.

(3) $76.2MM represents a loan in connection with The District at Scottsdale. The loan has a June 2021 maturity date and contains two three-month extension options, subject to certain conditions.

BLUEROCK Residential™

Renovation Strategy Creating Value

- 2,804 value-add renovations completed to date at an average ROI of 23%
- Potential impact of upgrades on remaining 4,572 unrenovated units at a 20% – 25% IRR(1)

Potential Renovation Upside on Remaining Units(2)				
IRR		**20%**		**25%**
# of Units		4,572		4,572
Monthly Rent Increase	$	125	$	156
Incremental NOI	**$**	**6.7MM**	**$**	**8.3MM**
NAV Cap Rate		4.75%		4.50%
Incremental NAV per Share	**$**	**3.22**	**$**	**4.57**
Incremental Annual CFFO per Share	**$**	**0.20**	**$**	**0.25**

Note:
(1) Per share figures include fully diluted shares and units. Incremental NOI figures net of 2.5% property management fee.
(2) For definitions of CFFO and NOI growth and a reconciliation to GAAP measures, see Appendix A.

BRG BLUEROCK Residential™

Snapshot of BRG Capitalization as of June 30, 2020

Instrument	$ Amount (MM's)	% of Capitalization
Total Secured Net Debt[1]	**$1,323.6**	**54%**
Series A 8.25% Redeemable Term Preferred	139.0	
Series C 7.625% Redeemable Term Preferred	57.4	
Series D 7.125% Perpetual Preferred	69.4	
Series B 6.00% Preferred – Redeemable	516.7	
Series T 6.15% Preferred – Redeemable	100.6	
Stockholders Equity	235.0	
Total Equity[2]	**$1,118.1**	**46%**
Total Net Capitalization[1]	**$2,441.7**	**100%**

Note:

Source: SNL Financial and Company filings.

(1) Includes balances on revolving credit facilities; net of $212.0MM of cash and cash equivalents.

(2) Preferreds shown at liquidation value. Stockholders Equity reflects fully diluted shares and units using 8/14/20 closing share price.

BLUEROCK Residential

NOI Reconciliation

We believe that net operating income, or NOI, is a useful measure of our operating performance. We define NOI as total property revenues less total property operating expenses, excluding depreciation and amortization and interest. Other REITs may use different methodologies for calculating NOI, and accordingly, our NOI may not be comparable to other REITs. We believe that this measure provides an operating perspective not immediately apparent from GAAP operating income or net income. We use NOI to evaluate our performance on a same store and non-same store basis; NOI measures the core operations of property performance by excluding corporate level expenses and other items not related to property operating performance and captures trends in rental housing and property operating expenses. However, NOI should only be used as a supplemental measure of our financial performance. The following table reflects net income (loss) attributable to common stockholders together with a reconciliation to NOI and to same store and non-same store contributions to consolidated NOI, as computed in accordance with GAAP for the periods presented (unaudited and amounts in thousands):

	Jun 30, 2018[1]	Sep 30, 2018[2]	Dec 31, 2018[3]	Mar 31, 2019[4]	Jun 30, 2019[5]	Sep 30, 2019[6]	Dec 31, 2019[7]	Mar 31, 2020[8]	June 30, 2020[9]
Net income (loss) attributable to common stockholders	**$ (10,212)**	**$ (10,334)**	**$ (12,785)**	**$ (12,093)**	**$ (10,990)**	**$ 17,160**	**$ (13,827)**	**$ (16,493)**	**$ 15,090**
Add back: Net income (loss) attributable to Operating Partnership Units	(3,010)	(3,157)	(3,998)	(4,051)	(3,887)	6,191	(5,032)	(5,822)	5,413
Net income (loss) attributable to common stockholders and unit holders	**$ (13,222)**	**$ (13,491)**	**$ (16,783)**	**$ (16,144)**	**$ (14,877)**	**$ 23,351**	**$ (18,859)**	**$ (22,315)**	**$ 20,503**
Add common stockholders and Operating Partnership Units pro-rata share of:									
Depreciation and amortization	13,990	14,497	15,785	16,142	15,290	16,755	18,483	19,900	19,144
Non-real estate depreciation and amortization	75	77	85	86	84	157	121	120	122
Non-cash interest expense	1,561	915	780	775	786	787	826	845	747
Unrealized (gain) loss on derivatives	-	(225)	3,001	1,635	652	131	32	(26)	(5)
Loss on extinguishment of debt and debt modification costs	653	1,573	-	-	-	6,864	335	-	13,590
Property management fees	1,017	1,077	1,118	1,148	1,170	1,193	1,135	1,232	1,135
Acquisition and pursuit costs	28	7	37	58	70	217	210	1,269	423
Corporate operating expenses	4,528	4,667	5,552	5,554	4,975	6,187	5,545	6,296	5,166
Weather-related losses, net	-	13	102	-	249	57	7	-	-
Preferred dividends	8,643	9,105	9,642	10,384	11,019	11,887	12,868	13,547	14,237
Preferred stock accretion	1,400	1,631	1,829	1,887	2,316	2,717	3,415	3,925	3,602
Less common stockholders and Operating Partnership Units pro-rata share of:									
Non-recurring income (expense), net	-	-	-	-	-	-	68	40	(43)
Preferred returns on unconsolidated real estate joint ventures	2,626	2,789	2,435	2,289	2,492	2,316	2,700	2,574	2,834
Interest income from related parties and ground leases	5,635	5,702	5,723	5,776	5,973	6,125	6,720	5,888	5,338
Gain on sale of real estate investments	-	-	-	-	-	48,172	-	110	55,250
Gain on sale of non-depreciable real estate investments	-	-	-	679	-	-	-	-	-
Pro-rata share of properties' income	**10,412**	**11,355**	**12,990**	**12,781**	**13,269**	**13,690**	**14,630**	**16,181**	**15,285**
Add:									
Noncontrolling interest pro-rata share of partially owned property income	583	660	774	729	690	668	724	803	750
Total property income	**10,995**	**12,015**	**13,764**	**13,510**	**13,959**	**14,358**	**15,354**	**16,984**	**16,035**
Add:									
Interest expense	11,455	12,189	13,031	13,578	13,637	13,687	12,846	14,070	13,089
Net operating income	**22,450**	**24,204**	**26,795**	**27,088**	**27,596**	**28,045**	**28,200**	**31,054**	**29,124**
Less:									
Non-same store net operating income	8,970	7,753	7,682	4,217	3,752	7,288	6,450	7,144	7,908
Same store net operating income	**$ 13,480**	**$ 16,451**	**$ 19,113**	**$ 22,871**	**$ 23,844**	**$ 20,757**	**$ 21,750**	**$ 23,910**	**$ 21,216**

Note:

See NOI reconciliation footnotes on page 24.

BRG BLUEROCK Residential™

NOI Reconciliation Footnotes

(1) Same Store sales for the three months ended June 30, 2018 related to the following properties: Enders Place at Baldwin Park, ARIUM Grandewood, Park & Kingston, ARIUM Palms, Ashton Reserve, Sovereign, Sorrel, ARIUM at Palmer Ranch, ARIUM Gulfshore, The Preserve at Henderson Beach, ARIUM Westside, ARIUM Pine Lakes, James on South First, ARIUM Glenridge, Roswell City Walk, The Brodie, Preston View, and Wesley Village.

(2) Same Store sales for the three months ended September 30, 2018 related to the following properties: Enders Place at Baldwin Park, ARIUM Grandewood, Park & Kingston, ARIUM Palms, Ashton Reserve, Sovereign, Sorrel, ARIUM at Palmer Ranch, ARIUM Gulfshore, The Preserve at Henderson Beach, ARIUM Westside, ARIUM Pine Lakes, James on South First, ARIUM Glenridge, Roswell City Walk, The Brodie, Preston View, Wesley Village, Marquis at Crown Ridge, Marquis at Stone Oak, Marquis at The Cascades, and Marquis at TPC.

(3) Same store portfolio for the three months ended December 31, 2018 consists of 24 properties, which represent 7,962 units.

(4) Same store portfolio for the three months ended March 31, 2019 consists of 28 properties, which represent 9,608 units.

(5) Same store portfolio for the three months ended June 30, 2019 consists of 29 properties, which represent 9,872 units.

(6) Same store portfolio for the three months ended September 30, 2019 consists of 25 properties, which represent 8,379 units.

(7) Same store portfolio for the three months ended December 31, 2019 consists of 26 properties, which represent 8,779 units.

(8) Same store portfolio for the three months ended March 31, 2020 consists of 27 properties, which represent 9,291 units.

(9) Same store portfolio for the three months ended June 30, 2020 consists of 24 properties, which represent 8,459 units.

Note:

NOI reconciliation on page 23.

Reconciliation of FFO and CFFO Attributable to Common Stockholders and Unit Holders

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Net income (loss) attributable to common stockholders	**$ 15,090**	**$ (10,990)**	**$ (1,403)**	**$ (23,083)**
Add back: Net income (loss) attributable to Operating Partnership Units	5,413	(3,887)	(409)	(7,938)
Net income (loss) attributable to common stockholders and unit holders	**20,503**	**(14,877)**	**(1,812)**	**(31,021)**
Common stockholders and Operating Partnership Units pro-rata share of:				
Real estate depreciation and amortization [(1)]	19,144	15,290	39,045	31,432
Gain on sale of real estate investments	(55,250)	-	(55,360)	-
FFO Attributable to Common Stockholders and Units Holders	**(15,603)**	**413**	**(18,127)**	**411**
Common stockholders and Operating Partnership Units pro-rata share of:				
Acquisition and pursuit costs	423	70	1,691	128
Non-cash interest expense	747	786	1,592	1,561
Unrealized (gain) loss on derivatives	(5)	652	(30)	2,287
Loss on extinguishment of debt and debt modification costs	13,590	-	13,590	-
Weather-related losses, net	-	249	-	249
Non-real estate depreciation and amortization	122	84	242	170
Gain on sale of non-depreciable real estate investments	-	-	-	(679)
Shareholder activism	-	55	-	393
Non-recurring expense, net	43	-	3	-
Non-cash preferred returns on unconsolidated real estate joint ventures	-	(386)	-	(598)
Non-cash equity compensation	2,191	2,427	5,738	4,819
Preferred stock accretion	3,602	2,316	7,527	4,203
CFFO Attributable to Common Stockholders and Unit Holders	**$ 5,110**	**$ 6,666**	**$ 12,226**	**$ 12,944**
Per Share and Unit Information:				
FFO Attributable to Common Stockholders and Unit Holders - diluted	**$ (0.47)**	**$ 0.01**	**$ (0.55)**	**$ 0.01**
CFFO Attributable to Common Stockholders and Unit Holders - diluted	**$ 0.15**	**$ 0.22**	**$ 0.37**	**$ 0.42**
Weighted average common shares and units outstanding - diluted	**33,075,598**	**30,550,863**	**32,936,762**	**30,704,271**

Note:

See definitions on page 26.

(1) The real estate depreciation and amortization amount includes our share of consolidated real estate-related depreciation and amortization of intangibles, less amounts attributable to noncontrolling interests for partially owned properties, and our similar estimated share of unconsolidated depreciation and amortization, which is included in earnings of our unconsolidated real estate joint venture investments.

BRG BLUEROCK Residential™

Definitions

Funds from Operations and Core Funds from Operations, Attributable to Common Stockholders and Unit Holders

We believe that funds from operations (“FFO”), as defined by the National Association of Real Estate Investment Trusts (“NAREIT”), and core funds from operations (“CFFO”) are important non-GAAP supplemental measures of operating performance for a REIT.

FFO attributable to common stockholders and unit holders is a non-GAAP financial measure that is widely recognized as a measure of REIT operating performance. We consider FFO to be an appropriate supplemental measure of our operating performance as it is based on a net income analysis of property portfolio performance that excludes non-cash items such as depreciation. The historical accounting convention used for real estate assets requires straight-line depreciation of buildings and improvements, which implies that the value of real estate assets diminishes predictably over time. Since real estate values historically rise and fall with market conditions, presentations of operating results for a REIT, using historical accounting for depreciation, could be less informative. We define FFO, consistent with the NAREIT definition, as net income, computed in accordance with GAAP, excluding gains or losses on sales of depreciable real estate property, plus depreciation and amortization of real estate assets, plus impairment write-downs of depreciable real estate, and after adjustments for unconsolidated partnerships and joint ventures. Adjustments for unconsolidated partnerships and joint ventures will be calculated to reflect FFO on the same basis.

CFFO makes certain adjustments to FFO, removing the effect of items that do not reflect ongoing property operations such as acquisition expenses, non-cash interest expense, unrealized gains or losses on derivatives, losses on extinguishment of debt and debt modification costs (includes prepayment penalties incurred and the write-off of unamortized deferred financing costs and fair market value adjustments of assumed debt), one-time weather-related costs, gains or losses on sales of non-depreciable real estate property, shareholder activism, stock compensation expense and preferred stock accretion. Commencing January 1, 2020, we did not deduct the accrued portion of the preferred income on our preferred equity investments from FFO to determine CFFO as the income is deemed fully collectible. The accrued portion of the preferred income totaled $0.4 million and $0.8 million for the three and six months ended June 30, 2020, respectively. We believe that CFFO is helpful to investors as a supplemental performance measure because it excludes the effects of certain items which can create significant earnings volatility, but which do not directly relate to our core recurring property operations. As a result, we believe that CFFO can help facilitate comparisons of operating performance between periods and provides a more meaningful predictor of future earnings potential.

Our calculation of CFFO differs from the methodology used for calculating CFFO by certain other REITs and, accordingly, our CFFO may not be comparable to CFFO reported by other REITs. Our management utilizes FFO and CFFO as measures of our operating performance after adjustment for certain non-cash items, such as depreciation and amortization expenses, and acquisition and pursuit costs that are required by GAAP to be expensed but may not necessarily be indicative of current operating performance and that may not accurately compare our operating performance between periods. Furthermore, although FFO and CFFO and other supplemental performance measures are defined in various ways throughout the REIT industry, we also believe that FFO and CFFO may provide us and our stockholders with an additional useful measure to compare our financial performance to certain other REITs.

Neither FFO nor CFFO is equivalent to net income, including net income attributable to common stockholders, or cash generated from operating activities determined in accordance with GAAP. Furthermore, FFO and CFFO do not represent amounts available for management's discretionary use because of needed capital replacement or expansion, debt service obligations or other commitments or uncertainties. Neither FFO nor CFFO should be considered as an alternative to net income, including net income attributable to common stockholders, as an indicator of our operating performance or as an alternative to cash flow from operating activities as a measure of our liquidity.

We have acquired seven operating properties and made nine investments through preferred equity interests and ground lease investments and sold twelve operating properties subsequent to June 30, 2019. The results presented are not directly comparable and should not be considered an indication of our future operating performance (unaudited and dollars in thousands, except share and per share data).

Note:

FFO and Core FFO reconciliation on page 25.

BRG

BLUEROCK
Residential™