



Editor's note: The following memo was distributed by Fundrise Advisors to its clients who are shareholders of the Fundrise Real Estate Interval Fund, LLC (the Fund). It has been made available as a supplemental resource for prospective investors in the Fund. The transaction referenced in this memo was a co-investment transaction made by the Fund, which invested roughly \$9,631,000, and an affiliate of the Adviser, which invested roughly \$1,070,000. Investors should carefully consider the investment objective, risk, charges, and expenses of the Fund before investing. The [prospectus](#) for the Fund contains this and other information and can be obtained by emailing investments@fundrise.com, or by referring to fundriseintervalfund.com. The prospectus should be read carefully before investing in the Fund.

New acquisition: Rental home community on the South Carolina coast

This investment fits into our broader strategy to invest in affordably-priced rental housing across the Sunbelt.

We've invested roughly \$10.7 million to acquire 48 detached single-family rental homes within The Palmer at Carolina Forest community of Myrtle Beach, South Carolina, along the Atlantic coast, roughly 100 miles northeast of Charleston and 80 miles southwest of Wilmington, North Carolina.

At a strategic level, this investment fits within our affordably-priced [Sunbelt](#) apartment / rental housing thesis. From millennials to retirees, a broad group of Americans has been taking part in a migration from northern to southern states over the past decade, driving continued demand for well-priced, well-located real estate, and supporting steady returns for disciplined investors. Learn more about the single-family rental asset class [here](#).

As we referenced in [our 2021 year-end letter](#) and explored in depth in [our 2021 Q3 update](#), we believe that this long-term trend has only been further accelerated by the pandemic. In an economy where remote work is becoming the norm for more and more people, we expect that an increasing share of the population won't need to live in expensive gateway cities and will instead seek out locations that offer lower living costs and more agreeable climates.

This acquisition was made by a joint venture between two Fundrise sponsored funds, the Fundrise Interval Fund, which invested roughly \$9,631,000 and the Growth eREIT VII, which invested \$1,070,000, while an additional \$11.9 million was provided through a senior loan, bringing the total projected costs to roughly \$22.6 million.

Strategy

This investment follows a Core Plus strategy.

Business plan

We acquired this property from a major, nationally renowned homebuilder, who wrapped up construction at the community in 2020. At the time of our acquisition, approximately 94% of the homes were occupied. The community consists of spacious three- and four-bedroom homes, each with its own attached garage and pet-friendly, fenced yard.

Given how recently construction of the community was completed, we anticipate that the homes will remain competitive, attract tenants, and support rent growth for the foreseeable future without significant capital needs for renovations. We expect to work with a professional property manager, and to be a long-term owner over the next several years to a decade.

Our intent with this and other investments in single-family rental home communities is to be a long-term investor, building a scaled portfolio that generates consistent rental income, while at the same time being positioned to capture what we believe will be outsized price appreciation thanks to a confluence of demographic factors driving demand across the Sunbelt.

Why we invested

- **Fast-growing area:** Over the past decade, Myrtle Beach's population grew over 32% according to the 2020 U.S Census data. Its location on the Grand Strand, a 60-mile stretch on South Carolina's northeastern coast with such attractions as a famed boardwalk and celebrity-designed golf courses, helped make it part of [the second fastest growing MSA in the country](#) for several years over the past decade.
- **Social distancing-friendly:** We believe the privacy provided by the community's fully detached and individual homes will be particularly attractive to renters seeking an additional level of social distancing, or who simply need more living space as norms around work and school shift.
- **High-quality asset:** The property was acquired directly from a nationally recognized homebuilder who wrapped up construction in 2020. The community consists of brand new construction with high-quality amenities, presenting no need for renovations or updates in the near future.

As always, if you have any questions or feedback, please visit our [help center](#) or reach out to us at investments@fundrise.com.

About the Fund

The Fundrise Real Estate Interval Fund (the Fund) is an unlisted closed-end management investment company that is operated as an interval fund. The Fund's investment objective is to seek to generate current income while

secondarily seeking long-term capital appreciation with low to moderate volatility and low correlation to the broader markets. For more information, including the Prospectus, please visit fundriseintervalfund.com.

The Fund also seeks to provide investors with liquidity through quarterly offers to repurchase a limited amount of the Fund's Shares (at least 5%), pursuant to Rule 23c-3 under the Investment Company Act of 1940. For the latest available repurchase notice, please [click here](#) or see the "Literature" section of fundriseintervalfund.com.

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New acquisition: Rental homes in Tucson, AZ

This investment fits into our broader strategy to invest in affordably-priced rental housing across the Sunbelt.



We've invested roughly \$318,000 to acquire a brand new single-family home within the Vahalla Ranch community of Tucson, Arizona, with plans to acquire an additional three homes in the coming months.

At a strategic level, this investment fits within our affordably-priced [Sunbelt](#) apartment / rental housing thesis. From millennials to retirees, a broad group of Americans has been taking part in a migration from northern to southern states over the past decade, driving continued demand for well-priced, well-located real estate, and supporting steady returns for disciplined investors. Learn more about the single-family rental asset class [here](#).

As we referenced in [our 2021 year-end letter](#), we believe that this long-term trend has only been further accelerated by the pandemic. In an economy where remote work is becoming the norm for more and more people, we expect that an increasing share of the population won't need to live in expensive gateway cities and will instead seek out locations that offer lower living costs and more agreeable climates.

This acquisition was made by a joint venture between two Fundrise sponsored funds, the Fundrise Interval Fund, which invested roughly \$286,000 and the Growth eREIT VII, which invested \$32,000.

Strategy

This investment follows a Value-Add strategy.

Business plan

By acquiring the brand-new (vacant) homes and leasing them up ourselves, we intend to get a better price, and therefore a better potential return, than if we had purchased a stabilized community.

Our initial investment at Vahalla Ranch is an all-cash purchase of one finished home within the community, which is still under construction. We plan to acquire and lease up an additional three homes in the community once construction is complete.

Our intent with this and other investments in single-family rental home communities is to be a long-term investor, building a scaled portfolio that generates consistent rental income, while at the same time being positioned to capture what we believe will be outsized price appreciation thanks to a confluence of demographic factors driving demand across the Sunbelt. While the properties of course look different than multifamily apartments, the underlying investment thesis is ultimately very similar.

We have engaged a leading property manager of single-family rental communities across the US.

We expect the aggregate purchase price of all four completed homes will be roughly \$1.3 million. While we acquired the homes in an all-cash transaction, we intend to use portfolio-level financing, with the aim of increasing expected returns and freeing up cash to deploy elsewhere.

Why we invested

- **Social distancing-friendly:** We believe the privacy provided by the fully detached and individual homes will be particularly attractive to renters seeking an additional level of social distancing, or who simply need more living space as norms around work and school shift.
- **Institutional-quality asset:** This deal is structured so as to allow us to acquire the homes directly from a nationally recognized homebuilder. Once our investment in the four homes is complete, we will have

added an institutional-quality asset of ready-to-rent homes to our portfolio, consisting entirely of brand-new construction.

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