



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 \$34,300,320 commitment, and an affiliate of the Adviser, which invested roughly \$1,805,280 commitment. 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.

Opportunistic rental community acquisition near Savannah, Georgia

This investment fits into our broader strategy to take advantage of the economic environment to acquire high quality assets at attractive market pricing.

We're investing roughly \$34.7 million to acquire a 124-homes build-for-rent community in Rincon, Georgia, about 30 minutes northwest of downtown Savannah.

At a strategic level, this investment fits within both our opportunistic acquisition and affordably-priced Sunbelt [rental housing theses](#). With real estate markets increasingly under duress, we have begun acquiring properties opportunistically. Benjamin Graham famously said, "The intelligent investor is a realist who sells to optimists and buys from pessimists." Most individuals who actively invested in 2023 now recognize the significance of this quote. However, during a downturn, it takes courage to invest more aggressively when most investors are on the sidelines.

We believe that build-for-rent housing will become the next major asset class in the real estate industry, with the likelihood to flourish into a new multi-billion dollar sector. 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.

Our intent with this and other investments in BFR housing is to capture market growth currently being driven by megatrends in technology, demographics, and affordability, all of which are encouraging more people to seek the single-family housing option of a BFR community, especially outside of traditional coastal urban centers, in regions across the Sunbelt. Today, Fundrise is already one of the largest BFR investors and operators in the nation, with institutional-scale financing from Goldman Sachs, Metlife, and Prudential; as the sector grows, we're delivering our investors one of the most promising new investment classes.

This acquisition was made by a joint venture between two Fundrise sponsored funds, the Fundrise Interval Fund, which is committing roughly \$34.3 million, and the Growth eREIT VII, committing roughly \$1.8 million, projected costs included.

Strategy

This investment follows an Opportunistic strategy.

Business plan

Our investment at Bluejay Commons is a \$34.7 million purchase of a 124-home, finished build-for-rent community. The community consists of various amenities, unit types, and floorplan options designed to capture the benefits of multifamily operations, with spacious 3- and 4-bedroom homes, each with a private garage, backyard, and modern finishings and features. Our purchase contract is for the 124-homes over the next year, delivered in tranches as construction is completed.

As we referenced most recently in our [2023 mid-year letter](#), our investment theses strive to identify factors that are bolstered by strong demand today and have historically performed well, both during past high inflationary periods and during downturns more broadly. Particularly, as interest rates remain high, we expect rental housing to continue to be an attractive option to many people, as the expected monthly mortgage payment for the buyer of a median-priced US home has nearly doubled in the course of just two years. In addition, we've weighted toward these types of assets because they generally have better withstood past economic downturns; shelter, like food, is a basic need rather than a discretionary expense.

Accounting for anticipated costs, we expect our investment's total commitment to be roughly \$36.1 million. While we acquired the initial 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

- **Opportunistic acquisition timing:** With most of our competition sidelined by challenging capital markets, prices are more attractive than most of the last decade. Our aim is to acquire high quality assets to take advantage of the stressed market environment.
- **New high growth property type:** Build-for-rent communities are emerging as one of the fastest growing new product types in real estate. With rising institutional demand and strong market fundamentals, BFR may be the most attractive asset class in the entire industry.
- **Fast-growing geography:** Savannah boasts one of the [nation's fastest-growing](#) and [third-busiest ports](#), which has been a driving force behind the region's growth. The area is quickly evolving into an epicenter of innovation, driven by its business-friendly climate, exceptional infrastructure, and the rapid expansion of the port. These factors make Savannah and its surrounding areas highly attractive to companies of both domestic and international scales.

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 Flagship Fund) is an unlisted closed-end management investment company that is operated as an interval fund. The Flagship 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 Flagship Fund also seeks to provide investors with liquidity through quarterly offers to repurchase a limited amount of the Flagship 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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