

SINGLE-FAMILY RENTAL INVESTMENT OPPORTUNITY

Overview

VineBrook Homes Trust, Inc. (the “REIT” or “Company”) is a private placement real estate investment trust (REIT) / Regulation D offering for accredited investors.

Investment Strategy

Acquire, reposition, own and operate affordable Single-Family Rental (“SFR”) assets in markets that we believe offer high current yields and Net Operating Income (“NOI”) growth

Investment Highlights *



Attractive Asset Class



Provide Current Income



Total Return Potential



Robust Market Fundamentals



Experienced Management

Near Term Market



★ Existing Markets

*There can be no assurance that VineBrook will achieve its investment objectives or a loss of capital will be avoided.

**Distributions are not guaranteed and may be suspended, modified or terminated at the discretion of the board of trustees. Distributions may be paid from offering proceeds and may include a return of capital or borrowed funds, which may lower overall returns to the investor and may not be sustainable. NAV as of 09/30/2020, \$34.00

Highlights

Advisor:

NexPoint Real Estate Advisors V, L.P.

Manager:

VineBrook Homes, LLC

Share Class:

Class A

Offering Size:

\$1 Billion

Public Offering Price¹:

Brokerage: \$35.05; Registered Investment Advisors: \$34.69

Minimum Initial Investment:

\$50,000

Term:

5 years with two 1-year extension options (Board discretion)

Current Portfolio²:

More than 7,800 cash flowing affordable SFR assets in markets that offer current yield and NOI growth; 97.9% occupancy

Distributions^{**}:

6.24% annualized distribution rate based on NAV. DRIP shares will be purchased at a 3% discount to NAV.

Closings³:

Weekly

Fees and Expenses:

Selling Concession: 5.5%
Dealer Manager Fee: 3.00%

Advisory Management Fee⁴:

0.75% per annum on gross asset value owned by investors other than NexPoint and VineBrook, paid monthly

Advisory Performance Fee:

None

¹ Offering price may be adjusted for each closing based on the last calculated NAV.

² As of 06/30/2020

³ Valuation of the portfolio is conducted monthly using unaffiliated third-party valuation firms. Portfolio valuation is used to recalculate the NAV each month, which is used as the basis for the following monthly close offering price.

⁴ The fees listed are not inclusive of corporate expenses, organization and offering expenses, and property level fees. The private placement memorandum should be reviewed for a complete listing and description of all fees and expenses.

VineBrook: Who We Are

VineBrook Homes is a leading single-family rental platform providing affordable housing to workforce tenants. “Affordable Housing” is a high-growth market opportunity with a strong consolidation rationale. The REIT features an in-house property management platform and acquisition and rehab team with an efficiency-focused approach and technological capabilities, built from the ground up. The REIT is managed by a fully-integrated management with over 10 years of SFR experience.

About NexPoint

NexPoint is a leading alternative investment platform that provides differentiated access to alternatives through a range of investment offerings, including publicly traded real estate investment trusts (REITs), Regulation D private placements, 1031 exchanges, closed-end funds, interval funds, and a business development company (BDC). Based in Dallas, Texas, NexPoint is a multibillion-dollar integrated alternative asset manager.

NexPoint’s Real Estate Experience

NexPoint has extensive real estate experience, having completed \$9.9 billion in gross real estate acquisitions as of June 30, 2020, inclusive of affiliates. NexPoint’s deep roots in multifamily have served as the foundation for its DST/1031 Exchange business and enabled the firm to meet the rising investor demand for tax-advantaged real estate offerings. In 2019, NexPoint acquired over 47,000 multifamily units and raised more than \$600 million across the platform, positioning the firm as a top equity raise sponsor¹ in the independent broker-dealer channel. While multifamily continues to be a key driver, NexPoint has expanded its real estate platform to include a wide mix, including office/retail, industrial, self-storage, and hospitality. Single-family rentals, an extension of NexPoint’s affordable housing thesis, is another area where the firm sees long-term growth potential driven by market trends.

¹ Mountain Dell Consulting’s “1031 DST/TIC Market Equity Update” as of 7/24/20

Please review the entire PPM prior to investing. This material does not constitute an offer and is authorized for use only when accompanied or preceded by the PPM. Reference is made to the PPM for a statement of risks and terms of the offering. The information set forth herein is qualified in its entirety by the PPM. All potential investors must read the PPM and no person may invest without acknowledging receipt and complete review of the PPM.

NEXPOINT

FINANCIAL ADVISOR USE ONLY. NOT FOR PUBLIC DISTRIBUTION.

VineBrook is an independent organization and is not affiliated with NexPoint Advisors, L.P., NexPoint Securities, Inc., NexPoint Real Estate Advisors, L.P. or any affiliates of NexPoint.

NexPoint Securities, Inc. (“NexPoint”), member FINRA/SIPC is the dealer manager for the VineBrook Homes offering.

(844) 485-9167 | NEX-VINEB-FACT-FA-100820

DISCLAIMERS AND RISK FACTORS

Investing in the Company involves a number of significant risks and other important factors relating to investments in real estate generally, and relating to the strategy and investment objectives of the Company in particular. Prospective investors should carefully consider the risk factors, together with all of the other information included in the Confidential Private Placement Memorandum (Memorandum), before deciding to purchase Shares. As a result of these factors, as well as other risks inherent in any investment, there can be no assurance that the Company will be able to meet its investment objectives or otherwise be able to successfully carry out its investment program.

An investment in the company is not a direct investment in real estate, but rather an investment in a REIT that owns single-family rental assets.

The following is a summary of only some of the risks and is qualified in its entirety by the more detailed “Certain Risk Factors and Conflicts of Interests” sections of the Memorandum.

This document does not constitute an offer to sell or a solicitation of an offer to buy any securities. Any securities will be offered only by means of a confidential private placement memorandum provided to a limited number of sophisticated investors. The private placement memorandum will include important information which is not included in this document.

General Real Estate Risks. The Portfolio will be subject to the risks incident to the ownership and operation of real estate, including risks associated with the general economic climate, local real estate conditions (including the availability of excess supply of properties relative to demand), changes in the availability of debt financing, credit risk arising from the financial condition of tenants, buyers, and sellers of properties, geographic or market concentration, competition from other space, and various other risks. The Company or its subsidiary entities will incur the burdens of ownership of real property, which include paying expenses and taxes, maintaining the investments, and ultimately disposing of the Portfolio. The possibility of partial or total loss of capital will exist, and prospective Investors should not subscribe unless they can readily bear the consequences of such loss.

Limited Liquidity and Transferability of Interests. There is no public market for the Shares and one is not guaranteed to develop. As a result, Investors may be required to hold their Shares for the entire term of the Company. Consequently, the purchase of Shares should be considered only as a long-term and illiquid investment and Shares should only be acquired by Investors who are able to commit their funds for an indefinite period of time.

Factors impacting the Single-Family Rental (SFR) market. The success of our business model depends, in part, on conditions in the SFR market in our markets. Our investment strategy is premised on assumptions about occupancy levels, rental rates, interest rates and other factors, and if those assumptions prove to be inaccurate, our cash flows and profitability will be reduced. Recent strengthening of the U.S. economy and job growth, coupled with government programs designed to keep homeowners in their homes and/or other factors, may contribute to an increase in homeownership rather than renting. In addition, we expect that as investors like us increasingly seek to capitalize on opportunities to purchase housing assets at below replacement costs and convert them to productive uses, the supply of SFR properties will decrease, which may increase competition for residents, limit our strategic opportunities and increase the cost to acquire those properties. A softening of the rental market in our core areas would reduce our rental revenue and profitability.

Leverage. The Company employs leverage and may continue to utilize leverage or enter into hedging agreements related to its debt in connection with its respective investments. Significant borrowings increase the risks of an investment in the Company. If there is a shortfall between the cash flow from investments and the cashflow needed to service the Company’s indebtedness, then the amount available for distributions to Investors may be reduced. In addition, incurring mortgage debt increases the risk of loss because defaults on indebtedness secured by a property may result in lenders initiating foreclosure actions.

Potential Conflicts of Interest. Certain executives of the Adviser will have conflicts of interest in allocating their time between the Company and their other business activities. Additionally, affiliates of the Adviser own and may continue to own in the future, other properties outside the Portfolio, which may result in a conflict of allocation of services and costs.