

EARNINGS SUPPLEMENT: FIRST QUARTER 2020

NEXPOINT

RESIDENTIAL TRUST

NEXPOINT RESIDENTIAL TRUST, INC.

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AVANT AT PEMBROKE PINES: NEW EXTERIOR PAINT



LEASING OFFICE: UPON TAKEOVER



LEASING OFFICE RENDERING: PLANNED 2020 COMPLETION

NEXPOINT

RESIDENTIAL TRUST

FOR IMMEDIATE RELEASE

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NEXPOINT RESIDENTIAL TRUST, INC. REPORTS FIRST QUARTER 2020 RESULTS

NXRT Reports Net Income of \$28.0 million; \$85.4 million of Capital Recycling Activity and \$31.0 million of Share Repurchase Activity; Entire Portfolio Located in Markets Already Open or Expected to Re-open in May

Dallas, TX, May 7, 2020 – NexPoint Residential Trust, Inc. (NYSE:NXRT) reported financial results for the first quarter ended March 31, 2020.

Highlights

- NXRT¹ reported Net Income, FFO², Core FFO² and AFFO² of \$28.0M, \$12.4M, \$13.6M and \$15.3M, respectively, attributable to common stockholders for the quarter ended March 31, 2020, compared to Net Loss, FFO, Core FFO, and AFFO of \$(4.4)M, \$11.0M, \$11.0M and \$12.7M, respectively, attributable to common stockholders for the quarter ended March 31, 2019.
- For the three months ended March 31, 2020, Q1 Same Store properties³ average effective rent, total revenue and NOI² increased 2.9%, 5.3% and 5.6%, respectively, and occupancy increased 90 bps over the prior year period.
- During the three months ended March 31, 2020, NXRT disposed of three properties, Southpoint Reserve, Willow Grove, and Woodbridge, for a combined sales price of \$86.5M and net cash proceeds of \$43.4M.
- The weighted average effective monthly rent per unit across all 37 properties held as of March 31, 2020 (the “Portfolio”), consisting of 14,104 units, was \$1,110, while physical occupancy was 94.2%.
- NXRT paid a first quarter dividend of \$0.3125 per share of common stock on March 31, 2020.
- During the first quarter, for the properties in our Portfolio, we completed 412 full and partial upgrades and leased 215 upgraded units, achieving an average monthly rent premium of \$115 and a 23.6% ROI⁴. Since inception, for the properties currently in our Portfolio, we have completed 6,914 full and partial upgrades and achieved an average monthly rental increase per unit of \$102, equating to a 24.6% ROI on all units leased as of March 31, 2020.
- During the three months ended March 31, 2020, through its at-the-market offering (“ATM program”), NXRT issued approximately 0.6 million shares for approximately \$28.0 million in gross proceeds. On March 4, 2020, NXRT entered into a new ATM program for \$225.0 million.
 - (1) In this release, “we,” “us,” “our,” the “Company,” “NexPoint Residential Trust,” and “NXRT” each refer to NexPoint Residential Trust, Inc., a Maryland corporation.
 - (2) FFO, Core FFO, AFFO and NOI are non-GAAP measures. For a discussion of why we consider these non-GAAP measures useful and reconciliations of FFO, Core FFO, AFFO and NOI to net income (loss), see the “Definitions and Reconciliations of Non-GAAP Measures” and “FFO, Core FFO and AFFO” sections of this release.
 - (3) We define “Same Store” properties as properties that were in our Portfolio for the entirety of the periods being compared. There are 25 properties encompassing 9,521 units of apartment space in our Same Store pool for the three months ended March 31, 2020 (our “Q1 Same Store” properties).
 - (4) We define Return on Investment (“ROI”) as the sum of the actual rent premium divided by the sum of the total cost.

First Quarter 2020 Financial Results

- Total revenues were \$52.6 million for the first quarter of 2020, compared to \$41.5 million for the first quarter of 2019.
- Net income for the first quarter of 2020 totaled \$28.0 million, or income of \$1.08 per diluted share, which included \$23.3 million of depreciation and amortization expense. This compared to a net loss of \$(4.4) million, or a loss of \$(0.19) per diluted share, for the first quarter of 2019, which included \$15.4 million of depreciation and amortization expense.
- The change in our net income of \$28.0 million for the three months ended March 31, 2020 as compared to our net loss of \$(4.4) million for the three months ended March 31, 2019 primarily relates to increases in gains on sales of real estate and total revenues, partially offset by increases in depreciation and property operating expenses.
- For the first quarter of 2020, NOI was \$30.0 million on 37 properties, compared to \$23.6 million for the first quarter of 2019 on 38 properties.
- For the first quarter of 2020, Q1 Same Store NOI increased 5.6% to \$17.8 million, compared to \$16.9 million for the first quarter of 2019.
- For the first quarter of 2020, FFO totaled \$12.4 million, or \$0.48 per diluted share, compared to \$11.0 million, or \$0.46 per diluted share, for the first quarter of 2019.
- For the first quarter of 2020, Core FFO totaled \$13.6 million, or \$0.53 per diluted share, compared to \$11.0 million, or \$0.46 per diluted share, for the first quarter of 2019.
- For the first quarter of 2020, AFFO totaled \$15.3 million, or \$0.59 per diluted share, compared to \$12.7 million, or \$0.53 per diluted share, for the first quarter of 2019.

Subsequent Events & Operational Trends

- The Company is providing a summary of select April and May (through May 5, 2020) operating metrics in response to economic challenges and related government actions and regulations as a result of the ongoing Novel Coronavirus (COVID-19) pandemic:
 - Through April's accounting month end, combined, rent cash collections and promises to pay under lease amendments signed by residents financially impacted by COVID-19 represented 95.3% of billed rent for April 2020. This compares to 99.8% average cash collections in 2019. Rent cash collections represented 94.1% of billed April 2020 rent and promises to pay by financially impacted residents under lease amendments represented 1.2% of billed April 2020 rent.
 - Through May 5, 2020, combined, rent cash collections and promises to pay under lease amendments signed by residents financially impacted by COVID-19 represented 87.9% of billed rent for May 2020. This compares to 84.8% combined collections of April 2020 rent at the same point in April and 84.8% cash collections of March 2020 rent at the same point in March 2020. Rent cash collections represented 86.0% of billed May 2020 rent and promises to pay by financially impacted residents under lease amendments represented 1.9% of billed May 2020 rent.
 - Average Physical Occupancy for the Same Store Portfolio was strong at 94.5% for April 2020, while resident retention was 65.6% for the month.
- The COVID Pandemic has resulted in cessation, severe curtailment, or impairment of business activities in most sectors of the economy in all markets we operate in, due to governmental "stay at home" orders, risk mitigation procedures, closure of businesses not considered to be "essential," as well as other direct and indirect impacts, including those that may not yet be identified. This has resulted in a rapid and dramatic increase in unemployment in the U.S. We cannot estimate the extent of the COVID-19 pandemic's future negative impacts or how long the negative impacts of the COVID-19 pandemic will persist. In addition, it is possible that, even after the initial restrictions due to the COVID-19 pandemic ease, they could be reinstated in case of future waves of infection or if additional pandemics occur. As a result of these uncertainties related to the COVID-19 pandemic, the Company has temporarily withdrawn its previously provided full-year 2020 guidance outlook.

First Quarter Earnings Conference Call

NXRT will host a call on Thursday, May 7, 2020 at 11:00 a.m. ET to discuss its first quarter financial results and provide updates on the impact of the COVID-19 crisis on operations and rent collections. The conference call can be accessed live over the phone by dialing 888-599-8686 or, for international callers, +1 720-543-0302 and using passcode Conference ID: 9982730. A live audio webcast of the call will be available online at the Company's website, <http://www.nexpointliving.com> (under "Investor Relations"). An online replay will be available shortly after the call on the Company's website and continue to be available for 60 days.

A replay of the conference call will also be available through Thursday, May 14, 2020 by dialing 888-203-1112 or, for international callers, +1 719-457-0820 and entering passcode 9982730.

About NXRT

NexPoint Residential Trust is a publicly traded REIT, with its shares listed on the New York Stock Exchange under the symbol “NXRT,” primarily focused on acquiring, owning and operating well-located middle-income multifamily properties with “value-add” potential in large cities and suburban submarkets of large cities, primarily in the Southeastern and Southwestern United States. NXRT is externally advised by NexPoint Real Estate Advisors, L.P., an affiliate of NexPoint Advisors, L.P., an SEC-registered investment advisor, which has extensive real estate experience. Our filings with the Securities and Exchange Commission (the “SEC”) are available on our website, www.nexpointliving.com, under the “Investor Relations” tab.

Cautionary Statement Regarding Forward-Looking Statements

This release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that are based on management’s current expectations, assumptions and beliefs. Forward-looking statements can often be identified by words such as “expect,” “anticipate,” “estimate,” “may,” “should,” “intend” and similar expressions, and variations or negatives of these words. These forward-looking statements include, but are not limited to, statements regarding NXRT’s business and industry in general, NXRT’s 2020 adjusted NOI estimate and the related assumptions, the timing of re-openings, net asset value and the related components and assumptions, planned value-add programs, including projected average rent, rent change and return on investment and expected acquisitions and dispositions. They are not guarantees of future results and forward-looking statements are subject to risks, uncertainties and assumptions that could cause actual results to differ materially from those expressed in any forward-looking statement, including the ultimate geographic spread, duration and severity of the coronavirus (COVID-19) outbreak, and the effectiveness of actions taken, or actions that may be taken, by governmental authorities to contain the outbreak or treat its impact, as well as those described in greater detail in our filings with the Securities and Exchange Commission, particularly those specifically described in our Annual Report on Form 10-K. Readers should not place undue reliance on any forward-looking statements and are encouraged to review the Company’s most recent Annual Report on Form 10-K and other filings with the SEC for a more complete discussion of the risks and other factors that could affect any forward-looking statements. The statements made herein speak only as of the date of this release and except as required by law, NXRT does not undertake any obligation to publicly update or revise any forward-looking statements.

NEXPOINT RESIDENTIAL TRUST, INC: FIRST QUARTER 2020 OVERVIEW

Company Profile

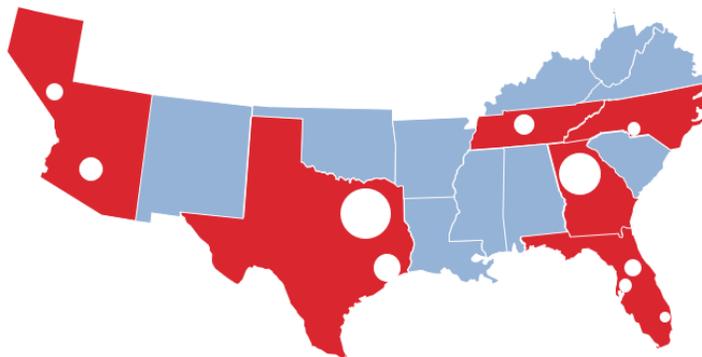
(share counts in thousands)

Exchange/Ticker	NYSE: NXRT
Share Price (1)	\$30.20
Insider Ownership	15.11%
2020 Q2 Dividend Per Share	\$0.3125
Dividend Yield (1)	4.14%
Shares Outstanding - basic (Wtd Avg. 3 mo. ended 03/31/2020)	25,388
Shares Outstanding - diluted (Wtd Avg. 3 mo. ended 03/31/2020)	25,851

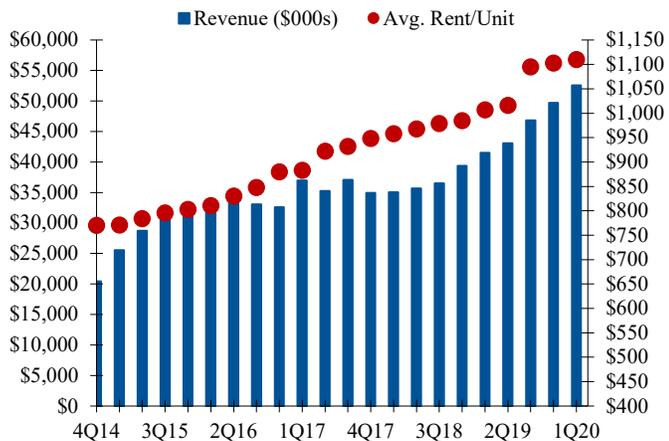
(1) As of the close of market trading on May 6, 2020.

Portfolio Composition by Market

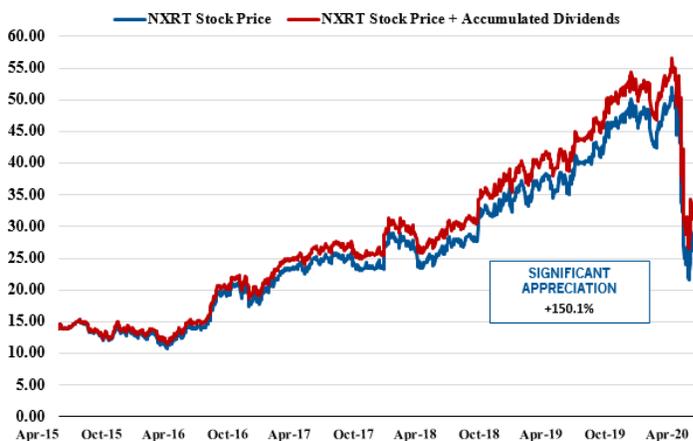
Market	% of Units
Dallas/Fort Worth	20.1%
South Florida	13.9%
Nashville	13.1%
Atlanta	10.4%
Phoenix	9.4%
Houston	8.4%
Orlando	8.3%
Las Vegas	8.2%
Charlotte	4.1%
Tampa	4.1%
Total	100.0%



Revenue & Average Rent Per Unit



Stock Price Performance (Since Inception; 4/1/2015)



Highlights of Recent Activity

COVID-19 Update

NXRT April 2020 Collections

As of April 26, 2019, NXRT collected 93.9% of April rental payments which is 240 bps better than National Multifamily Housing Council’s (NMHC) average. As of April 30, 2020, NXRT collected 95.3% of April rental payments (dollars in thousands):

	April 2020	Collection %
Total Income	\$ 16.9	
Total Deposits	\$ 15.9	94.1%
Total Payment Plans	\$ 0.6	
Total Collections	\$ 16.1	95.3%

NXRT Occupancy & Trends (as of May 6, 2020 and 2019)

	2020	vs. 2019
Occupancy	94.0%	+42 bps
Leased	96.1%	-11 bps
60 Day Trend	91.7%	-33 bps

Status of States Re-opening from COVID-19*

Arizona: Governor extended the state’s stay-at-home order until May 15, 2020.

Florida: Governor announced state will reopen non-essential businesses in a three-phased approach beginning Monday, May 4, 2020; however restrictions in Miami-Dade, Broward and Palm Beach counties will remain unchanged.

Georgia: Governor announced stay-at-home order expired on April 30, 2020; Governor extended the public health emergency through May 13, 2020.

Nevada: Governor announced stay-at-home order extended to May 15, 2020.

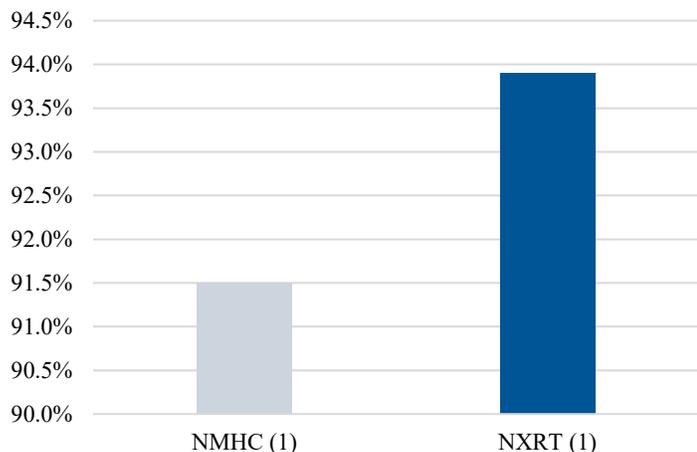
North Carolina: Governor announced stay-at-home order will expire on May 8, 2020 with plans to reopen in phases.

Tennessee: Governor announced stay-at-home order will expire on May 8, 2020 with plans to reopen in phases.

Texas: Stay-at-home order expired on April 30, 2020. Restaurants, retail stores, malls, and movie theatres are all allowed to reopen with 25% occupancy.

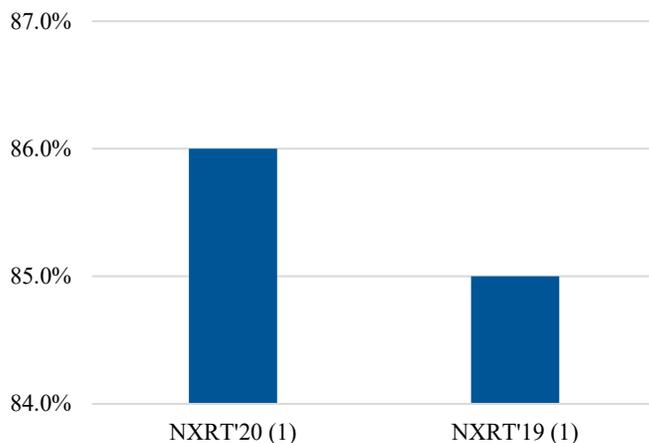
*The information is based upon information publicly available as of May 6, 2020, and the definition of “re-opening” varies from state to state.

April Collections



(1) As of April 26, 2020

May Collections



(1) As of May 5, 2020 and 2019

DISPOSITIONS

<u>Property Name</u>	<u>Location</u>	<u>Date of Sale</u>	<u>Sales Price</u>	<u>Net Cash Proceeds (1)</u>	<u>Gain on Sale of Real Estate</u>
Southpoint Reserve at Stoney Creek	Fredericksburg, Virginia	March 20, 2020	\$ 23,500	\$ 9,944	\$ 5,469
Willow Grove	Nashville, Tennessee	March 26, 2020	31,300	16,039	17,513
Woodbridge	Nashville, Tennessee	March 26, 2020	31,700	17,423	15,990
			<u>\$ 86,500</u>	<u>\$ 43,406</u>	<u>\$ 38,972</u>

(1) Represents sales price, net of debt repayment and closing costs.

Financial Summary

	Q1 2020	Q1 2019	FY 2019	FY 2018
(in thousands, except for per share and unit data)				
Company Profile				
Market Capitalization	\$ 627,000	\$ 906,000	\$ 1,136,000	\$ 824,000
Share Price (as of the last day of the period)	\$ 25.21	\$ 38.34	\$ 45.00	\$ 35.05
Weighted average common shares outstanding - basic	25,388	23,550	24,116	21,189
Weighted average common shares outstanding - diluted	25,851	24,044	24,593	21,667
Earnings Profile				
Total revenues	\$ 52,582	\$ 41,491	\$ 181,066	\$ 146,597
Net income (loss) attributable to common stockholders	27,955	(4,360)	99,140	(1,609)
NOI (1)	29,985	23,587	102,591	80,175
Same Store NOI (2)	17,847	16,906	65,961	61,795
Same Store NOI Growth (%) (2)	5.6%		6.7%	
Earnings Metrics Per Common Share (diluted basis)				
Earnings (loss)	\$ 1.08	\$ (0.19)	\$ 4.03	\$ (0.08)
FFO (1)	\$ 0.48	\$ 0.46	\$ 1.66	\$ 1.48
Core FFO (1)	\$ 0.53	\$ 0.46	\$ 1.93	\$ 1.62
AFFO (1)	\$ 0.59	\$ 0.53	\$ 2.20	\$ 1.88
Dividends declared per common share	\$ 0.313	\$ 0.275	\$ 1.138	\$ 1.025
FFO Coverage (3)	1.53x	1.66x	1.46x	1.44x
Core FFO Coverage (3)	1.68x	1.67x	1.70x	1.58x
AFFO Coverage (3)	1.89x	1.92x	1.94x	1.84x
Portfolio				
Total Properties	37	38	40	35
Total Units	14,104	13,211	14,724	12,555
Occupancy	94.2%	93.6%	94.2%	94.6%
Average Effective Monthly Rent per Unit	\$ 1,110	\$ 1,007	\$ 1,103	\$ 985
Same Store Portfolio Metrics (2)				
Total Same Store Properties	25	25	25	25
Total Same Store Units	9,521	9,521	9,057	9,057
Occupancy	94.5%	93.6%	94.5%	94.8%
Average Effective Monthly Rent per Unit	\$ 1,035	\$ 1,006	\$ 1,038	\$ 1,002
Value-Add Program				
Completed Rehab Units	412	245	2,516	1,432
Cumulative Completed Rehab Units (4)	6,914			
Average Increase to Effective Monthly Rent per Unit (Post-Rehab)	\$ 102			
ROI on Post-Rehab Units	24.6%			
Outstanding Debt Summary				
Total Mortgage Debt	\$ 1,151,683	\$ 924,463		
Credit Facilities	225,000	52,500		
Total Debt Outstanding	<u>\$ 1,376,683</u>	<u>\$ 976,963</u>		
Leverage Ratio (Net Debt to Enterprise Value) (5)	67%	51%		

- (1) For more information and reconciliations of NOI, FFO, Core FFO and AFFO, see the “FFO, Core FFO and AFFO” and “Definitions and Reconciliations of Non-GAAP Measures” sections of this release.
- (2) We define “Same Store” properties as properties that were in our Portfolio for the entirety of the periods being compared. For additional information regarding our Q1 Same Store properties, see the “Q1 Same Store Results” section of this release.
- (3) Indicates coverage ratio of FFO/Core FFO/AFFO per common share (diluted) over dividends declared per common share during the period.
- (4) Inclusive of all full and partial interior upgrades completed through. Cumulative results exclude rehabs completed for properties sold through March 31, 2020.
- (5) For more information and a reconciliation of debt to net debt, see the “Definitions and Reconciliations of Non-GAAP Measures” section of this release.

Components of Net Asset Value

(dollar and share amounts in thousands, except per share and per unit data)

REAL ESTATE VALUE BY MARKET						
Property Market	NOI Contribution	Cap Rate Range (1)(3)		Value Range (2)		
		Min	Max	Min	Max	
Texas						
Dallas/Fort Worth	15.6%	4.9%	5.2%	\$ 343,950	\$ 374,559	
Houston	7.5%	5.0%	5.3%	162,241	176,475	
North Carolina						
Charlotte	3.7%	4.9%	5.2%	81,578	88,838	
Georgia						
Atlanta	10.2%	4.9%	5.2%	224,890	244,904	
Tennessee						
Nashville	13.2%	4.8%	5.1%	296,741	323,538	
Florida						
Orlando	8.7%	5.0%	5.3%	188,199	204,711	
Tampa	3.4%	4.7%	5.0%	77,962	85,109	
West Palm Beach	16.7%	4.7%	5.0%	382,931	418,033	
Nevada						
Las Vegas	10.2%	5.0%	5.3%	220,647	240,006	
Arizona						
Phoenix	10.8%	4.7%	5.0%	250,145	270,345	
Total / Ave	100.0%	4.8%	5.1%	\$2,229,284	\$2,426,518	

NAV SUMMARY		
Component	Min	Max
Tangible Assets		
Real Estate (2)	\$2,229,284	\$2,426,518
Cash	69,540	
Restricted Cash - Renovation & Green Reserves (4)	15,356	
Renovation & Green Capital Expenditures (4)	(15,356)	
Cash Adjustments (5)	(756)	
Fair Market Value of Interest Rate Swaps	0	
Other Assets	27,475	
Value of Assets	\$2,325,543	\$2,522,777
Tangible Liabilities		
Credit Facility (6)	\$225,000	
Mortgage Debt	1,151,683	
Total Outstanding Debt	1,376,683	
Forward 12-month Principal Payments (6)	(756)	
Total Outstanding Debt (FY 2020 Est.)	1,375,927	
Other Tangible Liabilities (at Book)	27,955	
Derivative Liability	47,077	
Value of Liabilities	\$1,450,959	
<i>Net Leverage (mid-point)</i>	<i>60%</i>	
Net Asset Value	\$ 874,584	\$ 1,071,818
<i>Shares outstanding - diluted (FY 2020 Est.)</i>	<i>25,298</i>	
Est. NAV / Share	\$ 34.57	\$ 42.37
<i>NAV / Share (mid-point)</i>	<i>\$38.47</i>	

NOI ESTIMATE			
4Q 2019 NOI Actual			28,327
1Q 2020 NOI Actual			29,985
		Low	High
2020 Adjusted NOI Est. (3)	\$	114,650	\$ 117,650

IMPLIED VALUATION METRICS		
	Min	Max
Implied Real Estate Value	\$2,229,284	\$2,426,518
<i>No. of Units (March 31, 2020 E.) (2)</i>	<i>14,300</i>	
Implied Value/Apartment Unit	\$155.9	\$169.7
<i>Implied Value/Apartment Unit (mid-point)</i>	<i>\$162.8</i>	

- (1) Management estimates based on independent third-party review of our properties.
- (2) Full Year 2020 Adjusted NOI is presented for the existing portfolio (37 properties at March 31, 2020).
- (3) Based on Green Street Advisors' 'Residential Sectors' Report dated April 19, 2020. FY 2020 Adjusted NOI does not consider any additional acquisition or disposition activity for the remainder of the year.
- (4) Includes approximately \$15.4 million that is held for value-add upgrades; reduced by \$15.4 million for estimated 2020 rehab expenditures.
- (5) Includes approximately \$0.8 million in forward 12-month principal payments.
- (6) Includes outstanding balance of March 31, 2020.

NEXPOINT RESIDENTIAL TRUST, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(in thousands, except share and per share amounts)

	March 31, 2020 (Unaudited)	December 31, 2019
ASSETS		
Operating Real Estate Investments		
Land	\$ 317,886	\$ 317,886
Buildings and improvements	1,477,664	1,472,319
Intangible lease assets	4,211	12,414
Construction in progress	9,500	4,375
Furniture, fixtures, and equipment	84,947	81,038
Total Gross Operating Real Estate Investments	1,894,208	1,888,032
Accumulated depreciation and amortization	(167,686)	(152,552)
Total Net Operating Real Estate Investments	1,726,522	1,735,480
Real estate held for sale, net of accumulated depreciation of \$0 and \$897, respectively	—	46,330
Total Net Real Estate Investments	1,726,522	1,781,810
Cash and cash equivalents	69,540	25,671
Restricted cash	36,041	45,511
Accounts receivable	3,095	6,285
Prepaid and other assets	3,695	2,336
Fair market value of interest rate swaps	—	4,376
TOTAL ASSETS	\$ 1,838,893	\$ 1,865,989
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities:		
Mortgages payable, net	\$ 1,145,508	\$ 1,145,371
Mortgages payable held for sale, net	—	41,176
Credit facility, net	223,850	216,501
Accounts payable and other accrued liabilities	13,137	11,971
Accrued real estate taxes payable	7,119	12,206
Accrued interest payable	3,337	3,691
Security deposit liability	2,893	2,977
Prepaid rents	1,469	1,658
Fair market value of interest rate swaps	47,077	902
Total Liabilities	1,444,390	1,436,453
Redeemable noncontrolling interests in the Operating Partnership	2,332	3,295
Stockholders' Equity:		
Preferred stock, \$0.01 par value: 100,000,000 shares authorized; 0 shares issued	—	—
Common stock, \$0.01 par value: 500,000,000 shares authorized; 24,852,868 and 25,245,740 shares issued and outstanding, respectively	256	251
Additional paid-in capital	378,943	359,748
Accumulated earnings less dividends	84,345	63,776
Accumulated other comprehensive income (loss)	(47,922)	2,466
Common stock held in treasury at cost; 864,681 and 0 shares	(23,451)	—
Total Stockholders' Equity	392,171	426,241
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 1,838,893	\$ 1,865,989

NEXPOINT RESIDENTIAL TRUST, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
AND COMPREHENSIVE LOSS
(in thousands, except per share amounts)
(Unaudited)

	For the Three Months Ended March 31,	
	2020	2019
Revenues		
Rental income	\$ 51,115	\$ 40,451
Other income	1,467	1,040
Total revenues	52,582	41,491
Expenses		
Property operating expenses	11,721	9,639
Real estate taxes and insurance	8,023	5,758
Property management fees (1)	1,550	1,240
Advisory and administrative fees (2)	1,865	1,850
Corporate general and administrative expenses	2,701	2,233
Property general and administrative expenses	1,832	1,658
Depreciation and amortization	23,338	15,398
Total expenses	51,030	37,776
Operating income before gain on sales of real estate	1,552	3,715
Gain on sales of real estate	38,972	—
Operating income	40,524	3,715
Interest expense	(11,662)	(8,088)
Loss on extinguishment of debt and modification costs	(874)	—
Casualty gains	51	—
Net income (loss)	28,039	(4,373)
Net income (loss) attributable to redeemable noncontrolling interests in the Operating Partnership	84	(13)
Net income (loss) attributable to common stockholders	\$ 27,955	\$ (4,360)
Other comprehensive loss		
Unrealized losses on interest rate derivatives	(50,540)	(5,665)
Total comprehensive loss	(22,501)	(10,038)
Comprehensive loss attributable to redeemable noncontrolling interests in the Operating Partnership	(68)	(30)
Comprehensive loss attributable to common stockholders	\$ (22,433)	\$ (10,008)
Weighted average common shares outstanding - basic	25,388	23,550
Weighted average common shares outstanding - diluted	25,851	24,044
Earnings (loss) per share - basic	\$ 1.10	\$ (0.19)
Earnings (loss) per share - diluted	\$ 1.08	\$ (0.19)

(1) Fees incurred to an unaffiliated third party that is an affiliate of the noncontrolling limited partner of the Operating Partnership (the "OP").

(2) Fees incurred to the Company's adviser.

Q1 Same Store Results of Operations for the Three Months Ended March 31, 2020 and 2019

There are 25 properties encompassing 9,521 units of apartment space, or approximately 68% of our Portfolio, in our same store pool for the three months ended March 31, 2020 and 2019 (our “Q1 Same Store” properties). Our Q1 Same Store properties exclude the following 12 properties in our Portfolio as of March 31, 2020: Bella Vista, The Enclave, The Heritage, Summers Landing, Residences at Glenview Reserve, Residences at West Place, Avant at Pembroke Pines, Arbors of Brentwood, Torreyana Apartments, Bloom, Bella Solara and Cutter’s Point (which has suspended operations to undergo reconstruction due to tornado damage).

As of March 31, 2020, our Q1 Same Store properties were approximately 94.5% leased with a weighted average monthly effective rent per occupied apartment unit of \$1,035, a year-over-year increase of 90 bps and an increase of \$29, respectively.

The following table reflects the revenues, property operating expenses and NOI for the three months ended March 31, 2020 and 2019 for our Q1 Same Store and Non-Same Store properties (dollars in thousands):

	For the Three Months Ended March 31,		\$ Change	% Change
	2020	2019		
Revenues				
Same Store				
Rental income	\$ 31,213	\$ 29,489	\$ 1,724	5.8%
Other income	587	712	(125)	-17.6%
Same Store revenues	31,800	30,201	1,599	5.3%
Non-Same Store				
Rental income	19,902	10,962	8,940	N/M
Other income	880	328	552	N/M
Non-Same Store revenues	20,782	11,290	9,492	N/M
Total revenues	52,582	41,491	11,091	26.7%
Operating expenses				
Same Store				
Property operating expenses (1)	7,093	6,799	294	4.3%
Real estate taxes and insurance	5,040	4,669	371	7.9%
Property management fees (2)	953	903	50	5.5%
Property general and administrative expenses (3)	867	924	(57)	-6.2%
Same Store operating expenses	13,953	13,295	658	4.9%
Non-Same Store				
Property operating expenses (4)	4,568	2,805	1,763	N/M
Real estate taxes and insurance	2,983	1,089	1,894	N/M
Property management fees (2)	597	337	260	N/M
Property general and administrative expenses (5)	496	378	118	31.2%
Non-Same Store operating expenses	8,644	4,609	4,035	N/M
Total operating expenses	22,597	17,904	4,693	26.2%
NOI				
Same Store	17,847	16,906	941	5.6%
Non-Same Store	12,138	6,681	5,457	N/M
Total NOI (6)	\$ 29,985	\$ 23,587	\$ 6,398	27.1%

(1) For the three months ended March 31, 2020 and 2019, excludes approximately \$50,000 and \$27,000, respectively, of casualty-related expenses.

(2) Fees incurred to an unaffiliated third party that is an affiliate of the noncontrolling limited partner of the OP.

(3) For the three months ended March 31, 2020 and 2019, excludes approximately \$191,000 and \$229,000, respectively, of expenses that are not reflective of the continuing operations of the properties or are incurred on our behalf at the property for expenses such as legal, professional and franchise tax fees.

(4) For the three months ended March 31, 2020 and 2019, excludes approximately \$10,000 and \$8,000, respectively, of casualty-related expenses.

(5) For the three months ended March 31, 2020 and 2019, excludes approximately \$278,000 and \$127,000, respectively, of expenses that are not reflective of the continuing operations of the properties or are incurred on our behalf at the property for expenses such as legal, professional and franchise tax fees.

(6) For additional information regarding NOI, see the “Definitions and Reconciliations of Non-GAAP Measures” section of this release.

The following table contains additional information about our Q1 Same Store properties rent and occupancy metrics, revenues, operating expenses and NOI for the three months ended March 31, 2020 and 2019 (dollars in thousands, except for per unit data):

	Q1 2020	Q1 2019	% Change
Same Store Total Units	9,521	9,521	
Same Store Occupied Units	8,999	8,908	
Same Store Ending Occupancy	94.5%	93.6%	0.9%
Same Store Average Rent per Unit	\$ 1,035	\$ 1,006	2.9%
Same Store Revenues			
Same Store Rental Income	\$ 31,213	\$ 29,489	5.8%
Same Store Other Income	587	712	-17.6%
Total Same Store Revenues	31,800	30,201	5.3%
Same Store Operating Expenses			
Payroll	3,059	2,968	3.1%
Repairs & Maintenance	2,504	2,289	9.4%
Utilities	1,530	1,542	-0.8%
Real Estate Taxes	4,482	4,070	10.1%
Insurance	558	599	-6.8%
Property Management Fees	953	903	5.5%
Office Operations	573	604	-5.1%
Marketing	294	320	-8.1%
Total Same Store Operating Expenses	13,953	13,295	4.9%
Q1 Same Store NOI	\$ 17,847	\$ 16,906	5.6%

Q1 Same Store Properties Operating Metrics

(dollars in thousands, except for per unit data)

Properties by Market (1)	Unit Count	Average Effective Rent			Occupancy			Total Rental Income		
		Total	Q1 2020	Q1 2019	% Change	Q1 2020	Q1 2019	bps Δ	Q1 2020	Q1 2019
Texas										
Dallas	2,642	\$965	\$936	3.1%	94.0%	93.3%	70	\$8,327	\$7,929	5.0%
Houston	1,184	1,123	1,134	-1.0%	95.7%	92.5%	320	4,176	3,964	5.3%
Average/Total	3,826	1,014	997	1.7%	94.5%	93.1%	140	12,503	11,893	5.1%
North Carolina										
Charlotte	577	999	950	5.2%	93.9%	95.1%	-120	1,780	1,642	8.4%
Average/Total	577	999	950	5.2%	93.9%	95.1%	-120	1,780	1,642	8.4%
Georgia										
Atlanta	1,460	1,119	1,069	4.7%	94.3%	93.4%	90	4,913	4,682	4.9%
Average/Total	1,460	1,119	1,069	4.7%	94.3%	93.4%	90	4,913	4,682	4.9%
Tennessee										
Nashville	1,142	985	973	1.2%	93.7%	93.0%	70	3,562	3,359	6.0%
Average/Total	1,142	985	973	1.2%	93.7%	93.0%	70	3,562	3,359	6.0%
Florida										
Orlando	830	1,170	1,143	2.4%	94.5%	94.5%	0	3,040	2,894	5.0%
Tampa	576	965	930	3.8%	94.8%	93.6%	120	1,753	1,618	8.3%
South Florida	439	1,233	1,197	3.0%	95.4%	95.9%	-50	1,729	1,641	5.4%
Average/Total	1,845	1,121	1,089	2.9%	94.8%	94.5%	30	6,522	6,153	6.0%
Arizona										
Phoenix	671	856	788	8.6%	96.0%	93.7%	230	1,933	1,760	9.8%
Average/Total	671	856	788	8.6%	96.0%	93.7%	230	1,933	1,760	9.8%
Average/Total	9,521	\$1,035	\$1,006	2.9%	94.5%	93.6%	90	\$31,213	\$29,489	5.8%

(1) This table only includes the 25 properties in our Q1 Same Store pool.

FFO, Core FFO and AFFO

The following table reconciles our calculations of FFO, Core FFO and AFFO to net income (loss), the most directly comparable GAAP financial measure, for the three months ended March 31, 2020 and 2019 (in thousands, except per share amounts):

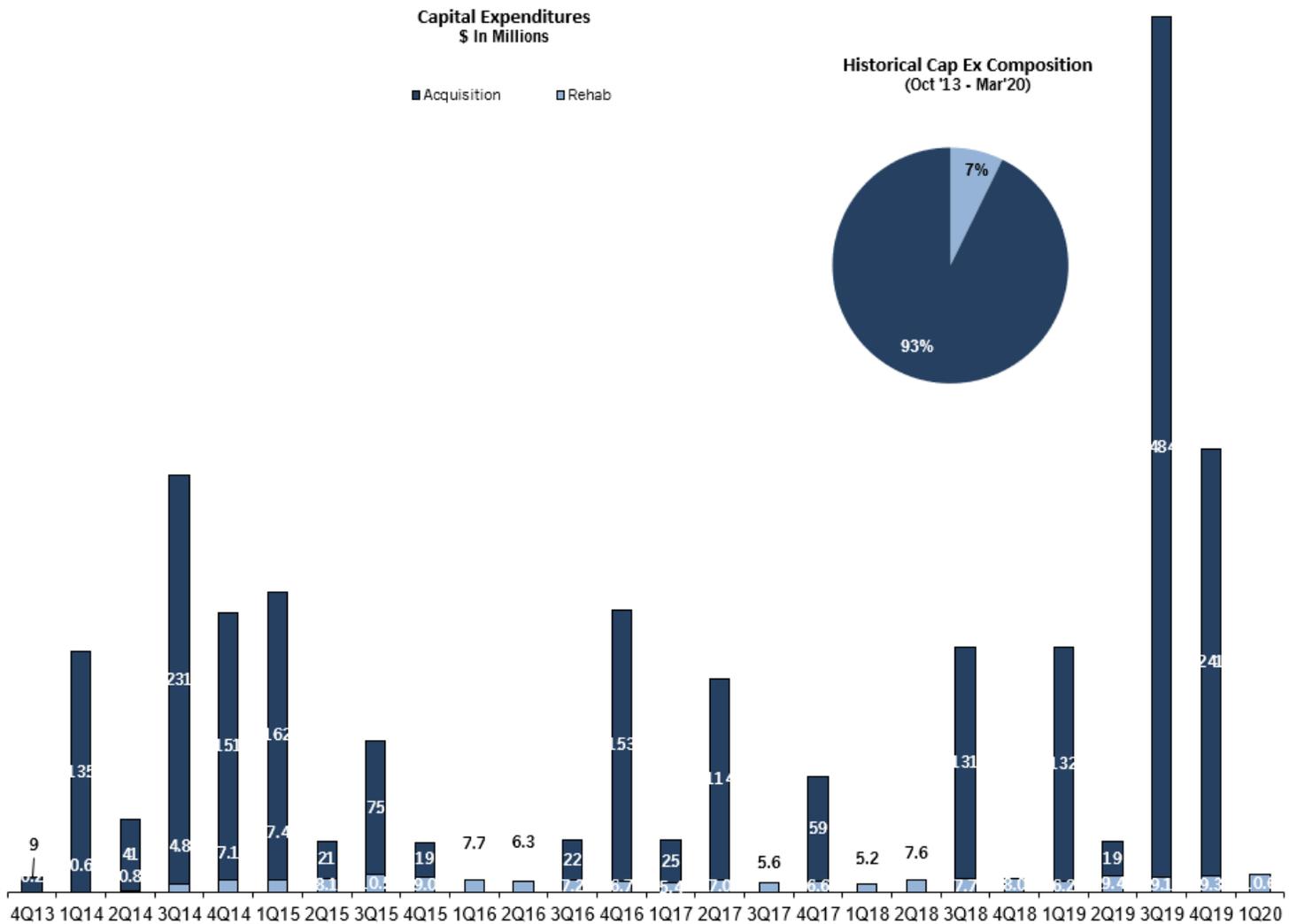
	For the Three Months Ended March 31,		% Change (1)
	2020	2019	
Net income (loss)	\$ 28,039	\$ (4,373)	N/M
Depreciation and amortization	23,338	15,398	N/M
Gain on sales of real estate	(38,972)	—	0.0%
Adjustment for noncontrolling interests	(37)	(33)	12.1%
FFO attributable to common stockholders	12,368	10,992	12.5%
FFO per share - basic	\$ 0.49	\$ 0.47	4.4%
FFO per share - diluted	\$ 0.48	\$ 0.46	4.7%
Loss on extinguishment of debt and modification costs	874	—	0.0%
Casualty-related expenses	60	35	N/M
Casualty gains	(51)	—	0.0%
Amortization of deferred financing costs - acquisition term notes	349	—	0.0%
Adjustment for noncontrolling interests	(4)	—	0.0%
Core FFO attributable to common stockholders	13,596	11,027	23.3%
Core FFO per share - basic	\$ 0.54	\$ 0.47	14.4%
Core FFO per share - diluted	\$ 0.53	\$ 0.46	14.7%
Amortization of deferred financing costs - long term debt	386	432	-10.6%
Equity-based compensation expense	1,300	1,235	5.3%
Adjustment for noncontrolling interests	(5)	(5)	0.0%
AFFO attributable to common stockholders	15,277	12,689	20.4%
AFFO per share - basic	\$ 0.60	\$ 0.54	11.7%
AFFO per share - diluted	\$ 0.59	\$ 0.53	12.0%
Weighted average common shares outstanding - basic	25,388	23,550	7.8%
Weighted average common shares outstanding - diluted	25,851	24,044	7.5%
Dividends declared per common share	\$ 0.3125	\$ 0.275	14%
FFO Coverage - diluted	(2) 1.53x	1.66x	-7.91%
Core FFO Coverage - diluted	(2) 1.68x	1.67x	0.92%
AFFO Coverage - diluted	(2) 1.89x	1.92x	-1.46%

(1) Represents the percentage change for the three months ended March 31, 2020 compared to the three months ended March 31, 2019.

(2) Indicates coverage ratio of FFO/Core FFO/AFFO per common share (diluted) over dividends declared per common share during the period.

Historical Capital Expenditures

	Q1 2020	Q1 2019	% Change
(\$ in thousands)			
Capital Expenditures			
Acquisition Capital Expenditures	\$ —	\$ 132,100	0.0%
Capitalized Rehab Expenditures			
Interior	2,358	2,488	-5.2%
Exterior and common area	5,619	1,785	214.8%
Capitalized Maintenance Expenditures			
Recurring	1,444	1,081	33.6%
Non-Recurring	1,218	864	41.0%
Total Capital Expenditures	\$ 10,639	\$ 138,318	92.3%



Value-Add Program Details

Property Name (1)	Units	Rehab Units Completed (2)	Average Rent Pre-Rehab	Average Rent Post-Rehab	Avg. Rehab Cost Per Unit (3)	Post-Rehab Rent Change %	ROI (3)
Value-Add Programs In Progress							
Arbors of Brentwood	346	86	1,109	1,159	807	4.5%	74.0%
Arbors on Forest Ridge	210	252	811	889	3,098	9.6%	30.1%
Atera Apartments	380	198	1,130	1,275	3,051	12.8%	57.1%
Avant at Pembroke Pines	1,520	25	1,434	1,658	7,720	15.6%	34.8%
Beechwood Terrace	300	322	867	957	4,542	10.4%	23.6%
Bella Solara	320	4	960	1,135	5,366	18.2%	39.1%
Bella Vista	248	43	1,178	1,327	10,792	12.6%	16.5%
Bloom	528	4	N/A	N/A	N/A	N/A	N/A
Brandywine I & II	632	111	954	1,111	8,929	16.5%	21.0%
Cedar Pointe	210	115	983	1,119	4,751	13.8%	34.3%
Courtney Cove	324	158	815	918	4,869	12.6%	25.4%
Crestmont Reserve	242	105	825	932	6,218	13.0%	20.6%
Cutter's Point	—	216	1,004	1,100	4,428	9.6%	26.1%
Eagle Crest	447	161	851	911	1,939	7.1%	37.4%
Hollister Place	260	382	935	1,048	4,413	12.1%	30.7%
Madera Point	256	201	807	906	3,974	12.3%	29.8%
Parc500	217	148	1,157	1,334	14,648	15.3%	14.5%
Radbourne Lake	225	298	996	1,041	929	4.5%	58.5%
Residences at Glenview Reserve	360	12	960	1,106	9,914	15.2%	17.7%
Residences at West Place	342	44	1,195	1,305	4,944	9.2%	26.8%
Rockledge Apartments	708	521	1,161	1,286	6,420	10.8%	23.4%
Sabal Palm at Lake Buena Vista	400	234	1,136	1,221	599	7.5%	171.8%
Seasons 704 Apartments	222	157	1,035	1,134	5,884	9.6%	20.2%
Silverbrook	642	659	818	885	2,794	8.2%	28.8%
Summers Landing	196	50	955	1,014	1,216	6.2%	57.9%
Summit at Sabal Park	252	326	886	966	4,197	9.0%	22.8%
The Cornerstone	430	306	926	1,016	5,443	9.7%	19.8%
The Enclave	204	38	1,220	1,366	9,814	12.0%	17.9%
The Heritage	204	39	1,132	1,277	11,405	12.8%	15.2%
The Preserve at Terrell Mill	752	497	785	929	9,252	18.3%	18.7%
The Venue on Camelback	415	116	661	917	10,667	38.7%	28.8%
Timber Creek	352	239	890	1,003	5,848	12.7%	23.0%
Torreyana Apartments	315	4	1,215	1,340	10,178	10.3%	14.7%
Venue at 8651	333	389	841	924	4,579	9.9%	21.6%
Versailles	388	454	820	896	4,148	9.3%	22.1%
Total/Weighted Average	13,180	6,914	\$ 918	\$ 1,020	\$ 4,956	11.1%	24.6%

Planned Value-Add Programs	Projected Avg. Rent				Rent Change & ROI (Projections)		
	Units	Rehab Units Completed	Average Rent Pre-Rehab	Average Rent Post-Rehab	Avg. Rehab Cost Per Unit	ROI	
Old Farm	734	—	\$ 1,226	\$ 1,316	TBD	7.3%	TBD
Stone Creek at Old Farm	190	—	1,261	1,305	TBD	3.5%	TBD
Total/Weighted Average Planned	924	—	\$ 1,233	\$ 1,314	TBD	6.6%	TBD

- (1) We do not plan to upgrade 100% of the units at each of our properties.
- (2) Inclusive of all full and partial interior upgrades completed through March 31, 2020.
- (3) Inclusive of all full and partial interior upgrades completed and leased through March 31, 2020.
- (4) Properties were classified as held for sale as of March 31, 2020.

Outstanding Debt Details

Mortgage Debt

The following table contains summary information concerning the mortgage debt of the Company as of March 31, 2020 (dollars in thousands):

Operating Properties	Type	Term (months)	Outstanding Principal (1)	Interest Rate (2)	Maturity Date
Arbors on Forest Ridge	Floating	84	\$ 13,130	2.67%	7/1/2024
Cutter's Point	Floating	84	16,640	2.67%	7/1/2024
Eagle Crest	Floating	84	29,510	2.67%	7/1/2024
Silverbrook	Floating	84	30,590	2.67%	7/1/2024
Beechwood Terrace	Floating	84	23,365	2.43%	9/1/2025
The Summit at Sabal Park	Floating	84	13,560	2.61%	7/1/2024
Courtney Cove	Floating	84	13,680	2.61%	7/1/2024
The Preserve at Terrell Mill	Floating	84	42,480	2.61%	7/1/2024
Versailles	Floating	84	23,880	2.61%	7/1/2024
Seasons 704 Apartments	Floating	84	17,460	2.61%	7/1/2024
Madera Point	Floating	84	15,150	2.61%	7/1/2024
Venue at 8651	Floating	84	13,734	2.77%	7/1/2024
The Venue on Camelback	Floating	84	28,093	2.67%	7/1/2024
Old Farm	Floating	84	52,886	2.67%	7/1/2024
Stone Creek at Old Farm	Floating	84	15,274	2.67%	7/1/2024
Timber Creek	Floating	84	24,100	2.25%	10/1/2025
Radbourne Lake	Floating	84	20,000	2.28%	10/1/2025
Sabal Palm at Lake Buena Vista	Floating	84	42,100	2.29%	9/1/2025
Cornerstone	Fixed	120	21,654	4.24%	3/1/2023
Parc500	Fixed	120	15,154	4.49%	8/1/2025
Hollister Place	Floating	84	14,811	2.33%	10/1/2025
Rockledge Apartments	Floating	84	68,100	2.56%	7/1/2024
Atera Apartments	Floating	84	29,500	2.47%	11/1/2024
Cedar Pointe	Floating	84	17,300	2.34%	9/1/2025
Crestmont Reserve	Floating	84	12,061	2.17%	10/1/2025
Brandywine I & II	Floating	84	43,835	2.17%	10/1/2025
Bella Vista	Floating	84	29,040	2.31%	2/1/2026
The Enclave	Floating	84	25,322	2.31%	2/1/2026
The Heritage	Floating	84	24,625	2.31%	2/1/2026
Summers Landing	Floating	84	10,109	2.17%	10/1/2025
Residences at Glenview Reserve	Floating	84	26,560	2.43%	10/1/2025
Residences at West Place	Fixed	120	33,817	4.24%	10/1/2028
Avant at Pembroke Pines	Floating	84	177,100	2.42%	9/1/2026
Arbors of Brentwood	Floating	84	34,237	2.42%	10/1/2026
Torreyana Apartments	Floating	84	37,400	2.69%	12/1/2026
Bloom	Floating	84	58,850	2.69%	12/1/2026
Bella Solara	Floating	84	36,576	2.69%	12/1/2026
			\$ 1,151,683		
Fair market value adjustment			1,413		
Deferred financing costs, net of accumulated amortization of \$2,867			(7,588)		
			\$ 1,145,508		

- (1) Mortgage debt that is non-recourse to the Company and encumbers the multifamily properties.
- (2) Interest rate is based on one-month LIBOR plus an applicable margin, except for fixed rate mortgage debt. One-month LIBOR as of March 31, 2020 was 0.9929%.

Credit Facility

The following table contains summary information concerning the Company's credit facility as of March 31, 2020 (dollars in thousands):

	Type	Term (months)	Outstanding Principal	Interest Rate (1)	Maturity Date
Corporate Credit Facility	Floating	24	\$ 41,700	3.24%	1/28/2021
Corporate Credit Facility	Floating	24	19,000	3.27%	1/28/2021
Corporate Credit Facility	Floating	24	18,300	3.05%	1/28/2021
Corporate Credit Facility	Floating	24	111,000	3.17%	1/28/2021
Corporate Credit Facility	Floating	24	35,000	3.05%	1/28/2021
Deferred financing costs, net of accumulated amortization of \$902			(1,150)		
			<u>\$ 223,850</u>		

(1) Interest rate is based on one-month LIBOR plus an applicable margin. One-month LIBOR as of March 31, 2020 was 0.9929%.

Interest Rate Swap Agreements

As of March 31, 2020, the Company had the following outstanding interest rate swaps that were designated as cash flow hedges of interest rate risk (dollars in thousands):

Effective Date	Termination Date	Counterparty	Notional	Fixed Rate (1)
July 1, 2016	June 1, 2021	KeyBank	\$ 100,000	1.1055%
July 1, 2016	June 1, 2021	KeyBank	100,000	1.0210%
July 1, 2016	June 1, 2021	KeyBank	100,000	0.9000%
September 1, 2016	June 1, 2021	KeyBank	100,000	0.9560%
April 1, 2017	April 1, 2022	KeyBank	100,000	1.9570%
May 1, 2017	April 1, 2022	KeyBank	50,000	1.9610%
July 1, 2017	July 1, 2022	KeyBank	100,000	1.7820%
June 1, 2019	June 1, 2024	KeyBank	50,000	2.0020%
June 1, 2019	June 1, 2024	SunTrust	50,000	2.0020%
September 1, 2019	September 1, 2026	KeyBank	100,000	1.4620%
September 1, 2019	September 1, 2026	KeyBank	125,000	1.3020%
January 3, 2020	September 1, 2026	KeyBank	92,500	1.6090%
March 4, 2020	June 1, 2026	SunTrust	100,000	0.8200%
			<u>\$ 1,167,500</u>	<u>1.3792%(2)</u>

(1) The floating rate option for the interest rate swaps is one-month LIBOR. As of March 31, 2020, one-month LIBOR was 0.9929%.

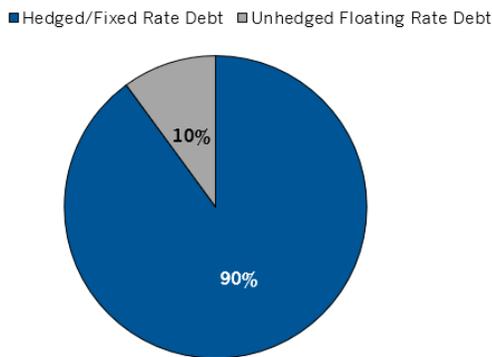
(2) Represents the weighted average fixed rate of the interest rate swaps.

Debt Maturity Schedule

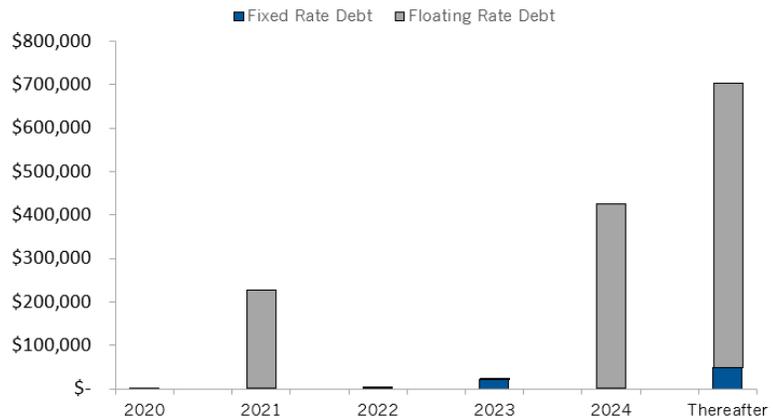
	Payments Due by Period (in thousands)						
	Total	2020	2021	2022	2023	2024	Thereafter
Operating Properties Mortgage Debt							
Principal payments	\$ 1,151,683	\$ 559	\$ 894	\$ 1,492	\$ 21,271	\$ 424,663	\$ 702,804
Interest expense (1)	181,982	26,389	34,989	33,428	31,897	25,771	29,508
Total	\$ 1,333,665	\$ 26,948	\$ 35,883	\$ 34,920	\$ 53,168	\$ 450,434	\$ 732,312
Credit Facility							
Principal payments (2)	\$ 225,000	\$ —	\$ 225,000	\$ —	\$ —	\$ —	\$ —
Interest expense	6,132	5,584	548	—	—	—	—
Total	\$ 231,132	\$ 5,584	\$ 225,548	\$ —	\$ —	\$ —	\$ —
Total contractual obligations and commitments	\$ 1,564,797	\$ 32,532	\$ 261,431	\$ 34,920	\$ 53,168	\$ 450,434	\$ 732,312

- Interest expense obligations includes the impact of expected settlements on interest rate swaps which have been entered into in order to fix the interest rate on the hedged portion of our floating rate debt obligations. As of March 31, 2020, we had entered into 13 interest rate swap transactions with a combined notional amount of \$1.2 billion. We have allocated the total impact of expected settlements on the \$1.2 billion notional amount of interest rate swaps to ‘Operating Properties Mortgage Debt.’ We used one-month LIBOR as of March 31, 2020 to determine our expected settlements through the terms of the interest rate swaps.
- The Company has the option to extend the maturity date of the Corporate Credit Facility to January 28, 2022, subject to satisfaction of certain extension conditions. As of March 31, 2020, the Company believes it was in compliance with each of the conditions required to be satisfied for extending the maturity date of the revolver.

Hedged Debt Composition (1)



Debt Maturity Schedule



- As of March 31, 2020, we had total indebtedness of \$1.4 billion at an adjusted weighted average interest rate of 3.05%, of which \$1.3 billion was debt with a floating interest rate. As of March 31, 2020, interest rate swap agreements effectively covered 100% of our \$1.1 billion of floating rate mortgage debt outstanding and 38.4% of our \$225.0 million floating rate Credit Facility. For purposes of calculating the adjusted weighted average interest rate of the total indebtedness, we have included the weighted average fixed rate of 1.3792% for one-month LIBOR on the \$1.2 billion notional amount of interest rate swap agreements that we have entered into as of March 31, 2020, which effectively fix the interest rate on \$1.2 billion of our floating rate debt outstanding.

Historical Acquisition Details

(in thousands, except for unit and per unit amounts)

Property Name (1)	Location	Units	Transaction Date	Purchase Price	Rehab Budget (2)	Total Investment	Per Unit
Arbors on Forest Ridge	Bedford, TX	210	1/31/2014	\$12,805	\$1,449	\$14,254	\$67,876
Cutter's Point (3)	Richardson, TX	—	1/31/2014	15,845	1,379	17,224	N/A
Eagle Crest	Irving, TX	447	1/31/2014	27,325	1,120	28,445	63,635
Silverbrook	Grand Prairie, TX	642	1/31/2014	30,400	1,661	32,061	49,939
Beechwood Terrace	Antioch, TN	300	7/21/2014	21,400	1,815	23,215	77,383
The Summit at Sabal Park	Tampa, FL	252	8/20/2014	19,050	1,656	20,706	82,167
Courtney Cove	Tampa, FL	324	8/20/2014	18,950	1,691	20,641	63,707
Radbourne Lake	Charlotte, NC	225	9/30/2014	24,250	1,438	25,688	114,169
Timber Creek	Charlotte, NC	352	9/30/2014	22,750	4,334	27,084	76,943
Sabal Palm at Lake Buena Vista	Orlando, FL	400	11/5/2014	49,500	1,346	50,846	127,115
Cornerstone	Orlando, FL	430	1/15/2015	31,550	2,662	34,212	79,563
The Preserve at Terrell Mill	Marietta, GA	752	2/6/2015	58,000	6,688	64,688	86,021
Versailles	Dallas, TX	388	2/26/2015	26,165	3,917	30,082	77,531
Seasons 704 Apartments	West Palm Beach, FL	222	4/15/2015	21,000	1,900	22,900	103,153
Madera Point	Mesa, AZ	256	8/5/2015	22,525	1,808	24,333	95,051
Venue at 8651	Fort Worth, TX	333	10/30/2015	19,250	4,592	23,842	71,598
Parc500	West Palm Beach, FL	217	7/27/2016	22,421	5,082	27,503	126,742
The Venue on Camelback	Phoenix, AZ	415	10/11/2016	44,600	6,018	50,618	121,971
Old Farm	Houston, TX	734	12/29/2016	84,721	1,135	85,856	116,970
Stone Creek at Old Farm	Houston, TX	190	12/29/2016	23,332	456	23,788	125,200
Hollister Place	Houston, TX	260	2/1/2017	24,500	2,952	27,452	105,585
Rockledge Apartments	Marietta, GA	708	6/30/2017	113,500	7,685	121,185	171,165
Atera Apartments	Dallas, TX	380	10/25/2017	59,200	3,721	62,921	165,582
Cedar Pointe	Antioch, TN	210	8/24/2018	26,500	2,252	28,752	136,914
Crestmont Reserve	Dallas, TX	242	9/26/2018	24,680	2,797	27,477	113,541
Brandywine I & II	Nashville, TN	632	9/26/2018	79,800	7,762	87,562	138,547
Bella Vista	Phoenix, AZ	248	1/28/2019	48,400	3,414	51,814	208,927
The Enclave	Tempe, AZ	204	1/28/2019	41,800	2,608	44,408	217,686
The Heritage	Phoenix, AZ	204	1/28/2019	41,900	2,660	44,560	218,431
Summers Landing	Fort Worth, TX	196	6/7/2019	19,396	2,980	22,376	114,163
Residences at Glenview Reserve	Nashville, TN	360	7/17/2019	45,000	5,695	50,695	140,819
Residences at West Place	Orlando, FL	342	7/17/2019	55,000	4,129	59,129	172,892
Avant at Pembroke Pines	Pembroke Pines, FL	1,520	8/30/2019	322,000	32,583	354,583	233,278
Arbors of Brentwood	Nashville, TN	346	9/10/2019	62,250	4,248	66,498	192,191
Torreyana Apartments	Las Vegas, NV	315	11/22/2019	68,000	2,771	70,771	224,670
Bloom	Las Vegas, NV	528	11/22/2019	106,500	4,786	111,286	210,769
Bella Solara	Las Vegas, NV	320	11/22/2019	66,500	3,642	70,142	219,194
Total/Weighted Average		14,104		\$1,800,765	\$148,832	\$1,949,597	\$138,230

(1) Only includes properties owned as of March 31, 2020.

(2) Includes interior and exterior rehab.

(3) All 196 units at Cutter's Point are currently not operating, and are therefore excluded from the unit count.

Historical Disposition Details

(in thousands, except unit and per unit amounts)

<u>Property Name</u>	<u>Location</u>	<u>Units</u>	<u>Purchase Price</u>	<u>Sale Price</u>	<u>Per Unit</u>	<u>Sale Date</u>	<u>Net Cash Proceeds (1)</u>	<u>Gain on Sale</u>
Meridian	Austin, TX	200	\$ 12,300	\$ 17,250	\$ 86,250	5/10/2016	\$ 16,981	\$ 4,786
Park at Regency and Mandarin Reserve	Jacksonville, FL	679	34,500	47,000	69,219	6/6/2016	46,239	11,584
Park at Blanding and Colonial Forest	Jacksonville, FL	291	12,000	14,500	49,828	8/31/2016	14,259	2,007
Willowdale Crossings	Frederick, MD	432	41,000	45,200	104,630	9/15/2016	44,439	5,576
Jade Park	Dayton Beach, FL	144	7,800	10,000	69,444	9/30/2016	9,868	1,979
The Miramar Apartments	Dallas, TX	314	8,875	16,550	52,707	4/3/2017	16,326	6,368
Toscana	Dallas, TX	192	8,875	13,250	69,010	4/3/2017	13,040	4,283
The Grove at Alban	Frederick, MD	290	23,050	27,500	94,828	4/3/2017	27,021	4,514
Twelve 6 Ten at the Park	Dallas, TX	402	20,984	26,600	66,169	4/27/2017	26,349	4,731
Regatta Bay	Seabrook, TX	240	18,200	28,200	117,500	7/14/2017	27,670	10,423
NAVA Portfolio (2)	Atlanta, GA	1,100	66,200	116,000	105,455	9/27/2017	114,010	48,046
Timberglenn	Dallas, TX	304	16,950	30,000	98,684	1/31/2018	29,553	13,742
Edgewater at Sandy Springs	Atlanta, GA	760	58,000	101,250	133,224	8/28/2019	100,219	47,329
Belmont at Duck Creek	Garland, TX	240	18,525	29,500	122,917	8/28/2019	29,148	11,985
The Ashlar	Dallas, TX	264	16,235	29,400	111,364	8/28/2019	29,050	13,205
Heatherstone	Dallas, TX	152	9,450	16,275	107,072	8/28/2019	16,054	6,368
The Pointe at the Foothills	Mesa, AZ	528	52,275	85,400	161,742	8/28/2019	84,663	37,925
Abbingtion Heights	Antioch, TN	274	17,900	28,050	102,372	8/30/2019	27,630	10,888
Southpoint Reserve at Stoney Creek	Fredericksburg, Virginia	156	17,000	23,500	150,641	3/20/2020	23,176	5,469
Willow Grove	Nashville, Tennessee	244	13,750	31,300	128,279	3/26/2020	31,005	17,513
Woodbridge	Nashville, Tennessee	220	16,000	31,700	144,091	3/26/2020	31,237	15,990
Total/Weighted Average		7,426	\$ 489,869	\$ 768,425	\$ 103,478		\$ 757,937	\$ 284,711

(1) Represents sales price, net of closing costs.

(2) The NAVA Portfolio consists of The Arbors, The Crossings, The Crossings at Holcomb Bridge and The Knolls.

Definitions and Reconciliations of Non-GAAP Measures

Definitions

This presentation contains non-GAAP financial measures. A “non-GAAP financial measure” is defined as a numerical measure of a company’s financial performance that excludes or includes amounts so as to be different than the most directly comparable measure calculated and presented in accordance with GAAP in the statements of income, balance sheets or statements of cash flows of the Company. The non-GAAP financial measures used within this presentation are net operating income (“NOI”), funds from operations attributable to common stockholders (“FFO”), FFO per diluted share, Core FFO, Core FFO per diluted share, adjusted FFO (“AFFO”), AFFO per diluted share and net debt.

NOI is used by investors and our management to evaluate and compare the performance of our properties to other comparable properties, to determine trends in earnings and to compute the fair value of our properties. NOI is calculated by adjusting net income (loss) to add back (1) the cost of funds, (2) acquisition costs, (3) advisory and administrative fees, (4) the impact of depreciation and amortization expenses as well as gains or losses from the sale of operating real estate assets that are included in net income computed in accordance with GAAP, (5) corporate general and administrative expenses, (6) other gains and losses that are specific to us, (7) casualty-related expenses/(recoveries) and casualty gain (loss), and (8) property general and administrative expenses that are not reflective of the continuing operations of the properties or are incurred on behalf of the Company at the property for expenses such as legal, professional and franchise tax fees. We define “Same Store NOI” as NOI for our properties that are comparable between periods. We view Same Store NOI as an important measure of the operating performance of our properties because it allows us to compare operating results of properties owned for the entirety of the current and comparable periods and therefore eliminates variations caused by acquisitions or dispositions during the periods.

FFO is defined by the National Association of Real Estate Investment Trusts (“NAREIT”), as net income (loss) computed in accordance with GAAP, excluding gains or losses from real estate dispositions, plus real estate depreciation and amortization. We compute FFO in accordance with NAREIT’s definition. Our presentation differs slightly in that we begin with net income (loss) before adjusting for amounts attributable to redeemable noncontrolling interests in the OP and we show the combined amounts attributable to such noncontrolling interests as an adjustment to arrive at FFO attributable to common stockholders.

Core FFO makes certain adjustments to FFO, which are either not likely to occur on a regular basis or are otherwise not representative of the ongoing operating performance of our Portfolio. Core FFO adjusts FFO to remove items such as losses on extinguishment of debt and modification costs (includes prepayment penalties and defeasance costs incurred and the write-off of unamortized deferred financing costs and fair market value adjustments of assumed debt related to the retirement of debt and costs incurred in connection with a debt modification that are expensed), casualty-related expenses, casualty gains or losses, the amortization of deferred financing costs incurred in connection with obtaining short-term debt financing and the noncontrolling interests related to these items.

AFFO makes certain adjustments to Core FFO. There is no industry standard definition of AFFO and practice is divergent across the industry. AFFO adjusts Core FFO to remove items such as equity-based compensation expense and the amortization of deferred financing costs incurred in connection with obtaining long-term debt financing, and the noncontrolling interests related to these items.

Net debt is calculated by subtracting cash and cash equivalents and restricted cash held for value-add upgrades and green improvements from total debt outstanding.

We believe that the use of NOI, FFO, Core FFO, AFFO and net debt, combined with the required GAAP presentations, improves the understanding of operating results and debt levels of real estate investment trusts (“REITs”) among investors and makes comparisons of operating results and debt levels among such companies more meaningful. While NOI, FFO, Core FFO, AFFO and net debt are relevant and widely used measures of operating performance and debt levels of REITs, they do not represent cash flows from operations, net income (loss) or total debt as defined by GAAP and should not be considered an alternative to those measures in evaluating our liquidity, operating performance and debt levels. NOI, FFO, Core FFO and AFFO do not purport to be indicative of cash available to fund our future cash requirements. We present net debt because we believe it provides our investors a better understanding of our leverage ratio. Net debt should not be considered an alternative to total debt, as we may not always be able to use our available cash to repay debt. Our computation of NOI, FFO, Core FFO, AFFO and net debt may not be comparable to NOI, FFO, Core FFO, AFFO and net debt reported by other REITs. For a more complete discussion of NOI, FFO, Core FFO and AFFO, see our most recent Annual Report on Form 10-K and our other filings with the SEC.

Reconciliations

NOI and Same Store NOI for the three months ended March 31, 2020 and 2019

The following table, which has not been adjusted for the effects of noncontrolling interests, reconciles NOI and our Q1 Same Store NOI for the three months ended March 31, 2020 and 2019 to net income (loss), the most directly comparable GAAP financial measure (in thousands):

	For the Three Months Ended March 31,	
	2020	2019
Net income (loss)	\$ 28,039	\$ (4,373)
Adjustments to reconcile net income (loss) to NOI:		
Advisory and administrative fees	1,865	1,850
Corporate general and administrative expenses	2,701	2,233
Casualty-related expenses	(1) 60	35
Casualty gains	(51)	—
Property general and administrative expenses	(2) 469	356
Depreciation and amortization	23,338	15,398
Interest expense	11,662	8,088
Loss on extinguishment of debt and modification costs	874	—
Gain on sales of real estate	(38,972)	—
NOI	<u>\$ 29,985</u>	<u>\$ 23,587</u>
Less Non-Same Store		
Revenues	(20,782)	(11,290)
Operating expenses	8,644	4,609
Same Store NOI	<u>\$ 17,847</u>	<u>\$ 16,906</u>

- (1) Adjustment to net income (loss) to exclude certain property operating expenses that are casualty-related expenses.
- (2) Adjustment to net income (loss) to exclude certain property general and administrative expenses that are not reflective of the continuing operations of the properties or are incurred on our behalf at the property for expenses such as legal, professional and franchise tax fees.

NOI and 2018-2019 Same Store NOI for the years ended December 31, 2019 and 2018, and NOI and Same Store NOI for the three months ended December 31, 2019

The following table, which has not been adjusted for the effects of noncontrolling interests, reconciles NOI and our 2018-2019 Same Store NOI for the years ended December 31, 2019 and 2018, and NOI and our Same Store NOI for the three months ended December 31, 2019 to net income (loss), the most directly comparable GAAP financial measure (in thousands):

	For the Year Ended December 31,		For the Three Months Ended December 31,
	2019	2018	2019
Net income (loss)	\$ 99,438	\$ (1,614)	\$ (13,306)
Adjustments to reconcile net income (loss) to NOI:			
Advisory and administrative fees	7,500	7,474	1,887
Corporate general and administrative expenses	9,613	7,808	2,300
Casualty-related recoveries	(1) (34)	(663)	(60)
Casualty losses	3,488	—	3,488
Miscellaneous income	(587)	—	(587)
Property general and administrative expenses	(2) 1,517	1,294	448
Depreciation and amortization	69,086	47,470	23,394
Interest expense	37,385	28,572	10,747
Loss on extinguishment of debt and modification costs	2,869	3,576	—
Gain on sales of real estate	(127,684)	(13,742)	16
NOI	<u>\$ 102,591</u>	<u>\$ 80,175</u>	<u>\$ 28,327</u>
Less Non-Same Store			
Revenues	(62,429)	(32,871)	(16,158)
Operating expenses	25,799	14,491	6,649
Same Store NOI	<u>(3) \$ 65,961</u>	<u>\$ 61,795</u>	<u>\$ 18,818</u>

NEXPOINT RESIDENTIAL TRUST, INC. [NYSE:NXRT]

- (1) Adjustment to net income (loss) to exclude certain property operating expenses that are casualty-related recoveries.
- (2) Adjustment to net income (loss) to exclude certain property general and administrative expenses that are not reflective of the continuing operations of the properties or are incurred on our behalf at the property for expenses such as legal, professional and franchise tax fees.
- (3) Our 2018-2019 and Q4 2019 same store pools consisted of 25 and 28 properties, respectively.

The following table reconciles our FFO, Core FFO and AFFO to our net income (loss) for the years ended December 31, 2019 and 2018, and for the three months ended March 31, 2020 (in thousands, except per share data):

	For the Year Ended December 31,		For the Three Months
	2019	2018	Ended March 31, 2020
Net income (loss)	\$ 99,438	\$ (1,614)	\$ 28,039
Depreciation and amortization	69,086	47,470	23,338
Gain on sales of real estate	(127,684)	(13,742)	(38,972)
Adjustment for noncontrolling interests	(122)	(96)	(37)
FFO attributable to common stockholders	<u>40,718</u>	<u>32,018</u>	<u>12,368</u>
FFO per share - diluted	<u>\$ 1.66</u>	<u>\$ 1.48</u>	<u>\$ 0.48</u>
Loss on extinguishment of debt and modification costs	2,869	3,576	874
Casualty-related expenses/(recoveries)	(34)	(663)	60
Casualty gain (loss)	3,488	—	(51)
Amortization of deferred financing costs - acquisition term notes	553	159	349
Adjustment for noncontrolling interests	(21)	(9)	(4)
Core FFO attributable to common stockholders	<u>47,573</u>	<u>35,081</u>	<u>13,596</u>
Core FFO per share - diluted	<u>\$ 1.93</u>	<u>\$ 1.62</u>	<u>\$ 0.53</u>
Amortization of deferred financing costs - long term debt	1,530	1,491	386
Equity-based compensation expense	5,130	4,198	1,300
Adjustment for noncontrolling interests	(20)	(17)	(5)
AFFO attributable to common stockholders	<u>54,213</u>	<u>40,753</u>	<u>15,277</u>
AFFO per share - diluted	<u>\$ 2.20</u>	<u>\$ 1.88</u>	<u>\$ 0.59</u>

Reconciliation of Debt to Net Debt

(dollar amounts in thousands)	Q1 2020	Q1 2019
Total mortgage debt	\$ 1,151,683	\$ 924,463
Credit facilities	225,000	52,500
Adjustments to arrive at net debt:		
Cash and cash equivalents	(69,540)	(20,536)
Restricted cash held for value-add upgrades and green improvements	(15,356)	(8,863)
Net Debt	<u>\$ 1,291,787</u>	<u>\$ 947,564</u>
Enterprise Value (1)	\$ 1,918,787	\$ 1,853,564
Leverage Ratio	67%	51%

- (1) Enterprise Value is calculated as Market Capitalization plus Net Debt.

Reconciliation of 2020 Adjusted NOI Estimate

The following table, which has not been adjusted for the effects of noncontrolling interests, reconciles our adjusted NOI estimate to estimated net income (the most directly comparable GAAP financial measure) for the periods presented below (in thousands):

	For the Year Ended December 31, 2020	
Net income	\$	5,969
Adjustments to reconcile net gain to NOI:		
Advisory and administrative fees		7,500
Corporate general and administrative expenses		9,932
Property general and administrative expenses	(1)	1,500
Depreciation and amortization		85,000
Gain on Dispositions		(38,972)
Total Loss on Debt Extinguishment		874
Interest Expense		44,697
NOI	\$	<u>116,500</u>

- (1) Adjustment to net income to exclude certain property general and administrative expenses that are not reflective of the continuing operations of the properties or are incurred on our behalf at the property for expenses such as legal, professional and franchise tax fees.