Brookfield

Brookfield Real Estate Income Trust Inc.

8.2%
TOTAL RETURN SINCE INCEPTION FOR CLASS I[1]

97%
PORTFOLIO OCCUPANCY

6.3%
DISTRIBUTION RATE FOR CLASS I[2]

As we entered 2024, we observed the property investment market beginning to thaw, and our pipeline of opportunities to deploy capital in real estate equity began to grow for the first time in more than 18 months.

Transaction activity is now beginning to materialize – we have started to see opportunities to acquire high-quality assets at attractive pricing from motivated sellers. For instance, in the rental housing sector:

- In April, we closed on the acquisition of Cannondale Court, a portfolio of 89 newly built townhomes in Chattanooga, TN, for a purchase price of $25 million. This is a growing, low-vacancy market, the community is within walking distance of desirable retail, and several large corporate employers have recently added new jobs in the region – notably Volkswagen's recent hiring target of 1,000 new employees at their flagship U.S. electric vehicle plant.

- In a similar transaction to the above, we are under contract to acquire a portfolio of 92 recently developed single-family homes in Birmingham, AL, that are 95% leased. The community is located within one of the fastest growing and most desirable submarkets in Birmingham, a strategic market for Brookfield, where its single family rental (SFR) division – Maymont Homes – owns approximately 900 residences. The market carries low-supply and outsized population growth, and is proximate to numerous corporate employers that are growing in the region, such as the upcoming UAB Medical West Hospital development, which is expected to deliver this year (1,000+ jobs), and the $1.1 billion Smucker's facility, which is expected to deliver in 2025 (750+ jobs).

- We are also under contract to make our first investment in the student housing sub-sector via the acquisition of a high-rise urban student housing asset with over 700 beds at an attractive basis, well below replacement cost. This property benefits from strong supply/demand tailwinds due to lack of student housing inventory at the neighboring university, and enrollment growth that is forecasted to outpace supply growth over the next several years. We expect this transaction to close in the second quarter.

- In addition to finding opportunities like these in the rental housing sector, we're looking at new opportunities to add to our logistics portfolio, and are hopeful to expand into new sectors, including needs-based retail, life sciences, and self-storage.

While persistent uncertainty around inflation and interest rates has continued to be a headwind to property values, real estate fundamentals in the United States continue to display signs of strength, demand in most sectors remains high, and supply is largely in check.

In rental housing, the pervasive challenges in home ownership affordability in the United States continue to keep potential would-be homebuyers on the sidelines – supporting continued demand and growth in the rental housing sector. Mortgage rates, which began to decline late last year, spiked in Q1 2024, and it is now more expensive to own a residence than rent one in each of the top 50 U.S. metropolitan areas. And by a significant amount – on average more than $1,000 per month. According to data from the National Association of Realtors, the national median home price as of the end of 2023 was $391,700, requiring an annual salary of more than $109,000 to make the mortgage payment on a traditional 30-year fixed-rate mortgage. According to the U.S. Bureau of Labor, the average U.S. annual salary in Q4 of 2023 was just $59,384.

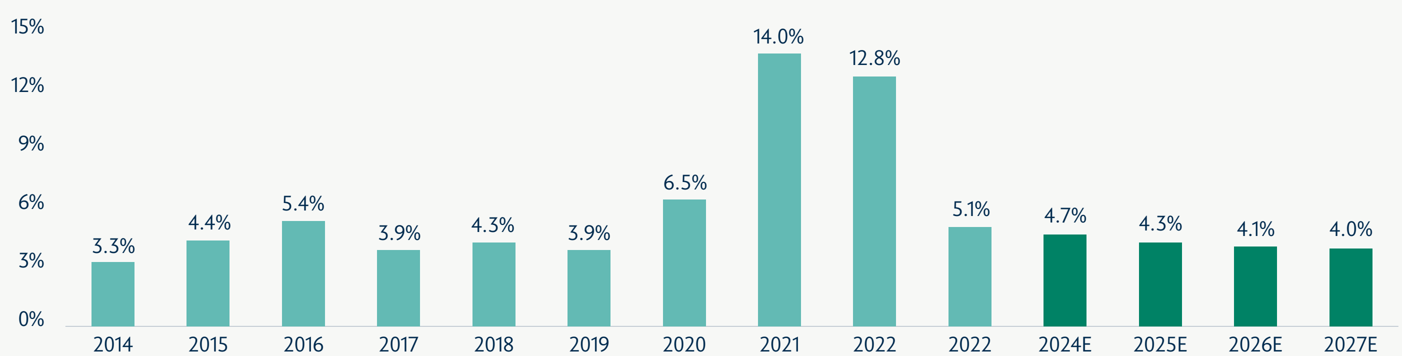
Meanwhile, saving for a down payment, which has always been a challenge for would-be homeowners, is now even more of a struggle. Because home prices appreciated rapidly over the past four years, the average down payment is now 50% higher.

Average 10% Down Payment in Top Single Family Rental Markets

Source: Green Street

Single family rental housing – which for many Americans is a sufficient or even preferable alternate to owning a home – is particularly poised for further growth in the United States. It is estimated that the SFR sector revenues will grow between 4-5% for each of the next four years.

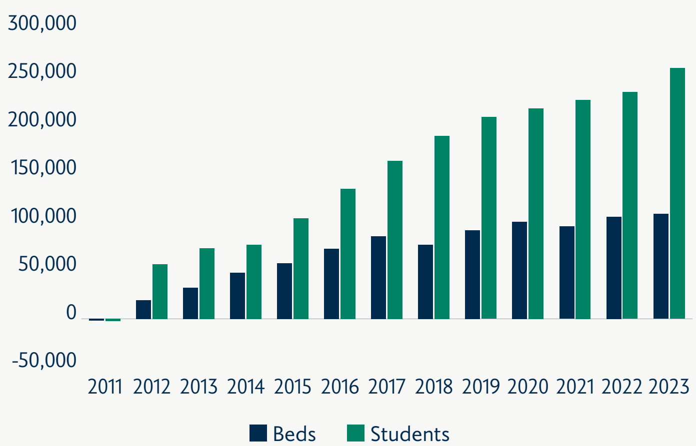
Estimated Revenue Growth for Single-Family Rental Housing



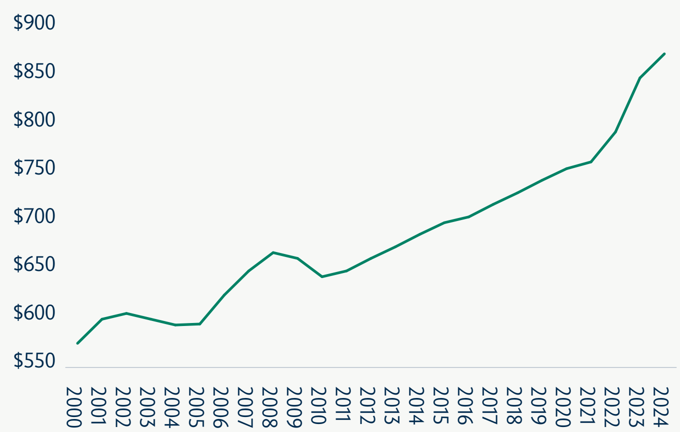
Source: Represented by revenue per available foot growth, which combines rent and occupancy, from Green Street, as of January 2024. There is no assurance that such events or projections will occur, and actual outcomes may be significantly different than those shown here.

Student housing has recently seen an unprecedented level of demand over the past decade in the United States, with available beds trailing college student enrollment for more than a decade. This supply-demand imbalance has created a tailwind for rental growth that has not shown signs of abating.

Cumulative change in beds and students at >70 large public universities



National average per-bed asking rent in off-campus student apartments



Source: Wall Street Journal analysis of Education Department data, March 2024 (LHS), CoStar as of March 2024 (RHS).

For nearly two years, the best risk-adjusted returns presented to us came in real estate credit, during which time our NAV in the credit portfolio grew to approximately 30% of our total portfolio. But we now have property investment opportunities in our pipeline that we believe have equal or better return profiles to those credit investments, and we are liquidating some of those credit positions to fund property investments. This is another example of how our flexible approach allows us to quickly pivot between real estate equity and credit, depending on the investment opportunity set in the marketplace.

We are optimistic that we are positioned to capitalize on the opportunities that present themselves to grow our portfolio this year, and provide attractive stable income and capital appreciation to our investors.

We thank you for your continued investment and support.

This communication is for stockholder use only and is not an offer to sell or a solicitation of an offer to buy any securities.

Total Returns as of March 31, 2024[1]

	YTD	1-Year	3-Year	Since Inception	Distribution Rate[2]
Class D No Sales Load	-2.16%	-6.75%	N/A	-4.43%	5.73%
Class D With Sales Load	-3.60%	-8.13%	N/A	-5.20%	5.73%
Class S No Sales Load	-2.62%	-8.16%	6.61%	7.11%	5.17%
Class S With Sales Load	-5.91%	-11.27%	5.39%	6.26%	5.17%
Class I	-2.37%	-7.29%	7.35%	8.18%	5.98%

Past performance is historical and not a guarantee of future results.

[1] Total Return is calculated as the percent change in the net asset value (NAV) per share from the beginning of the applicable period plus the amount of any net distribution per share declared in the period. Total return is not a measure used under GAAP in the United States. Returns greater than one year are annualized. All returns shown assume reinvestment of distributions pursuant to Brookfield REIT's distribution reinvestment plan, are derived from unaudited financial information, and are net of all Brookfield REIT expenses, including general and administrative expenses, transaction-related expenses, management fees, performance fees and share-class-specific fees, but exclude the impact of early repurchase deductions on the repurchase of shares that have been outstanding for less than one year. Past performance is historical and not a guarantee of future results. Class D and Class S shares listed as "With Sales Load" reflect the returns after the maximum up-front selling commission and dealer manager fees. Class D and Class S shares listed as "No Sales Load" exclude up-front selling commissions and dealer manager fees. The returns have been prepared using unaudited data and valuations of the underlying investments in the Brookfield REIT portfolio, which are estimates of fair value and form the basis for Brookfield REIT's NAV. Valuations based upon unaudited reports from the underlying investments may be subject to later adjustments, may not correspond to realized value, and may not accurately reflect the price at which assets could be liquidated. Please refer to Brookfield REIT's annual and quarterly reports filed with the SEC, which are available at BrookfieldREIT.com, for a full reconciliation of NAV to GAAP measures. For information on how Brookfield REIT calculates NAV, see the "Net Asset Value Calculation and Valuation Guidelines" section of Brookfield REIT's prospectus.

[2] Distribution Rate reflects the current month's distribution annualized and divided by the prior month's NAV. NAV-based calculations involve significant professional judgment. The calculated value of Brookfield REIT's assets and liabilities may differ from actual realizable value or future value, which would affect the NAV as well as any returns derived from that NAV, and ultimately the value of your investment. As return information is calculated based on NAV, return information presented will be impacted should the assumptions on which NAV was determined prove to be different. There is no assurance Brookfield REIT will pay distributions in any particular amount, if at all. Any distributions Brookfield REIT makes will be at the discretion of the Brookfield REIT board of directors. Brookfield REIT may fund any distributions from sources other than cash flow from operations, including, without limitation, the sale of assets, borrowings, return of capital or offering proceeds, and Brookfield REIT has no limits on the amounts Brookfield REIT may pay from such sources. Brookfield REIT cannot guarantee that it will make distributions. Brookfield REIT believes that the likelihood that it pays distributions from sources other than cash flow from operations will be higher in the early stages of the offering.

FORWARD-LOOKING STATEMENTS

Statements contained in this letter that are not historical facts are based on our current expectations, estimates, projections, opinions or beliefs. Such statements are not facts and involve known and unknown risks, uncertainties and other factors. Stockholders should not rely on these statements as if they were fact. Certain information contained in this letter constitutes "forward-looking statements," which can be identified by the use of forward-looking terminology such as "may," "will," "should," "expect," "anticipate," "project," "target," "estimate," "intend," "continue," "forecast" or "believe" or the negatives thereof or other variations thereon or other comparable terminology. Due to various risks and uncertainties, including those described in our annual and quarterly reports filed with the SEC, actual events or results or our actual performance may differ materially from those reflected or contemplated in such forward-looking statements.

No representation or warranty is made as to future performance or such forward-looking statements. In light of the significant uncertainties inherent in these forward-looking statements, the inclusion of this information should not be regarded as a representation by us or any other person or entity that our objectives and plans, which we consider to be reasonable, will be achieved. Stockholders should carefully review the "Risk Factors" section of our annual and quarterly reports filed with the SEC for a discussion of the risks and uncertainties that we believe are material to our business, operating results, prospects and financial condition. Except as otherwise required by federal securities laws, we do not undertake to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless required by law.

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