BLUEROCK™

BLUEROCK Residential Growth REIT™

Annual Report
2020

Bluerock Residential Growth REIT
is listed on the NYSE American

Ticker: ***BRG, BRGpA, BRGpC, BRGpD***

From the CEO

Dear Fellow Shareholders:

I begin this report with tremendous appreciation and thanks to our Bluerock team members, the business partners in our network and our service providers for their hard work, perseverance and professionalism during 2020. Despite the year's many challenges, every member of the BRG team stepped forward with great dedication, creativity and diligence, enabling BRG to perform very well on behalf of our investors.

A Strong Year for the REIT

The REIT posted very strong operational results in 2020. We are pleased to report that BRG's total shareholder return was the highest among our multifamily peers, validating our emphasis on class A, affordable, first ring suburban apartments in knowledge-economy markets outside of the major gateway cities, to which many knowledge-economy workers are gravitating. This proved to be a resilient strategy during the turbulent months of lockdown and beyond.

With good tailwinds supporting our approach, including favorable demographic trends and job growth in the knowledge-economy population, we have continued to expand the portfolio and attract a tenant base of educated, well-compensated, knowledge workers. We remain steadfast in our focus on tapping the accelerating employment trends occurring outside of the gateway markets and targeting the continually-expanding communities of renters by choice. All of these trends were identified as we established the REIT, and they continue to underlie our growth strategy. In particular, the de-urbanization sparked by the pandemic will likely continue, and could cause a more lasting transition into our core markets.

A Strategic Response to the Crisis… and the Recovery

BRG adjusted rapidly as we began to recognize the pending impact of COVID-19. In the early weeks of the crisis, we adjusted our focus to maintaining occupancy and sustaining a high level of rent collections. In select cases, we offered payment plans to tenants and adopted a more defensive posture as we faced the uncertainty that the pandemic brought with it. The approach proved successful, and we ended the year with portfolio occupancy of 95%, while maintaining an

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CEO's Letter Continued

average rent collection rate of 97% in the second half of the year. By maintaining this solid base, we were well positioned to re-initiate rent rate growth as we began to see more certainty. Our approach proved sound and we are, as of this writing, seeing strong rent rate growth. We expect our relative topline outperformance to continue.

We adopted a more conservative approach to our value creation/renovation program with the onset of the pandemic, slowing the pace of renovations during the most challenging weeks of COVID. Nonetheless, we delivered attractive returns on the 310 renovations completed, with an average ROI of 23% in 2020. We look forward to re-ramping our unit renovations and are on track to deliver approximately 500-1,000 unit renovations in 2021. We now have more than 4,300 identified units in our pipeline as renovation prospects, with similar estimated returns.

Notably, the pandemic also provided the impetus to accelerate several technology initiatives aimed at improving the tenant experience while enhancing operational efficiencies, driving both topline revenue growth and controllable expense savings. These include the rollout of virtual leasing, self- guided tours, on-line tenant servicing, and integration of smart thermostats and leak monitoring.

Portfolio Activity: $930MM in Transaction Volume

In terms of our portfolio activity, we slowed our investments temporarily during 2020 in light of the broader macroeconomic uncertainty, but remained proactive with regard to portfolio management.

Our disposition and reinvestment strategy focused on selling lower-growth assets at attractive cap rates and reinvesting the proceeds accretively into markets and assets with a higher growth profile and potential value-add opportunities. Despite a difficult environment, we were able to execute on approximately $930 million in transaction volume during the year. Dispositions totaled approximately $525 million across nine assets and we achieved very healthy pricing with cap rates averaging 4.0%. We continue to be active capital recyclers and maintain a robust pipeline of opportunities in due diligence which we expect to close and fund as the current year progresses.

We remain confident in our long-term strategy. Our performance in 2020 and in 2021 to date continues to validate both our investment thesis and the quality of our portfolio. With our robust partner network, established underwriting expertise and our foothold in the Southeast, Southwest, and Mountain West regions, BRG has a unique opportunity to continue capitalizing on favorable trends and delivering shareholder value over time.

2020 Performance

Despite the impact from the COVID-19 pandemic, we were able to deliver revenue, net operating income (NOI) and portfolio growth, coupled with disciplined capital allocation. We also returned capital to our common shareholders through a well-covered dividend. Our annualized $0.65 common stock dividend per share represents a 90% payout ratio based on Core Funds from Operations (CFFO). We also finished the year first among our multifamily peers in total shareholder return.

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CEO's Letter Continued

Our strategy in 2020 focused on the following key areas:

- **Core Operational Performance**

We remain focused on operational performance with an emphasis on same store growth. In 2020, our portfolio continued to perform at the top end of the multifamily sector with same store revenues and same store NOI improving 0.9% and 0.3%, respectively, over the prior year. On a total portfolio basis, we saw revenue and NOI growth as our portfolio continued to expand, with full year total revenues growing 4.7% to $220 million and property NOI growing 8.4% to $120 million. CFFO was $0.72 per share in 2020, compared to $0.82 per share in 2019 as our solid operating results were partially offset by a strategic decision to build up a significant cash cushion and slow our investment cadence in light of a more uncertain environment.

310 Value-Add Unit Upgrades

23% ROI

Property NOI

8.4%

Transaction Volume

$930M

- **Active Capital Recycling**

We have demonstrated an ability to make prudent disposition and reinvestment capital allocation decisions, and 2020 was no exception. We were active in pursuing opportunistic sales, which created tremendous value and provided forward growth capital. We also made selective, attractive investments in high-quality operating properties and high-yielding preferred equity and mezzanine loan transactions. During 2020 we:

- Disposed of nine investments for $525 million generating proceeds to BRG of over $182 million.
- Grew the portfolio by deploying over $193 million of equity. This included $173 million to acquire six well-located, highly amenitized properties with more than 1,800 units.
- Invested $67 million in preferred equity, mezzanine loan and ground lease transactions that provided additional funding for our existing deals as well as three new properties with more than 827 units.

At year-end, our total unit count was 17,862, up from 15,627 in 2019, and our property count was 59, up from 53. Total assets grew by 6% to over $2.4 billion. With a robust pipeline and strong liquidity, we are optimistic about our capital reinvestment prospects and our growth profile in the coming years.

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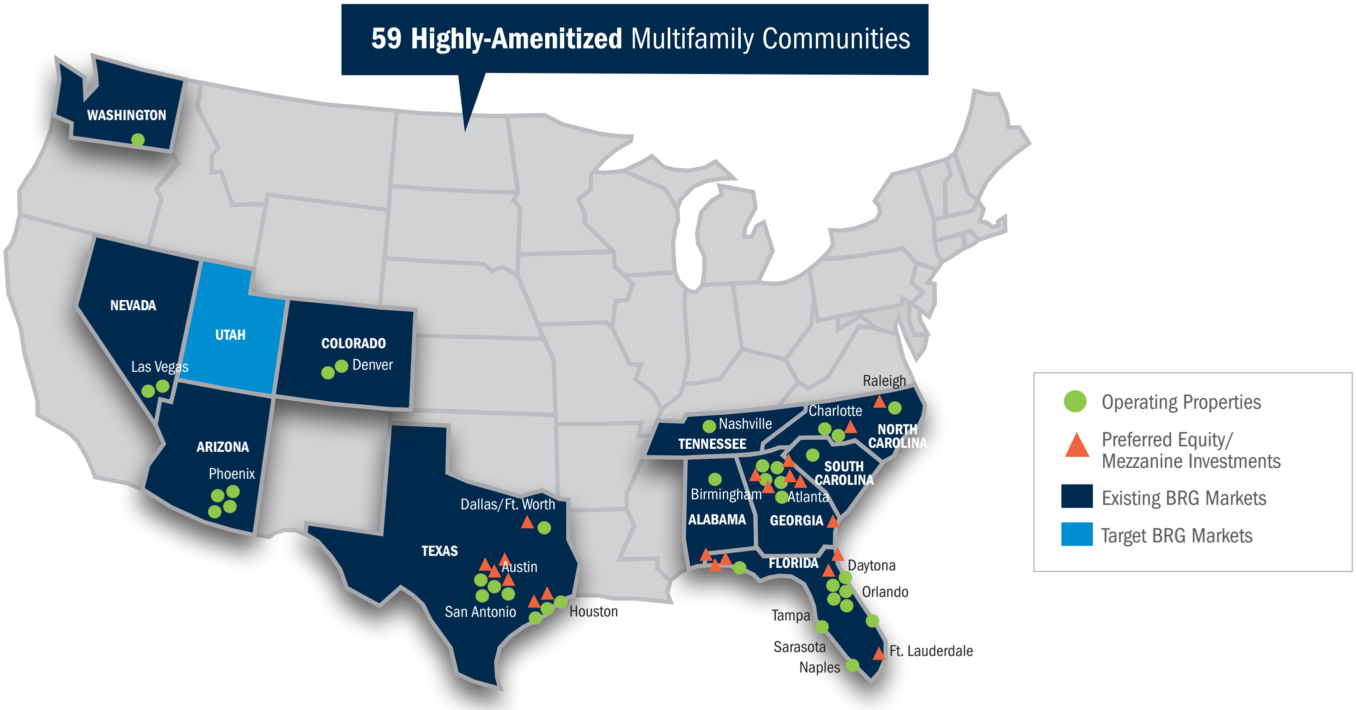
CEO's Letter Continued

Platform for Accretive Growth

The Bluerock platform provides BRG with truly differentiated benefits to achieve accretive growth not only through our ability to source acquisitions through our Bluerock network, but also through issuance of our unique, non-traded preferred shares. The REIT's non-traded preferred share issuance allows us to raise capital and grow accretively, decoupled from market volatility and the cyclicality of REIT equity pricing. Additionally, the non-traded preferred stock offering enables us to convert preferred shares into common stock after a two year lock-out period, at our option, at more favorable points in the REIT equity pricing cycle and at potentially more favorable future prices. In 2020, BRG raised $243 million of gross proceeds through our Series T preferred stock continuous offering. In addition, we redeemed $85 million of our 8.25% Series A redeemable preferred stock in the fourth quarter and redeemed the remaining $55 million in February 2021.



Commitment to Corporate Responsibility

We remain dedicated to our role as responsible corporate citizens. This includes a commitment to improving sustainability at our offices and our properties as well as engaging with our teams, our tenants and our partners in a manner that conveys both trust and respect.

Management and the full BRG organization remain strongly aligned with shareholders in our commitment to creating shareholder value. As of March 31, 2021, BRG management was the REIT's largest shareholder, owning approximately 30% of outstanding common shares and equivalents directly and through related entities.

Our commitment to good corporate stewardship took on new importance in 2020 as we navigated the challenges of COVID-

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CEO's Letter Continued

19 and the global conversations on race, inclusion, and diversity. Through months of remote working we, along with our partners, discovered new ways to manage both our people and our portfolios with the same empathy and integrity that have defined the Bluerock culture since its founding.

We approached these aims with multiple initiatives, many of which we expect will continue to serve us well as we all emerge from the pandemic.

- We enacted a swift, early, work from home protocol and workday flexibility program to protect our staff, ahead of government work-from-home mandates, and undertook no COVID-related layoffs, opting instead to preserve the seasoned and well-trained talent pool that has been key to our success. With the onset of 2021 we are expanding our staff to accommodate new growth.

- As residents at our properties coped with new, work from home restrictions, we shifted our energies to create environments that were not only COVID-safe, but also less isolating for residents in lockdown, reinforcing the positive lifestyle experience that defines our properties. In addition to strict sanitizing/distancing protocols we offered engaging, socially distanced events, from food trucks and outdoor concerts to charity drives and more. By the close of 2020, our communities were, on average, more than 95% occupied and our Google approval ratings had climbed to a strong average score of 3.9 portfolio-wide, confirming that we had, indeed, progressed on our commitment to providing the caring environment and safe shelter our residents needed as we weathered the crisis.

- We expanded mandatory sensitivity and human rights training to *all* employees, regardless of state mandates. We also planned the first company-wide, confidential engagement survey, launched in 2021, to make sure that every Bluerock employee has a chance to be heard, and that our management team has the insight to help our team members achieve their best potential. Finally, we launched a new, regular Town Hall meeting series with our CEO to provide an open Q&A forum for employees to raise concerns or ask questions and hear leadership's thinking on key issues.

In terms of environmental sustainability, we are very pleased to report that in 2020, 100% of our ground-up developments and more than 70% of our operating properties featured sustainable upgrades such as low flow plumbing, energy efficient appliances, LED lighting, bike racks, ride sharing, low VOC paints, or tenant recycling programs.

As we move through 2021 we are evaluating methodologies to evaluate energy consumption at the property level by collecting, analyzing, and better quantifying our energy use. We are also re-commencing installations of in-unit smart thermostats and leak detection devices to reduce energy and water consumption. The installations, which were delayed by the onset of the pandemic, are on track to be in place for more than 85% of our units before the end of this year. We look forward to sharing news of these initiatives as we progress.

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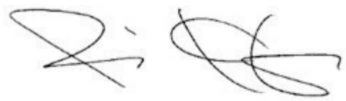
CEO's Letter Continued

With Gratitude

I wish to thank again the many team members and partners who contributed to this year's results. In the aftermath of 2020's challenges, I could not be more proud of their performance, and I am sincerely grateful for their tremendous efforts and unwavering commitment. We are also very grateful to our investors, and thank you for your ongoing support of Bluerock Residential Growth REIT. As we look ahead, we are confident in our positioning and believe that the quality of our multifamily portfolio, our differentiated investment strategy and partner network, and our unique access to capital will enable us to outperform in all parts of the cycle, creating continued, long-term shareholder value.

Sincerely,



Ramin Kamfar
Chairman of the Board and CEO
Bluerock Residential Growth REIT, Inc.

Select BRG Properties

Roswell City Walk

Location: Roswell, GA
Year Built: 2015
BRG Ownership: 98%

Alexan CityCentre

Location: Houston, TX
Year Built: 2017
Preferred Equity Investment

Park & Kingston

Location: Charlotte, NC
Year Built: 2015
BRG Ownership: 100%

Motif

Location: Fort Lauderdale, FL
Year Built: 2020
Mezzanine Loan Investment

Portfolio Detail

Portfolio as of 12/31/2020 - Consolidated Operating Properties

Acquired	Property Name	Location	Units	Occupancy
Oct 2016	ARIUM Glenridge	Atlanta, GA	480	95.4%
Nov 2014	ARIUM Grandewood	Orlando, FL	306	93.1%
Oct 2017	ARIUM Hunter's Creek	Orlando, FL	532	95.7%
Oct 2017	ARIUM Metrowest	Orlando, FL	510	93.9%
Jul 2016	ARIUM Westside	Atlanta, GA	336	94.3%
Nov 2018	Ashford Belmar	Lakewood, CO	512	96.5%
Jan 2020	Avenue 25	Phoenix, AZ	254	94.9%
Dec 2020	Carrington at Perimeter Park	Morrisville, NC	266	95.9%
Nov 2019	Chattahoochee Ridge	Atlanta, GA	358	96.6%
Aug 2020	Chevy Chase	Austin, TX	320	98.1%
Dec 2020	Cielo on Gilbert	Mesa, AZ	432	95.4%
Sept 2017	Citrus Tower	Orlando, FL	336	96.4%
Jul 2019	Denim	Scottsdale, AZ	645	96.6%
Dec 2020	Elan	Austin, TX	270	93.7%
Jun 2019	Element	Las Vegas, NV	200	97.5%
March 2020	Falls at Forsyth	Cumming, GA	356	95.5%
Jan 2016	Gulfshore Apartment Homes	Naples, FL	368	95.4%
Dec 2016	James on South First	Austin, TX	250	93.6%
Jun 2017	Marquis at The Cascades	Tyler, TX	582	96.0%
Dec 2019	Navigator Villas	Pasco, WA	176	94.9%
Oct 2017	Outlook at Greystone	Birmingham, AL	300	96.3%
Mar 2015	Park & Kingston (1)	Charlotte, NC	168	96.4%
Oct 2016	Pine Lakes Preserve	Port St. Lucie, FL	320	96.9%
Jun 2018	Plantation Park	Lake Jackson, TX	238	91.2%
Jun 2019	Providence Trail	Mount Juliet, TN	334	95.8%
Dec 2016	Roswell City Walk	Roswell, GA	320	94.4%
May 2018	Sands Parc	Daytona Beach, FL	264	95.8%
Nov 2016	The Brodie	Austin, TX	324	95.4%
Dec 2019	The District at Scottsdale	Scottsdale, AZ	332	91.3%
Mar 2018	The Links at Plum Creek	Castle Rock, CO	264	93.9%
Nov 2017	The Mills	Greenville, SC	304	96.4%
Mar 2016	The Preserve at Henderson Beach	Destin, FL	340	94.1%
Jan 2016	The Reserve at Palmer Ranch	Sarasota, FL	320	95.9%
Jul 2019	The Sanctuary	Las Vegas, NV	320	97.2%
Jul 2018	Veranda at Centerfield	Houston, TX	400	94.8%
Sept 2017	Villages at Cypress Creek	Houston, TX	384	94.8%
Mar 2017	Wesley Village	Charlotte, NC	301	95.7%
2020 Consolidated Operating Properties Subtotal:			**12,722**	**95.4%**

Portfolio as of 12/31/2020 - Mezzanine/Preferred/Ground Lease Investments

Jul 2014	Alexan CityCentre	Houston, TX	340	94.1%
Jan 2015	Alexan Southside Place	Houston, TX	270	93.0%
Sep 2020	Avondale Hills (2)	Decatur, GA	240	0.0%
Dec 2019	Belmont Crossing	Smyrna, GA	192	91.7%
Nov 2015	Domain at The One Forty	Garland, TX	299	92.6%
Dec 2020	Encore Chandler (2)	Chandler, AZ	208	0.0%
Mar 2020	Georgetown Crossing	Savannah, GA	168	88.7%
Dec 2020	Hunter's Pointe	Pensacola, FL	204	99.0%
Sep 2019	Mira Vista	Austin, TX	200	95.0%
Dec 2015	Motif (3)	Fort Lauderdale, FL	385	62.1%
Mar 2020	Park on the Square	Pensacola, FL	240	97.5%
Jul 2020	Reunion Apartments (2)	Orlando, FL	280	0.0%
Dec 2019	Sierra Terrace	Atlanta, GA	135	89.6%
Dec 2019	Sierra Village	Atlanta, GA	154	93.9%
May 2020	The Commons	Jacksonville, FL	328	93.9%
Oct 2018	The Conley, formerly North Creek Apartments (3)	Leander, TX	259	54.1%
Jan 2019	The Park at Chapel Hill (2)	Chapel Hill, NC	414	0.0%
Sep 2019	Thornton Flats	Austin, TX	104	88.5%

Continued on page 8

Portfolio Detail

Portfolio as of 12/31/2020 - Mezzanine/Preferred/Ground Lease Investments (continued...)

Dec 2016	Vickers Historic Roswell	Roswell, GA	79	96.2%
Oct 2020	Water's Edge	Pensacola, FL	184	99.5%
Nov 2018	Wayford at Concord, formerly Wayforth at Concord (5)	Concord, NC	150	80.7%
Mar 2020	Zoey (2)	Austin, TX	307	0.0%
2020 Mezzanine/Preferred/Ground Lease Investments Subtotal:			**5,140**	
2020 Total Portfolio:			**17,862**	

Portfolio: 2021 Acquisitions

Acquired	Property Name	Location	Units
Mar 2021	The Riley	Dallas, TX	262
Apr 2021	Peak Housing (4)	Various, TX	474
Apr 2021	Yauger Park	Olympia, WA	80
2021 Total:			**816**

(1) Park & Kingston includes the acquisition in Nov 2015 of Park & Kingston Phase II consisting of 15 units for a purchase price of $2.9 million.
(2) Property is under development as of December 31, 2020.
(3) Property is in lease-up as of December 31, 2020.
(4) Represents a preferred equity investment in the operating partnership of Peak Housing, a private REIT, which consists of 474 single-family homes located throughout Texas.

Property Operating Results (dollars in thousands)

	Year Ended December 31,		Change	
	2020	**2019**	**$**	**%**
Property Revenues				
Same Store	$142,199	$140,900	$ 1,299	0.9%
Non-Same Store	54,323	44,476	9,847	22.1%
Total property revenues	**$196,522**	**$185,375**	**$ 11,146**	6.0%
Property Expenses				
Same Store	$ 56,660	$ 55,598	$ 1,062	1.9%
Non-Same Store	19,641	18,851	790	4.2%
Total property expenses	**$ 76,301**	**$ 74,449**	**$ 1,852**	2.5%
Same Store NOI	$ 85,539	$ 85,302	$ 237	0.3%
Non-Same Store NOI	34,682	25,625	9,057	35.3%
Total NOI (1)	**$120,221**	**$ 110,927**	**$ 9,294**	8.4%

(1) See "Property Net Operating Income" beginning on page 12 of our Annual Report for a reconciliation of same store NOI, non-same store NOI and Total NOI to net loss attributable to common stockholders and a discussion of how management uses this non-GAAP financial measure.

Financial Highlights

Financial Highlights: (in thousands)

For the Years Ended	2020	2019
Net Income (Loss)	$ 14,723	$ 29,119
Net Loss Attributable to Noncontrolling Interests	($ 15,917)	($ 7,624)
Net Loss Attributable to Common Stockholders	($ 44,674)	($ 19,751)
Total Assets	$2,489,937	$2,340,697
Total Liabilities	$1,609,469	$1,486,575
Stockholders' Equity	$ 58,406	$ 127,491
FFO Attributable to Common Stockholders and Unit Holders (1)	($ 26,668)	($ 8,032)
CFFO Attributable to Common Stockholders and Unit Holders (1)	$ 23,716	$ 25,413

(1) See "Non-GAAP Financial Measures" beginning on page 10 of this 2020 Annual Report for a discussion of how management uses these non-GAAP financial measures.

FINANCIAL PERFORMANCE AND INFORMATION

A copy of BRG's Annual Report on Form 10-K, filed with the Securities and Exchange Commission, is available without charge at www.sec.gov and at www.bluerockresidential.com or by written request to the Company at its corporate headquarters.

FORWARD LOOKING STATEMENTS

This Annual Report contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and other federal securities laws. These forward-looking statements are based on BRG's present expectations, but these statements are not guaranteed to occur.

Furthermore, BRG disclaims any obligation to publicly update or revise any forward-looking statement to reflect changes in underlying assumptions or factors, pertaining to new information, data or methods, future events or other changes. Investors should not place undue reliance on forward-looking statements. For further discussion of the factors that could affect outcomes, please refer to the risk factors set forth in Item 1A of the Company's Annual Report on Form 10-K filed by BRG with the U.S. Securities and Exchange Commission ("SEC") on February 23, 2021, and subsequent filings by BRG with the SEC. We claim the safe harbor protection for forward looking statements contained in the Private Securities Litigation Reform Act of 1995.

Financial Highlights Continued

NON-GAAP FINANCIAL MEASURES

This Annual Report includes certain non-GAAP financial measures that we believe are helpful in understanding our business, as further described below. Our definition and calculation of these non-GAAP financial measures may differ from those of other REITs, and may, therefore, not be comparable.

Funds from Operations ("FFO") and Core Funds from Operations ("CFFO") attributable to common stockholders and unit holders, are non-GAAP financial measures that are widely recognized as a measure of REIT operating performance. We consider FFO to be an appropriate supplemental measure of our operating performance as it is based on a net income analysis of property portfolio performance that excludes non-cash items such as depreciation. The historical accounting convention used for real estate assets requires straight-line depreciation of buildings and improvements, which implies that the value of real estate assets diminishes predictably over time. Since real estate values historically rise and fall with market conditions, presentations of operating results for a REIT, using historical accounting for depreciation, could be less informative. We define FFO, consistent with the National Association of Real Estate Investment Trusts, or ("NAREIT") definition, as net income (loss), computed in accordance with GAAP, excluding gains or losses from sales of depreciable real estate property, plus depreciation and amortization of real estate assets, plus impairment write-downs of certain real estate assets and investments in entities where the impairment is directly attributable to decreases in the value of depreciable real estate held by the entity, and after adjustments for unconsolidated partnerships and joint ventures. Adjustments for notes receivable, unconsolidated partnerships and joint ventures will be calculated to reflect FFO on the same basis.

CFFO makes certain adjustments to FFO, removing the effect of items that do not reflect ongoing property operations such as acquisition expenses, non-cash interest, unrealized gains or losses on derivatives, losses on extinguishment of debt and debt modification costs (includes prepayment penalties incurred and the write-off of unamortized deferred financing costs and fair market value adjustments of assumed debt), one-time weather-related costs, gains or losses on sales of non-depreciable real estate property, shareholder activism, stock compensation expense and preferred stock accretion. Commencing January 1, 2020, we did not deduct the accrued portion of the preferred income on our preferred equity investments from FFO to determine CFFO as the income is deemed fully collectible. The accrued portion of the preferred income totaled $0.3 million and $1.5 million for the three and twelve months ended December 31, 2020, respectively. We believe that CFFO is helpful to investors as a supplemental performance measure because it excludes the effects of certain items which can create significant earnings volatility, but which do not directly relate to our core recurring property operations. As a result, we believe that CFFO can help facilitate comparisons of operating performance between periods and provides a more meaningful predictor of future earnings potential.

Our calculation of CFFO differs from the methodology used for calculating CFFO by certain other REITs and, accordingly, our CFFO may not be comparable to CFFO reported by other REITs. Our management utilizes FFO and CFFO as measures of our operating performance after adjustment for certain non-cash items, such as depreciation and amortization expenses, and acquisition and pursuit costs that are required by GAAP to be expensed but may not necessarily be indicative of current operating performance and that may not accurately compare our operating performance between periods. Furthermore, although FFO and CFFO and other supplemental performance measures are defined in various ways throughout the REIT industry, we also believe that FFO and CFFO may provide us and our stockholders with an additional useful measure to compare our financial performance to certain other REITs.

Neither FFO nor CFFO is equivalent to net income (loss), including net income (loss) attributable to common stockholders, or cash generated from operating activities determined in accordance with GAAP. Furthermore, FFO and CFFO do not represent amounts available for management's discretionary use because of needed capital replacement or expansion, debt service obligations or other commitments or uncertainties. Neither FFO nor CFFO should be considered as an alternative to net income, including net income (loss) attributable to common stockholders, as an indicator of our operating performance or as an alternative to cash flow from operating activities as a measure of our liquidity.

Financial Highlights Continued

We have acquired six operating properties, made eight property investments through mezzanine loan, preferred equity interest or ground lease investments, sold six operating properties and received our full mezzanine loan or preferred equity in three investments subsequent to December 31, 2019. The results presented in the table below, therefore, are not directly comparable and should not be considered an indication of our future operating performance. The table below reconciles our calculations of FFO and CFFO to net loss attributable to common stockholders, the most directly comparable GAAP financial measure, for the three and twelve months ended December 31, 2020 and 2019 (in thousands, except per share amounts):

Reconciliation of FFO and CFFO Attributable to Common Stockholders (in thousands)	Three Months Ended December 31,		Year Ended December 31,	
	2020	2019	2020	2019
Net loss attributable to common stockholders	**$ (26,213)**	**$ (13,827)**	**$ (44,674)**	**$ (19,751)**
Add back: Net loss attributable to Operating Partnership units	(10,634)	(5,032)	(17,313)	(6,779)
Net loss attributable to common stockholders and unit holders	**(36,847)**	**(18,859)**	**(61,987)**	**(26,530)**
Common stockholders and Operating Partnership units pro-rata share of:				
Real estate depreciation and amortization	18,373	18,483	75,727	66,670
Provision of credit losses	16,369	-	16,369	-
Gain on sale of real estate investments	(1,417)		(56,777)	(48,172)
FFO Attributable to Common Stockholders and Unit Holders	**(3,522)**	**(376)**	**(26,668)**	**(8,032)**
Common stockholders and Operating Partnership units pro-rata share of:				
Acquisition and pursuit costs	219	210	4,152	556
Non-cash interest expense	701	826	3,025	3,174
Unrealized loss on derivatives	48	32	115	2,450
Loss on extinguishment of debt and debt modification costs	647	335	14,238	7,199
Weather-related losses, net	-	7	-	313
Non-real estate depreciation and amortization	122	121	486	448
Gain on sale of non-depreciable real estate investments	-	-	-	(679)
Shareholder activism	-	-	-	393
Other income, net	(351)	(68)	(400)	(68)
Non-cash preferred returns on unconsolidated real estate joint ventures	-	(353)	-	(1,291)
Non-cash equity compensation	3,329	2,506	11,917	10,615
Preferred stock accretion	4,873	3,415	16,851	10,335
CFFO Attributable to Common Shareholders and Unit Holders	**$ 6,066**	**$ 6,655**	**$ 23,716**	**$ 25,413**
Per Share and Unit Information:				
FFO Attributable to Common Shareholders and Unit Holders-diluted	**$ (0.11)**	**$ (0.01)**	**$ (0.81)**	**$ (0.26)**
CFFO Attributable to Common Shareholders and Unit Holders-diluted	**$ 0.18**	**$ 0.21**	**$ 0.72**	**$ 0.82**
Weighted average common shares and units outstanding-diluted	**32,994,897**	**31,455,630**	**33,116,871**	**30,889,927**

Financial Highlights Continued

Property Net Operating Income ("Property NOI")

We believe that net operating income, or NOI, is a useful measure of our operating performance. We define NOI as total property revenues less total property operating expenses, excluding depreciation and amortization and interest. Other REITs may use different methodologies for calculating NOI, and accordingly, our NOI may not be comparable to that of other REITs. We believe that this measure provides an operating perspective not immediately apparent from GAAP operating income or net income. We use NOI to evaluate our performance on a same store and non-same store basis because NOI measures the core operations of property performance by excluding corporate level expenses and other items not related to property operating performance and captures trends in rental housing and property operating expenses. Same store properties are conventional multifamily residential apartments which were owned and operational for the entire periods presented, including each comparative period. NOI should only be used as an alternative measure of our financial performance. The following table reflects net loss attributable to common stockholders together with a reconciliation to NOI and to same store and non-same store contributions to consolidated NOI, as computed in accordance with GAAP for the periods presented (unaudited and amounts in thousands):

	Three Months Ended December 31,		Year Ended December 31,	
	2020	**2019**	**2020**	**2019**
Net loss attributable to common stockholders	**$ (26,213)**	**$ (13,827)**	**$ (44,674)**	**$ (19,751)**
Add back: Net loss attributable to Operating Partnership units	(10,634)	(5,032)	(17,313)	(6,779)
Net loss attributable to common stockholders and unit holders	**(36,847)**	**(18,859)**	**(61,987)**	**(26,530)**
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Non-real estate depreciation and amortization	122	121	486	448
Non-cash interest expense	701	826	3,025	3,174
Unrealized loss on derivatives	48	32	115	2,450
Loss on extinguishment of debt and debt modification costs	647	335	14,238	7,199
Provision for credit losses	16,369	-	16,369	-
Property management fees	1,211	1,135	4,751	4,645
Acquisition and pursuit costs	219	210	4,152	556
Corporate operating expenses	6,490	5,545	23,770	22,261
Weather-related losses, net	-	7	-	313
Preferred dividends	15,676	12,868	58,463	46,159
Preferred stock accretion	4,873	3,415	16,851	10,335
Less common stockholders and Operating Partnership units pro-rata share of:				
Other income, net	25	68	74	68
Preferred returns on unconsolidated real estate joint ventures	3,037	2,700	11,381	9,797
Interest income from mezzanine loan & ground lease investments	6,177	6,720	23,326	24,595
Gain on sale of real estate investments	1,417	-	56,777	48,172
Gain on sale of non-depreciable real estate investments	-	-	-	679
Pro-rata share of properties' income	**17,226**	**14,630**	**64,402**	**54,369**
Add:				
Noncontrolling interest pro-rata share of partially owned property income	799	724	3,074	2,810
Total property income	**18,025**	**15,354**	**64,476**	**57,179**
Add:				
Interest expense	12,924	12,846	52,745	53,748
Net operating income	**30,949**	**28,200**	**120,221**	**110,927**
Less:				
Non-same store net operating income	5,403	2,717	34,682	25,625
Same store net operating income (1)	**$ 25,546**	**$ 25,483**	**$ 85,539**	**$ 85,302**

(1) Same store portfolio for the three months ended December 31, 2020 consists of 28 properties, which represent 9,958 units. Same store portfolio for the year ended December 31, 2020 consists of 24 properties, which represent 8,459 units.